

PIMCO MUNICIPAL INCOME FUND II
Form N-CSRS
February 06, 2008

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 811-21076

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

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

10105
(Zip code)

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

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

Date of fiscal year end: May 31, 2008

Date of reporting period: November 30, 2007

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e -1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

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

Semi-Annual Report
November 30, 2007

Contents

| | |
|--|-------|
| Letter to Shareholders | 1 |
| Fund Insights/Performance & Statistics | 2-4 |
| Schedules of Investments | 5-26 |
| Statements of Assets and Liabilities | 28 |
| Statements of Operations | 29 |
| Statements of Changes in Net Assets | 30-31 |
| Statements of Cash Flows | 32-34 |
| Notes to Financial Statements | 35-40 |
| Financial Highlights | 41-44 |
| Matters Relating to the Trustees' Consideration of the Investment Management and Portfolio Management Agreements | 45-47 |
| Annual Shareholder Meetings Results | 48 |

PIMCO Municipal Income Funds II Letter to Shareholders

January 10, 2008

Dear Shareholder:

We are pleased to provide you with the semi-annual report for PIMCO Municipal Income Fund II, PIMCO California Municipal Income Fund II and PIMCO New York Municipal Income Fund II (collectively, the "Funds") for the six months ended November 30, 2007.

The U.S. bond market delivered flat to moderate returns during the six-month period, as economic growth slowed and weakness in the U.S. housing and mortgage markets spread to the bond market. The Lehman Municipal Bond Index was virtually flat for the period, posting a 0.06% return, underperforming indexes of corporate and Treasury securities. The Federal Reserve reduced the Federal Funds rate during the period and sought other methods to inject liquidity into the economy. Inflation levels continued to track somewhat higher than the central bank's stated comfort level.

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

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

Sincerely,

Hans W. Kertess
Chairman

Brian S. Shlissel
President & Chief Executive Officer

PIMCO Municipal Income Fund II Fund Insights/Performance & Statistics

November 30, 2007 (unaudited)

- For the fiscal six months ended November 30, 2007, PIMCO Municipal Income Fund II returned -2.01% on net asset value (NAV) and -8.53% on market price, compared to -0.47% and -8.12%, respectively for the Lipper Analytical General Municipal Debt Funds (Leveraged) average.
- Municipals underperformed Treasuries and the taxable debt sector during the period. The Lehman Brothers General Municipal Bond Index* returned 2.93%, while the Lehman Brothers Long-Term Aggregate and the Lehman Brothers Treasury Indices returned 5.63% and 7.84%, respectively.
- The Fund's average credit quality was A+ at the end of the six-month period, versus the benchmark's average of AA1/AA2.
- For the six-month period, 10-year AAA muni yields decreased 45 basis points, while 20- and 30-year AAA muni yields decreased 14 and 12 basis points, respectively.
- Exposure to prerefunded bonds contributed to the Fund's performance during the reporting period.
- The Fund's effective duration was managed below that of its benchmark throughout the period, which was negative for performance, as municipal yields decreased across all maturities.
- Exposure to the healthcare sector detracted from performance, as spreads widened dramatically during the period.
- Exposure to tobacco securitized municipals was negative for performance as the overall index declined -4.80% year-to-date.

* The Lehman Brothers General Municipal Bond Index is an unmanaged index of municipal bonds. The Lehman Brothers Aggregate Bond Index is an unmanaged index of investment grade, U.S. dollar-denominated fixed income securities of domestic issuers having a maturity greater than one year. The Lehman Brothers Long-Term Treasury Index is an unmanaged index of U.S. Treasury issues with maturities greater than 10 years.

| Total Return⁽¹⁾ : | Market Price | Net Asset Value (NAV) |
|--|---------------------|------------------------------|
| Six Months | (8.53)% | (2.01)% |
| 1 Year | (8.96)% | (0.75)% |
| 5 Year | 5.79% | 6.92% |
| Commencement of Operations (6/28/02) to 11/30/07 | 4.90% | 6.67% |

Common Share Market Price/NAV Performance:

Commencement of Operations (6/28/02) to 11/30/07

¢ Market Price

¢ NAV

Market Price/NAV:

| | |
|-----------------------|---------|
| Market Price | \$13.73 |
| NAV | \$14.36 |
| Discount to NAV | (4.39)% |
| Market Price Yield(2) | 5.68% |

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

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

Returns are calculated by determining the percentage change in net asset value or market share price (as applicable) with all distributions reinvested. The Fund's performance at market price will differ from its results at NAV. Although market price returns typically reflect investment results over time, during shorter periods returns at market price can also be influenced by factors

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such as changing views about the Fund, market conditions, supply and demand for the Fund's shares, or changes in Fund distributions.

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 equal to total assets attributable to common shareholders less total liabilities divided by the number of common shares outstanding. Holdings are subject to change daily.

(2) Market Price Yield is determined by dividing the annualized current monthly per share dividend (comprised from net investment income) payable to common shareholders by the market price per common share at November 30, 2007.

2 PIMCO Municipal Income Funds II Semi-Annual Report | 11.30.07

PIMCO California Municipal Income Fund II Fund Insights/Performance

November 30, 2007 (unaudited)

& Statistics

- For the fiscal six months ended November 30, 2007, PIMCO California Municipal Income Fund II returned -4.30% on net asset value (NAV) and -8.77% on market price, compared to 0.21% and -8.97%, respectively for the Lipper California Municipal Debt Funds (Leveraged) average.
- Municipals underperformed Treasuries and the taxable debt sector during the period. The Lehman Brothers General Municipal Bond Index* returned 2.93%, while the Lehman Brothers Aggregate and the Lehman Brothers Long-Term Treasury Indices returned 5.63% and 7.84%, respectively.
- The Fund's average credit quality was AA- at the end of the six-month period, versus the benchmark's average of AA1/AA2.
- For the six-month period, 10-year California yields decreased 29 basis points, while 20- and 30-year yields increased 9 and 13 basis points, respectively.
- Exposure to California prerefunded bonds contributed to the Fund's performance during the reporting period.
- The Fund's effective duration was managed below that of its benchmark throughout the period, which was negative for performance, as California municipal yields decreased across all maturities.
- Exposure to tobacco securitized municipals detracted from performance, as the overall index declined -4.80% year-to-date.
- Municipal bonds within California underperformed the broader national market for the period, as issuance within the state was the largest nationwide.

* The Lehman Brothers General Municipal Bond Index is an unmanaged index of municipal bonds. The Lehman Brothers Aggregate Bond Index is an unmanaged index of investment grade, U.S. dollar-denominated fixed income securities of domestic issuers having a maturity greater than one year. The Lehman Brothers Long-Term Treasury Index is an unmanaged index of U.S. Treasury issues with maturities greater than 10 years.

| Total Return⁽¹⁾ : | Market Price | Net Asset Value (NAV) |
|--|---------------------|------------------------------|
| Six Months | (8.77)% | (4.30)% |
| 1 Year | (7.55)% | (3.09)% |
| 5 Year | 6.25% | 6.30% |
| Commencement of Operations (6/28/02) to 11/30/07 | 5.32% | 5.82% |

Common Share Market Price/NAV Performance:

Commencement of Operations (6/28/02) to 11/30/07

¢ Market Price

¢ NAV

Market Price/NAV:

| | |
|-----------------------|---------|
| Market Price | \$14.14 |
| NAV | \$13.84 |
| Premium to NAV | 2.17% |
| Market Price Yield(2) | 5.51% |

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

(1) **Past performance is no guarantee of future results.** Total return is determined by subtracting the initial investment from the value at the end of the period and dividing the remainder by the initial investment 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. Total return does not reflect broker commissions or sales charges. Total return for a period of less than one year is not annualized. Total return for a period of more than one year represents the average annual total return.

Returns are calculated by determining the percentage change in net asset value or market share price (as applicable) with all distributions reinvested. The Fund's performance at market price will differ from its results at NAV. Although market price returns typically reflect investment results over time, during shorter periods returns at market price can also be influenced by factors

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such as changing views about the Fund, market conditions, supply and demand for the Fund's shares, or changes in Fund distributions.

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(2) Market Price Yield is determined by dividing the annualized current monthly per share dividend (comprised from net investment income) payable to common shareholders by the market price per common share at November 30, 2007.

11.30.07 | PIMCO Municipal Income Funds II Semi-Annual Report **3**

PIMCO New York Municipal Income Fund II Fund Insights/Performance & Statistics

November 30, 2007 (unaudited)

- For the fiscal six months ended November 30, 2007, PIMCO New York Municipal Income Fund II returned -2.61% on net asset value (NAV) and -9.38% on market price, compared to 0.92% and -7.02%, respectively for the Lipper New York Municipal Debt Funds (Leveraged) average.
- Municipals underperformed Treasuries and the taxable debt sector during the period. The Lehman Brothers General Municipal Bond Index* returned 2.93%, while the Lehman Brothers

Aggregate and the Lehman Brothers Long-Term Treasury Indices returned 5.63% and 7.84%, respectively.

- The Fund's average credit quality was AA- at the end of the six-month period, versus the benchmark's average of AA1/AA2.
- For the six-month period, 10-year New York yields decreased 47 basis points, while 20- and 30-year New York yields decreased 16 and 14 basis points, respectively.
- Exposure to New York prerefunded bonds contributed to the Fund's

performance during the reporting period.

- The Fund's effective duration was managed below that of its benchmark throughout the period, which was negative for performance, as municipal yields decreased across all maturities.
- Exposure to tobacco securitized municipals detracted from performance as the overall index declined -4.80% year-to-date.
- Municipal bonds within New York slightly outperformed the broader national market for the period.

