

PIMCO CALIFORNIA MUNICIPAL INCOME FUND II
Form N-CSR
August 04, 2006

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 811-21077

PIMCO California Municipal Income Fund II
(Exact name of registrant as specified in charter)

1345 Avenue of the Americas, New York, New York 10105
(Address of principal executive offices) (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 end: May 31, 2006

Date of reporting period: May 31, 2006

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.

PIMCO Municipal Income Fund II
PIMCO California Municipal Income Fund II
PIMCO New York Municipal Income Fund II

Annual Report
May 31, 2006

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PIMCO Municipal Income Funds II Letter to Shareholders

July 11, 2006

Dear Shareholder:

We are pleased to provide you with the annual report for PIMCO Municipal Income Fund II, PIMCO California Municipal Income Fund II and PIMCO New York Municipal Income Fund II (each a "Fund" and collectively, the "Funds") for the fiscal year ended May 31, 2006.

During the fiscal twelve-month period, the Federal Reserve raised short-term interest rates eight times, a total increase of 2.00%. These actions, coupled with only modest increases in longer-term rates, caused the yield curve to flatten across almost all fixed-income sectors, including national and state-specific municipal bonds.

In this environment, the Funds posted positive returns. For the fiscal year ended May 31, 2006, PIMCO Municipal Income Fund II returned 6.01% on net asset value and 2.63% on market price, compared with 3.29% and 5.99%, respectively, for the Lipper Analytical General Municipal Debt Funds (Leveraged) average. PIMCO California Municipal Income Fund II returned 6.36% on net asset value and 5.50% on market price, compared to the Lipper Analytical California Municipal Debt Funds average, which returned 3.38% and 7.92%, respectively. PIMCO New York Municipal Income Fund II returned 6.75% on net asset value and 1.65% on market price, compared to 3.50% and 6.18%, respectively, for the Lipper Analytical New York Municipal Debt Funds average.

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

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

We remain dedicated to serving your investment needs.

Sincerely,

Robert E. Connor
Chairman

Brian S. Shlissel
President & Chief Executive Officer

PIMCO Municipal Income Fund II Performance & Statistics

May 31, 2006 (unaudited)

Symbol:
PML**Primary Investments:**
Municipal fixed-income securities, the interest from which is exempt from federal income tax.**Inception Date:**
June 28, 2002**Net Assets⁽¹⁾:**
\$1,367.8 million**Objective:**
To provide current income exempt from federal income tax.**Portfolio Manager:**
Mark McCray

Total Return⁽²⁾:	Market Price	Net Asset Value (NAV)
1 Year	2.63%	6.01%
3 Years	6.15%	7.11%
Commencement of Operations (6/28/02) to 5/31/06	6.03%	7.76%

Common Share Market Price/NAV Performance:
Commencement of Operations (6/28/02) to 5/31/06**Market Price/NAV:**

Market Price	\$14.45
NAV	\$ 14.71
Discount to NAV	(1.77)%
Market Price Yield ⁽³⁾	5.81%

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

(1) Inclusive of net assets attributable to market value of Preferred Shares outstanding of \$505 million.

(2) **Past performance is no guarantee of future results.** Total return is calculated by subtracting the value of an investment in the Fund at the beginning of each specified period from the value at the end of the period and dividing the remainder by the value of the investment at the beginning of the period 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 more than one year represents the average annual total return.

An investment in the Fund involves risk, including the loss of principal. Total 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. A portion of the income generated by the Fund may be subject to federal, state and local taxes, and may at times be subject to the alternative minimum tax. 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.

(3) Market Price Yield is determined by dividing the annualized current monthly per share dividend payable to common shareholders by the market price per common share at May 31, 2006.

PIMCO California Municipal Income Fund II Performance & Statistics

May 31, 2006 (unaudited)

Symbol:
PCK

Primary Investments:
Municipal fixed-income securities, the interest from which is exempt from federal and California State income tax.

Inception Date:
June 28, 2002

Objective:
To provide current income exempt from federal and California State income tax.

Net Assets ⁽¹⁾:
\$703.4 million

Portfolio Manager:
Mark McCray

Total Return⁽²⁾:	Market Price	Net Asset Value (NAV)
1 Year	5.50%	6.36%
3 Years	6.49%	6.68%
Commencement of Operations (6/28/02) to 5/31/06	6.04%	7.22%

Common Share Market Price/NAV Performance:
Commencement of Operations (6/28/02) to 5/31/06

Market Price/NAV:	
Market Price	\$14.62
NAV	\$14.58
Premium to NAV	0.27%
Market Price Yield ⁽³⁾	5.75%

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

(1) Inclusive of net assets attributable to market value of Preferred Shares outstanding of \$260 million.

(2) **Past performance is no guarantee of future results.** Total return is calculated by subtracting the value of an investment in the Fund at the beginning of each specified period from the value at the end of the period and dividing the remainder by the value of the investment at the beginning of the period and expressing the result as a percentage. The calculation assumes that all income dividends 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 more than one year represents the average annual total return.

An investment in the Fund involves risk, including the loss of principal. Total 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. A portion of the income generated by the Fund may be subject to federal, state and local taxes, and may at times be subject to the alternative minimum tax. 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.

(3) Market Price Yield is determined by dividing the annualized current monthly per share dividend payable to common shareholders by the market price per common share at May 31, 2006.

PIMCO New York Municipal Income Fund II Performance & Statistics

May 31, 2006 (unaudited)

Symbol:
PNI

Primary Investments:
Municipal fixed-income securities, the interest from which is exempt from federal, New York State and New York City income tax.

Inception Date:
June 28, 2002

Objective:
To provide current income exempt from federal, New York State and New York City income tax.

Net Assets ⁽¹⁾:
\$244.1 million

Portfolio Manager:
Mark McCray

Total Return⁽²⁾:	Market Price	Net Asset Value (NAV)
1 Year	1.65%	6.75%
3 Years	5.40%	7.36%
Commencement of Operations (6/28/02) to 5/31/06	5.09%	7.32%

Common Share Market Price/NAV Performance:

Commencement of Operations (6/28/02) to 5/31/06

Market Price/NAV:

Market Price	\$14.14
NAV	\$14.66
Discount to NAV	(3.55)%
Market Price Yield ⁽³⁾	5.62%

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

(1) Inclusive of net assets attributable to market value of Preferred Shares outstanding of \$90 million.

(2) **Past performance is no guarantee of future results.** Total return is calculated by subtracting the value of an investment in the Fund at the beginning of each specified period from the value at the end of the period and dividing the remainder by the value of the investment at the beginning of the period and expressing the result as a percentage. The calculation assumes that all income dividends 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 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. A portion of the income generated by the Fund may be subject to federal, state and local taxes, and may at times be subject to the alternative minimum tax. 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.

(3) Market Price Yield is determined by dividing the annualized current monthly per share dividend payable to common shareholders by the market price per common share at May 31, 2006.

PIMCO Municipal Income Fund II Schedule of Investments

May 31, 2006

Principal Amount (000)		Credit Rating (Moody's/S&P)*	Value
MUNICIPAL BONDS & NOTES 89.9%			
Alabama 4.1%			
\$			
10,000	Birmingham Baptist Medical Centers Special Care Fac. Financing Auth. Rev., 5.00%, 11/15/30, Ser. A	Baa1/NR	\$ 9,847,100
1,145	Birmingham Waterworks & Sewer Board Rev. (MBIA), 5.00%, 1/1/27, Ser. B	Aaa/AAA	1,173,946
10,000	5.00%, 1/1/37, Ser. B	Aaa/AAA	10,167,600
15,000	Daphne Special Care Facs. Financing Auth. Rev., zero coupon, 8/15/28, (Pre-refunded @ \$100, 8/15/08) (a)	Aaa/AAA	13,798,800
1,750	Huntsville Health Care Auth. Rev., 5.75%, 6/1/32, Ser. B	A2/NR	1,856,242
16,580	Jefferson Cnty. Sewer Rev., 4.75%, 2/1/38, Ser. B (Pre-refunded @ \$100, 8/1/12) (FGIC)(a)	Aaa/AAA	17,399,384
			54,243,072
Alaska 0.3%			
3,550	State Housing Finance Corp. Rev., 5.25%, 6/1/32, Ser. C (MBIA)	Aaa/AAA	3,572,081
Arizona 0.1%			
1,300	Health Fac. Auth. Hospital System Rev., 5.75%, 12/1/32	NR/BBB	1,352,052
California 2.3%			
9,610	Alameda Corridor Transportation Auth. Rev., zero coupon, 10/1/16, Ser. A (AMBAC)	Aaa/AAA	6,088,992
	Golden State Tobacco Securitization Corp., Tobacco Settlement Rev., Ser. 2003-A-1		
3,300	6.25%, 6/1/33	Baa3/BBB	3,591,456
9,000	6.75%, 6/1/39	Baa3/BBB	10,059,840
1,000	Rancho Cucamonga Community Facs. Dist., Special Tax, 6.30%, 9/1/23, Ser. A	NR/NR	1,051,890
4,000	Southern California Public Power Auth., Transmission Project Rev., zero coupon, 7/1/13	Aa3/A+	2,973,000
	Univ. of California Rev.,		
4,430	4.75%, 5/15/37, Ser. C (MBIA)	Aaa/AAA	4,401,427
2,900	4.75%, 5/15/38, Ser. B	Aa3/AA-	2,866,998
			31,033,603
Colorado 5.1%			
30,000	Dawson Ridge Dist. No. 1, GO, zero coupon, 10/1/22, Ser. A	Aaa/NR	13,788,000
5,000	Denver City & Cnty., CP, 5.50%, 12/1/25, Ser. B		

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	(Pre-refunded @ \$101, 12/1/10) (AMBAC)(a)	Aaa/AAA	5,415,800
	Health Fac. Auth Rev.,		
25,000	Catholic Health Initiatives, 5.50%, 3/1/32	Aa2/AA	26,496,500
18,305	Exempla, Inc., 5.625%, 1/1/33, Ser. A	A1/A-	18,959,038
6,500	Retirement Fac. Rev., Liberty Height, zero coupon, 7/15/22	Aaa/AAA	3,017,560
			<hr/>
			67,676,898
			<hr/>
	District of Columbia 1.3%		
17,500	Washington D.C. Convention Center Auth. Tax Rev., 4.75%, 10/1/28 (AMBAC)	Aaa/AAA	17,536,925
			<hr/>

PIMCO Municipal Income Fund II Schedule of Investments

May 31, 2006

Principal Amount (000)		Credit Rating (Moody's/S&P)*	Value
	Florida 3.9%		
\$ 6,520	Brevard Cnty. Health Facs. Auth. Rev., 5.00%, 4/1/34	A2/A	\$ 6,580,049
2,830	Highlands Cnty. Health Facs. Auth. Rev., Adventist, 5.00%, 11/15/31, Ser. C	A2/A+	2,846,867
8,000	Adventist/Sunbelt, 6.00%, 11/15/31, Ser. A (Pre-refunded @ \$101, 11/15/11) (a)	A2/A+	8,914,880
2,335	Hillsborough Cnty. Industrial Dev. Auth., Pollution Control Rev., Tampa Electric Co. Project, 5.50%, 10/1/23	Baa2/BBB-	2,417,916
635	Hillsborough Cnty. Industrial Dev. Rev., Health Fac. Project, 5.625%, 8/15/23	Baa2/BBB	657,809
7,135	Jacksonville Health Facs. Auth. Rev., 5.25%, 11/15/32, Ser. A	Aa2/AA	7,365,318
11,500	Lakeland Hospital System Rev., Regional Health System, 5.50%, 11/15/32	A2/NR	12,049,930
3,000	Leesburg Hospital Rev., Leesburg Regional Medical Center Project, 5.50%, 7/1/32	Baa1/BBB+	3,069,720
2,550	Orange Cnty. Health Fac. Auth. Rev., Adventist Health System, 5.625%, 11/15/32	A2/A+	2,691,397
5,000	6.25%, 11/15/24	A2/A+	5,499,300
1,500	Winter Springs Water & Sewer Rev., zero coupon, 10/1/29 (FGIC)	Aaa/AAA	482,820
			52,576,006
	Georgia 0.8%		
4,000	Atlanta Water & Wastewater Rev., 5.00%, 11/1/39, Ser. A (MBIA)	Aaa/AAA	4,065,200
1,500	Grantor Trust Gov't, CP, 4.75%, 6/1/28, Ser. A (MBIA)	Aaa/AAA	1,526,745
9,600	Richmond Cnty. Dev. Auth. Rev., zero coupon, 12/1/21	Aaa/NR	4,611,648
			10,203,593
	Hawaii 1.4%		
19,170	Honolulu City & Cnty. Wastewater System Rev., First Board Resolution, 4.75%, 7/1/28 (FGIC)	Aaa/NR	19,338,888
	Illinois 20.2%		
3,610	Central Lake Cnty. Water Agcy. Rev., Ser. A (AMBAC), 5.125%, 5/1/28	Aaa/NR	3,742,343
8,150	5.125%, 5/1/32	Aaa/NR	8,412,104
5,050	Chicago, GO, 5.125%, 1/1/29, Ser. A (FGIC)	Aaa/AAA	5,203,318
	Chicago, Lake Shore East, Special Assessment,		

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3,162	6.625%, 12/1/22	NR/NR	3,387,387
6,700	6.75%, 12/1/32	NR/NR	7,185,281
5,110	Chicago, Neighborhoods Alive 21 Project, GO, 5.00%, 1/1/33 (AMBAC)	Aaa/AAA	5,239,283
15,535	Chicago Board of Education School Reform, GO (FGIC), zero coupon, 12/1/16, Ser. A	Aaa/AAA	9,582,299
5,000	zero coupon, 12/1/28, Ser. A	Aaa/AAA	1,597,000
4,500	zero coupon, 12/1/31	Aaa/AAA	1,216,035

