

PIMCO HIGH INCOME FUND
Form N-Q
August 22, 2014

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

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-21311

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

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

10019
(Zip code)

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

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

Date of fiscal year end: March 31, 2015

Date of reporting period: June 30, 2014

Item 1. Schedule of Investments

Schedule of Investments

PIMCO High Income Fund

June 30, 2014 (unaudited)

| Principal Amount (000s) | | Value* |
|--|---|-------------|
| U.S. GOVERNMENT AGENCY SECURITIES - 44.4% | | |
| | Fannie Mae, | |
| \$54,453 | 2.50%, 9/25/27, CMO, IO | \$5,632,618 |
| 8,420 | 3.00%, 5/25/32, CMO, IO | 1,409,827 |
| 47,929 | 3.50%, 9/25/27 - 10/25/41, CMO, IO | 7,500,450 |
| 7,777 | 4.00%, 5/25/20 - 11/25/42, CMO, IO | 1,097,987 |
| 38,020 | 4.50%, 1/25/43 - 2/25/43, CMO, IO | 9,344,075 |
| 9,392 | 5.898%, 11/25/36, CMO, IO (k) | 1,287,843 |
| 2,908 | 5.998%, 9/25/42, CMO, IO (k) | 703,771 |
| 68,382 | 6.048%, 6/25/42 - 10/25/42, CMO, IO (k) | 12,505,628 |
| 11,468 | 6.098%, 8/25/41, CMO, IO (k) | 2,180,567 |
| 19,883 | 6.398%, 5/25/42, CMO, IO (k) | 3,946,481 |
| 85,654 | 6.448%, 10/25/43, CMO, IO (k) | 18,867,214 |
| 451,092 | 6.518%, 10/25/17 - 1/25/18, IO (k) | 46,490,403 |
| 14,922 | 6.528%, 1/25/37, CMO, IO (k) | 2,578,477 |
| 4,980 | 6.548%, 1/25/35, CMO, IO (k) | 706,432 |
| 2,071 | 9.696%, 10/25/41, CMO (b)(k) | 2,182,390 |
| 221 | 10.00%, 1/25/34, CMO (b)(k) | 277,442 |
| 27,325 | 11.595%, 8/25/43, CMO (b)(h)(k) | 29,282,894 |
| 5,239 | 15.392%, 5/25/43, CMO (b)(k) | 5,972,808 |
| 23,038 | 15.396%, 3/25/43 - 5/25/43, CMO (b)(k) | 25,322,311 |
| 10,569 | 20.016%, 11/25/43, CMO (b)(k) | 12,267,238 |
| | Freddie Mac, CMO, | |
| 5,475 | 2.50%, 7/15/42, IO | 755,078 |
| 95,559 | 3.00%, 12/15/42, IO | 20,110,748 |
| 34,812 | 3.50%, 12/15/26 - 1/15/43, IO | 6,627,975 |
| 7,341 | 4.00%, 8/15/20 - 8/15/42, IO | 1,227,570 |
| 1,934 | 4.50%, 10/15/37, IO | 264,116 |
| 3,489 | 5.00%, 6/15/33, IO (k) | 598,041 |
| 2,219 | 5.848%, 8/15/42, IO (k) | 480,912 |
| 2,352 | 5.948%, 7/15/35, IO (k) | 364,098 |
| 49,748 | 5.998%, 10/15/42, IO (k) | 10,095,481 |
| 10,726 | 6.048%, 9/15/41 - 2/15/42, IO (k) | 2,000,456 |
| 68,292 | 6.348%, 4/15/42, IO (k) | 14,851,137 |
| 44,414 | 6.388%, 2/15/42, IO (k) | 8,665,288 |
| 14,095 | 6.468%, 11/15/36, IO (k) | 2,330,171 |
| 44,049 | 6.498%, 2/15/41 - 5/15/41, IO (k) | 8,198,246 |
| 6,526 | 6.548%, 7/15/42, IO (k) | 1,517,783 |
| 1,401 | 6.988%, 8/15/36, IO (k) | 264,366 |
| 11,683 | 8.557%, 12/15/40 (b)(k) | 11,370,239 |
| 25,326 | 9.556%, 1/15/41 (b)(h)(k) | 25,621,495 |

Edgar Filing: PIMCO HIGH INCOME FUND - Form N-Q

| | | |
|--|------------------------------------|-------------|
| 32,153 | 9.698%, 11/15/40 (b)(h)(k) | 33,896,605 |
| 22,378 | 11.464%, 12/15/40 - 8/15/43 (b)(k) | 23,628,727 |
| 103,771 | 11.597%, 12/15/43 (b)(h)(k) | 109,934,268 |
| 34,328 | 11.597%, 12/15/43 - 3/15/44 (b)(k) | 35,769,735 |
| 31,479 | 11.729%, 4/15/43 (b)(h)(k) | 34,782,524 |
| 20,581 | 11.862%, 7/15/36 (b)(h)(k) | 21,929,079 |
| 104 | 12.697%, 5/15/33 (b)(k) | 123,162 |
| | Ginnie Mae, CMO, | |
| 41,206 | 3.50%, 1/20/42 - 3/20/43, IO | 6,149,698 |
| 50,709 | 4.00%, 3/20/42 - 3/20/43, IO | 8,209,222 |
| 93,919 | 4.50%, 1/20/36 - 7/20/42, IO | 19,562,036 |
| 818 | 5.00%, 9/20/42, IO | 172,993 |
| 6,502 | 5.977%, 10/20/41, IO (k) | 938,246 |
| 125,895 | 5.997%, 10/20/41, IO (k) | 19,527,789 |
| 8,738 | 6.048%, 10/16/42, IO (k) | 1,566,295 |
| 30,515 | 6.097%, 2/20/42, IO (k) | 5,317,374 |
| 7,217 | 6.497%, 1/20/41, IO (k) | 1,451,184 |
| 12,685 | 6.548%, 5/16/42, IO (k) | 2,610,482 |
| 3,737 | 7.227%, 11/20/36, IO (k) | 732,376 |
| 51,389 | 8.463%, 4/20/39 (b)(h)(k) | 59,267,117 |
| 60,834 | 8.596%, 8/20/39 (b)(h)(k) | 69,748,187 |
| 15,000 | 9.197%, 2/16/41 (b)(k) | 16,282,212 |
| 3,121 | 11.592%, 2/20/44 (b)(k) | 3,276,165 |
| 5,454 | 11.597%, 1/16/44 (b)(k) | 5,612,911 |
| 7,364 | 12.00%, 12/20/39 (b)(e)(k) | 7,791,051 |
| 3,406 | 13.27%, 12/20/39 (b)(k) | 3,607,582 |
| 3,857 | 13.28%, 12/20/39 (b)(e)(k) | 4,120,325 |
| 6,055 | 13.43%, 12/20/39 (b)(k) | 6,432,511 |
| 10,023 | 14.541%, 12/20/40 (b)(k) | 12,831,037 |
| 7,147 | 20.017%, 12/16/43 (b)(k) | 7,823,424 |
| Total U.S. Government Agency Securities (cost-\$809,782,572) | | 827,994,373 |