* The Lehman Brothers General Municipal Bond Index is an unmanaged index of municipal bonds. The Lehman Brothers Aggregate Bond Index is an unmanaged index of investment grade, U.S. dollar-denominated fixed income securities of domestic issuers having a maturity greater than one year. The Lehman Brothers Long-Term Treasury Index is an unmanaged index of U.S. Treasury issues with maturities greater than 10 years.

| Total Return⁽¹⁾ : | Market Price | Net Asset Value (NAV) |
|--|---------------------|------------------------------|
| Six Months | (9.38)% | (2.61)% |
| 1 Year | (8.44)% | (2.63)% |
| 5 Year | 5.58% | 6.19% |
| Commencement of Operations (6/28/02) to 11/30/07 | 4.53% | 5.94% |

Common Share Market Price/NAV Performance:

Commencement of Operations (6/28/02) to 11/30/07

¢ Market Price

¢ NAV

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

Market Price/NAV:

| | |
|-----------------------------------|---------|
| Market Price | \$13.65 |
| NAV | \$14.01 |
| Discount to NAV | (2.57)% |
| Market Price Yield ⁽²⁾ | 5.60% |

(1) **Past performance is no guarantee of future results.** Total return is determined by subtracting the initial investment from the value at the end of the period and dividing the remainder by the initial investment 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. Total return does not reflect broker commissions or sales charges. Total return for a period of less than one year is not annualized. Total return for a period more than one year represents the average annual total return.

Returns are calculated by determining the percentage change in net asset value or market share price (as applicable) with all distributions reinvested. The Fund's performance at market price will differ from its results at NAV. Although market price returns typically reflect investment results over time, during shorter periods returns at market price can also be influenced by factors such as changing views about the Fund, market conditions, supply and demand for the Fund's shares, or changes in Fund distributions.

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(2) Market Price Yield is determined by dividing the annualized current monthly per share dividend (comprised from net investment income) payable to common shareholders by the market price per common share at November 30, 2007.

4 PIMCO Municipal Income Funds II Semi-Annual Report | 11.30.07

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PIMCO Municipal Income Fund II Schedule of Investments

November 30, 2007 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody's/S&P) | Value |
|--|---|-----------------------------|--------------|
| MUNICIPAL BONDS & NOTES 95.0% | | | |
| Alabama 4.2% | | | |
| \$ 10,000 | Birmingham Baptist Medical Centers Special Care Facs. Financing Auth. Rev., 5.00%, 11/15/30, Ser. A | Baa1/NR | \$ 9,230,000 |
| | Birmingham Waterworks & Sewer Board Rev., Ser. B, (Pre-refunded @ \$100, 1/1/13) (MBIA) (b), | | |
| 1,145 | 5.00%, 1/1/27 | Aaa/AAA | 1,231,871 |
| 10,000 | 5.00%, 1/1/37 | Aaa/AAA | 10,758,700 |
| 18,000 | 5.25%, 1/1/33 (h) | Aaa/AAA | 19,573,920 |
| 1,750 | Huntsville Health Care Auth. Rev., 5.75%, 6/1/32, Ser. B, (Pre-refunded @ \$101, 6/1/12) (b) | A2/NR | 1,929,532 |
| 16,580 | Jefferson Cnty. Sewer Rev., 4.75%, 2/1/38, Ser. B, (Pre-refunded @ \$100, 8/1/12) (FGIC) (b) | Aaa/AAA | 17,608,955 |
| 2,650 | Tuscaloosa Educational Building Auth. Rev., 5.00%, 6/1/26 | NR/BBB- | 2,474,093 |
| | | | 62,807,071 |
| Alaska 0.6% | | | |
| 5,900 | Northern Tobacco Securitization Corp. Rev., 5.00%, 6/1/46, Ser. A | Baa3/NR | 4,922,311 |
| 3,550 | State Housing Finance Corp. Rev., 5.25%, 6/1/32, Ser. C (MBIA) | Aaa/AAA | 3,570,697 |
| | | | 8,493,008 |
| Arizona 3.0% | | | |
| | Health Facs. Auth. Rev., | | |
| 6,500 | Beatitudes Project, 5.20%, 10/1/37 | NR/NR | 5,660,265 |
| 1,300 | Hospital System, 5.75%, 12/1/32, (Pre-refunded @ \$101, 12/1/12) (b) | NR/BBB | 1,448,811 |
| 3,500 | Pima Cnty. Industrial Dev. Auth. Rev., 5.50%, 7/1/37 (c) | NR/BBB- | 3,385,760 |
| 33,000 | Salt River Project Agricultural Improvement & Power Dist. Rev., 5.00%, 1/1/37, Ser. A (h) | Aa1/AA | 34,400,190 |
| | | | 44,895,026 |
| Arkansas 0.1% | | | |
| 13,000 | Arkansas Dev. Finance Auth. Rev., zero coupon, 7/1/46 (AMBAC) | Aaa/NR | 1,875,770 |
| California 2.9% | | | |
| 9,610 | Alameda Corridor Transportation Auth. Rev., zero coupon, 10/1/16, Ser. A (AMBAC) | Aaa/AAA | 6,671,454 |
| | Golden State Tobacco Securitization Corp., Tobacco Settlement Rev., | | |
| 6,000 | 5.00%, 6/1/33 | Baa3/BBB | 5,256,900 |
| 3,300 | 6.25%, 6/1/33 | Aaa/AAA | 3,630,033 |
| 9,000 | 6.75%, 6/1/39, (Pre-refunded @ \$100, 6/1/13) (b) | Aaa/AAA | 10,458,900 |
| 1,000 | Rancho Cucamonga Community Facs. Dist., Special Tax, 6.30%, 9/1/23, Ser. A | NR/NR | 1,030,440 |
| 4,000 | Southern California Public Power Auth., Transmission Project Rev., zero coupon, 7/1/13 | Aa3/A+ | 3,227,200 |
| 4,700 | Statewide Community Dev. Auth. Rev., Baptist Univ., | | |

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9.00%, 11/1/17, Ser. B (c)

NR/NR

4,944,541

11.30.07 | PIMCO Municipal Income Funds II Semi-Annual Report **5**

PIMCO Municipal Income Fund II Schedule of Investments

November 30, 2007 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody's/S&P) | Value |
|------------------------|---|-----------------------------|--------------|
| | California (continued) | | |
| \$ 4,430 | Univ. of California Rev., 4.75%, 5/15/37, Ser. C (MBIA) | Aaa/AAA | \$ 4,437,177 |
| 2,900 | 4.75%, 5/15/38, Ser. B | Aa2/AA- | 2,907,917 |
| | | | 42,564,562 |
| | Colorado 5.1% | | |
| 30,000 | Dawson Ridge Dist. No. 1, GO, zero coupon, 10/1/22, Ser. A | Aaa/NR | 15,489,300 |
| 20,000 | E-470 Public Highway Auth. Rev., Ser. B (MBIA), zero coupon, 9/1/35 | Aaa/AAA | 4,920,400 |
| 15,000 | zero coupon, 9/1/37 | Aaa/AAA | 3,240,000 |
| | Health Facs. Auth. Rev., | | |
| 1,000 | American Baptist Homes, 5.90%, 8/1/37, Ser. A | NR/NR | 975,310 |
| 25,000 | Catholic Health Initiatives, 5.50%, 3/1/32 | Aa2/AA | 26,769,250 |
| 18,305 | Exempla, Inc., 5.625%, 1/1/33, Ser. A | A1/A- | 18,794,659 |
| 6,500 | Retirement Fac. Liberty Height, zero coupon, 7/15/22 | Aaa/AAA | 3,387,735 |
| 2,000 | Housing & Finance Auth. Rev., Evergreen Country Day School, 5.875%, 6/1/37 (c) | NR/BB | 1,971,040 |
| | | | 75,547,694 |
| | District of Columbia 1.2% | | |
| 17,500 | Washington D.C. Convention Center Auth. Tax Rev., 4.75%, 10/1/28, (Pre-refunded @ \$100, 10/1/08) (AMBAC) (b) | Aaa/AAA | 17,711,925 |
| | Florida 3.5% | | |
| 2,310 | Dev. Finance Corp. Rev., Learning Gate Community School, 6.00%, 2/15/37 | NR/BBB- | 2,330,859 |
| 8,000 | Highlands Cnty. Health Facs. Auth. Rev., Adventist/Sunbelt, 6.00%, 11/15/31, Ser. A, (Pre-refunded @ \$101, 11/15/11) (b) | A1/NR | 8,850,400 |
| 2,335 | Hillsborough Cnty. Industrial Dev. Auth., Pollution Control Rev., Tampa Electric Co. Project, 5.50%, 10/1/23 | Baa2/BBB- | 2,394,356 |
| 635 | Hillsborough Cnty. Industrial Dev. Auth. Rev., Health Fac. Project, 5.625%, 8/15/23 | Baa2/BBB | 639,432 |
| 7,135 | Jacksonville Health Facs. Auth. Rev., 5.25%, 11/15/32, Ser. A | Aa2/AA | 7,254,868 |
| 11,500 | Lakeland Hospital System Rev., Regional Health System, 5.50%, 11/15/32, (Pre-refunded @ \$101, 11/15/12) (b) | A2/NR | 12,715,320 |
| 3,000 | Leesburg Hospital Rev., Leesburg Regional Medical Center Project, 5.50%, 7/1/32 | Baa1/BBB+ | 3,007,050 |
| | Orange Cnty. Health Facs. Auth. Rev., Adventist Health System, (Pre-refunded @ \$101, 11/15/12) (b), | | |
| 2,550 | 5.625%, 11/15/32 | A1/NR | 2,821,626 |
| 5,000 | 6.25%, 11/15/24 | A1/NR | 5,631,300 |
| 500 | Sarasota Cnty. Health Fac. Auth. Rev., 5.75%, 7/1/37 | NR/NR | 480,100 |
| 5,000 | Sumter Landing Community Dev. Dist. Rev., 4.75%, 10/1/35, Ser. A (MBIA) (h) | Aaa/AAA | 4,969,100 |
| 1,500 | Winter Springs Water & Sewer Rev., zero coupon, 10/1/29 (FGIC) | Aaa/AAA | 520,455 |
| | | | 51,614,866 |