PIMCO Municipal Income Fund II Schedule of Investments

May 31, 2006

Principal Amount (000)		Credit Rating (Moody's/S&P)*	Value
Illinois (continued)			
	Chicago City Colleges, GO (FGIC),		
\$			
32,670	zero coupon, 1/1/37	Aaa/AAA	\$ 7,305,012
29,145	zero coupon, 1/1/38	Aaa/AAA	6,186,318
32,670	zero coupon, 1/1/39	Aaa/AAA	6,581,371
7,000	Chicago Midway Airport Rev., 5.00%, 1/1/31, Ser. B (MBIA)	Aaa/AAA	7,116,900
5,000	Cicero, GO, 5.25%, 12/1/31 (MBIA)	Aaa/AAA	5,236,150
	Dev. Finance Auth. Retirement Housing Rev., Regency Park,		
10,000	zero coupon, 7/15/23	NR/AAA	4,397,000
134,650	zero coupon, 7/15/25	NR/AAA	53,583,967
	Health Facs. Auth. Rev.,		
5,000	Condell Medical Center Rev., 5.50%, 5/15/32	Baa2/NR	5,101,300
20,100	Elmhurst Memorial Healthcare, 5.625%, 1/1/28	A2/NR	20,875,257
	Metropolitan Pier & Exposition Auth. Rev. (MBIA),		
60,000	zero coupon, 12/15/30	Aaa/AAA	18,477,600
50,000	zero coupon, 12/15/33	Aaa/AAA	13,189,500
2,460	zero coupon, 6/15/38	Aaa/AAA	512,197
4,500	Schaumburg, GO, 5.00%, 12/1/41, Ser. B (FGIC)	Aaa/AAA	4,584,105
10,000	State, GO, 5.00%, 3/1/34, Ser. A	Aa3/AA	10,250,700
68,470	State Sports Facs. Auth. Rev., zero coupon, 6/15/30 (AMBAC)	Aaa/AAA	59,835,248
			268,797,675
Indiana 0.6%			
	Brownsburg 1999 School Building Corp. Rev.,		
	Ser. A, (Pre-refunded @ \$100, 9/15/13) (FSA)(a),		
1,000	5.00%, 9/15/25	Aaa/AAA	1,067,750
2,000	5.25%, 3/15/25	Aaa/AAA	2,166,880
4,125	Fort Wayne Pollution Control Rev., 6.20%, 10/15/25	B3/B	3,729,082
500	State Bank Rev., Hendricks, 5.25%, 4/1/30, Ser. D (AMBAC)	Aaa/AAA	518,470
			7,482,182
Iowa 3.9%			
46,000	Tobacco Settlement Auth. of Iowa Rev., zero coupon, 6/1/34, Ser. B	Baa3/BBB	43,003,560
8,850	Tobacco Settlement Auth. Rev., 5.60%, 6/1/35, Ser. B, (Pre-refunded @ \$101, 6/1/11) (a)	Baa3/AAA	9,611,631
			52,615,191
Kansas 0.2%			

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2,800	Univ. of Kansas, Hospital Auth. Health Facs. Rev., 5.625%, 9/1/32	NR/A-	2,955,456
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Kentucky 0.8%			
Economic Dev. Finance Auth. Hospital Facs. Rev.,			
2,500	Catholic Healthcare Partners, 5.25%, 10/1/30	Aa3/AA-	2,567,400
7,855	St. Luke's Hospital, 6.00%, 10/1/19	A3/A	8,672,863
<hr/>			
11,240,263			
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Louisiana 4.4%			
20,400	Public Facs. Auth. Rev., Ochsner Clinic Foundation, 5.50%, 5/15/32, Ser. B	A3/NR	20,621,952
36,395	Tobacco Settlement Financing Corp. Rev., 5.875%, 5/15/39, Ser. 2001-B	Baa3/BBB	38,204,559
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58,826,511			
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PIMCO Municipal Income Fund II Schedule of Investments

May 31, 2006

Principal Amount (000)		Credit Rating (Moody's/S&P)*	Value
Maryland 0.1%			
\$ 1,000	State Health & Higher Educational Fac. Auth. Rev., Adventist Healthcare, 5.75%, 1/1/25, Ser. A	Baa2/NR	\$ 1,048,040
Massachusetts 2.9%			
1,300	Bay Transportation Auth. Rev., General Transportation System, 4.75%, 3/1/21, Ser. A (MBIA)	Aaa/AAA	1,325,207
5,560	State College Building Auth. Project Rev., Ser. B (XLCA), 5.50%, 5/1/28	Aaa/AAA	6,287,304
7,645	5.50%, 5/1/33	Aaa/AAA	8,649,171
5,000	5.50%, 5/1/39	Aaa/AAA	5,703,100
4,295	State Turnpike Auth. Rev., 4.75%, 1/1/34, Ser. A (AMBAC)	Aaa/AAA	4,236,330
12,050	State Water Res. Auth. Rev., 4.75%, 8/1/37, Ser. A (FSA)	Aaa/AAA	11,990,955
			38,192,067
Michigan 2.6%			
8,500	Detroit City School Dist., GO (a), 5.00%, 5/1/32, Ser. A (Pre-refunded @ \$100, 5/1/13) (FGIC)	Aaa/AAA	9,066,270
1,750	5.125%, 5/1/31, Ser. A (Pre-refunded @ \$100, 5/1/12) (FSA)	Aaa/AAA	1,866,795
2,500	Detroit Water Supply System Rev., 5.00%, 7/1/30, Ser. A (FGIC)	Aaa/AAA	2,556,050
5,000	State Hospital Finance Auth. Rev., Ascension Health, 5.25%, 11/15/26, Ser. B	Aa2/AA	5,145,600
13,500	Oakwood Group, Ser. A, 5.75%, 4/1/32	A2/A	14,094,000
1,925	6.00%, 4/1/22	A2/A	2,065,987
			34,794,702
Mississippi 0.3%			
3,605	Business Finance Corp., Pollution Control Rev., 5.875%, 4/1/22	Ba1/BBB-	3,627,423
1,000	Dev. Bank Special Obligation, Projects & Equipment Acquisitions Rev., 5.00%, 7/1/24 (AMBAC)	Aaa/AAA	1,070,350
			4,697,773
Missouri 0.2%			
940	Hanley Road & North of Folk Ave. Transportation Dist. Rev., 5.00%, 10/1/25	NR/NR	920,551
1,500	St. Louis Parking Facs. Rev., Downtown Parking Fac., 6.00%, 2/1/28	NR/NR	1,507,695

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2,428,246

Nevada 1.9%

3,400	Clark Cnty., GO, 5.00%, 6/1/31 (FGIC) Reno Transportation Project Rev., (Pre-refunded @ \$100, 6/1/12) (AMBAC)(a),	Aaa/AAA	3,463,036
3,960	5.125%, 6/1/27	Aaa/AAA	4,232,131
2,000	5.125%, 6/1/32	Aaa/AAA	2,137,440
3,500	5.125%, 6/1/37	Aaa/AAA	3,740,520
7,570	5.25%, 6/1/41	Aaa/AAA	8,140,400
3,290	Truckee Meadows Water Auth. Rev., 5.125%, 7/1/30, Ser. A (FSA)	Aaa/AAA	3,394,260
			25,107,787

PIMCO Municipal Income Fund II Schedule of Investments

May 31, 2006

Principal Amount (000)		Credit Rating (Moody's/S&P)*	Value
New Hampshire 0.2%			
\$ 3,000	Health & Education Fac. Auth. Hospital Rev., Catholic Medical Center, 6.125%, 7/1/32	Baa1/BBB+	\$ 3,102,990
New Jersey 2.6%			
20	Camden Cnty. Improvement Auth. Rev., Cooper Health System, (Pre-refunded @ \$102, 2/15/07) (a), 5.875%, 2/15/15	Baa3/BBB	20,688
40	6.00%, 2/15/27	Baa3/BBB	41,411
4,000	Economic Dev. Auth., Kapkowski Landfill, 5.75%, 10/1/21	Baa3/NR	4,350,000
11,405	5.75%, 4/1/31	Baa3/NR	12,106,750
525	Economic Dev. Auth. Rev., Arbor Glen, 6.00%, 5/15/28	NR/NR	536,666
225	6.00%, 5/15/28, Ser. A (Pre-refunded @ \$102, 5/15/09) (a)	NR/NR	242,950
3,500	State Educational Facs. Auth. Rev., 6.00%, 7/1/25, Ser. D	NR/NR	3,792,845
1,285	Tobacco Settlement Financing Corp. Rev., 6.00%, 6/1/37	Baa3/BBB	1,347,412
3,095	6.125%, 6/1/42	Baa3/BBB	3,265,101
6,150	6.25%, 6/1/43	Baa3/BBB	6,674,165
2,500	6.75%, 6/1/39	Baa3/BBB	2,786,550
			35,164,538
New Mexico 0.4%			
5,000	Farmington Pollution Control Rev., 5.80%, 4/1/22	Baa2/BBB	5,065,450
New York 2.9%			
1,200	Erie Cnty. Industrial Dev. Agcy., Orchard Park Rev., 6.00%, 11/15/36	NR/NR	1,241,460
10,600	Metropolitan Transportation Auth. Rev., 5.00%, 11/15/30, Ser. A (FSA)	Aaa/AAA	10,863,516
10,000	5.25%, 11/15/32, Ser. B	A2/A	10,489,100
7,000	New York City Municipal Water Finance Auth., Water & Sewer System Rev., 5.00%, 6/15/39, Ser. A	Aa2/AA+	7,153,090
6,700	State Dormitory Auth. Rev., Sloan-Kettering Center Memorial, 5.00%, 7/1/34, Ser. 1	Aa2/AA	6,815,508
2,000	State Environmental Facs. Corp. Rev., 5.00%, 6/15/28	Aaa/AAA	2,069,400
			38,632,074
Ohio 0.6%			

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7,500	Lorain Cnty. Hospital Rev., Catholic Healthcare, 5.375%, 10/1/30	Aa3/AA-	7,732,200
	Oklahoma 0.5%		
6,500	Tulsa Cnty. Industrial Auth. Rev., Legacy Apartments, 4.90%, 11/20/46 (FHA-GNMA)	Aaa/NR	6,488,495
	Pennsylvania 2.6%		
	Allegheny Cnty. Hospital Dev. Auth. Rev., Ser. B,		
550	9.25%, 11/15/15	Ba3/B+	655,165
1,000	9.25%, 11/15/22	Ba3/B+	1,190,760
5,700	9.25%, 11/15/30	Ba3/B+	6,787,332
	Cumberland Cnty. Auth. Retirement Community Rev., Wesley Affiliated Services, Ser. A,		
1,255	7.25%, 1/1/35	NR/NR	1,341,972
3,245	7.25%, 1/1/35, (Pre-refunded @ \$101, 1/1/13) (a)	NR/NR	3,876,185

PIMCO Municipal Income Fund II Schedule of Investments

May 31, 2006

Principal Amount (000)		Credit Rating (Moody[S&P]*)	Value
Pennsylvania (continued)			
	Montgomery Cnty. Higher Education & Health Auth. Hospital Rev., Abington Memorial Hospital, Ser. A,		
\$			
5,000	5.125%, 6/1/27	NR/A	\$ 5,098,450
3,750	5.125%, 6/1/32	NR/A	3,808,275
3,000	Philadelphia, GO, 5.25%, 9/15/25 (FSA)	Aaa/AAA	3,119,070
5,000	Philadelphia Auth. Industrial Dev. Lease Rev., 5.25%, 10/1/30, Ser. B (FSA)	Aaa/AAA	5,173,450
500	Pittsburgh & Allegheny Cnty. Public Auditorium Auth. Rev., 5.00%, 2/1/29 (AMBAC)	Aaa/AAA	507,270
2,500	Radnor Township School Dist., GO, 5.00%, 2/15/35, Ser. B (FSA)	Aaa/NR	2,581,700
			<u>34,139,629</u>
Puerto Rico 0.3%			
4,200	Electric Power Auth., Power Rev., 5.125%, 7/1/29, Ser. NN	A3/BBB+	<u>4,268,292</u>
Rhode Island 4.9%			
62,000	Tobacco Settlement Financing Corp. Rev., 6.25%, 6/1/42, Ser. A	Baa3/BBB	64,956,160
South Carolina 5.9%			
27,745	Greenville Cnty. School Dist. Rev., Building Equity Sooner Tomorrow, 5.50%, 12/1/28, (Pre-refunded @ \$101, 12/1/12) (a)	Aa3/AA-	30,500,911
18,120	Jobs Economic Dev. Auth. Rev., Bon Secours Health System, 5.625%, 11/15/30	A3/A-	18,858,209
15,000	Lexington Cnty., Health Services Dist. Hospital Rev., 5.50%, 11/1/32	A2/A	15,704,250
3,500	5.50%, 5/1/37	A2/A	3,661,770
5,000	5.75%, 11/1/28	A2/A	5,331,350
3,250	Tobacco Settlement Rev. Management Auth. Rev., 6.375%, 5/15/28, Ser. B	Baa3/BBB	3,471,910
1,180	Transportation Infrastructure Rev., 5.00%, 10/1/29, Ser. A (Pre-refunded @ \$100, 10/1/11) (AMBAC)(a)	Aaa/NR	1,249,336
			<u>78,777,736</u>
Tennessee 0.3%			
3,750	Knox Cnty. Health Educational & Housing Facs. Board Hospital Facs., Rev., 5.25%, 10/1/30	Aa3/AA-	<u>3,859,350</u>