Edgar Filing: PIMCO HIGH INCOME FUND - Form N-Q

| | | |
|--|--|-------------|
| CORPORATE BONDS & NOTES - 21.5% | | |
| Airlines - 0.0% | | |
| 3,930 | American Airlines Pass-Through Trust, 10.18%, 1/2/13 (b)(d)(e) | 39,295 |
| Auto Manufacturers - 0.6% | | |
| 9,100 | Ford Motor Co., 7.70%, 5/15/97 (h) | 10,876,748 |
| Banking - 6.9% | | |
| 16,000 | Banco Popular Espanol S.A., 11.50%, 10/10/18 (f) | 26,454,882 |
| \$10,700 | Barclays Bank PLC, 7.625%, 11/21/22 (h) | 12,198,000 |
| | Barclays PLC (f), | |
| 3,000 | 8.00%, 12/15/20 | 4,494,044 |
| \$2,000 | 8.25%, 12/15/18 | 2,124,000 |
| 5,000 | BPCE S.A., 12.50%, 9/30/19 (a)(b)(c)(f)(h)(i) (acquisition cost - \$6,412,500; purchased 3/12/14) | 6,900,000 |
| 3,000 | Citigroup, Inc., 6.125%, 8/25/36 (h) | 3,459,222 |
| 4,000 | Credit Agricole S.A., 7.875%, 1/23/24 (f) | 4,375,000 |
| | LBG Capital No. 1 PLC, | |
| 1,885 | 7.375%, 3/12/20 (h) | 2,816,272 |
| \$2,000 | 8.50%, 12/17/21 (a)(c)(f) | 2,213,596 |
| | LBG Capital No. 2 PLC, | |
| £284 | 9.00%, 12/15/19 | 516,415 |
| 5,500 | 9.125%, 7/15/20 | 9,949,034 |
| \$30,800 | Lloyds Bank PLC, 12.00%, 12/16/24 (a)(b)(c)(f)(h)(i) (acquisition cost - \$32,316,500; purchased 8/3/10 - 2/28/12) | 44,968,000 |
| 7,500 | Sberbank of Russia Via SB Capital S.A., 6.125%, 2/7/22 (a)(c)(h) | 8,053,125 |
| | | 128,521,590 |
| Chemicals - 0.2% | | |
| 2,000 | Perstorp Holding AB, 9.00%, 5/15/17 | 3,012,461 |
| Diversified Financial Services - 5.6% | | |
| \$27,410 | AGFC Capital Trust I, 6.00%, 1/15/67 (converts to FRN on 1/15/17) (a)(c)(h) | 23,709,650 |
| 5,300 | Ally Financial, Inc., 6.25%, 12/1/17 (h) | 5,936,000 |
| 13,300 | GMAC International Finance BV, 7.50%, 4/21/15 | 19,135,755 |
| \$8,462 | GSPA Monetization Trust, 6.422%, 10/9/29 (a)(b)(c)(h)(i) (acquisition cost - \$8,361,182; purchased 9/23/13) | 8,782,583 |
| 18,000 | International Lease Finance Corp., 6.98%, 10/15/18 (e)(k) | 18,029,557 |
| 28,300 | Rio Oil Finance Trust, 6.25%, 7/6/24 (a)(b)(c)(h)(i) (acquisition cost - \$28,299,434; purchased 6/12/14) | 29,753,998 |
| | | 105,347,543 |
| Electric Utilities - 0.2% | | |
| 3,820 | Bruce Mansfield Unit, 6.85%, 6/1/34 (h) | 4,202,265 |
| 337 | GenOn REMA LLC, 9.237%, 7/2/17 | 355,472 |
| | | 4,557,737 |
| Home Builders - 1.0% | | |
| 20,794 | Hampton Roads PPV LLC, 6.621%, 6/15/53 (a)(b)(c)(e)(i) (acquisition cost - \$17,548,130; purchased 2/11/14) | 18,639,370 |
| Insurance - 1.5% | | |
| 2,518 | American International Group, Inc., 6.25%, 3/15/87 (converts to FRN on 3/15/37) (h) | 2,829,602 |
| 25,000 | Doctors Co., 6.50%, 10/15/23 (a)(c)(h) | 25,543,075 |
| | | 28,372,677 |
| Iron/Steel - 0.3% | | |
| 4,500 | GTL Trade Finance, Inc., 7.25%, 4/16/44 (a)(c)(h) | 4,752,000 |

Edgar Filing: PIMCO HIGH INCOME FUND - Form N-Q

Media - 1.2%

| | | |
|--------|-----------------------------------|------------|
| | Numericable Group S.A. (a)(c)(h), | |
| 1,900 | 6.00%, 5/15/22 | 1,978,375 |
| 18,900 | 6.25%, 5/15/24 | 19,750,500 |
| | | 21,728,875 |

Oil, Gas & Consumable Fuels - 0.4%

| | | |
|-------|---|-----------|
| 5,700 | Anadarko Petroleum Corp., 7.00%, 11/15/27 (h) | 6,753,155 |
| 337 | CGG S.A., 7.75%, 5/15/17 | 342,897 |
| | | 7,096,052 |

Real Estate - 0.4%

| | | |
|-------|---|-----------|
| 4,996 | Midwest Family Housing LLC, 6.631%, 1/1/51 (CIFG) (a)(b)(c)(e)(i) (acquisition cost - \$4,016,470; purchased 9/25/12) | 3,907,802 |
| 4,735 | Tri-Command Military Housing LLC, 5.383%, 2/15/48 (NPFGC) (a)(b)(c)(i) (acquisition cost - \$3,993,906; purchased 9/19/12) | 4,201,721 |
| | | 8,109,523 |

Edgar Filing: PIMCO HIGH INCOME FUND - Form N-Q

| | | |
|--|--|-------------|
| Telecommunications - 1.5% | | |
| 1,122 | CenturyLink, Inc., 7.20%, 12/1/25 (h) | 1,180,905 |
| 15,200 | Mountain States Telephone & Telegraph Co., 7.375%, 5/1/30 (h) | 17,288,106 |
| 6,000 | Telefonica Europe BV, 6.50%, 9/18/18 (f) | 9,069,012 |
| | | 27,538,023 |
| Transportation - 1.7% | | |
| £17,500 | Russian Railways via RZD Capital PLC, 7.487%, 3/25/31 (h) | 32,195,709 |
| Total Corporate Bonds & Notes (cost-\$350,686,443) | | 400,787,603 |
| MUNICIPAL BONDS - 17.0% | | |
| California - 6.0% | | |
| \$2,000 | Anaheim Redev. Agcy., Tax Allocation, GO, 6.506%, 2/1/31, Ser. D (AGM) | 2,226,160 |
| 1,100 | City & Cnty. of San Francisco, Capital Improvement Projects, CP, 6.487%, 11/1/41, Ser. D | 1,335,026 |
| 35,500 | Contra Costa Community College Dist., GO, 6.504%, 8/1/34 | 42,501,665 |
| 200 | Golden State Tobacco Securitization Corp. Rev., 5.00%, 6/1/35, Ser. A (FGIC) | 206,308 |
| 4,200 | 5.75%, 6/1/47, Ser. A-1 | 3,340,344 |
| 3,425 | Long Beach Redev. Agcy., Tax Allocation, 8.36%, 8/1/40 | 3,663,414 |
| 6,665 | Los Angeles Department of Water & Power Rev., 7.003%, 7/1/41 | 7,657,418 |
| 15,100 | Oakland Unified School Dist., Alameda Cnty., GO, 9.50%, 8/1/34 | 17,833,402 |
| 1,500 | Sacramento Cnty. Rev., 7.25%, 8/1/25 | 1,747,680 |
| | San Diego Redev. Agcy., Tax Allocation, Ser. A, 7.625%, 9/1/30 | 8,031,600 |
| 7,500 | 7.75%, 9/1/40 | 6,941,870 |
| 6,500 | San Diego Tobacco Settlement Funding Corp. Rev., 7.125%, 6/1/32 | 300,883 |
| 305 | State, GO, 7.70%, 11/1/30 | 7,406,760 |
| 6,000 | State Public Works Board Rev., 8.00%, 3/1/35, Ser. A-2 | 8,438,045 |
| 7,070 | | 111,630,575 |
| Colorado - 0.1% | | |
| 1,000 | Upper Eagle Regional Water Auth. Rev., 6.518%, 12/1/39, Ser. B | 1,081,480 |
| District of Columbia - 0.5% | | |
| 7,500 | District of Columbia Howard Univ. Rev., 7.625%, 10/1/35, Ser. B | 8,546,250 |
| Georgia - 0.1% | | |
| 1,665 | Municipal Electric Auth. of Georgia Rev., 7.055%, 4/1/57 | 1,890,075 |
| Illinois - 2.8% | | |
| | Chicago, GO, 6.257%, 1/1/40, Ser. D | 11,126,940 |
| 11,000 | 7.517%, 1/1/40, Ser. B | 41,564,479 |
| 34,805 | | 52,691,419 |
| Nebraska - 1.1% | | |
| 18,500 | Public Power Generation Agcy. Rev., 7.242%, 1/1/41 | 20,966,605 |
| Nevada - 1.3% | | |
| 20,000 | Las Vegas Valley Water Dist., GO, 7.263%, 6/1/34 | 21,730,000 |
| 3,900 | North Las Vegas, GO, 6.572%, 6/1/40 | 3,332,823 |
| | | 25,062,823 |
| New Jersey - 0.0% | | |
| 700 | Tobacco Settlement Financing Corp. Rev., 5.00%, 6/1/41, Ser. 1-A | 521,248 |
| New York - 0.2% | | |
| 3,825 | Erie Tobacco Asset Securitization Corp. Rev., 6.00%, 6/1/28, Ser. E | 3,555,491 |