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PIMCO Municipal Income Fund II Schedule of Investments

November 30, 2007 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody's/S&P) | Value |
|------------------------|---|-----------------------------|--------------|
| Georgia 0.6% | | | |
| \$ 1,487 | Grantor Trust Gov't, CP, 4.75%, 6/1/28, Ser. A (MBIA) | Aaa/AAA | \$ 1,530,361 |
| 2,775 | Medical Center Hospital Auth. Rev., 5.25%, 7/1/37 | NR/NR | 2,513,179 |
| 9,600 | Richmond Cnty. Dev. Auth. Rev., zero coupon, 12/1/21 | Aaa/NR | 5,165,376 |
| | | | 9,208,916 |
| Hawaii 1.3% | | | |
| 19,170 | Honolulu City & Cnty. Wastewater System Rev., First Board Resolution, 4.75%, 7/1/28 (FGIC) | Aaa/NR | 19,321,635 |
| Illinois 17.7% | | | |
| 2,935 | Central Lake Cnty. Water Agcy. Rev., Ser. A (AMBAC), 5.125%, 5/1/28 | Aaa/NR | 3,038,312 |
| 675 | 5.125%, 5/1/28, (Pre-refunded @ \$100, 11/1/12) (b) | Aaa/NR | 730,350 |
| 8,150 | 5.125%, 5/1/32, (Pre-refunded @ \$100, 11/1/12) (b) | Aaa/NR | 8,818,300 |
| | Chicago, GO, Ser. A (FGIC), | | |
| 1,635 | 5.125%, 1/1/29 | Aaa/AAA | 1,665,967 |
| 3,415 | 5.125%, 1/1/29, (Pre-refunded @ \$101, 1/1/09) (b) | Aaa/AAA | 3,517,040 |
| | Chicago, Lake Shore East, Special Assessment, | | |
| 3,162 | 6.625%, 12/1/22 | NR/NR | 3,299,073 |
| 6,700 | 6.75%, 12/1/32 | NR/NR | 6,979,524 |
| | Chicago Board of Education School Reform, GO (FGIC), | | |
| 15,535 | zero coupon, 12/1/16, Ser. A | Aaa/AAA | 10,786,261 |
| 5,000 | zero coupon, 12/1/28, Ser. A | Aaa/AAA | 1,788,000 |
| 4,500 | zero coupon, 12/1/31 | Aaa/AAA | 1,369,845 |
| | Chicago City Colleges, GO (FGIC), | | |
| 32,670 | zero coupon, 1/1/37 | Aaa/AAA | 7,751,611 |
| 29,145 | zero coupon, 1/1/38 | Aaa/AAA | 6,542,761 |
| 32,670 | zero coupon, 1/1/39 | Aaa/AAA | 6,957,403 |
| 5,000 | Cicero, GO, 5.25%, 12/1/31 (MBIA) | Aaa/AAA | 5,237,700 |
| | Dev. Finance Auth. Retirement Housing Rev., | | |
| 2,500 | Christian Homes, Inc., 5.75%, 5/15/31, Ser. A | NR/NR | 2,394,525 |
| 10,000 | Regency Park, zero coupon, 7/15/23 | NR/AAA | 4,954,200 |
| 134,650 | Regency Park, zero coupon, 7/15/25 | NR/AAA | 59,721,314 |
| 1,500 | Sedgebrook, Inc., 6.00%, 11/15/42, Ser. A | NR/NR | 1,474,095 |
| 250 | Finance Auth. Rev., 6.00%, 3/1/37, Ser. A | NR/NR | 246,918 |
| | Health Facs. Auth. Rev., | | |
| 5,000 | Condell Medical Center, 5.50%, 5/15/32 | Baa2/NR | 4,953,400 |
| 20,100 | Elmhurst Memorial Healthcare, 5.625%, 1/1/28 | A2/NR | 20,865,408 |
| | Metropolitan Pier & Exposition Auth. Rev. (MBIA), | | |
| 60,000 | zero coupon, 12/15/30 | Aaa/AAA | 19,591,200 |
| 50,000 | zero coupon, 12/15/33 | Aaa/AAA | 14,004,000 |
| 2,460 | zero coupon, 6/15/38 | Aaa/AAA | 551,261 |
| 68,470 | State Sports Facs. Auth. Rev., zero coupon, 6/15/30 (AMBAC) | Aaa/AAA | 64,784,945 |
| | | | 262,023,413 |
| Indiana 0.6% | | | |
| | Brownsburg 1999 School Building Corp. Rev., Ser. A, | | |

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(Pre-refunded @ \$100, 9/15/13) (FSA) (b),

| | | | |
|-------|----------------|---------|-----------|
| 1,000 | 5.00%, 9/15/25 | Aaa/AAA | 1,085,430 |
| 2,000 | 5.25%, 3/15/25 | Aaa/AAA | 2,196,900 |

11.30.07 | PIMCO Municipal Income Funds II Semi-Annual Report **7**

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PIMCO Municipal Income Fund II Schedule of Investments

November 30, 2007 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody's/S&P) | Value |
|----------------------------|---|-----------------------------|--------------|
| Indiana (continued) | | | |
| \$ 4,125 | Fort Wayne Pollution Control Rev., 6.20%, 10/15/25 | Caa1/B- | \$ 4,080,739 |
| 500 | State Bank Rev., Hendricks, 5.25%, 4/1/30, Ser. D, (Pre-refunded @ \$100, 4/1/12) (AMBAC) (b) | Aaa/AAA | 538,950 |
| 990 | Vigo Cnty. Hospital Auth. Rev., 5.80%, 9/1/47 (c) | NR/NR | 919,967 |
| | | | 8,821,986 |
| Iowa 3.7% | | | |
| 1,000 | Finance Auth. Rev., Wedum Walnut Ridge LLC, 5.625%, 12/1/45, Ser. A | NR/NR | 921,810 |
| 2,300 | Higher Education Loan Auth. Rev., Grandview College, 5.10%, 10/1/36 | NR/NR | 2,199,559 |
| 46,000 | Tobacco Settlement Auth. of Iowa Rev., Ser. B, zero coupon, 6/1/34 | Baa3/BBB | 41,869,660 |
| 8,850 | 5.60%, 6/1/35, (Pre-refunded @ \$101, 6/1/11) (b) | NR/AAA | 9,591,453 |
| | | | 54,582,482 |
| Kansas 0.2% | | | |
| 2,800 | Univ. of Kansas Hospital Auth. Health Facs. Rev., 5.625%, 9/1/32, (Pre-refunded @ \$100, 9/1/12) (b) | NR/AAA | 3,080,700 |
| Kentucky 0.3% | | | |
| 2,500 | Economic Dev. Finance Auth., Hospital Facs. Rev., Catholic Healthcare Partners, 5.25%, 10/1/30 | A1/AA- | 2,539,150 |
| 1,840 | St. Luke's Hospital, 6.00%, 10/1/19, Ser. B | A3/A | 1,855,640 |
| | | | 4,394,790 |
| Louisiana 4.7% | | | |
| 20,400 | Public Facs. Auth. Rev., Ochsner Clinic Foundation, Ser. B, 5.50%, 5/15/32, (Pre-refunded @ \$100, 5/15/26) (b) | Aaa/NR | 23,438,376 |
| 3,300 | 5.50%, 5/15/47 | A3/NR | 3,304,686 |
| 36,395 | Tobacco Settlement Financing Corp. Rev., Ser. 2001-B, 5.875%, 5/15/39 | Baa3/BBB | 35,357,742 |
| 8,000 | 5.875%, 5/15/39 (h) | Baa3/BBB | 7,772,000 |
| | | | 69,872,804 |
| Maryland 0.1% | | | |
| 1,000 | State Health & Higher Educational Facs. Auth. Rev., Adventist Healthcare, 5.75%, 1/1/25, Ser. A | Baa2/NR | 1,019,420 |
| Massachusetts 2.4% | | | |
| 14,500 | Bay Transportation Auth., Special Assessment, 4.75%, 7/1/34, Ser. A, (Pre-refunded @ \$100, 7/1/15) (b)(h) | Aa1/AAA | 15,686,100 |
| 4,610 | State Dev. Finance Agcy. Rev., 6.75%, 10/15/37, Ser. A | NR/NR | 4,499,729 |
| 4,295 | State Turnpike Auth. Rev., 4.75%, 1/1/34, Ser. A (AMBAC) | Aaa/AAA | 4,302,387 |
| 12,050 | State Water Res. Auth. Rev., 4.75%, 8/1/37, Ser. A (FSA) | Aaa/AAA | 12,056,266 |
| | | | 36,544,482 |
| Michigan 2.8% | | | |
| 8,500 | Detroit City School Dist., GO, 5.00%, 5/1/32, Ser. A (Pre-refunded @ \$100, 5/1/13) (FGIC)(Q-SBLF) (b) | Aaa/AAA | 9,183,570 |