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Texas 9.6%

10	Arlington Independent School Dist. GO (PSF-GTD), 5.00%, 2/15/24	Aaa/AAA	10,229
990	5.00%, 2/15/24, (Pre-refunded @ \$100, 2/15/09) (a)	Aaa/AAA	1,023,690
4,480	Aubrey Independent School Dist., GO, 5.50%, 2/15/33 (PSF-GTD)	Aaa/NR	4,854,125
6,500	Brazos Cnty. Health Facs. Dev. Corp., Franciscan Services Corp. Rev., 5.375%, 1/1/32	NR/A-	6,693,115
2,700	Comal Cnty. Health Facs., McKenna Memorial Hospital Project Rev., 6.25%, 2/1/32	Baa3/BBB-	2,897,073
5,000	Dallas Area Rapid Transit Rev., 5.00%, 12/1/31 (AMBAC)	Aaa/AAA	5,093,600

PIMCO Municipal Income Fund II Schedule of Investments

May 31, 2006

Principal Amount (000)		Credit Rating (Moody□s/S&P)*	Value
Texas□(continued)			
\$ 20,000	Frisco Independent School Dist., GO, zero coupon, 8/15/34 (PSF-GTD) Harris Cnty.,	Aaa/NR	\$ 4,834,800
19,750	GO, 5.125%, 8/15/31, (Pre-refunded @ \$100, 8/15/12) (a)	Aa1/AA+	21,024,072
5,250	Health Facs. Dev. Corp. Rev., St. Luke□s Episcopal Hospital, 5.375%, 2/15/26, Ser. A (Pre-refunded @ \$100, 8/15/11) (a)	NR/AAA	5,631,045
25,000	Senior Lien Toll Road Rev., 5.00%, 8/15/30 (FSA)	Aaa/AAA	25,572,500
7,500	Keller Independent School Dist., GO, 4.875%, 8/15/31 (PSF-GTD)	Aaa/AAA	7,557,900
3,170	Little Elm Independent School Dist., GO, 5.30%, 8/15/29, Ser. A (PSF-GTD)	NR/AAA	3,350,119
6,250	North Dallas Thruway Auth. Rev., 4.75%, 1/1/29 (FGIC)	Aaa/AAA	6,264,750
5,000	Quinlan Independent School Dist., GO, 5.10%, 2/15/32 (PSF-GTD)	Aaa/NR	5,151,450
	State Turnpike Auth. Central Turnpike System Rev., Ser. A (AMBAC), zero coupon, 8/15/19	Aaa/AAA	5,417,400
10,000	5.00%, 8/15/42	Aaa/AAA	8,997,305
	State Water Financial Assistance, GO, 5.00%, 8/1/36	Aa1/AA	3,322,312
3,250	5.25%, 8/1/35	Aa1/AA	1,720,142
1,650	Wichita Falls Water & Sewer Rev., 5.00%, 8/1/27 (AMBAC)	Aaa/AAA	8,178,080
8,000			
			127,593,707
Virginia□0.5%			
	Fredericksburg Industrial Dev. Medicorp Health System Rev., Ser. B, 5.125%, 6/15/33	A3/NR	2,525,125
2,500	5.25%, 6/15/27	A3/NR	4,070,160
4,000			6,595,285
Washington□0.4%			
5,000	Tacoma Sewer Rev., 5.00%, 12/1/31, Ser. A (FGIC)	Aaa/AAA	5,096,000
Wisconsin□0.8%			
	Badger Tobacco Asset Securitization Corp., 6.00%, 6/1/17	Baa3/BBB	1,184,378
1,125	6.125%, 6/1/27	Baa3/BBB	8,718,991
8,240	State Health & Educational Facs. Auth. Rev., Froedert & Community Health Oblig., 5.375%, 10/1/30	NR/AA-	93,084
90	5.375%, 10/1/30, (Pre-refunded @ \$101, 10/1/11) (a)	NR/AA-	987,250
910			

10,983,703

Total Municipal Bonds & Notes (cost-\$1,110,676,405)

1,198,174,620

VARIABLE RATE NOTES (e) 7.5%

Alabama 0.9%

3,600	Birmingham Waterworks & Sewer Board Rev., 11.38%, 1/1/33, Ser. 947 (MBIA) (b)(d)	Aaa/NR	4,422,600
4,450	Jefferson Cnty. Sewer Rev., 11.31%, 2/1/36, Ser. 352 (FGIC) (b)(d)	Aaa/NR	5,519,291
1,400	Montgomery Special Care Fac., Financing Auth. Rev., 10.12%, 11/15/29, Ser. 435 (MBIA) (b)(d)	Aaa/NR	1,542,240
			11,484,131

PIMCO Municipal Income Fund II Schedule of Investments

May 31, 2006

Principal Amount (000)		Credit Rating (Moody's/S&P)*	Value
Colorado 0.2%			
\$ 2,250	Denver City & Cnty. Airport Rev., 10.12%, 11/15/25, Ser. 425 (FSA) (b)(d)	Aaa/NR	\$ 2,553,075
Florida 0.5%			
1,782	Orange Cnty. School Board, CP, 10.12%, 8/1/24, Ser. 328 (MBIA) (b)(d)	Aaa/NR	2,213,779
3,241	State Governmental Utilities Auth. Rev., 10.12%, 10/1/29, Ser. 327 (AMBAC) (b)(d)	Aaa/NR	3,697,981
1,000	Sumter Landing Community Dev. Dist. Rev., 8.90%, 10/1/35, Ser. 1208 (MBIA) (b)(d)	Aaa/AAA	937,300
			<u>6,849,060</u>
Illinois 0.7%			
1,780	Chicago, GO (b)(d), 10.75%, 1/1/28, Ser. 332 (MBIA)	Aaa/NR	2,018,342
2,200	12.62%, 1/1/40, Ser. 426 (FGIC)	Aaa/NR	2,772,000
1,288	Cook Cnty., GO, 10.12%, 11/15/28, Ser. 403 (FGIC) (b)(d)	Aaa/NR	1,486,867
2,000	State, GO, 11.38%, 4/1/27, Ser. 783 (FSA) (b)(d)	Aaa/NR	2,494,600
			<u>8,771,809</u>
Louisiana 0.3%			
4,000	Tobacco Settlement Financing Corp. Rev., 7.090%, 5/15/39 (b)(d)	NR/NR	4,397,760
Massachusetts 1.8%			
1,400	Boston Water & Sewer Community Rev., 10.17%, 11/1/28, Ser. 434 (FGIC) (b)(d)	Aaa/NR	1,537,830
2,900	Massachusetts Bay Transportation Auth., Special Assessment, 9.19%, 7/1/34 (b)(d)	Aa1/NR	2,810,535
2,200	State, GO, 11.42%, 11/1/30, Ser. 785 (FGIC-TCRS) (b)(d)	Aaa/NR	3,040,620
7,366	State Turnpike Auth. Rev. (b)(d), 10.16%, 1/1/37, Ser. 334 (MBIA)	Aaa/NR	7,744,981
5,668	10.16%, 1/1/39, Ser. 335 (AMBAC)	Aaa/NR	6,099,760
3,000	10.17%, 1/1/37, Ser. 489 (MBIA)	NR/AAA	3,154,350
			<u>24,388,076</u>
Nevada 0.2%			
2,200	State, GO, 10.12%, 5/15/28, Ser. 344 (FGIC) (b)(d)	Aaa/NR	2,338,358

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New York 0.3%			
2,000	Liberty Dev. Corp. Rev., 11.48%, 10/1/35, Ser. 1207 (b)(d)	Aa3/NR	2,836,300
950	New York City Municipal Water Finance Auth., Water & Sewer System Rev., 10.23%, 6/15/37, Ser. 1226 (b)(d)	Aa2/NR	1,071,362
			<hr/>
			3,907,662
			<hr/>
Ohio 0.1%			
1,580	Hamilton Cnty. Sales Tax Rev., 10.12%, 12/1/27, Ser. 356 (MBIA) (b)(d)	Aaa/NR	1,775,841
			<hr/>
Pennsylvania 0.6%			
3,050	Philadelphia Auth. Industrial Dev. Rev., Doubletree, 6.50%, 10/1/27, (Pre-refunded @ \$102, 2/1/07) (a)	NR/NR	3,164,772
1,670	Philadelphia School Dist., GO (MBIA) (b)(d), 8.88%, 4/1/27, Ser. 345	Aaa/NR	1,713,253
2,677	8.88%, 4/1/27, Ser. 496	NR/AAA	2,746,334
			<hr/>
			7,624,359
			<hr/>

PIMCO Municipal Income Fund II Schedule of Investments

May 31, 2006

Principal Amount (000)		Credit Rating (Moody's/S&P)*	Value
	Texas 1.1%		
\$ 2,460	Denton Utility System Rev., 10.75%, 12/1/29, Ser. 428 (MBIA) (b)(d)	Aaa/NR	\$ 2,734,905
1,100	Houston Airport System Rev., 10.12%, 7/1/25, Ser. 404 (FGIC) (b)(d)	Aaa/NR	1,175,350
2,200	Houston Water & Sewer System Rev. (b)(d), 10.12%, 12/1/28, Ser. 427 (FSA)	Aaa/NR	2,678,610
3,070	11.38%, 12/1/30, Ser. 495 (FGIC)	NR/AAA	4,026,152
2,000	Sabine River Auth. Rev., 5.20%, 5/1/28	Baa2/BBB-	2,041,660
2,005	State, GO, 8.88%, 4/1/35, Ser. 1147 (b)(d)	NR/NR	2,004,398
			14,661,075
	Utah 0.7%		
8,830	Utah Transit Auth. Rev., 8.90%, 6/15/35, Ser. 1197 (FSA) (b)(d)	Aaa/AAA	8,691,369
	Washington 0.1%		
1,820	Central Puget Sound Regional Transit Auth. Sales Tax & Motor Rev., 8.88%, 2/1/28, Ser. 360 (FGIC) (b)(d)	Aaa/NR	1,864,772
	Total Variable Rate Notes (cost-\$87,503,264)		99,307,347
	VARIABLE RATE DEMAND NOTES (e)(f) 2.1%		
	California 0.7%		
1,900	Oxnard Financing Auth. Rev., 3.46%, 6/1/06 (AMBAC)	NR/A-1+	1,900,000
6,700	State Department of Water Res. Rev., 3.62%, 6/1/06	VMIG1/A-1+	6,700,000
500	Turlock Irrigation Dist., CP, 3.50%, 6/1/06	NR/A-1+	500,000
			9,100,000
	Kentucky 0.0%		
690	Shelby Cnty. Lease Rev., 3.57%, 6/1/06, Ser. A	VMIG1/NR	690,000
	Massachusetts 0.1%		
1,200	Commonwealth of Massachusetts Rev., GO, 3.52%, 6/1/06, Ser. B	VMIG1/A-1+	1,200,000
	Missouri 0.5%		
4,800	State Dev. Finance Board, Nelson Gallery Rev., 3.56%, 6/1/06, Ser. B (MBIA)	VMIG1/A-1+	4,800,000
2,100	State Health & Educational Facs. Auth., Washington Univ. Rev.,		

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	3.57%, 6/1/06, Ser. A	VMIG1/A-1+	2,100,000
			<hr/> 6,900,000 <hr/>
	New York 0.6%		
7,400	New York City, GO, 3.56%, 6/1/06	VMIG1/A-1+	7,400,000
			<hr/>
	Texas 0.1%		
1,800	State Water Dev. Board Rev., 3.50%, 6/1/06	VMIG1/A-1+	1,800,000
			<hr/>
	Utah 0.1%		
1,400	Cnty. of Weber, 3.57%, 6/1/06, Ser. C	VMIG1/A-1+	1,400,000
			<hr/>
	Total Variable Rate Demand Notes (cost-\$28,489,941)		28,490,000
			<hr/>
	U.S. TREASURY BILLS (g) 0.5%		
6,585	4.49%-4.65%, 6/1/06-6/15/06 (cost-\$6,574,548)		6,574,548
			<hr/>
	Total Investments (cost-\$1,233,244,158) 100.0%		\$ 1,332,546,515
			<hr/>

See accompanying Notes to Financial Statements | 5.31.06 | PIMCO Municipal Income Funds II Annual Report 13