Edgar Filing: PIMCO HIGH INCOME FUND - Form N-Q

| | | | |
|----------------------------|--|--|------------|
| Ohio - 1.1% | | | |
| 20,000 | | Princeton City School Dist., GO, 6.39%, 12/1/47, Ser. C | 20,249,400 |
| Pennsylvania - 2.6% | | | |
| 8,800 | | Economic Dev. Financing Auth. Rev., 6.532%, 6/15/39, Ser. B | 10,034,288 |
| 5,115 | | Northampton Cnty. General Purpose Auth. Rev., 5.902%, 11/1/53, Ser. B | 5,321,032 |
| | | School Dist. of Philadelphia, GO, | |
| 7,000 | | 6.615%, 6/1/30 | 7,262,430 |
| 25,000 | | 6.765%, 6/1/40 | 26,105,750 |
| | | | 48,723,500 |
| Texas - 0.4% | | | |
| 7,535 | | El Paso Downtown Dev. Corp. Rev., 7.25%, 8/15/43 (b) | 8,144,958 |
| Washington - 0.5% | | | |
| 8,000 | | Spokane Cnty. Wastewater System Rev., 6.474%, 12/1/29 | 9,026,240 |

Edgar Filing: PIMCO HIGH INCOME FUND - Form N-Q

Wisconsin - 0.3%

| | | |
|--|--|-------------|
| 5,690 | Green Bay Redev. Auth. Rev., 6.15%, 6/1/43 (b) | 6,037,943 |
| Total Municipal Bonds (cost-\$295,818,107) | | 318,128,007 |

MORTGAGE-BACKED SECURITIES - 12.5%

| | | |
|--------|---|------------|
| 7,184 | Alternative Loan Trust, 6.00%, 8/25/36, CMO | 6,548,478 |
| 1,407 | American Home Mortgage Assets Trust, 6.25%, 6/25/37, CMO | 965,245 |
| 15,436 | Banc of America Alternative Loan Trust, CMO, 5.448%, 6/25/46, IO (k) | 2,225,017 |
| 6,868 | 6.00%, 3/25/36 | 5,193,204 |
| 122 | 6.00%, 6/25/46 (k) | 104,195 |
| 1,096 | Banc of America Funding Trust, 6.00%, 7/25/37, CMO | 846,223 |
| 47 | Banc of America Mortgage Trust, 2.694%, 2/25/36, CMO (k) BCAP LLC Trust, CMO (a)(c), | 40,746 |
| 3,606 | 5.208%, 3/26/37 (k) | 1,262,226 |
| 9,004 | 13.50%, 10/26/36 | 7,330,827 |
| 8,896 | 14.369%, 9/26/36 | 7,702,590 |
| 3,133 | 17.086%, 6/26/36 (k) | 849,686 |
| 645 | Bear Stearns Adjustable Rate Mortgage Trust, CMO (k), 2.936%, 5/25/47 | 551,704 |
| 261 | 5.184%, 11/25/34 | 257,896 |
| 43 | Chase Mortgage Finance Trust, CMO, 2.519%, 12/25/35 (k) | 39,699 |
| 14 | 5.50%, 5/25/36 | 13,138 |
| 251 | 5.647%, 9/25/36 (k) | 231,604 |
| 7,854 | CHL Mortgage Pass-Through Trust, 5.198%, 12/25/36, CMO, IO (k) | 1,082,676 |
| 289 | Citigroup Mortgage Loan Trust, Inc., CMO, 2.747%, 7/25/37 (k) | 260,507 |
| 169 | 3.684%, 7/25/46 (k) | 138,201 |
| 1,505 | 5.72%, 8/25/37 (k) | 1,298,069 |
| 4,971 | 6.50%, 9/25/36 (a)(c) | 3,708,421 |
| 951 | CitiMortgage Alternative Loan Trust, CMO, 6.00%, 12/25/36 | 833,313 |
| 272 | 6.00%, 6/25/37 | 233,395 |
| 610 | Countrywide Alternative Loan Trust, CMO, 0.402%, 12/25/35 (k) | 753,512 |
| 566 | 2.664%, 2/25/37 (k) | 506,116 |
| 1,819 | 3.465%, 7/25/46 (k) | 1,718,642 |
| 10,858 | 4.848%, 4/25/35, IO (k) | 1,253,623 |
| 964 | 5.112%, 7/25/21 (k) | 926,398 |
| 529 | 5.50%, 3/25/36 | 435,549 |
| 4,560 | 6.00%, 3/25/36 | 3,880,112 |
| 8,579 | 6.00%, 5/25/36 | 7,075,167 |
| 405 | 6.00%, 11/25/36 | 344,998 |
| 9,979 | 6.00%, 2/25/37 | 7,799,661 |
| 8,034 | 6.00%, 3/25/37 | 6,600,248 |
| 10,298 | 6.00%, 5/25/37 | 8,617,519 |
| 3,386 | 6.00%, 2/25/47 | 2,712,442 |
| 5,422 | 6.25%, 12/25/36 (k) | 4,540,692 |
| 482 | 6.25%, 8/25/37 | 399,530 |
| 1,587 | 6.50%, 6/25/36 | 1,268,042 |
| 8,959 | 6.50%, 9/25/37 | 7,343,184 |
| 12,016 | 6.50%, 11/25/37 | 10,229,239 |
| 946 | Countrywide Home Loan Mortgage Pass-Through Trust, CMO, 2.514%, 9/20/36 (k) | 704,107 |
| 108 | 2.666%, 9/25/47 (k) | 96,740 |
| 2,388 | 5.75%, 6/25/37 | 2,206,201 |