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| | | | |
|-------|--|-------|-----------|
| 4,545 | Garden City Hospital Finance Auth. Rev., 5.00%, 8/15/38, Ser. A | NR/NR | 3,893,611 |
|-------|--|-------|-----------|

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PIMCO Municipal Income Fund II Schedule of Investments

November 30, 2007 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody's/S&P) | Value |
|-----------------------------|---|-----------------------------|------------|
| Michigan (continued) | | | |
| \$ 800 | Public Educational Fac. Auth. Rev., 6.50%, 9/1/37 (c) | NR/NR | \$ 802,504 |
| 500 | Star International Academy, CP, 6.125%, 3/1/37 | NR/BB+ | 505,910 |
| 5,000 | State Hospital Finance Auth. Rev., Ascension Health, 5.25%, 11/15/26, Ser. B Oakwood Group, Ser. A, | Aa2/AA | 5,141,050 |
| 13,500 | 5.75%, 4/1/32 | A2/A | 13,998,825 |
| 1,925 | 6.00%, 4/1/22 | A2/A | 2,055,476 |
| 6,000 | Tobacco Settlement Finance Auth. Rev., 6.00%, 6/1/48, Ser. A | NR/BBB | 5,822,700 |
| | | | 41,403,646 |
| Minnesota 0.5% | | | |
| 280 | City of Minneapolis, Tax Allocation, Grant Park Project 5.35%, 2/1/30 | NR/NR | 256,228 |
| 1,300 | Meeker Cnty. Rev., 5.75%, 11/1/37 | NR/NR | 1,283,464 |
| 1,500 | Minneapolis Rev., Providence Project, 5.75%, 10/1/37, Ser. A North Oaks, Presbyterian Homes Rev., | NR/NR | 1,450,095 |
| 2,640 | 6.00%, 10/1/33 | NR/NR | 2,666,057 |
| 1,530 | 6.125%, 10/1/39 | NR/NR | 1,545,009 |
| 500 | Oronoco Multifamily Housing Rev., 5.40%, 6/1/41 | NR/NR | 479,845 |
| | | | 7,680,698 |
| Mississippi 0.3% | | | |
| 3,605 | Business Finance Corp., Pollution Control Rev., 5.875%, 4/1/22 | Ba1/BBB | 3,611,850 |
| 740 | Dev. Bank Special Obligation, Projects & Equipment Acquisitions Rev., 5.00%, 7/1/24 (AMBAC) | Aaa/AAA | 744,958 |
| | | | 4,356,808 |
| Missouri 0.3% | | | |
| 2,600 | Branson Regional Airport Transportation Dev. Dist. Rev., 6.00%, 7/1/37, Ser. A | NR/NR | 2,522,910 |
| 820 | Hanley Road & North of Folk Ave. Transportation Dist. Rev., 5.00%, 10/1/25 | NR/NR | 778,196 |
| 1,500 | St. Louis Parking Facs. Rev., Downtown Parking Fac., 6.00%, 2/1/28, (Pre-refunded @ \$100, 2/1/12) (b) | NR/NR | 1,651,710 |
| | | | 4,952,816 |
| Nevada 1.7% | | | |
| 1,450 | Clark Cnty., GO (FGIC), 5.00%, 6/1/31 | Aaa/AAA | 1,478,318 |
| 1,950 | 5.00%, 6/1/31, (Pre-refunded @ \$100, 6/1/11) (b) | Aaa/AAA | 2,062,359 |
| | Reno Transportation Project Rev., (Pre-refunded @ \$100, 6/1/12) (AMBAC) (b), | | |
| 3,960 | 5.125%, 6/1/27 | Aaa/AAA | 4,259,218 |
| 2,000 | 5.125%, 6/1/32 | Aaa/AAA | 2,151,120 |
| 3,500 | 5.125%, 6/1/37 | Aaa/AAA | 3,764,460 |
| 7,570 | 5.25%, 6/1/41 | Aaa/AAA | 8,181,202 |
| 3,290 | Truckee Meadows Water Auth. Rev., 5.125%, 7/1/30, Ser. A, (Pre-refunded @ \$100, 7/1/11) (FSA) (b) | Aaa/AAA | 3,497,533 |

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PIMCO Municipal Income Fund II Schedule of Investments

November 30, 2007 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody's/S&P) | Value |
|----------------------------|---|-----------------------------|------------|
| New Hampshire 0.2% | | | |
| \$ 360 | Health & Education Facs. Auth. Rev., Catholic Medical Center, 6.125%, 7/1/32 | Baa1/BBB+ | \$ 372,074 |
| 2,640 | 6.125%, 7/1/32, (Pre-refunded @ \$101, 7/1/12) (b) | Baa1/BBB+ | 2,968,390 |
| | | | 3,340,464 |
| New Jersey 3.4% | | | |
| 1,250 | Burlington Cnty. Bridge Commission Rev., 5.625%, 1/1/38 | NR/NR | 1,225,950 |
| 4,000 | Economic Dev. Auth., Kapkowski Road Landfill, Special Assessment, 5.75%, 10/1/21 | Baa3/NR | 4,225,400 |
| 11,405 | 5.75%, 4/1/31 | Baa3/NR | 11,840,785 |
| | Economic Dev. Auth. Rev., Arbor Glen, 6.00%, 5/15/28 | NR/NR | 529,027 |
| 225 | 6.00%, 5/15/28, Ser. A, (Pre-refunded @ \$102, 5/15/09) (b) | NR/NR | 237,919 |
| 1,300 | Seabrook Village, 5.25%, 11/15/36 | NR/NR | 1,196,832 |
| 250 | Seashore Gardens, 5.375%, 11/1/36 | NR/NR | 233,850 |
| 1,830 | Health Care Facs. Financing Auth. Rev., Trinitas Hospital, 5.25%, 7/1/30, Ser. A | Baa3/BBB- | 1,741,666 |
| 3,500 | State Educational Facs. Auth. Rev., 6.00%, 7/1/25, Ser. D Tobacco Settlement Financing Corp. Rev., 5.00%, 6/1/41, Ser. 1A | NR/NR | 3,611,615 |
| 13,150 | | Baa3/BBB | 11,029,957 |
| 1,285 | 6.00%, 6/1/37, (Pre-refunded @ \$100, 6/1/12) (b) | Aaa/AAA | 1,424,692 |
| 3,095 | 6.125%, 6/1/42, (Pre-refunded @ \$100, 6/1/12) (b) | Aaa/AAA | 3,447,459 |
| 6,150 | 6.25%, 6/1/43, (Pre-refunded @ \$100, 6/1/13) (b) | Aaa/AAA | 7,011,000 |
| 2,500 | 6.75%, 6/1/39, (Pre-refunded @ \$100, 6/1/13) (b) | Aaa/AAA | 2,912,050 |
| | | | 50,668,202 |
| New Mexico 0.3% | | | |
| 5,000 | Farmington Pollution Control Rev., 5.80%, 4/1/22 | Baa2/BBB | 5,019,450 |
| New York 3.2% | | | |
| 1,200 | Erie Cnty. Industrial Dev. Agcy., Orchard Park Rev., 6.00%, 11/15/36 | NR/NR | 1,172,256 |
| 10,000 | Liberty Dev. Corp. Rev., 5.25%, 10/1/35 (h) | Aa3/AA- | 10,622,500 |
| 10,600 | Metropolitan Transportation Auth. Rev., 5.00%, 11/15/30, Ser. A (FSA) | Aaa/AAA | 10,893,832 |
| 10,000 | 5.25%, 11/15/32, Ser. B, (Pre-refunded @ \$100, 11/15/13) (b) | A2/AAA | 11,038,900 |
| 4,750 | New York City Municipal Water Finance Auth., Water & Sewer System Rev., 5.00%, 6/15/37, Ser. D (h) | Aa2/AA+ | 4,897,108 |
| 6,700 | State Dormitory Auth. Rev., Sloan-Kettering Center Memorial, 5.00%, 7/1/34, Ser. 1 | Aa2/AA | 6,859,929 |
| 2,000 | State Environmental Facs. Corp. Rev., 5.00%, 6/15/28 | Aaa/AAA | 2,081,180 |
| | | | 47,565,705 |
| North Carolina 0.0% | | | |
| 550 | North Carolina Medical Care Commission Rev., Salemtowne, 5.10%, 10/1/30 | NR/NR | 504,829 |

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PIMCO Municipal Income Fund II Schedule of Investments