PIMCO California Municipal Income Fund II Schedule of Investments

May 31, 2006

Principal Amount (000)		Credit Rating (Moody's/S&P)*	Value
CALIFORNIA MUNICIPAL BONDS & NOTES 84.2%			
\$			
2,000	ABC Unified School Dist., GO, zero coupon, 8/1/23, Ser. B (FGIC)	Aaa/AAA	\$ 880,480
1,000	Alpine Union School Dist., GO, zero coupon, 8/1/24, Ser. B (FSA)	Aaa/AAA	436,380
8,115	Anaheim City School Dist., GO, 5.00%, 8/1/26, (Pre-refunded @ \$101, 8/1/11) (FGIC)(a)	Aaa/AAA	8,684,673
	Assoc. of Bay Area Gov'ts Finance Auth. Rev., Odd Fellows Home, 5.20%, 11/15/22	NR/A+	5,478,451
5,300		NR/A+	26,841,880
26,000	5.35%, 11/15/32	NR/AAA	11,332,560
23,000	Bakersfield, CP, zero coupon, 4/15/21		
2,000	Bay Area Gov't Assoc. Lease Rev., 5.00%, 7/1/32, Ser. 2002-1 (AMBAC)	Aaa/AAA	2,045,240
1,945	Bay Area Gov't Assoc., Windmere Ranch Dist. 99-1, Special Assessment, 6.30%, 9/2/25	NR/NR	2,066,524
1,085	Capistrano Unified School Dist., Community Fac. Dist., Special Tax, 5.70%, 9/1/20, (Pre-refunded @ \$102, 9/1/09) (a)	NR/NR	1,171,258
1,090	Cathedral City Cove Improvements Dist. 04-02, Special Assessment, 5.00%, 9/2/30	NR/NR	1,074,849
2,300	Ceres Unified School Dist., GO, zero coupon, 8/1/27 (FGIC)	Aaa/AAA	706,284
	Chula Vista, Special Tax, 6.05%, 9/1/25, (Pre-refunded @ \$102, 9/1/10) (a)	NR/NR	1,286,788
1,160		NR/NR	2,778,125
2,500	6.10%, 9/1/32, (Pre-refunded @ \$102, 9/1/10) (a)	NR/NR	1,924,937
1,825	6.15%, 9/1/26	NR/NR	4,619,411
4,380	6.20%, 9/1/33		
	Clovis Unified School Dist., GO, Ser. B (FGIC), zero coupon, 8/1/23	Aaa/AAA	880,480
2,000		Aaa/AAA	1,401,133
3,535	zero coupon, 8/1/25	Aaa/AAA	890,400
2,500	zero coupon, 8/1/27		
1,410	Community College Financing Auth. Lease Rev., 5.00%, 8/1/27, Ser. A (AMBAC)	Aaa/AAA	1,450,904
	Corona-Norco Unified School Dist., Public Financing Auth., Special Tax, Ser. A, 5.10%, 9/1/25 (AMBAC)	Aaa/AAA	1,139,115
1,110		NR/NR	210,968
210	5.55%, 9/1/15	NR/NR	306,400
305	5.65%, 9/1/16	NR/NR	161,234
160	5.75%, 9/1/17	NR/NR	536,254
530	6.00%, 9/1/20	NR/NR	1,011,280
1,000	6.00%, 9/1/25	NR/NR	4,213,952
4,150	6.10%, 9/1/32 (AMBAC)		
2,800	Cotati Redev. Agcy., Tax Allocation, 5.00%, 9/1/31, Ser. A (MBIA)	Aaa/AAA	2,831,920
3,000	Dinuba Financing Auth. Lease Rev., 5.10%, 8/1/32 (MBIA)	Aaa/AAA	3,068,100
	Educational Facs. Auth. Rev., Loyola Marymount Univ., zero coupon, 10/1/34 (MBIA)	Aaa/NR	843,938
3,475			

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2,000	Woodbury Univ., 5.00%, 1/1/36	Baa3/BBB-	1,942,800
4,520	Elk Grove Unified School Dist., Community Facs. Dist. No. 1, Special Tax, 4.75%, 12/1/33 (MBIA)	AAA/AAA	4,506,214
1,560	Empire Union School Dist., Special Tax (AMBAC), zero coupon, 10/1/30	Aaa/AAA	462,680
1,265	zero coupon, 10/1/32	Aaa/AAA	336,907

PIMCO California Municipal Income Fund II Schedule of Investments

May 31, 2006

Principal Amount (000)		Credit Rating (Moody[S&P]*)	Value
\$			
1,000	Escondido Union School Dist., GO, zero coupon, 8/1/27 (FSA)	Aaa/AAA	\$ 356,160
2,440	Eureka Union School Dist., GO, zero coupon, 8/1/27 (FSA)	Aaa/AAA	869,030
	Foothill Eastern Corridor Agcy. Toll Road Rev.,		
7,100	zero coupon, 1/1/25, Ser. A	Aaa/AAA	2,979,799
3,270	zero coupon, 1/1/26, Ser. A	Aaa/AAA	1,292,304
1,500	zero coupon, 1/15/27 (MBIA-IBC)	Aaa/AAA	1,370,850
3,780	zero coupon, 1/1/28, Ser. A	Aaa/AAA	1,338,763
17,860	zero coupon, 1/1/30, Ser. A	Aaa/AAA	5,679,480
400	Franklin-McKinley School Dist., GO,		
	5.00%, 8/1/27, Ser. B (Pre-refunded @ \$100, 8/1/13) (FSA)(a)	Aaa/AAA	429,288
1,440	Fremont Community Facs. Dist. No. 1, Special Tax, 5.30%, 9/1/30	NR/NR	1,439,870
	Golden State Tobacco Securitization Corp., Ser. 2003-A-1,		
11,700	6.25%, 6/1/33	Baa3/BBB	12,733,344
36,200	6.75%, 6/1/39	Baa3/BBB	40,462,912
	Health Facs. Finance Auth. Rev. (CA Mtg. Ins.),		
5,500	5.125%, 1/1/22	NR/A+	5,665,110
3,875	5.25%, 1/1/26	NR/A+	3,998,574
2,115	5.375%, 11/1/20	NR/A+	2,220,412
4,000	Adventist Health System, 5.00%, 3/1/33	NR/A	4,008,760
565	Catholic Healthcare West, 5.00%, 7/1/28,		
	(Pre-refunded @ \$101, 7/1/08) (a)	A3/A-	547,154
1,750	Huntington Beach Community Facs. Dist., Special Tax,		
	6.30%, 9/1/32	NR/NR	1,791,388
	Industry Urban Dev. Agcy., Tax Allocation (MBIA),		
1,045	Transportation Dist. 2, 4.75%, 5/1/21	Aaa/AAA	1,065,660
1,035	Transportation Dist. 3, 4.75%, 5/1/21	Aaa/AAA	1,055,462
200	Infrastructure & Economic Dev. Bank Rev., Bay Area Toll Bridges,		
	5.00%, 7/1/36, (Pre-refunded @ \$100, 1/1/28) (AMBAC)(a)	Aaa/AAA	214,570
7,000	Irvine Improvement Board Act 1915, Special Assessment,		
	5.70%, 9/2/26	NR/NR	7,206,430
1,000	Irvine Unified School Dist., Special Tax, 5.125%, 9/1/36, Ser. A	NR/NR	1,003,480
1,900	Jurupa Unified School Dist., GO, zero coupon, 5/1/27 (FGIC)	Aaa/AAA	676,704
2,450	Kings Canyon JT Unified School Dist., GO, zero coupon,		
	8/1/27 (FGIC)	Aaa/AAA	872,592
5,300	Livermore-Amador Valley Water Management Agcy. Rev.,		
	5.00%, 8/1/31, Ser. A (AMBAC)	Aaa/AAA	5,395,983
5,935	Long Beach Unified School Dist., GO, 5.00%, 8/1/27, Ser. C (MBIA)Aaa/NR		6,086,699
	Los Angeles, CP (MBIA),		
9,895	5.00%, 2/1/27	Aaa/AAA	10,129,116
2,685	5.00%, 10/1/27, Ser. AU	Aaa/AAA	2,755,025
7,200	Los Angeles, Wastewater System Rev., 5.00%, 6/1/30,		
	Ser. A (FGIC)	Aaa/AAA	7,375,752
1,000	Manhattan Beach Unified School Dist., GO, zero coupon,		

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	9/1/25 (FGIC)	Aaa/AAA	394,760
7,295	Manteca Redev. Agcy., Tax Allocation, 5.00%, 10/1/32 (FSA)	Aaa/AAA	7,464,025
	Manteca Unified School Dist., Special Tax (MBIA),		
2,365	zero coupon, 9/1/25	Aaa/AAA	924,904
5,330	5.00%, 9/1/29, Ser. C	Aaa/AAA	5,426,740
4,000	Merced Cnty., CP, Juvenile Justice Correctional Fac.,		
	5.00%, 6/1/32 (AMBAC)	Aaa/NR	4,070,320

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PIMCO California Municipal Income Fund II Schedule of Investments

May 31, 2006

Principal Amount (000)		Credit Rating (Moody's/S&P)*	Value
	Modesto Elementary School Dist. Stanislaus Cnty., GO, Ser. A (FGIC),		
\$ 2,615	zero coupon, 8/1/23	Aaa/AAA	\$ 1,141,631
2,705	zero coupon, 8/1/24	Aaa/AAA	1,119,248
2,000	zero coupon, 5/1/27	Aaa/AAA	713,740
2,150	Modesto High School Dist. Stanislaus Cnty., GO, zero coupon, 8/1/26, Ser. A (FGIC)	Aaa/AAA	808,787
1,000	Modesto Public Financing Auth. Lease Rev., 5.00%, 9/1/29 (AMBAC)	Aaa/AAA	1,026,370
2,385	Monrovia Financing Auth. Lease Rev., Hillside Wilderness Preserve, 5.125%, 12/1/31 (AMBAC)	Aaa/AAA	2,472,172
	Montebello Unified School Dist., GO,		
1,500	zero coupon, 8/1/24 (FGIC)	Aaa/AAA	626,175
1,485	zero coupon, 8/1/24 (FSA)	Aaa/AAA	619,913
2,830	zero coupon, 8/1/25 (FGIC)	Aaa/AAA	1,121,699
2,775	zero coupon, 8/1/27 (FGIC)	Aaa/AAA	988,344
4,700	Moreno Valley Unified School Dist. Community Facs. Dist., Special Tax, 5.20%, 9/1/36	NR/NR	4,629,171
2,400	Morgan Hill Unified School Dist., GO, zero coupon, 8/1/23 (FGIC)	Aaa/AAA	1,056,576
1,500	Mountain View-Whisman School Dist., GO, 5.00%, 6/1/27, Ser. D (MBIA)	Aaa/AAA	1,547,265
1,800	Murrieta Redev. Agcy., Tax Allocation, 5.00%, 8/1/32 (MBIA)	Aaa/AAA	1,841,022
3,245	Newark Unified School Dist., GO, zero coupon, 8/1/26, Ser. D (FSA)	Aaa/AAA	1,220,704
	Oakland Redev. Agcy., Tax Allocation,		
1,395	5.25%, 9/1/27	NR/A-	1,421,017
2,185	5.25%, 9/1/33	NR/A-	2,219,501
1,000	Orange Cnty. Community Facs. Dist., Special Tax, No. 01-1-Ladera Ranch, 6.00%, 8/15/25, Ser. A (Pre-refunded @ \$101, 8/15/10) (a)	NR/AAA	1,102,030
12,000	Orange Cnty. Sanitation Dist., CP, 5.25%, 2/1/30 (FGIC)	Aaa/AAA	12,597,120
	Palmdale Community Redev. Agcy., Tax Allocation (AMBAC),		
1,230	zero coupon, 12/1/30	Aaa/AAA	366,134
1,230	zero coupon, 12/1/31	Aaa/AAA	346,725
1,225	zero coupon, 12/1/32	Aaa/AAA	327,736
1,750	Paramount Unified School Dist., GO, zero coupon, 9/1/23, Ser. B (FSA)	Aaa/AAA	760,918
	Perris Public Financing Auth. Rev., Tax Allocation,		
1,190	4.75%, 10/1/23, Ser. B (MBIA)	Aaa/AAA	1,210,385
780	5.375%, 10/1/20, Ser. C	NR/BBB	799,656
1,800	5.625%, 10/1/31, Ser. C	NR/BBB	1,869,480
10,150	Placer Union High School Dist., GO, zero coupon, 8/1/33 (FSA)	Aaa/AAA	2,619,918
	Poway Unified School Dist., Special Tax,		

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Community Facs. Dist. No. 6,			
2,700	5.125%, 9/1/28	NR/NR	2,655,801
1,500	5.50%, 9/1/25	NR/NR	1,522,335
3,000	5.60%, 9/1/33	NR/NR	3,045,900

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PIMCO California Municipal Income Fund II Schedule of Investments

May 31, 2006

Principal Amount (000)		Credit Rating (Moody's/S&P)*	Value
	Community Facs. Dist. No. 6 Area A,		
\$			
1,000	6.05%, 9/1/25	NR/NR	\$ 1,054,840
5,500	6.125%, 9/1/33	NR/NR	5,792,710
2,300	Community Facs. Dist. No. 6 Area B, 5.125%, 9/1/28	NR/NR	2,300,644
	Community Facs. Dist. No. 10,		
1,000	5.65%, 9/1/25	NR/NR	1,014,060
2,200	5.70%, 9/1/32	NR/NR	2,228,292
2,000	Rancho Cucamonga Community Facs. Dist., Special Tax, 6.375%, 9/1/31, Ser. A	NR/NR	2,105,160
1,500	Richmond Wastewater Rev., zero coupon, 8/1/30 (FGIC)	Aaa/AAA	453,930
3,510	Riverside, CP, 5.00%, 9/1/33 (AMBAC)	Aaa/AAA	3,580,200
	Riverside Unified School Dist., Community Facs., Dist. No. 15, Special Tax, Ser. A,		
1,000	5.15%, 9/1/25	NR/NR	1,005,760
1,000	5.25%, 9/1/30	NR/NR	1,007,200
1,000	5.25%, 9/1/35	NR/NR	1,005,300
	Rocklin Unified School Dist., GO (FGIC),		
5,000	zero coupon, 8/1/24	Aaa/AAA	2,087,250
4,000	zero coupon, 8/1/25	Aaa/AAA	1,585,440
4,000	zero coupon, 8/1/26	Aaa/AAA	1,504,720
4,500	zero coupon, 8/1/27	Aaa/AAA	1,602,720
	Roseville Redev. Agcy., Tax Allocation (MBIA),		
3,730	5.00%, 9/1/27	Aaa/AAA	3,838,841
3,365	5.00%, 9/1/32	Aaa/AAA	3,442,294
2,155	5.00%, 9/1/33	Aaa/AAA	2,203,013
4,500	Sacramento City Financing Auth. Rev., Ser. A, 5.00%, 12/1/32, (Pre-refunded @ \$100, 12/1/12) (FSA)(a)	Aaa/AAA	4,824,000
4,730	North Natomas CFD No. 2, 6.25%, 9/1/23	NR/NR	4,848,014
12,490	Sacramento Cnty. Airport System Rev., 5.00%, 7/1/32, Ser. A (FSA)	Aaa/AAA	12,711,947
	San Diego Cnty. Water Auth. Water Rev., CP, Ser. A (MBIA),		
8,285	5.00%, 5/1/28	Aaa/AAA	8,508,446
8,000	5.00%, 5/1/29	Aaa/AAA	8,206,160
	San Diego Public Facs. Financing Auth. Lease Rev.,		
1,000	5.00%, 5/15/29, Ser. A (FGIC)	Aaa/AAA	1,026,290
1,500	Fire & Life Safety Facs., 5.00%, 4/1/32 (MBIA)	Aaa/AAA	1,525,650
14,000	San Diego Public Facs. Financing Auth. Water Rev., 5.00%, 8/1/32 (MBIA)	Aaa/AAA	14,282,800
	San Francisco City & Cnty. Airport Community, Int'l Airport Rev. (MBIA),		
5,585	4.50%, 5/1/28, Ser. 2	Aaa/AAA	5,403,320
20,300	5.00%, 5/1/32, Ser 28B	Aaa/AAA	20,862,716
10,405	San Joaquin Hills Transportation Corridor Agcy. Toll Road Rev., zero coupon, 1/1/25	Aaa/AAA	4,327,440