Edgar Filing: PIMCO HIGH INCOME FUND - Form N-Q

| | | |
|--------|---|------------|
| 575 | 6.00%, 4/25/37 | 528,631 |
| 8,957 | 6.00%, 5/25/37 | 7,827,794 |
| 4,137 | 6.00%, 7/25/37 | 3,545,561 |
| 2,401 | 6.25%, 9/25/36 | 2,122,302 |
| 3,739 | Credit Suisse First Boston Mortgage Securities Corp., 6.00%, 1/25/36, CMO | 2,967,835 |
| | Credit Suisse Mortgage Capital Certificates Mortgage-Backed Trust, CMO, | |
| 5,864 | 5.863%, 2/25/37 (k) | 3,215,273 |
| 2,018 | 6.50%, 10/25/21 | 1,810,665 |
| 2,446 | Deutsche ALT-B Securities Mortgage Loan Trust, 5.945%, 2/25/36, CMO | 1,996,605 |
| 3,564 | First Horizon Alternative Mortgage Securities Trust, 6.00%, 5/25/36, CMO | 3,050,279 |
| 1,990 | GMAC Commercial Mortgage Asset Corp., 6.107%, 8/10/52 (a)(b)(c)(i) (acquisition cost - \$2,084,165; purchased 6/27/14) | 2,084,165 |
| | Harborview Mortgage Loan Trust, CMO (k), | |
| 850 | 2.471%, 8/19/36 | 625,631 |
| 65 | 4.882%, 8/19/36 | 60,646 |
| 3,777 | IndyMac Index Mortgage Loan Trust, 2.849%, 5/25/37, CMO (k) | 2,668,039 |
| 13,183 | JPMorgan Alternative Loan Trust, 2.585%, 3/25/37, CMO (k) | 10,397,013 |
| | JPMorgan Mortgage Trust, CMO, | |
| 577 | 2.644%, 1/25/37 (k) | 507,719 |
| 592 | 5.75%, 1/25/36 | 552,558 |
| 36,455 | 6.468%, 1/25/37, IO (k) | 7,652,970 |

Edgar Filing: PIMCO HIGH INCOME FUND - Form N-Q

| | | |
|---|--|-------------|
| 205 | Merrill Lynch Mortgage-Backed Securities Trust, 3.049%, 4/25/37, CMO (k) | 174,602 |
| 2,959 | Morgan Stanley Mortgage Loan Trust, 6.00%, 10/25/37, CMO | 2,423,206 |
| 9,800 | RBSSP Resecuritization Trust, 49.921%, 6/26/37, CMO (a)(c)(k) | 5,951,501 |
| | Residential Accredit Loans, Inc., CMO, | |
| 7,054 | 6.00%, 4/25/36 | 5,868,636 |
| 3,015 | 6.00%, 6/25/36 | 2,464,039 |
| 7,230 | 6.00%, 12/25/36 | 5,737,617 |
| 2,684 | 6.50%, 7/25/37 | 2,269,825 |
| | Residential Asset Securitization Trust, CMO, | |
| 1,567 | 6.00%, 9/25/36 | 1,052,602 |
| 956 | 6.25%, 10/25/36 | 809,553 |
| 6,965 | 6.25%, 9/25/37 | 4,835,170 |
| 1,136 | 6.50%, 8/25/36 | 799,663 |
| 3,759 | Residential Funding Mortgage Securities I, 6.25%, 8/25/36, CMO | 3,445,656 |
| 110 | Sequoia Mortgage Trust, 2.366%, 1/20/47, CMO (k) | 96,201 |
| | Structured Adjustable Rate Mortgage Loan Trust, CMO (k), | |
| 1,264 | 2.77%, 4/25/47 | 1,021,863 |
| 331 | 5.052%, 1/25/36 | 256,293 |
| | WaMu Mortgage Pass-Through Certificates, CMO (k), | |
| 205 | 1.85%, 1/25/37 | 182,219 |
| 178 | 1.947%, 4/25/37 | 156,464 |
| 1,655 | 2.049%, 11/25/36 | 1,466,919 |
| 134 | 2.054%, 12/25/36 | 117,560 |
| 366 | 2.193%, 2/25/37 | 305,602 |
| 399 | 2.311%, 2/25/37 | 341,389 |
| 280 | 2.776%, 5/25/37 | 239,126 |
| | Washington Mutual Mortgage Pass-Through Certificates, CMO, | |
| 231 | 0.883%, 4/25/47 (k) | 10,347 |
| 8,753 | 6.00%, 7/25/36 | 6,788,704 |
| 13,979 | 6.00%, 6/25/37 | 11,771,480 |
| 11,262 | 6.50%, 3/25/36 | 8,020,693 |
| 18,643 | 6.528%, 4/25/37, IO (k) | 4,721,807 |
| 166 | Wells Fargo Mortgage-Backed Securities Trust, 2.702%, 9/25/36, CMO (k) | 156,486 |
| Total Mortgage-Backed Securities (cost-\$219,255,126) | | 234,227,691 |

ASSET-BACKED SECURITIES - 2.3%

| | | |
|---|--|------------|
| | Argent Securities, Inc. Asset-Backed Pass-Through Certificates, | |
| 2,852 | 0.382%, 1/25/36 (k) | 1,923,625 |
| 13,700 | Countrywide Asset-Backed Certificates, 5.255%, 7/25/36 | 9,518,007 |
| 3,131 | GSAA Home Equity Trust, 5.772%, 11/25/36 (k) | 1,947,958 |
| | GSAA Trust, | |
| 4,865 | 5.80%, 3/25/37 | 2,769,712 |
| 3,480 | 5.917%, 3/25/37 (k) | 1,824,731 |
| 9,491 | 5.983%, 3/25/37 | 5,875,862 |
| 3,845 | JPMorgan Mortgage Acquisition Trust, 4.964%, 1/25/37 | 3,067,793 |
| | Morgan Stanley Mortgage Loan Trust, | |
| 1,036 | 5.75%, 11/25/36 (k) | 574,248 |
| 11,643 | 5.965%, 9/25/46 | 8,039,962 |
| 2,052 | 6.25%, 7/25/47 (k) | 1,537,106 |
| 8,942 | Renaissance Home Equity Loan Trust, 6.998%, 9/25/37 | 5,971,261 |
| 364 | Washington Mutual Asset-Backed Certificates, 0.302%, 5/25/36 (k) | 248,163 |
| Total Asset-Backed Securities (cost-\$39,811,717) | | 43,298,428 |

Shares

PREFERRED STOCK - 1.7%

Edgar Filing: PIMCO HIGH INCOME FUND - Form N-Q

| | | |
|--|--|------------------------|
| Banking - 0.7% | | |
| 455,000 | GMAC Capital Trust I, 8.125%, 2/15/16, Ser. 2 (j) | 12,421,500 |
| Diversified Financial Services - 1.0% | | |
| 15,400 | Farm Credit Bank, 10.00%, 12/15/20, Ser. 1 (f) | 18,686,938 |
| Total Preferred Stock (cost-\$30,616,425) | | 31,108,438 |
| Principal Amount (000s) | | |
| SHORT-TERM INVESTMENTS - 0.6% | | |
| Repurchase Agreements - 0.6% | | |
| \$10,400 | Morgan Stanley & Co., Inc., dated 6/30/14, 0.15%, due 7/1/14, proceeds \$10,400,043; collateralized by U.S. Treasury Bonds, 3.125%, due 2/15/42, valued at \$10,627,092 including accrued interest (cost-\$10,400,000) | 10,400,000 |
| U.S. Treasury Obligations - 0.0% | | |
| 260 | U.S. Treasury Bills, 0.03%, 8/21/14 (g)(l) (cost-\$259,989) | 259,989 |
| Total Short-Term Investments (cost-\$10,659,989) | | 10,659,989 |
| Total Investments (cost-\$1,756,630,379) (m)-100.0% | | \$1,866,204,529 |

Notes to Schedule of Investments:

* Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. Market value is generally determined on the basis of last reported sales prices, or if no sales are reported, on the basis of quotes obtained from a quotation reporting system, established market makers, or independent pricing services. The Fund's investments are valued daily using prices supplied by an independent pricing service or dealer quotations, or by using the last sale price on the exchange that is the primary market for such securities, or the mean between the last quoted bid and ask price. Independent pricing services use information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics. Centrally cleared swaps are valued at the price determined by the relevant exchange.