November 30, 2007 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody's/S&P) | Value |
|------------------------|--|-----------------------------|--------------|
| | Ohio 0.5% | | |
| \$ 7,500 | Lorain Cnty. Hospital Rev., Catholic Healthcare, 5.375%, 10/1/30 | A1/AA- | \$ 7,657,275 |
| | Pennsylvania 3.4% | | |
| 22,600 | Allegheny Cnty. Hospital Dev. Auth. Rev., 5.375%, 11/15/40, Ser. A | Ba2/BB | 20,580,690 |
| 505 | 9.25%, 11/15/15, Ser. B, (Pre-refunded @ \$102, 11/15/10) (b) | Ba3/AAA | 584,825 |
| 1,000 | 9.25%, 11/15/22, Ser. B, (Pre-refunded @ \$102, 11/15/10) (b) | Ba3/AAA | 1,183,160 |
| 5,700 | 9.25%, 11/15/30, Ser. B, (Pre-refunded @ \$102, 11/15/10) (b) | Ba3/AAA | 6,744,012 |
| 4,500 | Cumberland Cnty. Auth., Retirement Community Rev., Wesley Affiliated Services, 7.25%, 1/1/35, Ser. A, (Pre-refunded @ \$101, 1/1/13) (b) | NR/NR | 5,320,215 |
| 3,250 | Harrisburg Auth. Rev., 6.00%, 9/1/36 | NR/NR | 3,263,910 |
| | Montgomery Cnty. Higher Education & Health Auth. Hospital Rev., Abington Memorial Hospital, Ser. A, 5.125%, 6/1/27 | NR/A | 5,065,550 |
| 5,000 | 5.125%, 6/1/32 | NR/A | 3,761,513 |
| 3,750 | Philadelphia, GO, 5.25%, 9/15/25, Ser. 2001 (FSA) | Aaa/AAA | 3,106,470 |
| 3,000 | Pittsburgh & Allegheny Cnty. Public Auditorium Auth. Rev., 5.00%, 2/1/29 (AMBAC) | Aaa/AAA | 506,910 |
| 500 | | | 50,117,255 |
| | Puerto Rico 0.3% | | |
| 4,200 | Electric Power Auth. Power Rev., 5.125%, 7/1/29, Ser. NN, (Pre-refunded @ \$100, 7/1/13) (b) | A3/BBB+ | 4,580,436 |
| | Rhode Island 5.1% | | |
| 76,200 | Tobacco Settlement Financing Corp. Rev., 6.25%, 6/1/42, Ser. A | Baa3/BBB | 76,257,912 |
| | South Carolina 5.3% | | |
| 27,745 | Greenville Cnty. School Dist. Rev., Building Equity Sooner Tomorrow, 5.50%, 12/1/28, (Pre-refunded @ \$101, 12/1/12) (b) | Aaa/AA- | 30,767,263 |
| 18,120 | Jobs Economic Dev. Auth. Rev., Bon Secours Health System, 5.625%, 11/15/30 | A3/A- | 18,706,182 |
| | Lexington Cnty., Health Services Dist. Hospital Rev. (b), 5.50%, 11/1/32, (Pre-refunded @ \$100, 11/1/13) | A2/A+ | 16,604,400 |
| 15,000 | 5.50%, 5/1/37, (Pre-refunded @ \$100, 5/1/14) | A2/A+ | 3,885,735 |
| 3,500 | 5.75%, 11/1/28, (Pre-refunded @ \$100, 11/1/13) | A2/A+ | 5,601,000 |
| 5,000 | Tobacco Settlement Rev. Management Auth. Rev., 6.375%, 5/15/28, Ser. B | Baa3/BBB | 3,289,227 |
| 3,250 | | | 78,853,807 |
| | Tennessee 0.3% | | |
| 3,750 | Knox Cnty. Health Educational & Housing Facs., Board Hospital Facs. Rev., Catholic Healthcare Partners, 5.25%, 10/1/30 | A1/AA- | 3,808,725 |
| 500 | Sullivan Cnty. Health Educational & Housing Fac. Rev., 5.25%, 9/1/36, Ser. C | NR/BBB+ | 488,360 |
| | | | 4,297,085 |

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PIMCO Municipal Income Fund II Schedule of Investments

November 30, 2007 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody's/S&P) | Value |
|------------------------|--|-----------------------------|-------------|
| | Texas 8.6% | | |
| \$ 10 | Arlington Independent School Dist., GO, 5.00%, 2/15/24 (PSF-GTD) | Aaa/NR | \$ 10,099 |
| 130 | Aubrey Independent School Dist., GO (PSF-GTD), 5.50%, 2/15/33 | Aaa/NR | 140,395 |
| 4,350 | 5.50%, 2/15/33, (Pre-refunded @ \$100, 8/15/14) (b) | Aaa/NR | 4,881,527 |
| 6,500 | Brazos Cnty. Health Facs. Dev. Corp., Franciscan Services Corp. Rev., 5.375%, 1/1/32 | NR/A- | 6,609,005 |
| 2,700 | Comal Cnty. Health Facs. Dev., McKenna Memorial Hospital Project Rev., 6.25%, 2/1/32 | Baa2/BBB- | 2,785,941 |
| 20,000 | Frisco Independent School Dist., GO, zero coupon, 8/15/34 (PSF-GTD) | Aaa/NR | 5,324,000 |
| 19,750 | Harris Cnty., GO, 5.125%, 8/15/31, (Pre-refunded @ \$100, 8/15/12) (b) | Aa1/AA+ | 21,286,945 |
| 5,250 | Harris Cnty. Health Facs. Dev. Corp. Rev., St. Luke's Episcopal Hospital, 5.375%, 2/15/26, Ser. A, (Pre-refunded @ \$100, 8/15/11) (b) | NR/AAA | 5,633,302 |
| 700 | HFDC of Central Texas, Inc., Village at Gleannloch Farms Rev., 5.50%, 2/15/37, Ser. A | NR/NR | 626,430 |
| 770 | Keller Independent School Dist., GO (PSF-GTD), 4.875%, 8/15/31 | Aaa/AAA | 773,989 |
| 6,730 | 4.875%, 8/15/31, (Pre-refunded @ \$100, 8/15/09) (b) | Aaa/AAA | 6,915,277 |
| 3,170 | Little Elm Independent School Dist., GO, 5.30%, 8/15/29, Ser. A (PSF-GTD) | NR/AAA | 3,343,145 |
| 6,250 | North Dallas Thruway Auth. Rev., 4.75%, 1/1/29 (FGIC) | Aaa/AAA | 6,267,937 |
| 2,000 | Sabine River Auth. Rev., 5.20%, 5/1/28 State, GO, | NR/CCC | 1,718,400 |
| 10,025 | 4.75%, 4/1/35, Ser. A (h) | Aa1/AA | 10,073,621 |
| 17,500 | 4.75%, 4/1/36 | Aa1/AA | 17,582,600 |
| 1,000 | State Public Finance Auth. Rev., 5.875%, 12/1/36, Ser. A State Turnpike Auth. Central Turnpike System Rev., Ser. A (AMBAC), | Baa3/BBB- | 1,007,880 |
| 10,000 | zero coupon, 8/15/19 | Aaa/AAA | 6,018,000 |
| 8,880 | 5.00%, 8/15/42 | Aaa/AAA | 8,934,701 |
| 3,250 | State Water Financial Assistance, GO, 5.00%, 8/1/36 | Aa1/AA | 3,326,960 |
| 1,650 | 5.25%, 8/1/35 | Aa1/AA | 1,711,446 |
| 8,000 | Wichita Falls Water & Sewer Rev., 5.00%, 8/1/27, (Pre-refunded @ \$100, 8/1/11) (AMBAC) (b) | Aaa/AAA | 8,481,360 |
| 4,150 | Willacy Cnty. Rev., 6.875%, 9/1/28, Ser. A1 | NR/NR | 4,377,337 |
| | | | 127,830,297 |
| | Utah 3.2% | | |
| 44,150 | Utah Transit Auth. Rev., 4.75%, 6/15/35, Ser. B, (Pre-refunded @ \$100, 12/15/15) (FSA) (b)(h) | Aaa/AAA | 47,950,873 |

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PIMCO Municipal Income Fund II Schedule of Investments

November 30, 2007 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody's/S&P) | Value |
|-------------------------------------|--|-----------------------------|---------------|
| Virginia 0.6% | | | |
| | Fredericksburg Industrial Dev. Auth., Medicorp Health System Rev., Ser. B, 5.125%, 6/15/33 | A3/NR | \$ 2,519,525 |
| \$ 2,500 | | | |
| 4,000 | 5.25%, 6/15/27 | A3/NR | 4,070,800 |
| 2,050 | James City Cnty. Economic Dev. Auth. Rev., 5.50%, 7/1/37, Ser. A | NR/NR | 1,914,167 |
| | | | 8,504,492 |
| Washington 2.1% | | | |
| 26,000 | State Health Care Fac. Auth. Rev., 6.125%, 8/15/37, Ser. A (d) | Baa2/BBB | 25,560,600 |
| 6,800 | State Housing Finance Commission Rev., Skyline at First Hill, 5.625%, 1/1/38, Ser. A | NR/NR | 6,528,612 |
| | | | 32,089,212 |
| Wisconsin 0.7% | | | |
| 1,125 | Badger Tobacco Asset Securitization Corp. Rev., 6.00%, 6/1/17 | Baa3/BBB | 1,168,357 |
| 7,750 | 6.125%, 6/1/27 | Baa3/BBB | 8,017,995 |
| | State Health & Educational Facs. Auth. Rev., Froedert & Community Health Oblig., 5.375%, 10/1/30 | NR/AA- | 92,354 |
| 90 | | NR/AA- | 983,228 |
| 910 | 5.375%, 10/1/30, (Pre-refunded @ \$101, 10/1/11) (b) | | 10,261,934 |
| | | | |
| | Total Municipal Bonds & Notes (cost \$1,324,843,752) | | 1,413,667,956 |
| VARIABLE RATE NOTES (f) 4.6% | | | |
| Alabama 0.4% | | | |
| 4,450 | Jefferson Cnty. Sewer Rev., 10.47%, 2/1/36, Ser. 352 (FGIC) (c)(e) | Aaa/NR | 5,174,950 |
| 1,400 | Montgomery Special Care Facs. Financing Auth. Rev., 9.40%, 11/15/29, Ser. 435 (MBIA) (c)(e) | Aaa/NR | 1,508,010 |
| | | | 6,682,960 |
| Colorado 0.2% | | | |
| 2,250 | Denver City & Cnty. Airport Rev., 9.40%, 11/15/25, Ser. 425 (FSA) (c)(e) | Aaa/NR | 2,432,025 |
| Florida 0.6% | | | |
| 2,830 | Highlands Cnty. Health Facs. Auth. Rev., Adventist, 5.00%, 11/15/31, Ser. C | A1/A+ | 2,798,757 |
| 1,782 | Orange Cnty. School Board, CP, 9.40%, 8/1/24, Ser. 328 (MBIA) (c)(e) | Aaa/NR | 2,119,867 |
| 3,241 | State Governmental Utilities Auth. Rev., 9.40%, 10/1/29 (c)(e) | Aaa/NR | 4,239,876 |
| | | | 9,158,500 |
| Illinois 0.6% | | | |
| 1,780 | Chicago, GO (c)(e), 10.03%, 1/1/28, Ser. 332 (MBIA) | Aaa/NR | 2,131,995 |
| 2,200 | 11.78%, 1/1/40, Ser. 426 (FGIC) | Aaa/NR | 2,814,680 |
| 1,288 | Cook Cnty., GO, 9.28%, 11/15/28, Ser. 403 (FGIC) (c)(e) | Aaa/NR | 1,421,952 |