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10,190	San Jose, Libraries & Parks, GO, 5.125%, 9/1/31	Aa1/AA+	10,483,574
	San Juan Unified School Dist., GO (FSA),		
1,770	zero coupon, 8/1/23	Aaa/AAA	779,225
6,105	zero coupon, 8/1/26	Aaa/AAA	2,296,579
4,835	San Mateo Foster City School Dist., GO,		
	5.10%, 8/1/31, (Pre-refunded @ \$101, 8/1/11) (FGIC)(a)	Aaa/AAA	5,196,948

PIMCO California Municipal Income Fund II Schedule of Investments

May 31, 2006

Principal Amount (000)		Credit Rating (Moody's/S&P)*	Value
\$ 2,300	San Mateo Union High School Dist., GO, zero coupon, 9/1/20 (FGIC)	Aaa/AAA	\$ 1,178,773
1,730	San Rafael City High School Dist., GO, 5.00%, 8/1/27, Ser. B (FSA)	Aaa/AAA	1,774,080
3,280	San Rafael Elementary School Dist., GO, 5.00%, 8/1/27, Ser. B (FSA)	Aaa/AAA	3,363,574
2,755	Santa Clara Unified School Dist., GO (MBIA), 5.00%, 7/1/25	Aaa/AAA	2,840,680
2,895	5.00%, 7/1/26	Aaa/AAA	2,981,908
3,040	5.00%, 7/1/27	Aaa/AAA	3,116,638
1,260	Santa Cruz Cnty., Rev., 5.25%, 8/1/32	A3/NR	1,301,240
2,000	Santa Margarita Water Dist., Special Tax, 6.00%, 9/1/30	NR/NR	2,089,180
3,000	6.25%, 9/1/29	NR/NR	3,227,820
2,000	Santa Monica Community College Dist., GO, zero coupon, 8/1/26, Ser. C (MBIA)	AAA/AAA	730,500
1,140	Saugus Hart School Facs. Financing Auth., Special Tax, Community Facs. Dist. 00-1, 6.10%, 9/1/32	NR/NR	1,161,318
2,260	6.125%, 9/1/33	NR/NR	2,302,217
1,000	Shasta Union High School Dist., GO, zero coupon, 8/1/24 (FGIC)	Aaa/AAA	417,450
2,745	South Tahoe JT Powers Parking Financing Auth. Rev., 7.00%, 12/1/27, Ser. A	NR/NR	2,676,622
1,800	Southern Mono Health Care Dist., GO, zero coupon, 8/1/26 (MBIA)	Aaa/AAA	663,930
900	State Department of Water Res. Rev., Central VY Project, 5.00%, 12/1/25, Ser. AC (MBIA)	Aaa/AAA	937,260
9,605	State Public Works Board Lease Rev., UCLA Replacement Hospital, 5.00%, 10/1/22, Ser. A (FSA)	Aaa/AAA	9,924,846
7,095	5.00%, 4/1/26	Aa2/AA-	7,308,843
1,710	State Univ. Rev., 5.00%, 11/1/33, Ser. A (AMBAC)	Aaa/AAA	1,745,602
3,555	Statewide Community Dev. Auth. Rev., Bentley School, 6.75%, 7/1/32	NR/NR	3,846,865
9,700	Health Fac., Jewish Home, 5.50%, 11/15/33 (CA ST Mtg.)	NR/A+	10,201,102
2,770	Kaiser Permanente, 5.50%, 11/1/32, Ser. A	A3/A+	2,881,908
3,000	Live Oak School, 6.75%, 10/1/30	NR/NR	3,123,000
1,170	Wildwood Elementary School, CP, 6.10%, 11/1/15	NR/NR	1,171,088
1,775	Statewide Financing Auth. Tobacco Settlement Rev., 5.625%, 5/1/29	Baa3/NR	1,833,788
7,750	Tamalpais Union High School Dist., GO, 5.00%, 8/1/27 (FSA)	Aaa/AAA	7,968,472
4,500	Tobacco Securitization Agcy. Rev., Alameda Cnty., 6.00%, 6/1/42	Baa3/NR	4,694,940
7,000	Gold Country, zero coupon, 6/1/33 (c) Fresno Cnty.,	NR/BBB	1,484,280

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4,045	5.625%, 6/1/23	Baa3/BBB	4,077,926
10,000	6.00%, 6/1/35	Baa3/BBB	10,501,400
1,800	Stanislaus Fdg., 5.875%, 6/1/43, Ser. A	Baa3/NR	1,866,510
995	Tracy Community Facs. Dist., Special Tax, No. 99-2 South Macarthur Area, 6.00%, 9/1/27	NR/NR	1,018,293
10,000	Ventura Cnty. Community College Dist., GO, 5.00%, 8/1/27, Ser. A (MBIA)	Aaa/AAA	10,320,900

PIMCO California Municipal Income Fund II Schedule of Investments

May 31, 2006

Principal Amount (000)		Credit Rating (Moody's/S&P)*	Value
\$			
1,555	Ventura Unified School Dist., GO, 5.00%, 8/1/32, Ser. F (FSA)	Aaa/AAA	\$ 1,595,461
2,000	Vernon Electric System Rev., Malburg Generating Station, 5.50%, 4/1/33, (Pre-refunded @ \$100, 4/1/08) (a)	Aaa/NR	2,068,480
1,125	Victor Elementary School Dist., GO, Ser. A (FGIC), zero coupon, 8/1/24	Aaa/AAA	469,631
2,410	zero coupon, 8/1/26	Aaa/AAA	906,594
1,000	Vista Unified School Dist., GO, zero coupon, 8/1/26, Ser. A (FSA)	Aaa/AAA	376,180
2,740	West Contra Costa Univ. School Dist., GO, Ser. A (MBIA), 5.00%, 8/1/26	Aaa/AAA	2,814,227
2,690	5.00%, 8/1/28	Aaa/AAA	2,756,685
1,890	5.00%, 8/1/31	Aaa/AAA	1,928,934
3,375	Westlands Water Dist. Rev., CP, 5.00%, 9/1/34 (MBIA)	Aaa/AAA	3,440,441
2,000	William S. Hart JT School Financing Auth. Rev., 5.625%, 9/1/34	NR/BBB+	2,084,600
2,110	Yuba City Unified School Dist., GO, zero coupon, 9/1/25 (FGIC)	Aaa/AAA	825,179
	Total California Municipal Bonds & Notes (cost-\$548,116,075)		577,716,260
OTHER MUNICIPAL BONDS & NOTES 3.4%			
Iowa 2.2%			
16,100	Tobacco Settlement Auth. of Iowa Rev., zero coupon, 6/1/34, Ser. B	Baa3/BBB	15,051,246
New York 0.5%			
3,250	State Dormitory Auth. Rev., Hospital, 6.25%, 8/15/15 (FHA)	Aa2/AAA	3,670,290
Puerto Rico 0.7%			
2,000	Electric Power Auth., Power Rev., 5.125%, 7/1/29, Ser. NN	A3/BBB+	2,032,520
2,505	Public Building Auth. Rev., Gov't Facs., 5.00%, 7/1/36, Ser. I (GTD)	Baa3/BBB	2,508,207
	Total Other Municipal Bonds & Notes (cost-\$22,724,997)		4,540,727
CALIFORNIA VARIABLE RATE NOTES (b) (d) (e) 8.6%			
2,500	Coronado Community Dev. Agcy., Tax Allocation, 8.631%, 9/1/35 (AMBAC)	NR/AAA	2,476,100

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	Golden State Tobacco Securitization Corp., Tobacco Settlement Rev. (FGIC),		
2,000	10.31%, 6/1/35, Ser. 1220	Aaa/AAA	2,227,400
9,000	10.31%, 6/1/38, Ser. 1218	Aaa/AAA	9,947,250
	Los Angeles Dept. of Water & Power Rev. ,		
3,000	9.06%, 7/1/30, Ser. 1243 (FSA)	Aaa/AAA	3,032,400
3,000	17.294%, 7/1/35, Ser. 500 (FSA)	Aaa/NR	3,903,300
3,390	Waterworks Rev., 10.91%, 7/1/41, Ser. 754 (FGIC-TCRS)	Aaa/NR	3,757,137
2,000	Manteca Redev. Agcy., Tax Allocation, 10.497%, 10/1/36 (AMBAC)	Aaa/AAA	2,231,300
1,500	Modesto Public Financing Auth. Lease Rev., 10.28%, 9/1/29, Ser. 354 (AMBAC)	Aaa/NR	1,697,775
3,961	Oakland, GO, 10.28%, 1/15/32, Ser. 756 (FGIC)	Aaa/NR	4,426,061
2,000	Placentia-Yorba Linda Unified School Dist., CP, 10.31%, 10/1/32 (FGIC)	Aaa/AAA	2,292,200

PIMCO California Municipal Income Fund II Schedule of Investments

May 31, 2006

Principal Amount (000)		Credit Rating (Moody□s/S&P)*	Value
\$ 1,435	Sacramento Cnty. Sanitation Dist. Rev., 22.064%, 12/1/35 (AMBAC)	Aaa/NR	\$ 1,845,697
1,555	San Diego Unified School Dist., GO, 10.28%, 7/1/27, Ser. 758 (FGIC)	Aaa/NR	2,013,258
2,994	San Jose, GO, 10.28%, 9/1/32, Ser. 760 (MBIA)	Aaa/NR	3,388,010
1,830	San Jose Unified School Dist. Santa Clara Cnty., GO, 10.28%, 8/1/27, Ser. 761 (FSA)	Aaa/NR	2,063,142
7,400	Statewide Financing Auth. Rev., 8.313%, 5/1/37 Univ. Rev. ,	NR/NR	8,389,972
1,250	8.124%, 5/15/35 (FGIC)	Aaa/NR	1,218,700
425	9.035%, 5/15/35, Ser. 1119 (FSA)	NR/AAA	411,698
1,130	9.06%, 5/15/38, Ser. 1198	NR/AA-	1,065,703
2,000	10.28%, 9/1/28, Ser. 762 (FGIC)	Aaa/NR	2,339,480
	Total California Variable Rate Notes (cost-\$56,215,868)		58,726,583
OTHER VARIABLE RATE NOTES (e)□2.5%			
Puerto Rico□2.5%			
11,000	Public Building Auth. Rev., Gov□t Facs., 5.00%, 7/1/36, Ser. J (AMBAC-GTD)	Aaa/AAA	11,636,130
5,300	Public Finance Corp. Rev., Gov□t Facs., 5.75%, 8/1/27, Ser. A	Ba1/BBB-	5,654,464
	Total Other Variable Rate Notes (cost-\$17,393,107)		17,290,594
CALIFORNIA VARIABLE RATE DEMAND NOTES (e) (f)□0.9%			
800	Health Facs. Financing Auth. Rev., 3.50%, 6/1/06, Ser. B (AMBAC)	VMIG1/A-1+	800,000
2,200	State Department of Water Res. Rev., 3.51%, 6/1/06	VMIG1/A-1+	2,200,000
1,000	State of California, Daily Kindergarten Univ., GO, 3.50%, 6/1/06	VMIG1/A-1+	1,000,000
2,100	Statewide Communities Dev. Auth. Rev., Chevron USA, Inc. Proj., 3.52%, 6/1/06	VMIG1/A-1+	2,100,000
	Total California Variable Rate Demand Notes (cost-\$6,100,000)		6,100,000
U.S. TREASURY BILLS (g)□0.4%			
3,115	4.49%-4.649%, 6/15/06 (cost-\$3,109,522)		3,109,522

OPTIONS PURCHASED (h) 0.0%

Contracts

	Put Options 0.0%	
	Eurodollar Futures, Chicago Mercantile Exchange,	
204	strike price \$92, expires 3/19/07	1,275
245	strike price \$92.25, expires 3/19/07	1,531
		<hr/>
	Total Options Purchased (cost-\$4,266)	2,806
		<hr/>
	Total Investments (cost-\$653,663,835) 100.0%	\$ 686,208,028
		<hr/>

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PIMCO New York Municipal Income Fund II Schedule of Investments