The Board of Trustees (the Board) has adopted procedures for valuing portfolio securities and other financial instruments in circumstances where market quotes are not readily available, and has delegated the responsibility for applying the valuation methods to Allianz Global Investors Fund Management LLC (the Investment Manager) and Pacific Investment Management Company LLC (the Sub-Adviser). The Fund's Valuation Committee was established by the Board to oversee the implementation of the Fund's valuation methods and to make fair value determinations on behalf of the Board, as instructed. The Sub-Adviser monitors the continued appropriateness of methods applied and determines if adjustments should be made in light of market changes, events affecting the issuer, or other factors. If the Sub-Adviser determines that a valuation method may no longer be appropriate, another valuation method may be selected, or the Valuation Committee will be convened to consider the matter and take any appropriate action in accordance with procedures set forth by the Board. The Board shall review the appropriateness of the valuation methods and these methods may be amended or supplemented from time to time by the Valuation Committee.

Benchmark pricing procedures are used as the basis for setting the base price of a fixed-income security and for subsequently adjusting the price proportionally to market value changes of a pre-determined security deemed to be comparable in duration, generally a U.S. Treasury or sovereign note based on country of issuance. The base price may be a broker-dealer quote, transaction price, or an internal value as derived by analysis of market data. The base price of the security may be reset on a periodic basis based on the availability of market data and procedures approved by the Valuation Committee. The validity of the fair value is reviewed by the Sub-Adviser on a periodic basis and may be amended as the availability of market data indicates a material change.

Short-term securities maturing in 60 days or less are valued at amortized cost, if their original term to maturity was 60 days or less, or by amortizing premium or discount based on their value on the 61st day prior to maturity, if the original term to maturity exceeded 60 days.

Investments initially valued in currencies other than the U.S. dollar are converted to the U.S. dollar using exchange rates obtained from pricing services. As a result, the net asset value (NAV) of the Fund's shares may be affected by changes in the value of currencies in relation to the U.S. dollar. The value of securities traded in markets outside the United States or denominated in currencies other than the U.S. dollar may be affected significantly on a day that the New York Stock Exchange (NYSE) is closed.

The prices used by the Fund to value investments may differ from the value that would be realized if the investments were sold, and these differences could be material. The Fund's NAV is normally determined as of the close of regular trading (normally, 4:00 p.m. Eastern time) on the NYSE on each day the NYSE is open for business.

(a) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$232,043,211, representing 12.4% of total investments.

Edgar Filing: PIMCO HIGH INCOME FUND - Form N-Q

(b) Illiquid.

(c) 144A Exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, typically only to qualified institutional buyers. Unless otherwise indicated, these securities are not considered to be illiquid.

(d) In default.

(e) Fair-Valued Securities with an aggregate value of \$52,527,400, representing 2.8% of total investments.

(f) Perpetual maturity. The date shown, if any, is the next call date. For Corporate Bonds & Notes the interest rate is fixed until the first call date and variable thereafter.

(g) All or partial amount segregated for the benefit of the counterparty as collateral for derivatives.

(h) All or partial amount transferred for the benefit of the counterparty as collateral for reverse repurchase agreements.

(i) Restricted. The aggregate acquisition cost of such securities is \$103,032,287. The aggregate value is \$119,237,639, representing 6.4% of total investments.

(j) Dividend rate is fixed until the first call date and variable thereafter.

(k) Variable or Floating Rate Security Securities with an interest rate that changes periodically. The interest rate disclosed reflects the rate in effect on June 30, 2014.

(l) Rates reflect the effective yields at purchase date.

(m) At June 30, 2014, the cost basis of portfolio securities of \$1,756,630,379 was substantially the same for both federal income tax and book purposes. Gross unrealized appreciation was \$121,567,743; gross unrealized depreciation was \$11,993,593; and net unrealized appreciation was \$109,574,150.

Edgar Filing: PIMCO HIGH INCOME FUND - Form N-Q

(n) Credit default swap agreements outstanding at June 30, 2014:

OTC sell protection swap agreements(1):

| Swap Counterparty/ Referenced Debt Issuer | Notional Amount (000s)(3) | Credit Spread(2) | Termination Date | Payments Received | Value(4) | Upfront Premiums Paid (Received) | Unrealized Appreciation |
|--|---------------------------------|---------------------|---------------------|----------------------|------------|---|----------------------------|
| Barclays Bank: | | | | | | | |
| Mexico Government International Bond | \$5,000 | 1.12% | 6/20/24 | 1.00% | \$(50,378) | \$(139,637) | \$89,259 |
| Citigroup: | | | | | | | |
| Mexico Government International Bond | 10,000 | 1.12% | 6/20/24 | 1.00% | (100,757) | (304,091) | 203,334 |
| HSBC Bank: | | | | | | | |
| Mexico Government International Bond | 10,000 | 1.12% | 6/20/24 | 1.00% | (100,756) | (295,829) | 195,073 |
| Morgan Stanley: | | | | | | | |
| Mexico Government International Bond | 25,000 | 0.63% | 6/20/19 | 1.00% | 449,229 | 171,438 | 277,791 |
| | | | | | \$197,338 | \$(568,119) | \$765,457 |

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

(2) Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements as of year/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) This represents the maximum potential amount the Fund could be required to make available 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 quoted market prices and resulting values for credit default swap agreements serve as an indicator of the status at June 30, 2014 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 have been closed/sold as of the period end. Increasing market values, in absolute terms when compared to the notional amount of the swap, represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

Edgar Filing: PIMCO HIGH INCOME FUND - Form N-Q

(o) Interest rate swap agreements outstanding at June 30, 2014:

OTC swap agreements:

| Swap Counterparty | Notional Amount (000s) | Termination Date | Rate Type Payments Made | Payments Received | Value | Upfront Premiums Paid (Received) | Unrealized Appreciation |
|-------------------------------------|------------------------|------------------|----------------------------|-------------------|-------------|----------------------------------|-------------------------|
| Bank of America | \$404,700 | 7/15/19 | 3-Month USD-LIBOR | 2.10% | \$1,913,426 | \$239,096 | \$1,674,330 |
| Morgan Stanley | 1,000,000 | 8/20/19 | 3-Month USD-LIBOR | 1.90% | 2,042,569 | (296,428) | 2,338,997 |
| Morgan Stanley | MXN560,000 | 4/5/34 | 3-Month USD-LIBOR | 7.58% | 3,219,536 | (8,991) | 3,228,527 |
| Nomura Global Financial Products | \$404,500 | 7/15/19 | 3-Month USD-LIBOR | 2.10% | 1,912,481 | 353,621 | 1,558,860 |
| | | | | | \$9,088,012 | \$287,298 | \$8,800,714 |

Edgar Filing: PIMCO HIGH INCOME FUND - Form N-Q

Centrally cleared swap agreements:

| Broker (Exchange) | Notional Amount (000s) | Termination Date | Payments Made | Rate Type | Payments Received | Value | Unrealized Appreciation (Depreciation) |
|---------------------|------------------------|------------------|---------------|-----------|-------------------|----------------|--|
| Goldman Sachs (CME) | \$700,000 | 9/17/43 | 3.75% | | 3-Month USD-LIBOR | \$(56,144,949) | \$(14,304,876) |
| Goldman Sachs (CME) | 700,000 | 6/19/44 | 3.50% | | 3-Month USD-LIBOR | 27,449,168 | 38,110,960 |
| | | | | | | \$(28,695,781) | \$23,806,084 |