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| | | | |
|-------|--|--------|-----------|
| 2,000 | State, GO, 10.66%, 4/1/27, Ser. 783 (FSA) (c)(e) | Aaa/NR | 2,430,600 |
| | | | 8,799,227 |

PIMCO Municipal Income Fund II Schedule of Investments

November 30, 2007 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody's/S&P) | Value |
|-------------------------------------|--|-----------------------------|-------------------------|
| Massachusetts 1.4% | | | |
| \$ 1,400 | Boston Water & Sewer Community Rev., 9.32%, 11/1/28, Ser. 434 (FGIC) (c)(e) | Aaa/NR | \$ 1,497,440 |
| 2,200 | State, GO, 10.58%, 11/1/30, Ser. 785 (FGIC-TCRS) (c)(e) | Aaa/NR | 3,153,480 |
| 7,366 | State Turnpike Auth. Rev. (c)(e), 9.44%, 1/1/37, Ser. 334 (MBIA) | Aaa/NR | 7,424,559 |
| 3,000 | 9.44%, 1/1/37, Ser. 489 (MBIA) | NR/AAA | 3,023,850 |
| 5,668 | 9.44%, 1/1/39, Ser. 335 (AMBAC) | Aaa/NR | 5,892,840 |
| | | | 20,992,169 |
| Nevada 0.2% | | | |
| 2,200 | State, GO, 9.28%, 5/15/28, Ser. 344 (FGIC) (c)(e) | Aaa/NR | 2,253,328 |
| Ohio 0.1% | | | |
| 1,580 | Hamilton Cnty. Sales Tax Rev., 9.40%, 12/1/27, Ser. 356 (MBIA) (c)(e) | Aaa/NR | 1,724,649 |
| Pennsylvania 0.3% | | | |
| 1,670 | Philadelphia School Dist., GO (MBIA) (c)(e), 8.15%, 4/1/27, Ser. 345 | Aaa/NR | 1,837,000 |
| 2,677 | 8.15%, 4/1/27, Ser. 496 | NR/AAA | 2,944,700 |
| | | | 4,781,700 |
| Texas 0.7% | | | |
| 2,460 | Denton Utility System Rev., 10.03%, 12/1/29, Ser. 428 (MBIA) (c)(e) | Aaa/NR | 2,683,860 |
| 1,100 | Houston Airport System Rev., 9.28%, 7/1/25, Ser. 404 (FGIC) (c)(e) | Aaa/NR | 1,121,945 |
| 2,200 | Houston Water & Sewer System Rev. (c)(e), 9.40%, 12/1/28, Ser. 427 (FSA) | Aaa/NR | 2,576,420 |
| 3,070 | 10.53%, 12/1/30, Ser. 495 (FGIC) | NR/AAA | 3,951,090 |
| | | | 10,333,315 |
| Washington 0.1% | | | |
| 1,820 | Central Puget Sound Regional Transit Auth. Sales Tax & Motor Rev., 8.04%, 2/1/28, Ser. 360 (FGIC) (c)(e) | Aaa/NR | 1,859,130 |
| | Total Variable Rate Notes (cost \$59,613,943) | | 69,017,003 |
| U.S. TREASURY BILLS (g) 0.4% | | | |
| 5,535 | 3.06%-5.60%, 12/13/07-2/28/08 (cost \$5,524,177) | | 5,524,177 |
| | Total Investments (cost \$1,389,981,872) 100.0% | | \$ 1,488,209,136 |

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PIMCO California Municipal Income Fund II Schedule of Investments

November 30, 2007 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody's/S&P) | Value |
|---|---|-----------------------------|------------|
| CALIFORNIA MUNICIPAL BONDS & NOTES 95.2% | | | |
| \$ 2,000 | ABC Unified School Dist., GO, zero coupon, 8/1/23, Ser. B (FGIC) | Aaa/AAA | \$ 956,140 |
| 1,000 | Alpine Union School Dist., GO, zero coupon, 8/1/24, Ser. B (FSA) | Aaa/AAA | 474,220 |
| 8,115 | Anaheim City School Dist., GO, 5.00%, 8/1/26, (Pre-refunded @ \$101, 8/1/11) (FGIC) (b) | Aaa/AAA | 8,689,948 |
| 5,300 | Assoc. of Bay Area Gov't Finance Auth. Rev., Odd Fellows Home, 5.20%, 11/15/22 | NR/A+ | 5,493,556 |
| 26,000 | 5.35%, 11/15/32 | NR/A+ | 26,934,180 |
| 23,000 | Bakersfield, CP, zero coupon, 4/15/21 | NR/AAA | 12,724,520 |
| 2,000 | Bay Area Gov't Assoc., Lease Rev., 5.00%, 7/1/32, Ser. 2002-1 (AMBAC) | Aaa/AAA | 2,059,660 |
| 1,945 | Windmere Ranch Dist. 99-1, Special Assessment, 6.30%, 9/2/25, (Pre-refunded @ \$102, 9/2/11) (b) | NR/AAA | 2,191,198 |
| 1,085 | Capistrano Unified School Dist., Community Fac. Dist., Special Tax, 5.70%, 9/1/20, (Pre-refunded @ \$102, 9/1/09) (b) | NR/NR | 1,150,805 |
| 2,300 | Ceres Unified School Dist., GO, zero coupon, 8/1/27 (FGIC) | Aaa/AAA | 762,404 |
| 3,000 | Chula Vista Community Facs. Dist., Special Tax, 5.125%, 9/1/36 | NR/NR | 2,712,720 |
| 1,825 | 6.15%, 9/1/26 | NR/NR | 1,885,335 |
| 4,380 | 6.20%, 9/1/33 | NR/NR | 4,494,274 |
| 1,160 | Chula Vista, Special Tax, (Pre-refunded @ \$102, 9/1/10) (b), 6.05%, 9/1/25 | NR/NR | 1,266,592 |
| 2,500 | 6.10%, 9/1/32 | NR/NR | 2,732,975 |
| 2,000 | Clovis Unified School Dist., GO, Ser. B (FGIC), zero coupon, 8/1/23 | Aaa/AAA | 948,860 |
| 3,535 | zero coupon, 8/1/25 | Aaa/AAA | 1,496,083 |
| 2,500 | zero coupon, 8/1/27 | Aaa/AAA | 947,050 |
| 1,410 | Community College Financing Auth. Lease Rev., 5.00%, 8/1/27, Ser. A (AMBAC) | Aaa/AAA | 1,451,877 |
| 1,110 | Corona-Norco Unified School Dist., Public Financing Auth., Special Tax, 5.10%, 9/1/25 (AMBAC) | Aaa/AAA | 1,139,015 |
| 210 | 5.55%, 9/1/15, Ser. A | NR/NR | 210,326 |
| 305 | 5.65%, 9/1/16, Ser. A | NR/NR | 305,220 |
| 160 | 5.75%, 9/1/17, Ser. A | NR/NR | 159,984 |
| 530 | 6.00%, 9/1/20, Ser. A | NR/NR | 530,588 |
| 1,000 | 6.00%, 9/1/25, Ser. A | NR/NR | 999,890 |
| 4,150 | 6.10%, 9/1/32, Ser. A | NR/NR | 4,153,071 |
| 10,000 | Coronado Community Dev. Agcy., Tax Allocation, 4.875%, 9/1/35 (AMBAC) (h) | NR/AAA | 10,021,400 |
| 3,000 | Dinuba Financing Auth. Lease Rev., 5.10%, 8/1/32 (MBIA) | Aaa/AAA | 3,116,340 |
| 3,475 | Educational Facs. Auth. Rev., Loyola Marymount Univ., zero coupon, 10/1/34 (MBIA) | Aaa/NR | 909,616 |
| 2,000 | Woodbury Univ., 5.00%, 1/1/36 | Baa3/BBB- | 1,896,020 |

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PIMCO California Municipal Income Fund II Schedule of Investments