May 31, 2006

Principal Amount (000)		Credit Rating (Moody's/S&P)*	Value
NEW YORK MUNICIPAL BONDS & NOTES-81.0%			
	Buffalo Municipal Water Finance Auth., Water System Rev., Ser. B (Pre-refunded @ \$100, 7/1/12) (FSA)(a),		
\$ 250	5.00%, 7/1/27	Aaa/AAA	\$ 266,822
1,000	5.125%, 7/1/32	Aaa/AAA	1,074,020
2,400	Erie Cnty. Industrial Dev. Agcy., Orchard Park Rev., 6.00%, 11/15/36	NR/NR	2,482,920
10,000	Erie Cnty. Tobacco Asset Securitization Corp. Rev., 6.50%, 7/15/32, (Pre-refunded @ \$101, 7/15/10) (a)	Ba1/AAA	11,140,200
	Metropolitan Transportation Auth. Rev.,		
1,850	5.00%, 11/15/30, Ser. A (FSA)	Aaa/AAA	1,895,991
10,000	5.25%, 11/15/31, Ser. E	A2/A	10,438,000
7,000	Metropolitan Transportation Auth. Service Contract Rev., 5.35%, 7/1/31, Ser. B	Aaa/AAA	7,365,960
4,000	New York City, GO, 5.00%, 3/1/33, Ser. I	A1/AA-	4,061,400
	New York City Health & Hospital Corp. Rev., Ser. A,		
1,100	5.375%, 2/15/26	A2/A-	1,129,458
2,000	5.45%, 2/15/26	A2/A-	2,070,000
	New York City Industrial Dev. Agcy. Rev.,		
1,000	Eger Harbor, 4.95%, 11/20/32 (GNMA)	NR/AA+	1,004,090
1,500	Staten Island Univ. Hospital, 5.00%, 7/1/27	Aa2/NR	1,553,325
1,235	United Jewish Appeal Fed., 6.45%, 7/1/32	B2/NR	1,256,415
3,055	New York City Municipal Water Finance Auth., Water & Sewer System Rev., 4.75%, 6/15/25, Ser. D (MBIA-IBC)	Aaa/AAA	3,078,065
10,000	New York City Transitional Finance Auth. Rev., 5.00%, 11/1/27, Ser. B	Aa1/AAA	10,320,100
3,600	Port Auth. New York & New Jersey Rev., 5.00%, 4/15/32, Ser. 125 (FSA)	Aaa/AAA	3,726,900
7,500	State Dormitory Auth. Lease Rev., State Univ. Dormitory Facs., 5.00%, 7/1/32, (Pre-refunded @ \$100, 7/1/12) (a)	Aa3/AA-	7,983,750
	State Dormitory Auth. Rev.,		
2,600	Catholic Health of Long Island, 5.10%, 7/1/34	Baa1/BBB	2,611,856
2,000	Kaleida Health Hospital, 5.05%, 2/15/25 (FHA)	NR/AAA	2,061,560
5,300	Lenox Hill Hospital, 5.50%, 7/1/30	Ba2/NR	5,237,036
1,400	Long Island Univ., 5.25%, 9/1/28 (Radian)	Aa3/AA	1,451,058
1,500	Memorial Sloan-Kettering Center, 5.00%, 7/1/34, Ser. 1	Aa2/AA	1,525,860
8,850	North General Hospital, 5.00%, 2/15/25	NR/AA-	9,030,983
5,000	Saint Barnabas Hospital, 5.00%, 2/1/31, Ser. A (AMBAC-FHA)	Aaa/AAA	5,119,300
8,600	State Personal Income Tax, 5.00%, 3/15/32, (Pre-refunded @ \$100, 3/15/13) (a)	Aa3/AAA	9,189,874
1,250	Student Housing Corp., 5.125%, 7/1/34 (FGIC)	Aaa/AAA	1,307,513
4,270	Teachers College, 5.00%, 7/1/32 (MBIA)	Aaa/NR	4,395,922

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2,000	Yeshiva Univ., 5.125%, 7/1/34 (AMBAC)	Aaa/NR	2,092,020
2,000	State Environmental Facs. Corp., State Clean Water & Drinking Rev., 5.125%, 6/15/31	Aaa/AAA	2,085,700
6,100	State Urban Dev. Corp., Personal Income Tax Rev., 5.00%, 3/15/33, Ser. C-1, (Pre-refunded @ \$100, 3/15/13) (a)	Aa3/AAA	6,518,399

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PIMCO New York Municipal Income Fund II Schedule of Investments

May 31, 2006

Principal Amount (000)		Credit Rating (Moody's/S&P)*	Value
	Tobacco Settlement Asset Backed, Inc. Rev., Ser. 1,		
\$			
25,000	5.00%, 6/1/34	NR/BBB	\$ 24,374,750
25,000	5.75%, 7/15/32, (Pre-refunded @ \$100, 7/15/12) (a)	Aaa/AAA	27,635,250
10,000	6.375%, 7/15/39, (Pre-refunded @ \$101, 7/15/09) (a)	Aaa/AAA	10,871,100
	Triborough Bridge & Tunnel Auth. Rev. (FGIC-TCRS),		
710	5.00%, 1/1/32	Aaa/AAA	729,411
3,990	5.00%, 1/1/32, (Pre-refunded @ \$100, 1/1/12) (a)	Aaa/AAA	4,238,577
2,000	Warren & Washington Cntys. Industrial Dev. Agcy. Fac. Rev., Glens Falls Hospital, 5.00%, 12/1/35, Ser. A (FSA)	Aaa/AAA	2,052,740
750	Westchester Cnty. Industrial Dev. Agcy. Continuing Care Retirement Rev., Kendal on Hudson, 6.50%, 1/1/34	NR/NR	788,288
			<hr/>
	Total New York Municipal Bonds & Notes (cost-\$183,160,916)		194,164,613
			<hr/>
OTHER MUNICIPAL BONDS & NOTES 6.8%			
California 3.3%			
	Alameda Unified School Dist., Alameda Cnty., GO, Ser. A (FSA),		
3,500	zero coupon, 8/1/24	Aaa/AAA	1,474,095
3,000	zero coupon, 8/1/25	Aaa/AAA	1,200,240
5,000	California Cnty., Tobacco Securitization Agcy. Rev., zero coupon, 6/1/28	Baa3/NR	3,983,250
3,130	Covina Valley Unified School Dist., GO, zero coupon, 6/1/25, Ser. B (FGIC)	Aaa/AAA	1,250,623
			<hr/>
			7,908,208
			<hr/>
Colorado 0.1%			
210	Dawson Ridge Dist. No. 1, GO, zero coupon, 10/1/22, Ser. A	Aaa/NR	96,516
			<hr/>
Puerto Rico 3.4%			
5,675	Children's Trust Fund, Tobacco Settlement Rev., 5.625%, 5/15/43	Baa3/BBB	5,831,800
1,500	Commonwealth Highway & Transportation Auth. Rev., 5.25%, 7/1/38, Ser. D, (Pre-refunded @ \$100, 7/1/12) (a)	Baa3/AAA	1,621,125
750	Electric Power Auth., Power Rev., 5.125%, 7/1/29, Ser. NN	A3/BBB+	762,195
			<hr/>
			8,215,120
			<hr/>
	Total Other Municipal Bonds & Notes (cost-\$15,384,725)		16,219,844

NEW YORK VARIABLE RATE NOTES (b) (d) (e) 10.0%

561	Liberty Dev. Corp. Rev., 14.08%, 10/1/35, Ser. 1251	Aa3/NR	873,780
5,595	Long Island Power Auth. Electric System Rev., 11.46%, 12/1/26, Ser. 339 (MBIA-IBC)	Aaa/NR	6,739,177
715	Mortgage Agcy. Rev., 8.98%, 10/1/27, Ser. 1199 New York City Municipal Water Finance Auth., Water & Sewer System Rev.,	Aa1/NR	733,719
1,250	7.216%, 6/15/32	NR/NR	1,359,050
3,750	7.716%, 6/15/34	NR/NR	4,255,950
1,500	7.73%, 6/15/33, Ser. 1249	Aa2/NR	1,249,425
1,950	New York City Trust for Cultural Res. Rev., 7.210%, 2/1/34 (FGIC)	NR/NR	2,173,899
2,475	State Dormitory Auth. Rev., 8.006%, 5/15/31 (AMBAC)	NR/AAA	3,615,356

PIMCO New York Municipal Income Fund II Schedule of Investments

May 31, 2006

Principal Amount (000)		Credit Rating (Moody□s/S&P)*	Value
\$ 1,250	State Dormitory Auth. Rev., Drivers, 8.704%, 6/1/13, Ser. 931 (Radian)	Aa3/NR	\$ 1,363,750
1,300	State Urban Dev. Corp. Rev., 10.497%, 3/15/35	NR/AAA	1,485,575
	Total New York Variable Rate Notes (cost-\$23,923,968)		<u>23,849,681</u>
OTHER VARIABLE RATE NOTES (e)□0.8%			
	Puerto Rico-0.8%		
1,900	Public Finance Corp. Rev., 5.75%, 8/1/27, Ser. A (cost-\$2,019,491)	Ba1/BBB-	2,027,072
NEW YORK VARIABLE RATE DEMAND NOTES (e)(f)□0.8%			
1,800	New York City Transitional Finance Auth. Rev., 3.50%, 6/1/06, Ser. C (cost-\$1,800,000)	VMIG1/A-1+	1,800,000
U.S. TREASURY BILLS (g)□0.6%			
1,530	4.49%-4.65%,6/15/06 (cost-\$1,527,310)		1,527,310
	Total Investments (cost-\$227,816,410)□100.0%		<u>\$ 239,588,520</u>

Notes to Schedules of Investments:

* Unaudited

- (a) Pre-refunded bonds are collateralized by U.S. Government or other eligible securities which are held in escrow and used to pay principal and interest and retire the bonds at the earliest refunding date (payment date) and/or whose interest rates vary with changes in a designated base rate (such as the prime interest rate).
- (b) 144A Security □ Security 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.
- (c) When-issued or delayed-delivery security. To be settled/delivered after May 31, 2006.
- (d) Residual Interest Municipal Bonds (□RIBS□)/Residual Interest Tax Exempt Bonds (□RITES□) □ The interest rate shown bears an inverse relationship to the interest rate on another security or the value of an index.
- (e) Variable Rate Notes □ Instruments whose interest rates change on specified date (such as a coupon date or interest payment date) and/or whose interest rates vary with changes in a designated base rate (such as the prime interest rate). The interest rate disclosed reflects the rate in effect on May 31, 2006.

- (f) Maturity date shown is date of next put.
 - (g) All or partial amount segregated as collateral for futures contracts.
 - (h) Non-income producing.
-

PIMCO New York Municipal Income Fund II Schedule of Investments

May 31, 2006

Glossary:

AMBAC □ insured by American Municipal Bond Assurance Corp.
CA Mtg. Ins. □ insured by California Mortgage Insurance
CA ST Mtg. □ insured by California State Mortgage
CP □ Certificates of Participation
FGIC □ insured by Financial Guaranty Insurance Co.
FHA □ insured by Federal Housing Administration
FSA □ insured by Financial Security Assurance, Inc.
GNMA □ insured by Government National Mortgage Association
GO □ General Obligation Bond
GTD □ Guaranteed
IBC □ Insurance Bond Certificate
MBIA □ insured by Municipal Bond Investors Assurance
NR □ Not Rated
PSF□GTD □ Permanent School Fund Guaranteed
Radian □ insured by Radian Guaranty, Inc.
TCRS □ Temporary Custodian Receipts
XLCA □ insured by XL Capital Assurance

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PIMCO Municipal Income Funds II Statements of Assets and Liabilities

May 31, 2006

	Municipal II	California Municipal II	New York Municipal II
Assets:			
Investments, at value (cost-\$1,233,244,158, \$653,663,835 and \$227,816,410, respectively)	\$ 1,332,546,515	\$ 686,208,028	\$ 239,588,520
Cash	22,043,171	10,456,173	1,335,562
Interest receivable	17,105,989	10,383,883	3,998,750
Receivable for variation margin on futures contracts	1,220,424	378,062	120,502
Receivable for investments sold	310,000	130,000	□
Prepaid expenses	42,509	25,585	18,371
Total Assets	1,373,268,608	707,581,731	245,061,705
Liabilities:			
Dividends payable to common and preferred shareholders	4,268,764	2,207,760	733,605
Investment management fees payable	579,720	298,159	103,365
Payable for variation margin on futures contracts	328,989	57,185	43,922
Accrued expenses	259,353	156,459	92,603
Payable for investments purchased	□	1,483,300	□
Total Liabilities	5,436,826	4,202,863	973,495
Preferred shares (\$0.00001 par value and \$25,000 net asset and liquidation value per share applicable to an aggregate of 20,200, 10,400 and 3,600 shares issued and outstanding, respectively)	505,000,000	260,000,000	90,000,000
Net Assets Applicable to Common Shareholders	\$ 862,831,782	\$ 443,378,868	\$ 154,088,210

Composition of Net Assets Applicable to

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Common Shareholders:

Common Stock:

Par value (\$0.00001 per share)	\$587	\$304	\$105
Paid-in-capital in excess of par	834,036,614	432,113,919	149,184,079
Dividends in excess of net investment income	(1,251,379)	(1,032,143)	(733,605)
Accumulated net realized loss	(87,628,060)	(28,393,131)	(7,517,120)
Net unrealized appreciation of investments and futures contracts	117,674,020	40,689,919	13,154,751
Net Assets Applicable to Common Shareholders	\$ 862,831,782	\$ 443,378,868	\$ 154,088,210
Common Shares Outstanding	58,658,072	30,411,879	10,513,038
Net Asset Value Per Common Share	\$ 14.71	\$ 14.58	\$ 14.66

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PIMCO Municipal Income Funds II Statements of Operations

For the year ended May 31, 2006

	Municipal II	California Municipal II	New York Municipal II
Investment Income:			
Interest	\$ 71,476,628	\$ 36,400,264	\$ 12,924,863
Expenses:			
Investment management fees	8,864,364	4,571,104	1,582,429
Auction agent fees and commissions	1,289,966	676,766	236,010
Custodian and accounting agent fees	432,314	229,437	97,062
Reports to shareholders	145,916	67,377	38,576
Audit and tax services	100,306	66,698	52,154
Trustees' fees and expenses	70,495	39,487	15,852
Transfer agent fees	50,261	40,605	39,017
New York Stock Exchange listing fees	45,607	23,608	20,817
Legal fees	32,258	14,406	4,940
Insurance expense	32,216	17,828	8,314
Investor relations	11,261	6,570	2,130
Miscellaneous	13,430	10,015	8,316
Total expenses	11,088,394	5,763,901	2,105,617
Less: investment management fees waived	(2,045,623)	(1,054,870)	(365,176)
custody credits earned on cash balances	(363,799)	(134,765)	(12,573)
Net expenses	8,678,972	4,574,266	1,727,868
Net Investment Income	62,797,656	31,825,998	11,196,995