(p) Forward foreign currency contracts outstanding at June 30, 2014:

| | Counterparty | U.S.\$ Value on Origination Date | U.S.\$ Value June 30, 2014 | Unrealized Appreciation (Depreciation) |
|---|------------------------------|----------------------------------|----------------------------|--|
| Purchased: | | | | |
| 224,750 Brazilian Real settling 7/2/14 | Bank of America | \$100,000 | \$101,720 | \$1,720 |
| 449,350 Brazilian Real settling 7/2/14 | BNP Paribas | 200,000 | 203,372 | 3,372 |
| 584,270 Brazilian Real settling 7/2/14 | BNP Paribas | 265,275 | 264,435 | (840) |
| 1,033,620 Brazilian Real settling 8/4/14 | BNP Paribas | 460,348 | 463,434 | 3,086 |
| 1,801,672 Brazilian Real settling 7/2/14 | JPMorgan Chase | 804,857 | 815,421 | 10,564 |
| 359,520 Brazilian Real settling 7/2/14 | UBS | 160,001 | 162,716 | 2,715 |
| 1,442,152 Brazilian Real settling 7/2/14 | UBS | 654,779 | 652,705 | (2,074) |
| 8,796,000 British Pound settling 7/2/14 | Bank of America | 14,930,630 | 15,053,473 | 122,843 |
| 747,000 British Pound settling 7/2/14 | JPMorgan Chase | 1,253,694 | 1,278,416 | 24,722 |
| 3,190,000 Euro settling 7/2/14 | Bank of America | 4,334,345 | 4,368,068 | 33,723 |
| 3,070,000 Euro settling 7/2/14 | Barclays Bank | 4,164,510 | 4,203,752 | 39,242 |
| 21,476,000 Euro settling 7/2/14 | Credit Suisse First Boston | 29,285,188 | 29,407,093 | 121,905 |
| 386,000 Euro settling 7/2/14 | Deutsche Bank | 523,416 | 528,550 | 5,134 |
| 771,000 Euro settling 7/2/14 | HSBC Bank | 1,044,979 | 1,055,731 | 10,752 |
| 625,000 Euro settling 8/5/14 | JPMorgan Chase | 849,789 | 855,922 | 6,133 |
| 971,000 Euro settling 7/2/14 | Morgan Stanley | 1,322,988 | 1,329,591 | 6,603 |
| 2,868,000 Euro settling 7/2/14 | National Australia Bank Ltd. | 3,897,413 | 3,927,153 | 29,740 |
| 659,722,000 Mexican Peso settling 8/25/14 | Citigroup | 49,965,691 | 50,664,076 | 698,385 |
| Sold: | | | | |
| 224,750 Brazilian Real settling 7/2/14 | Bank of America | 102,043 | 101,720 | 323 |
| 1,033,620 Brazilian Real settling 7/2/14 | BNP Paribas | 464,548 | 467,807 | (3,259) |
| 1,801,672 Brazilian Real settling 7/2/14 | JPMorgan Chase | 818,013 | 815,421 | 2,592 |
| 1,801,672 Brazilian Real settling 8/4/14 | JPMorgan Chase | 797,535 | 807,798 | (10,263) |
| 1,801,672 Brazilian Real settling 7/2/14 | UBS | 800,317 | 815,421 | (15,104) |
| 8,796,000 British Pound settling 8/5/14 | Bank of America | 14,926,812 | 15,049,481 | (122,669) |
| 9,543,000 British Pound settling 7/2/14 | BNP Paribas | 16,068,847 | 16,331,888 | (263,041) |
| 1,300,000 Euro settling 6/15/15 | Bank of America | 1,767,519 | 1,783,274 | (15,755) |
| 3,073,000 Euro settling 6/13/16 | Bank of America | 4,202,452 | 4,245,405 | (42,953) |
| 625,000 Euro settling 6/27/16 | Bank of America | 860,515 | 863,692 | (3,177) |
| 747,000 Euro settling 6/15/15 | Barclays Bank | 1,014,881 | 1,024,696 | (9,815) |
| 692,000 Euro settling 6/27/16 | Barclays Bank | 951,535 | 956,280 | (4,745) |
| 594,000 Euro settling 6/15/15 | BNP Paribas | 805,577 | 814,819 | (9,242) |
| 20,396,000 Euro settling 8/5/14 | Credit Suisse First Boston | 27,825,854 | 27,931,821 | (105,967) |
| 14,231,000 Euro settling 4/21/15 | Credit Suisse First Boston | 19,293,664 | 19,513,016 | (219,352) |
| 1,080,000 Euro settling 6/15/15 | Credit Suisse First Boston | 1,465,860 | 1,481,489 | (15,629) |
| 386,000 Euro settling 6/13/16 | Deutsche Bank | 528,511 | 533,266 | (4,755) |

Edgar Filing: PIMCO HIGH INCOME FUND - Form N-Q

| | | | | |
|---------------------------------|------------------------------|------------|------------|-----------|
| 32,107,000 Euro settling 7/2/14 | Goldman Sachs | 43,972,334 | 43,964,124 | 8,210 |
| 625,000 Euro settling 7/2/14 | JPMorgan Chase | 849,688 | 855,813 | (6,125) |
| 971,000 Euro settling 6/13/16 | Morgan Stanley | 1,335,465 | 1,341,454 | (5,989) |
| 755,000 Euro settling 6/15/15 | National Australia Bank Ltd. | 1,026,724 | 1,035,670 | (8,946) |
| 1,067,000 Euro settling 6/13/16 | National Australia Bank Ltd. | 1,462,110 | 1,474,080 | (11,970) |
| 1,046,000 Euro settling 6/27/16 | National Australia Bank Ltd. | 1,439,196 | 1,445,475 | (6,279) |
| | | | | \$243,815 |

Edgar Filing: PIMCO HIGH INCOME FUND - Form N-Q

(q) At June 30, 2014, the Fund held \$17,019,000 in cash as collateral and pledged cash collateral of \$955,000 for derivative contracts. Cash collateral held may be invested in accordance with the Fund's investment strategy.

(r) Open reverse repurchase agreements at June 30, 2014:

| Counterparty | Rate | Trade Date | Due Date | Principal & Interest | Principal |
|----------------------------|-------|------------|----------|----------------------|---------------|
| Barclays Bank | 0.40% | 6/10/14 | 7/15/14 | \$13,500,149 | \$13,497,000 |
| | 0.40 | 6/25/14 | 7/25/14 | 2,721,181 | 2,721,000 |
| | 0.55 | 6/10/14 | 7/15/14 | 21,622,935 | 21,616,000 |
| | 0.55 | 6/16/14 | 7/16/14 | 5,739,315 | 5,738,000 |
| | 0.67 | 6/12/14 | 7/14/14 | 27,757,807 | 27,748,208 |
| Credit Suisse First Boston | 0.69 | 5/2/14 | 7/16/14 | 2,240,927 | 2,238,357 |
| Deutsche Bank | 0.55 | 6/24/14 | 7/25/14 | 9,236,988 | 9,236,000 |
| | 0.55 | 6/26/14 | 7/23/14 | 42,055,212 | 42,052,000 |
| Morgan Stanley | 0.45 | 6/16/14 | 7/18/14 | 10,877,039 | 10,875,000 |
| | 0.45 | 6/25/14 | 7/25/14 | 5,373,403 | 5,373,000 |
| | 0.48 | 5/30/14 | 7/1/14 | 9,583,087 | 9,579,000 |
| | 0.48 | 6/2/14 | 7/1/14 | 16,314,306 | 16,308,000 |
| | 0.48 | 6/23/14 | 7/23/14 | 10,385,108 | 10,384,000 |
| | 0.48 | 6/25/14 | 7/25/14 | 7,920,634 | 7,920,000 |
| Royal Bank of Canada | 0.48 | 6/30/14 | 7/30/14 | 25,762,000 | 25,762,000 |
| | 0.50 | 6/2/14 | 7/2/14 | 25,581,299 | 25,571,000 |
| | 0.50 | 6/9/14 | 7/11/14 | 20,112,144 | 20,106,000 |
| | 0.50 | 6/10/14 | 7/2/14 | 17,192,013 | 17,187,000 |
| | 0.50 | 6/12/14 | 7/17/14 | 13,125,463 | 13,122,000 |
| | 0.50 | 6/13/14 | 7/16/14 | 51,175,791 | 51,163,000 |
| | 0.50 | 6/26/14 | 7/22/14 | 20,380,415 | 20,379,000 |
| | 0.50 | 6/27/14 | 7/29/14 | 80,425,468 | 80,421,000 |
| | 0.50 | 6/30/14 | 7/29/14 | 33,008,282 | 33,008,000 |
| UBS | 0.50 | 6/30/14 | 7/30/14 | 42,444,000 | 42,444,000 |
| | 0.38 | 6/20/14 | 7/7/14 | 27,007,135 | 27,004,000 |
| | 0.45 | 6/2/14 | 7/2/14 | 9,452,425 | 9,449,000 |
| | 0.45 | 6/18/14 | 7/23/14 | 13,459,187 | 13,457,000 |
| | 0.45 | 6/26/14 | 7/25/14 | 12,808,801 | 12,808,000 |
| | 0.45 | 6/30/14 | 7/30/14 | 9,088,000 | 9,088,000 |
| | | | | | \$586,254,565 |

(s) The weighted average daily balance of reverse repurchase agreements during the three months ended June 30, 2014 was \$380,118,587, at a weighted average interest rate of 0.46%. Total value of underlying collateral (refer to the Schedule of Investments for positions transferred for the benefit of the counterparty as collateral) for open reverse repurchase agreements at June 30, 2014 was \$676,383,547.

At June 30, 2014, the Fund held \$744,453, in principal value of U.S. Treasury Obligations and \$2,866,340 in Corporate Bonds and \$120,000 in cash as collateral for open reverse repurchase agreements. Cash collateral held may be invested in accordance with the Fund's investment strategy. Securities held as collateral will not be pledged and are not reflected in the Schedule of Investments.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (*i.e.* the exit price) in an orderly transaction between market participants. The three levels of the fair value hierarchy are described below:

- Level 1 – quoted prices in active markets for identical investments that the Fund has the ability to access
- Level 2 – valuations based on other significant observable inputs, which may include, but are not limited to, quoted prices for similar assets or liabilities, interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates or other market corroborated inputs
- Level 3 – valuations based on significant unobservable inputs (including the Sub-Adviser's or Valuation Committee's own assumptions and securities whose price was determined by using a single broker's quote)

The valuation techniques used by the Fund to measure fair value during the three months ended June 30, 2014 were intended to maximize the use of observable inputs and to minimize the use of unobservable inputs.

The Fund's policy is to recognize transfers between levels at the end of the reporting period. An investment asset's or liability's level within the fair value hierarchy is based on the lowest level input, individually or in aggregate, that is significant to the fair value measurement. The objective of fair value measurement remains the same even when there is a significant decrease in the volume and level of activity for an asset or liability and regardless of the valuation techniques used. Investments categorized as Level 1 or 2 as of period end may have been transferred between Levels 1 and 2 since the prior period due to changes in the valuation method utilized in valuing the investments.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following are certain inputs and techniques that the Fund generally uses to evaluate how to classify each major category of assets and liabilities within Level 2 and Level 3, in accordance with U.S. Generally Accepted Accounting Principles.

Equity Securities (Common and Preferred Stock) Equity securities traded in inactive markets are valued using inputs which include broker-dealer quotes, recently executed transactions adjusted for changes in the benchmark index, or evaluated price quotes received from independent pricing services that take into account the integrity of the market sector and issuer, the individual characteristics of the security, and information received from broker-dealers and other market sources pertaining to the issuer or security. To the extent that these inputs are observable, the values of equity securities are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

U.S. Treasury Obligations U.S. Treasury obligations are valued by independent pricing services based on pricing models that evaluate the mean between the most recently quoted bid and ask price. The models also take into consideration data received from active market makers and broker-dealers, yield curves, and the spread over comparable U.S. Treasury issues. The spreads change daily in response to market conditions and are generally obtained from the new issue market and broker-dealer sources. To the extent that these inputs are observable, the values of U.S. Treasury obligations are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

Government Sponsored Enterprise and Mortgage-Backed Securities Government sponsored enterprise and mortgage-backed securities are valued by independent pricing services using pricing models based on inputs that include issuer type, coupon, cash flows, mortgage prepayment projection tables and Adjustable Rate Mortgage evaluations that incorporate index data, periodic and life caps and the next coupon reset date. To the extent that these inputs are observable, the values of government sponsored enterprise and mortgage-backed securities are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

Municipal Bonds Municipal bonds are valued by independent pricing services based on pricing models that take into account, among other factors, information received from market makers and broker-dealers, current trades, bid-want lists, offerings, market movements, the callability of the bond, state of issuance, benchmark yield curves, and bond insurance. To the extent that these inputs are observable, the values of municipal bonds are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

Corporate Bonds & Notes Corporate bonds & notes are generally comprised of two main categories: investment grade bonds and high yield bonds. Investment grade bonds are valued by independent pricing services using various inputs and

Edgar Filing: PIMCO HIGH INCOME FUND - Form N-Q

techniques, which include broker-dealer quotations, live trading levels, recently executed transactions in securities of the issuer or comparable issuers, and option adjusted spread models that include base curve and spread curve inputs. Adjustments to individual bonds can be applied to recognize trading differences compared to other bonds issued by the same issuer. High yield bonds are valued by independent pricing services based primarily on broker-dealer quotations from relevant market makers and recently executed transactions in securities of the issuer or comparable issuers. The broker-dealer quotations received are supported by credit analysis of the issuer that takes into consideration credit quality assessments, daily trading activity, listed bonds and sector-specific trends. To the extent that these inputs are observable, the values of corporate bonds & notes are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

Asset-Backed Securities and Collateralized Mortgage Obligations Asset-backed securities and collateralized mortgage obligations are valued by independent pricing services using pricing models based on a security's average life volatility. The models also take into account tranche characteristics such as coupon, average life, collateral types, ratings, the issuer and tranche type, underlying collateral and performance of the collateral, and discount margin for certain floating rate issues. To the extent that these inputs are observable, the values of asset-backed securities and collateralized mortgage obligations are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

Forward Foreign Currency Contracts Forward foreign currency contracts are valued by independent pricing services using various inputs and techniques, which include broker-dealer quotations, actual trading information and foreign currency exchange rates gathered from leading market makers and foreign currency exchange trading centers throughout the world. To the extent that these inputs are observable, the values of forward foreign currency contracts are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

Credit Default Swaps Credit default swaps traded over-the-counter (OTC) are valued by independent pricing services using pricing models that take into account, among other factors, information received from market makers and broker-dealers, default probabilities from index specific credit spread curves, recovery rates, and cash flows. To the extent that these inputs are observable, the values of credit default swaps are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