November 30, 2007 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody's/S&P) | Value |
|------------------------|--|-----------------------------|------------|
| \$ 1,560 | Empire Union School Dist., Special Tax (AMBAC), zero coupon, 10/1/30 | Aaa/AAA | \$ 504,286 |
| 1,265 | zero coupon, 10/1/32 | Aaa/AAA | 367,710 |
| 1,000 | Escondido Union School Dist., GO, zero coupon, 8/1/27 (FSA) | Aaa/AAA | 386,160 |
| 2,440 | Eureka Union School Dist., GO, zero coupon, 8/1/27 (FSA) | Aaa/AAA | 942,230 |
| 7,100 | Foothill Eastern Corridor Agcy. Toll Road Rev., zero coupon, 1/1/25, Ser. A | Aaa/AAA | 3,360,359 |
| 3,270 | zero coupon, 1/1/26, Ser. A | Aaa/AAA | 1,460,513 |
| 1,500 | zero coupon, 1/15/27 (MBIA-IBC) | Aaa/AAA | 1,472,820 |
| 3,780 | zero coupon, 1/1/28, Ser. A | Aaa/AAA | 1,520,165 |
| 17,860 | zero coupon, 1/1/30, Ser. A | Aaa/AAA | 6,447,103 |
| 400 | Franklin-McKinley School Dist., GO, 5.00%, 8/1/27, Ser. B, (Pre-refunded @ \$100, 8/1/13) (FSA) (b) | Aaa/AAA | 434,588 |
| 1,440 | Fremont Community Facs. Dist. No. 1, Special Tax, 5.30%, 9/1/30 | NR/NR | 1,363,464 |
| 2,000 | Golden State Tobacco Securitization Corp. Rev., zero coupon, 6/1/37, Ser. A-2 | Baa3/BBB | 1,263,200 |
| 8,000 | 5.00%, 6/1/33, Ser. A-1 | Baa3/BBB | 7,009,200 |
| 10,000 | 5.00%, 6/1/35, Ser. A (FGIC) (h) | Aaa/AAA | 10,062,000 |
| 45,000 | 5.00%, 6/1/38 Ser. A (FGIC) (h) | Aaa/AAA | 45,194,850 |
| 12,485 | 5.00%, 6/1/45 (AMBAC-TCRS) (h) | Aaa/AAA | 12,500,357 |
| 6,000 | 5.00%, 6/1/45, Ser. A (FGIC-TCRS) (h) | Aaa/AAA | 6,007,380 |
| 11,700 | 6.25%, 6/1/33, Ser. 2003-A-1 | Aaa/AAA | 12,870,117 |
| 36,200 | 6.75%, 6/1/39, Ser. 2003-A-1, (Pre-refunded @ \$100, 6/1/13) (b) | Aaa/AAA | 42,068,020 |
| 4,000 | Health Facs. Finance Auth. Rev., Adventist Health System, 5.00%, 3/1/33 | NR/A | 3,893,440 |
| 495 | Catholic Healthcare West (b), 5.00%, 7/1/28, (Partially pre-refunded @ \$101, 7/1/08) | A2/A | 496,757 |
| 70 | 5.00%, 7/1/28, (Pre-refunded @ \$101, 7/1/08) | A2/A | 71,390 |
| 2,115 | Hope Rehabilitation, 5.375%, 11/1/20 (CA Mtg. Ins.) | NR/A+ | 2,206,981 |
| 5,500 | Paradise VY Estates (CA Mtg. Ins.), 5.125%, 1/1/22 | NR/A+ | 5,649,160 |
| 3,875 | 5.25%, 1/1/26 | NR/A+ | 3,966,527 |
| 1,750 | Huntington Beach Community Facs. Dist., Special Tax, 6.30%, 9/1/32 | NR/NR | 1,792,298 |
| 200 | Infrastructure & Economic Dev. Bank Rev., Bay Area Toll Bridges, 5.00%, 7/1/36, (Pre-refunded @ \$100, 1/1/28) (AMBAC) (b) | Aaa/AAA | 219,258 |
| 7,000 | Irvine Improvement Board Act 1915, Special Assessment, 5.70%, 9/2/26 | NR/NR | 7,063,140 |
| 1,000 | Irvine Unified School Dist., Special Tax, 5.125%, 9/1/36, Ser. A | NR/NR | 899,590 |
| 1,900 | Jurupa Unified School Dist., GO, zero coupon, 5/1/27 (FGIC) | Aaa/AAA | 726,693 |
| 2,450 | Kings Canyon JT Unified School Dist., GO, zero coupon, 8/1/27 (FGIC) | Aaa/AAA | 937,052 |
| 5,300 | Livermore-Amador Valley Water Management Agcy. Rev., 5.00%, 8/1/31, Ser. A (AMBAC) | Aaa/AAA | 5,422,165 |

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PIMCO California Municipal Income Fund II Schedule of Investments

November 30, 2007 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody/S&P) | Value |
|------------------------|--|---------------------------|---------------|
| \$ 9,895 | Los Angeles, CP (MBIA), 5.00%, 2/1/27 | Aaa/AAA | \$ 10,155,436 |
| 2,685 | 5.00%, 10/1/27, Ser. AU | Aaa/AAA | 2,760,019 |
| 15,000 | Los Angeles Department of Water & Power Rev., Ser. A (h), 4.75%, 7/1/30 (FSA) | Aaa/AAA | 15,142,050 |
| 30,000 | 5.00%, 7/1/35 (FSA) | Aaa/AAA | 31,226,100 |
| 16,950 | 5.125%, 7/1/41 (FGIC-TCRS) | Aaa/AAA | 17,312,221 |
| 7,200 | Los Angeles Wastewater System Rev., 5.00%, 6/1/30, Ser. A (FGIC) | Aaa/AAA | 7,385,976 |
| 1,000 | Manhattan Beach Unified School Dist., GO, zero coupon, 9/1/25 (FGIC) | Aaa/AAA | 425,170 |
| 7,295 | Manteca Redev. Agcy., Tax Allocation, 5.00%, 10/1/32 (FSA) | Aaa/AAA | 7,519,759 |
| 10,000 | 5.00%, 10/1/36 (AMBAC) (h) | Aaa/AAA | 10,279,500 |
| 2,365 | Manteca Unified School Dist., Special Tax (MBIA), zero coupon, 9/1/25 | Aaa/AAA | 996,871 |
| 5,330 | 5.00%, 9/1/29, Ser. C | Aaa/AAA | 5,433,135 |
| 4,000 | Merced Cnty., CP, Juvenile Justice Correctional Fac., 5.00%, 6/1/32 (AMBAC) | Aaa/NR | 4,085,360 |
| 2,615 | Modesto Elementary School Dist. Stanislaus Cnty., GO, Ser. A (FGIC), zero coupon, 8/1/23 | Aaa/AAA | 1,250,153 |
| 2,705 | zero coupon, 8/1/24 | Aaa/AAA | 1,221,659 |
| 2,000 | zero coupon, 5/1/27 | Aaa/AAA | 774,340 |
| 2,150 | Modesto High School Dist. Stanislaus Cnty., GO, zero coupon, 8/1/26, Ser. A (FGIC) | Aaa/AAA | 868,256 |
| 55 | Modesto Public Financing Auth. Lease Rev. (AMBAC), 5.00%, 9/1/29 | Aaa/AAA | 55,884 |
| 945 | 5.00%, 9/1/29, (Pre-refunded @ \$101, 9/1/08) (b) | Aaa/AAA | 966,574 |
| 2,385 | Monrovia Financing Auth. Lease Rev., Hillside Wilderness Preserve, 5.125%, 12/1/31 (AMBAC) | Aaa/AAA | 2,486,601 |
| 1,500 | Montebello Unified School Dist., GO, zero coupon, 8/1/24 (FGIC) | Aaa/AAA | 677,445 |
| 1,485 | zero coupon, 8/1/24 (FSA) | Aaa/AAA | 676,135 |
| 2,830 | zero coupon, 8/1/25 (FGIC) | Aaa/AAA | 1,208,070 |
| 2,775 | zero coupon, 8/1/27 (FGIC) | Aaa/AAA | 1,061,354 |
| 4,700 | Moreno Valley Unified School Dist. Community Facs. Dist., Special Tax, 5.20%, 9/1/36 | NR/NR | 4,312,814 |
| 2,400 | Morgan Hill Unified School Dist., GO, zero coupon, 8/1/23 (FGIC) | Aaa/AAA | 1,208,640 |
| 1,500 | Mountain View-Whisman School Dist., GO, 5.00%, 6/1/27, Ser. D, (Pre-refunded @ \$101, 6/1/12) (MBIA) (b) | Aaa/AAA | 1,621,800 |
| 3,245 | Newark Unified School Dist., GO, zero coupon, 8/1/26, Ser. D (FSA) | Aaa/AAA | 1,310,461 |
| 19,805 | Oakland, GO, 5.00%, 1/15/27, Ser. A (FGIC) (h) | NR/NR | 20,313,988 |

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PIMCO California Municipal Income Fund II Schedule of Investments