Realized and Change in Unrealized Gain (Loss):

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Net realized gain (loss) on:

Investments	(788,345)	(264,825)	92,383
Futures contracts	(19,803,276)	(5,211,400)	(1,263,924)
Options written	5,198,205	3,512,109	1,133,736
Net change in unrealized appreciation/depreciation on:			
Investments	(20,130,613)	(11,666,264)	(2,104,303)
Futures contracts	35,710,163	14,830,914	3,076,828
Options written	927,139	567,380	199,189
Net realized and change in unrealized gain on investments, futures contracts and options written	1,113,273	1,767,914	1,133,909
Net Increase in Net Assets Resulting from Investment Operations	63,910,929	33,593,912	12,330,904
Dividends on Preferred Shares from Net Investment Income	(13,697,379)	(6,356,144)	(2,367,860)
Net Increase in Net Assets Applicable to Common Shareholders Resulting from Investment Operations	\$ 50,213,550	\$ 27,237,768	\$ 9,963,044

See accompanying Notes to Financial Statements | 5.31.06 | PIMCO Municipal Income Funds II Annual Report 27

**PIMCO Municipal Income Funds II Statements of Changes in Net Assets
Applicable to Common Shareholders**

	Municipal II	
	Year ended	
	May 31, 2006	May 31, 2005
Investment Operations:		
Net investment income	\$ 62,797,656	\$ 64,807,639
Net realized loss on investments, futures contracts and options written	(15,393,416)	(56,492,627)
Net change in unrealized appreciation/depreciation of investments, futures contracts and options written	16,506,689	104,781,470
Net increase in net assets resulting from investment operations	63,910,929	113,096,482
Dividends to Preferred Shares from Net investment income:	(13,697,379)	(8,269,559)
Net increase in net assets applicable to common shareholders resulting from investment operations	50,213,550	104,826,923
Dividends to Common Shareholders from Net investment income:	(55,835,634)	(58,819,603)
Capital Share Transactions:		
Reinvestment of dividends	6,163,881	3,612,366
Total increase in net assets applicable to common shareholders	541,797	49,619,686
Net Assets Applicable to Common Shareholders:		
Beginning of year	862,289,985	812,670,299
End of year (including undistributed (dividends in excess of) net investment income of \$(1,251,379) and \$5,483,978; \$(1,032,143) and \$1,703,352; \$(733,605) and \$(41,926); respectively)	\$ 862,831,782	\$ 862,289,985
Common Shares Issued in Reinvestment of Dividends:	417,928	247,531

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California Municipal II		New York Municipal II	
Year ended		Year ended	
May 31, 2006	May 31, 2005	May 31, 2006	May 31, 2005
\$ 31,825,998	\$ 31,511,574	\$ 11,196,995	\$ 11,114,342
(1,964,116)	(15,854,430)	(37,805)	(3,938,025)
3,732,030	50,065,774	1,171,714	15,598,114
33,593,912	65,722,918	12,330,904	22,774,431
(6,356,144)	(3,645,115)	(2,367,860)	(1,342,842)
27,237,768	62,077,803	9,963,044	21,431,589
(28,205,349)	(29,434,247)	(9,597,690)	(10,169,499)
2,750,671	1,293,066	910,722	592,411
1,783,090	33,936,622	1,276,076	11,854,501
441,595,778	407,659,156	152,812,134	140,957,633
\$ 443,378,868	\$ 441,595,778	\$ 154,088,210	\$ 152,812,134
187,096	91,921	61,504	41,816

See accompanying Notes to Financial Statements | 5.31.06 | PIMCO Municipal Income Funds II Annual Report 29

PIMCO Municipal Income Funds II Notes to Financial Statements

May 31, 2006

1. Organization and Significant Accounting Policies

PIMCO Municipal Income Fund II (the "Municipal II"), PIMCO California Municipal Income Fund II (the "California Municipal II") and PIMCO New York Municipal Income Fund II (the "New York Municipal II"), collectively referred to as the "Funds", were organized as Massachusetts business trusts on March 29, 2002. Prior to commencing operations on June 28, 2002, the Funds had no operations other than matters relating to their organization and registration as non-diversified, closed-end management investment companies registered under the Investment Company Act of 1940 and the rules and regulations thereunder, as amended. Allianz Global Investors Fund Management LLC (the "Investment Manager"), serves as the investment manager and is an indirect, wholly-owned subsidiary of Allianz Global Investors of America L.P. (the "Allianz Global"). Allianz Global is an indirect majority-owned subsidiary of Allianz AG. The Funds have an unlimited amount of \$0.00001 par value common stock authorized.

Municipal II invests substantially all of its assets in a portfolio of municipal bonds, the interest from which is exempt from federal income taxes. California Municipal II invests substantially all of its assets in municipal bonds which pay interest that is exempt from federal and California state income taxes. New York Municipal II invests substantially all of its assets in municipal bonds which pay interest that is exempt from federal, New York State and New York City income taxes. The Funds will seek to avoid bonds generating interest income which could potentially subject individuals to alternative minimum tax. The issuers' abilities to meet their obligations may be affected by economic and political developments in a specific state or region.

The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

In the normal course of business the Funds enter into contracts that contain a variety of representations which provide general indemnifications. The Funds' maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Funds based upon events that have not been asserted. However, the Funds expect the risk of any loss to be remote.

The following is a summary of significant accounting policies consistently followed by the Funds:

(a) Valuation of Investments

Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. Portfolio securities and other financial instruments for which market quotations are not readily available or if a development/event occurs that may significantly impact the value of a security may be fair-valued, in good faith, pursuant to guidelines established by the Board of Trustees. The Funds' investments are valued daily using prices supplied by an independent pricing service or dealer quotations, using the last sale price on the exchange that is the primary market for such securities, or the quoted mean price for those securities for which the over-the-counter market is the primary market or for listed securities in which there were no sales. The independent pricing service uses information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics. Exchange traded options and futures are valued at the settlement price determined by the relevant exchange. 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 their value on the 61st day prior to maturity, if the original term to maturity exceeded 60 days. Securities purchased on a when-issued or delayed-delivery basis are marked to market daily until settlement at the forward settlement value. The prices used by the Funds to value securities may differ from the value that would be realized if the securities were sold and the differences could be material to the financial statements. The Funds' net asset values are determined daily as of the close of regular trading (normally, 4:00 p.m. Eastern time) on the New York Stock Exchange (the "NYSE") on each day the NYSE is open for business.

(b) Investment Transactions and Investment Income

Investment transactions are accounted for on the trade date. Realized gains and losses on investments are determined on the identified cost basis. Interest income is recorded on an accrual basis. Original issue discounts or premiums on debt securities purchased are accreted or amortized daily to non-taxable interest income. Market discount, if any, is accreted daily to taxable income.

PIMCO Municipal Income Funds II Notes to Financial Statements

May 31, 2006

1. Organization and Significant Accounting Policies (continued)**(c) Federal Income Taxes**

The Funds intend to distribute all of their taxable income and to comply with the other requirements of the U.S. Internal Revenue Code of 1986, as amended, applicable to regulated investment companies. Accordingly, no provision for U.S. federal income taxes is required.

(d) Dividends and Distributions – Common Stock

The Funds declare dividends from net investment income monthly to common shareholders. Distributions of net realized capital gains, if any, are paid at least annually. Each Fund records dividends and distributions to its shareholders on the ex-dividend date. The amount of dividends and distributions from net investment income and net realized capital gains are determined in accordance with federal income tax regulations, which may differ from generally accepted accounting principles. These “book-tax” differences are considered either temporary or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the capital accounts based on their federal income tax treatment; temporary differences do not require reclassification. For the year ended May 31, 2006, New York Municipal II had a permanent difference attributable to non-deductible excise taxes and an over distribution of taxable income. The adjustment was to decrease distributions in excess of net investment income and decrease paid-in capital in excess of par by \$76,876. To the extent dividends and/or distributions exceed current and accumulated earnings and profits for federal income tax purposes; they are reported as dividends and/or distributions of paid-in capital.

(e) Futures Contracts

A futures contract is an agreement between two parties to buy and sell a financial instrument at a set price on a future date. Upon entering into such a contract, the Funds are required to pledge to the broker an amount of cash or securities, equal to the minimum “initial margin” requirements of the exchange. Pursuant to the contracts, the Funds agree to receive from or pay to the broker an amount of cash or securities equal to the daily fluctuation in the value of the contracts. Such receipts or payments are known as “variation margin” and are recorded by the Funds as unrealized appreciation or depreciation. When the contracts are closed, the Funds record a realized gain or loss equal to the difference between the value of the contracts at the time they were opened and the value at the time they were closed. Any unrealized appreciation or depreciation recorded is simultaneously reversed. The use of futures transactions involves the risk of an imperfect correlation in the movements in the price of futures contracts, interest rates and the underlying hedged assets, and the possible inability of counterparties to meet the terms of their contracts.

(f) Option Transactions

The Funds may purchase and write (sell) put and call options on securities for hedging purposes, risk management purposes or as part of its investment strategy. The risk associated with purchasing an option is that the Funds pay a premium whether or not the option is exercised. Additionally, the Funds bear the risk of loss of premium and change in market value should the counterparty not perform under the contract. Put and call options purchased are accounted for in the same manner as portfolio securities. The cost of securities acquired through the exercise of call options is increased by the premiums paid. The proceeds from securities sold through the exercise of put options is decreased by the premiums paid.

When an option is written, the premium received is recorded as an asset with an equal liability which is subsequently adjusted to the current market value of the option written. These liabilities are reflected as options written in the Statements of Assets and Liabilities. Premiums received from writing options which expire unexercised are recorded on the expiration date as a realized gain. The difference between the premium received and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or if the premium is less than the amount paid for the closing purchased transactions, as a realized loss. If a call option written by the Funds is exercised, the premium is added to the proceeds from the sale of the underlying security in determining whether there has been a realized gain or loss. If a put option written by the Funds is exercised, the premium reduces the cost basis of the security. In writing an option, the Funds bear the market risk of an unfavorable change in the price of the security underlying the written option. Exercise of a written option could result in the Funds purchasing a security at a price different from the current market value.

(g) Residual Interest Municipal Bonds (“RIBS”)/Residual Interest Tax Exempt Bonds (“RITES”)

The Funds invest in RIBS and RITES whose interest rates bear an inverse relationship to the interest rate on another security or the value of an index. RIBS and RITES are created by dividing the income stream provided by the underlying bonds to create two securities, one short-term and one long-term. The interest rate on the short-term

PIMCO Municipal Income Funds II Notes to Financial Statements

May 31, 2006

1. Organization and Significant Accounting Policies (continued)

component is reset by an index or auction process normally every seven to 35 days. After income is paid on the short-term securities at current rates, the residual income from the underlying bond(s) goes to the long-term securities. Therefore, rising short-term interest rates result in lower income for the longer-term portion, and visa versa. The longer-term bonds may be more volatile and less liquid than other municipal bonds of comparable maturity. Investments in RIBS and RITES typically will involve greater risk than an investment in a fixed-rate bond. The Funds may also invest in RIBS and RITES for the purpose of increasing their leverage.

(h) When-Issued/Delayed-Delivery Transactions

When-issued or delayed-delivery basis transactions involve a commitment to purchase or sell securities for a predetermined price or yield, with payment and delivery taking place beyond the customary settlement period. When delayed-delivery purchases are outstanding, the Funds will set aside and maintain until the settlement date in a designated account, liquid assets in an amount sufficient to meet the purchase price. When purchasing a security on a delayed-delivery basis, the Funds assume the rights and risks of ownership of the security, including the risk of price and yield fluctuations, consequently, such fluctuations are taken into account when determining its net asset value. The Funds may dispose of or renegotiate a delayed-delivery transaction after it is entered into, and may sell when-issued securities before they are delivered, which may result in a realized gain or loss. When a security on a delayed-delivery basis is sold, the Funds do not participate in future gains and losses with respect to the security.

(i) Custody Credits Earned on Cash Balances

The Funds benefit from an expense offset arrangement with their custodian bank whereby uninvested cash balances earn credits which reduce monthly custodian and accounting agent expenses. Had these cash balances been invested in income producing securities, they would have generated income for the Funds.

2. Investment Manager/Sub-Adviser

Each Fund has entered into an Investment Management Agreement (the "Agreements") with the Investment Manager. Subject to the supervision by each Fund's Board of Trustees, the Investment Manager is responsible for managing, either directly or through others selected by it, the Fund's investment activities, business affairs and other administrative matters. Pursuant to the Agreements, the Investment Manager receives an annual fee, payable monthly, at the annual rate of 0.65% of each Fund's average daily net assets, inclusive of net assets attributable to any preferred shares that may be outstanding. In order to reduce each Fund's expenses, the Investment Manager has contractually agreed to waive a portion of its investment management fee for each Fund at the annual rate of 0.15% of each Fund's average daily net assets, including net assets attributable to any preferred shares that may be outstanding, from the commencement of operations through June 30, 2007, and for a declining amount thereafter through June 30, 2009.

The Investment Manager has retained its affiliate, Pacific Investment Management Company LLC (the "Sub-Adviser") to manage each Fund's investments. Subject to the supervision of the Investment Manager, the Sub-Adviser makes all investment decisions for the Funds. The Investment Manager, not the Funds, pays a portion of the fees it receives to the Sub-Adviser in return for its services, at the maximum annual rate of 0.50% of each Fund's average daily net assets, inclusive of net assets attributable to any preferred shares that may be outstanding. The Sub-Adviser has contractually agreed to waive a portion of the fees it is entitled to receive from the Investment Manager, such that the Sub-Adviser will receive 0.26% of each Fund's average daily net assets, including net assets attributable to any preferred shares that may be outstanding, from the commencement of the Funds' operations through June 30, 2007, and will receive an increasing amount not to exceed 0.50% of each Fund's average daily net assets, including net assets attributable to any preferred shares that may be outstanding thereafter through June 30, 2009.