Interest Rate Swaps OTC interest rate swaps are valued by independent pricing services using pricing models that are based on real-time intraday snapshots of relevant interest rate curves that are built using the most actively traded securities for a given maturity. The pricing models also incorporate cash and money market rates. In addition, market data pertaining to interest rate swaps is monitored regularly to ensure that interest rates are properly depicting the current market rate. Centrally cleared interest rate swaps are valued at the price determined by the relevant exchange. To the extent that these inputs are observable, the values of interest rate swaps are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

A summary of the inputs used at June 30, 2014 in valuing the Fund's assets and liabilities is listed below (refer to the Schedule of Investments and Notes to Schedule of Investments for more detailed information on Investments in Securities and Other Financial Instruments):

| | Level 1 - Quoted Prices | Level 2 - Other Significant Observable Inputs | Level 3 - Significant Unobservable Inputs | Value at 6/30/14 |
|---|----------------------------|--|--|---------------------|
| Investments in Securities - Assets | | | | |
| U.S. Government Agency Securities | \$ | \$816,082,997 | \$11,911,376 | \$827,994,373 |
| Corporate Bonds & Notes: | | | | |
| Airlines | | | 39,295 | 39,295 |

Edgar Filing: PIMCO HIGH INCOME FUND - Form N-Q

| | | | |
|---|--------------|-----------------|-----------------|
| Diversified Financial Services | 78,535,403 | 26,812,140 | 105,347,543 |
| Electric Utilities | | 4,557,737 | 4,557,737 |
| Home Builders | | 18,639,370 | 18,639,370 |
| Real Estate | 4,201,721 | 3,907,802 | 8,109,523 |
| All Other | 264,094,135 | | 264,094,135 |
| Municipal Bonds | 318,128,007 | | 318,128,007 |
| Mortgage-Backed Securities | 234,227,691 | | 234,227,691 |
| Asset-Backed Securities | 43,298,428 | | 43,298,428 |
| Preferred Stock: | | | |
| Banking | 12,421,500 | | 12,421,500 |
| Diversified Financial Services | 18,686,938 | | 18,686,938 |
| Short-Term Investments | 10,659,989 | | 10,659,989 |
| | 12,421,500 | 1,787,915,309 | 65,867,720 |
| | | | 1,866,204,529 |
| Other Financial Instruments* - Assets | | | |
| Credit Contracts | 765,457 | | 765,457 |
| Foreign Exchange Contracts | 1,131,764 | | 1,131,764 |
| Interest Rate Contracts | 46,911,674 | | 46,911,674 |
| | 48,808,895 | | 48,808,895 |
| Other Financial Instruments* - Liabilities | | | |
| Foreign Exchange Contracts | (887,949) | | (887,949) |
| Interest Rate Contracts | (14,304,876) | | (14,304,876) |
| | (15,192,825) | | (15,192,825) |
| Totals | \$12,421,500 | \$1,821,531,379 | \$65,867,720 |
| | | | \$1,899,820,599 |

Edgar Filing: PIMCO HIGH INCOME FUND - Form N-Q

At June 30, 2014, there were no transfers between Levels 1 and 2.

A roll forward of fair value measurements using significant unobservable inputs (Level 3) for the three months ended June 30, 2014, was as follows:

| | Beginning Balance 3/31/14 | Purchases | Sales | Accrued Discount (Premiums) | Net Realized Gain (Loss) | Net Change in Unrealized Appreciation/ Depreciation | Transfers into Level 3** | Transfers out of Level 3*** | Ending Balance 6/30/14 |
|---|---------------------------------|---------------------|----------------------|-----------------------------------|--------------------------------|--|--------------------------------|-----------------------------------|------------------------------|
| Investments in Securities - Assets | | | | | | | | | |
| U.S. Government Agency Securities | \$11,235,566 | \$11,757,492 | \$(1,178,390) | \$(146) | \$(14,725) | \$139,778 | | \$ (10,028,199) | \$11,911,376 |
| Corporate Bonds & Notes: | | | | | | | | | |
| Airlines | 4,955,491 | 19,105 | (1,744,422) | | | (3,190,879) | | | 39,295 |
| Diversified Financial Services | 26,733,737 | | (41,092) | 174,235 | 478 | (55,218) | | | 26,812,140 |
| Electric Utilities | 338,626 | | | (524) | | 17,370 | 4,202,265 | | 4,557,737 |
| Home Builders | 17,846,177 | | (100,000) | 3,204 | 15,591 | 874,398 | | | 18,639,370 |
| Real Estate | 3,707,127 | | | 1,045 | | 199,630 | | | 3,907,802 |
| Totals | \$64,816,724 | \$11,776,597 | \$(3,063,904) | \$177,814 | \$1,344 | \$(2,014,921) | \$4,202,265 | \$(10,028,199) | \$65,867,720 |

The following table presents additional information about valuation techniques and inputs used for investments that are measured at fair value and categorized within Level 3 at June 30, 2014:

| | Ending Balance at 6/30/14 | Valuation Technique Used | Unobservable Inputs | Input Values |
|---|---------------------------------|-----------------------------|--------------------------|---------------------|
| Investments in Securities - Assets | | | | |
| U.S. Government Agency Securities | \$11,911,376 | Benchmark Pricing | Security Price Reset | \$105.80 - \$106.82 |
| Corporate Bonds & Notes | 40,576,729 | Benchmark Pricing | Security Price Reset | \$78.22 - \$100.16 |
| | 13,340,320 | Third-Party Pricing Vendor | Single Broker Quote | \$103.79 - \$109.99 |
| | 39,295 | Analytical Model | Estimated Recovery Value | \$1.00 |

Reduction of cost due to corporate action.

* Other financial instruments are derivatives, such as swap agreements and forward foreign currency contracts, which are valued at the unrealized appreciation (depreciation) of the instrument.

** Transferred out of Level 2 into Level 3 because an evaluated price with observable inputs from a third-party pricing vendor was not available.

*** Transferred out of Level 3 into Level 2 because an evaluated price with observable inputs from a third-party pricing vendor became available.

The net change in unrealized appreciation/depreciation of Level 3 investments held at June 30, 2014 was \$(3,664,861).

Glossary:

AGM - insured by Assured Guaranty Municipal Corp.

£ - British Pound

CIFG - insured by CDC IXIS Financial Guaranty Services, Inc.

CME - Chicago Mercantile Exchange

CMO - Collateralized Mortgage Obligation

CP - Certificates of Participation

- Euro

FGIC - insured by Financial Guaranty Insurance Co.

FRN - Floating Rate Note

GO - General Obligation Bond

IO - Interest Only

LIBOR - London Inter-Bank Offered Rate

MXN - Mexican Peso

Edgar Filing: PIMCO HIGH INCOME FUND - Form N-Q

NPFGC - insured by National Public Finance Guarantee Corp.

OTC - Over-the-Counter

Item 2. Controls and Procedures

(a) The registrant's President & Chief Executive Officer and Treasurer, Principal Financial & Accounting Officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Act (17 CFR 270.30a-3(c))), are effective based on their evaluation of these controls and procedures as of a date within 90 days of the filing date of this document.

(b) There were no significant changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act (17 CFR 270.30a-3(d))) that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3. Exhibits

(a) Exhibit 99.302 Cert. Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Registrant: PIMCO High Income Fund

By: /s/ Julian Sluyters
Julian Sluyters,
President & Chief Executive Officer

Date: August 22, 2014

By: /s/ Lawrence G. Altadonna
Lawrence G. Altadonna,
Treasurer, Principal Financial & Accounting Officer

Date: August 22, 2014

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Julian Sluyters
Julian Sluyters,
President & Chief Executive Officer

Date: August 22, 2014

By: /s/ Lawrence G. Altadonna
Lawrence G. Altadonna,
Treasurer, Principal Financial & Accounting Officer

Date: August 22, 2014