3. Investments in Securities

For the year ended May 31, 2006, purchases and sales of investments, other than short-term securities, were:

	Municipal II	California Municipal II	New York Municipal II
Purchases	\$268,304,639	\$241,737,580	\$103,271,237
Sales	302,224,292	241,973,639	91,721,709

PIMCO Municipal Income Funds II Notes to Financial Statements

May 31, 2006

3. Investments in Securities (continued)**(a) Futures contracts outstanding at May 31, 2006:**

Fund	Type	Notional Amount (000)	Expiration Date	Unrealized Appreciation (Depreciation)
Municipal II	Long: Euro 90 day Futures	\$ 58	6/18/07	\$ (27,600)
	Euro 90 day Futures	58	9/17/07	(27,888)
	Euro 90 day Futures	58	12/17/07	(28,462)
	Euro 90 day Futures	58	3/17/08	(28,175)
	U.S. Treasury Notes 5 yr. Futures	5,189	9/29/06	(2,113,896)
	Short: U.S. Treasury Bond Futures	(3,634)	6/21/06	19,950,272
	U.S. Treasury Bond Futures	(1,425)	9/20/06	531,640
	U.S. Treasury Notes 10 yr. Futures	(251)	9/20/06	115,772
				<u>\$ 18,371,663</u>
California Municipal II	Long: Euro 90 day Futures	\$ 653	6/18/07	\$ (253,975)
	Euro 90 day Futures	653	9/17/07	(254,663)
	Euro 90 day Futures	653	12/17/07	(261,188)
	Euro 90 day Futures	653	3/17/08	(257,925)
	U.S. Treasury Notes 5 yr. Futures	1,533	9/29/06	(607,109)
	Short: U.S. Treasury Bond Futures	(2,009)	6/21/06	9,519,992
	U.S. Treasury Bond Futures	(630)	9/20/06	234,922
	U.S. Treasury Notes 10 yr. Futures	(62)	9/20/06	25,672
				<u>\$ 8,145,726</u>
New York Municipal II	Long: U.S. Treasury Notes 5 yr. Futures	\$ 233	9/29/06	\$ (112,234)
	Short: U.S. Treasury Bond Futures	(289)	6/21/06	1,424,266
	U.S. Treasury Bond Futures	(95)	9/20/06	55,703
	U.S. Treasury Notes 10 yr. Futures	(36)	9/20/06	14,906
			<u>\$ 1,382,641</u>	

(b) Transactions in options written for the year ended May 31, 2006:

	Contracts	Premiums
<u>Municipal II</u>		
Options outstanding, May 31, 2005	2,365	\$ 2,248,095

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Options written	11,277	3,308,134
Options expired	(11,102)	(4,824,118)
Options terminated in closing purchase transactions	(2,540)	(732,111)
	<hr/>	<hr/>
Options outstanding, May 31, 2006	□	\$ □
	<hr/>	<hr/>
<u>California Municipal II</u>		
Options outstanding, May 31, 2005	2,391	\$ 1,913,573
Options written	6,074	1,781,431
Options expired	(7,109)	(3,303,382)
Options terminated in closing purchase transactions	(1,356)	(391,622)
	<hr/>	<hr/>
Options outstanding, May 31, 2006	□	\$ □
	<hr/>	<hr/>
<u>New York Municipal II</u>		
Options outstanding, May 31, 2005	813	\$ 677,170
Options written	1,757	508,413
Options expired	(2,180)	(1,073,216)
Options terminated in closing purchase transactions	(390)	(112,367)
	<hr/>	<hr/>
Options outstanding May 31, 2006	□	\$ □
	<hr/>	<hr/>

PIMCO Municipal Income Funds II Notes to Financial Statements

May 31, 2006

4. Income Tax InformationMunicipal II:

The tax character of dividends paid were:

	Year ended May 31, 2006	Year ended May 31, 2005
Ordinary Income	\$ 4,296,868	\$ 3,247,605
Tax Exempt Income	\$65,236,145	\$63,841,557

At May 31, 2006, there were no distributable earnings.

At May 31, 2006, Municipal II had a capital loss carryforward of \$69,239,566 (\$10,260,913 of which will expire in 2012, \$54,505,416 of which will expire in 2013 and \$4,473,237 of which will expire in 2014), available as a reduction, to the extent provided in the regulations, of any future net realized capital gains. To the extent that these losses are used to offset future realized capital gains, such gains will not be distributed.

California Municipal II:

The tax character of dividends paid were:

	Year ended May 31, 2006	Year ended May 31, 2005
Ordinary Income	\$ 1,211,673	\$ 766,357
Tax Exempt Income	\$33,349,820	\$32,313,005

At May 31, 2006, there were no distributable earnings.

At May 31, 2006, California Municipal II had a capital loss carryforward of \$20,248,865 (\$3,919,943 of which will expire in 2012 and \$16,328,922 of which will expire in 2013), available as a reduction, to the extent provided in the regulations, of any future net realized capital gains. To the extent that these losses are used to offset future realized capital gains, such gains will not be distributed. During the year ended May 31, 2006, California Municipal II utilized \$3,417,098 of capital loss carryforwards.

New York Municipal II:

The tax character of dividends paid were:

	Year ended May 31, 2006	Year ended May 31, 2005
Ordinary Income	\$ 358,930	\$ 146,663
Tax Exempt Income	\$11,606,620	\$11,365,678

At May 31, 2006, there were no distributable earnings.

At May 31, 2006, New York Municipal II had a capital loss carryforward of \$6,134,479 (\$378,802 of which will expire in 2012 and \$5,755,677 of which will expire in 2013), available as a reduction, to the extent provided in the regulations, of any future net realized capital gains. To the extent that these losses are used to offset future realized capital gains, such gains will not be distributed. During the year ended May 31, 2006, New York Municipal II utilized \$2,619,113 of capital loss carryforwards.

PIMCO Municipal Income Funds II Notes to Financial Statements

May 31, 2006

4. Income Tax Information (continued)

The cost of investments for federal income tax purposes and gross unrealized appreciation and gross unrealized depreciation of investments at May 31, 2006 were:

	Cost of Investments	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation
Municipal II	\$1,233,260,989	\$100,424,168	\$1,138,642	\$99,285,526
California Municipal II	653,663,835	33,828,966	1,284,773	32,544,193
New York Municipal II	227,816,410	13,131,799	1,359,689	11,772,110

The difference between book and tax basis unrealized appreciation/depreciation, if any, is attributable to wash sales.

5. Auction Preferred Shares

Municipal II has issued 4,040 shares of Preferred Shares Series A, 4,040 shares of Preferred Shares Series B, 4,040 shares of Preferred Shares Series C, 4,040 shares of Preferred Shares Series D and 4,040 shares of Preferred Shares Series E, each with a net asset and liquidation value of \$25,000 per share plus accrued dividends.

California Municipal II has issued 2,080 shares of Preferred Shares Series A, 2,080 shares of Preferred Shares Series B, 2,080 shares of Preferred Shares Series C, 2,080 shares of Preferred Shares Series D and 2,080 shares of Preferred Shares Series E, each with a net asset and liquidation value of \$25,000 per share plus accrued dividends.

New York Municipal II has issued 1,800 shares of Preferred Shares Series A and 1,800 shares of Preferred Shares Series B, each with a net asset and liquidation value of \$25,000 per share plus accrued dividends.

Dividends and distributions of net realized long-term capital gains, if any, are accumulated daily at an annual rate (typically re-set every seven days) through auction procedures.

For the year ended May 31, 2006, the annualized dividend rates ranged from:

	High	Low	At May 31, 2006
<u>Municipal II:</u>			
Series A	4.35%	1.60%	3.29%
Series B	4.40%	2.00%	3.30%
Series C	4.45%	1.86%	3.15%
Series D	4.45%	2.00%	3.35%
Series E	4.35%	2.00%	3.35%
<u>California Municipal II:</u>			
Series A	4.35%	0.75%	2.98%
Series B	4.40%	1.40%	3.10%
Series C	4.45%	0.90%	3.09%
Series D	4.45%	1.50%	3.01%
Series E	4.35%	1.60%	3.25%
<u>New York Municipal II:</u>			
Series A	4.45%	1.60%	3.35%
Series B	4.35%	1.80%	3.30%

The Funds are subject to certain limitations and restrictions while Preferred Shares are outstanding. Failure to comply with these limitations and restrictions could preclude the Funds from declaring any dividends or distributions to common shareholders or repurchasing common shares and/or triggering the mandatory redemption of Preferred Shares at their liquidation value.

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Preferred Shares, which are entitled to one vote per share, generally vote separately as a class to elect two Trustees and on any matters affecting the rights of the Preferred Shares.

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PIMCO Municipal Income Funds II Notes to Financial Statements

May 31, 2006

6. Subsequent Common Dividend Declarations

On June 1, 2006, the following dividends were declared to common shareholders payable July 3, 2006 to shareholders of record on June 12, 2006:

Municipal II	\$0.07 per common share
California Municipal II	\$0.07 per common share
New York Municipal II	\$0.06625 per common share

On July 3, 2006 the following dividends were declared to common shareholders payable August 1, 2006 to shareholders of record on July 13, 2006:

Municipal II	\$0.07 per common share
California Municipal II	\$0.07 per common share
New York Municipal II	\$0.06625 per common share

7. Legal Proceedings

In June and September 2004, the Investment Manager, certain of its affiliates (Allianz Global Investors Distributors LLC and PEA Capital LLC) and Allianz Global, agreed to settle, without admitting or denying the allegations, claims brought by the Securities and Exchange Commission (the "Commission"), the New Jersey Attorney General and the California Attorney General alleging violations of federal and state securities laws with respect to certain open-end funds for which the Investment Manager serves as investment adviser. Two settlements (with the Commission and New Jersey) related to an alleged "market timing" arrangement in certain open-end funds sub-advised by PEA Capital. Two settlements (with the Commission and California) related to the alleged use of cash and fund portfolio commissions to finance "shelf-space" arrangements with broker-dealers for open-end funds. The Investment Manager and its affiliates agreed to pay a total of \$68 million to settle the claims related to market timing and \$20.6 million to settle the claims related to shelf space. The settling parties also agreed to make certain corporate governance changes. None of the settlements allege that any inappropriate activity took place with respect to the Funds.

Since February 2004, the Investment Manager and certain of its affiliates and their employees have been named as defendants in a number of pending lawsuits concerning "market timing," and "revenue sharing/shelf space/directed brokerage," which allege the same or similar conduct underlying the regulatory settlements discussed above. The market timing lawsuits have been consolidated in a Multi-District Litigation in the United States District Court for the District of Maryland, and the revenue sharing/shelf space/directed brokerage lawsuits have been consolidated in the United States District Court for the District of Connecticut. Any potential resolution of these matters may include, but not be limited to, judgments or settlements for damages against the Investment Manager or its affiliates or related injunctions.

Under Section 9(a) of the 1940 Act, if any of the various regulatory proceedings or lawsuits were to result in a court injunction against the Investment Manager, Allianz Global and/or their affiliates, they and their affiliates would, in the absence of exemptive relief granted by the Commission, be barred from serving as an investment adviser/sub-adviser or principal underwriter for any registered investment company, including the Funds. In connection with an inquiry from the Commission concerning the status of the New Jersey settlement referenced above with regard to any implications under Section 9(a), the Investment Manager and certain of its affiliates, including the Sub-Adviser, (together, the "Applicants") have sought exemptive relief from the Commission under Section 9(c) of the 1940 Act. The Commission has granted the Applicants a temporary exemption from the provisions of Section 9(a) with respect to the New Jersey settlement until the earlier of (i) September 13, 2006 and (ii) the date on which the Commission takes final action on their application for a permanent exemptive order. There is no assurance that the Commission will issue a permanent order. If a court injunction were to be issued against the Investment Manager or the affiliates with respect to any of the other matters referenced above, the Investment Manager or the affiliates would, in turn, seek similar exemptive relief under Section 9(c) with respect to that matter, although there is no assurance that such exemptive relief would be granted.

The Investment Manager and the Sub-Adviser believe that these matters are not likely to have a material adverse effect on the Funds or on their ability to perform their respective investment advisory activities relating to the Funds.

The foregoing speaks only as of the date hereof.

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PIMCO Municipal Income Funds II Financial Highlights

For a share of common stock outstanding throughout each period:

	Year Ended			For the period
	May 31, 2006	May 31, 2005	May 31, 2004	June 28, 2002* through May 31, 2003
Net asset value, beginning of period	\$ 14.81	\$ 14.01	\$ 14.66	\$ 14.33**
Investment Operations:				
Net investment income	1.08	1.11	1.17	0.93
Net realized and change in unrealized gain (loss) on investments, futures contracts and options written	0.01	0.84	(0.77)	0.53
Total from investment operations	1.09	1.95	0.40	1.46
Dividends and Distributions on Preferred Shares from:				
Net investment income	(0.23)	(0.14)	(0.08)	(0.08)
Net realized gains	□	□	□	(0.01)
Total dividends and distributions on preferred shares	(0.23)	(0.14)	(0.08)	(0.09)
Net increase in net assets applicable to common shareholders resulting from investment operations	0.86	1.81	0.32	1.37
Dividends and Distributions to Common Shareholders from:				
Net investment income	(0.96)	(1.01)	(0.97)	(0.84)
Net realized gains	□	□	□	(0.09)
Total dividends and distributions to common shareholders	(0.96)	(1.01)	(0.97)	(0.93)
Capital Share Transactions:				