November 30, 2007 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody's/S&P) | Value |
|------------------------|---|-----------------------------|--------------|
| \$ 1,395 | Oakland Redev. Agcy., Tax Allocation, (Pre-refunded @ \$100, 3/1/13) (b), 5.25%, 9/1/27 | NR/A | \$ 1,522,712 |
| 2,185 | 5.25%, 9/1/33 | NR/A | 2,387,244 |
| 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) (b) | NR/AAA | 1,082,210 |
| 12,000 | Orange Cnty. Sanitation Dist., CP, 5.25%, 2/1/30, (Pre-refunded @ \$100, 8/1/13) (FGIC) (b) | Aaa/AAA | 13,191,240 |
| 1,230 | Palmdale Community Redev. Agcy., Tax Allocation (AMBAC), zero coupon, 12/1/30 | Aaa/AAA | 398,791 |
| 1,230 | zero coupon, 12/1/31 | Aaa/AAA | 378,828 |
| 1,225 | zero coupon, 12/1/32 | Aaa/AAA | 357,467 |
| 1,750 | Paramount Unified School Dist., GO, zero coupon, 9/1/23, Ser. B (FSA) | Aaa/AAA | 839,773 |
| 780 | Perris Public Financing Auth. Rev., Tax Allocation, Ser. C, 5.375%, 10/1/20 | NR/BBB+ | 814,999 |
| 1,800 | 5.625%, 10/1/31 | NR/BBB+ | 1,884,330 |
| 10,000 | Placentia-Yorba Linda Unified School Dist., CP, 5.00%, 10/1/32 (FGIC) (h) | Aaa/AAA | 10,299,400 |
| 10,150 | Placer Union High School Dist., GO, zero coupon, 8/1/33 (FSA) | Aaa/AAA | 2,858,951 |
| | Poway Unified School Dist., Special Tax, Community Facs. Dist. No. 6, | | |
| 2,700 | 5.125%, 9/1/28 | NR/BBB | 2,611,089 |
| 2,300 | 5.125%, 9/1/28, Area B | NR/NR | 2,204,849 |
| 1,500 | 5.50%, 9/1/25 | NR/BBB | 1,504,935 |
| 3,000 | 5.60%, 9/1/33 | NR/BBB | 2,919,990 |
| 1,000 | 6.05%, 9/1/25, Area A | NR/NR | 1,021,710 |
| 5,500 | 6.125%, 9/1/33, Area A | NR/NR | 5,584,865 |
| | Community Facs. Dist. No. 10, | | |
| 1,000 | 5.65%, 9/1/25 | NR/NR | 1,004,040 |
| 2,200 | 5.70%, 9/1/32 | NR/NR | 2,171,356 |
| 2,000 | Rancho Cucamonga Community Facs. Dist., Special Tax, 6.375%, 9/1/31, Ser. A | NR/NR | 2,059,500 |
| 1,500 | Richmond Wastewater Rev., zero coupon, 8/1/30 (FGIC) | Aaa/AAA | 522,435 |
| 3,510 | Riverside, CP, 5.00%, 9/1/33 (AMBAC) | Aaa/AAA | 3,599,435 |
| | Riverside Unified School Dist., Community Facs., Dist. No. 15, Special Tax, Ser. A, | | |
| 1,000 | 5.15%, 9/1/25 | NR/NR | 959,490 |
| 1,000 | 5.25%, 9/1/30 | NR/NR | 939,870 |
| 1,000 | 5.25%, 9/1/35 | NR/NR | 931,000 |
| | Rocklin Unified School Dist., GO (FGIC), | | |
| 5,000 | zero coupon, 8/1/24 | Aaa/AAA | 2,221,700 |
| 4,000 | zero coupon, 8/1/25 | Aaa/AAA | 1,678,360 |
| 4,000 | zero coupon, 8/1/26 | Aaa/AAA | 1,586,200 |
| 4,500 | zero coupon, 8/1/27 | Aaa/AAA | 1,688,445 |

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PIMCO California Municipal Income Fund II Schedule of Investments

November 30, 2007 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody/S&P) | Value |
|------------------------|---|---------------------------|--------------|
| \$ 3,365 | Roseville Redev. Agcy., Tax Allocation (MBIA), 5.00%, 9/1/32 | Aaa/AAA | \$ 3,447,880 |
| 2,075 | 5.00%, 9/1/33 | Aaa/AAA | 2,124,904 |
| 4,500 | Sacramento City Financing Auth. Rev., Ser. A, 5.00%, 12/1/32, (Pre-refunded @ \$100, 12/1/12) (FSA) (b) | Aaa/AAA | 4,859,955 |
| 4,475 | North Natomas CFD No. 2, 6.25%, 9/1/23 | NR/NR | 4,521,629 |
| 12,490 | Sacramento Cnty., Airport System Rev., 5.00%, 7/1/32, Ser. A (FSA) | Aaa/AAA | 12,812,492 |
| 14,350 | Sacramento Cnty., Sanitation Dist. Rev., 5.00%, 12/1/35, (Pre-refunded @ \$100, 12/1/14) (AMBAC) (a)(b)(h)(i) | Aaa/AAA | 15,776,964 |
| 8,285 | San Diego Cnty. Water Auth., CP, Ser. A (MBIA), 5.00%, 5/1/28 | Aaa/AAA | 8,553,683 |
| 8,000 | 5.00%, 5/1/29 | Aaa/AAA | 8,251,680 |
| 1,200 | San Diego Community Facs. Dist. No. 3, Special Tax, Ser. A, 5.60%, 9/1/21 | NR/NR | 1,179,588 |
| 800 | 5.70%, 9/1/26 | NR/NR | 777,592 |
| 2,300 | 5.75%, 9/1/36 | NR/NR | 2,205,056 |
| 1,000 | San Diego Public Facs. Financing Auth. Lease Rev., 5.00%, 5/15/29, Ser. A (FGIC) | Aaa/AAA | 1,020,630 |
| 1,500 | Fire & Life Safety Facs., 5.00%, 4/1/32 (MBIA) | Aaa/AAA | 1,530,840 |
| 14,000 | San Diego Public Facs. Financing Auth. Water Rev., 5.00%, 8/1/32 (MBIA) | Aaa/AAA | 14,396,760 |
| 7,775 | San Diego Unified School Dist., GO, 5.00%, 7/1/27 (FGIC) (h) | Aaa/AAA | 8,260,626 |
| 5,585 | San Francisco City & Cnty. Airport Community, International Airport Rev. (MBIA), 4.50%, 5/1/28, Ser. 2 | Aaa/AAA | 5,482,348 |
| 11,585 | 5.00%, 5/1/32 | Aaa/AAA | 11,920,965 |
| 8,715 | 5.00%, 5/1/32, Ser 28B, (Pre-refunded @ \$100, 5/1/12) (b) | Aaa/AAA | 9,336,031 |
| 10,405 | San Joaquin Hills Transportation Corridor Agcy. Toll Road Rev., zero coupon, 1/1/25 | Aaa/AAA | 4,924,582 |
| 14,970 | San Jose, Libraries & Parks, GO, 5.00%, 9/1/32 (MBIA) (h) | Aaa/AAA | 15,394,549 |
| 10,190 | 5.125%, 9/1/31 | Aa1/AA+ | 10,519,443 |
| 1,770 | San Juan Unified School Dist., GO (FSA), zero coupon, 8/1/23 | Aaa/AAA | 852,680 |
| 6,105 | zero coupon, 8/1/26 | Aaa/AAA | 2,487,971 |
| 9,150 | 5.00%, 8/1/27, Ser. A (h) | Aaa/AAA | 9,511,059 |
| 4,835 | San Mateo Foster City School Dist., GO, 5.10%, 8/1/31, (Pre-refunded @ \$101, 8/1/11) (FGIC) (b) | Aaa/AAA | 5,194,144 |
| 2,300 | San Mateo Union High School Dist., GO, zero coupon, 9/1/20 (FGIC) | Aaa/AAA | 1,303,134 |
| 1,730 | San Rafael City High School Dist., GO, 5.00%, 8/1/27, Ser. B (FSA) | Aaa/AAA | 1,784,184 |
| 3,280 | San Rafael Elementary School Dist., GO, 5.00%, 8/1/27, Ser. B (FSA) | Aaa/AAA | 3,382,730 |

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| | | | |
|-------|--|---------|-----------|
| | Santa Clara Unified School Dist., GO (MBIA), | | |
| 2,755 | 5.00%, 7/1/25 | Aaa/AAA | 2,842,278 |
| 3,040 | 5.00%, 7/1/27 | Aaa/AAA | 3,121,046 |

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| Principal Amount (000) | | Credit Rating (Moody's/S&P) | Value |
|------------------------|--|-----------------------------|--------------|
| \$ 1,260 | Santa Cruz Cnty. Rev., 5.25%, 8/1/32 | A3/NR | \$ 1,327,082 |
| | Santa Margarita Water Dist., Special Tax, | | |
| 2,000 | 6.00%, 9/1/30, (Pre-refunded @ \$100, 9/1/13) (b) | NR/NR | 2,271,160 |
| 2,185 | 6.25%, 9/1/29 | NR/NR | 2,241,854 |
| 815 | 6.25%, 9/1/29, (Pre-refunded @ \$102, 9/1/09) (b) | NR/NR | 871,952 |
| 2,000 | Santa Monica Community College Dist., GO, zero coupon, 8/1/26, Ser. C (MBIA) | Aaa/AAA | 778,800 |
| | Saugus Hart School Facs. Financing Auth., Special Tax, Community Facs. Dist. 00-1, | | |
| 1,140 | 6.10%, 9/1/32 | NR/NR | 1,147,079 |
| 2,195 | 6.125%, 9/1/33 | NR/NR | 2,206,809 |
| 1,000 | Shasta Union High School Dist., GO, zero coupon, 8/1/24 (FGIC) | Aaa/AAA | 447,970 |
| 2,745 | South Tahoe JT Powers Parking Financing Auth. Rev., 7.00%, 12/1/27, Ser. A | NR/NR | 2,664,681 |
| 1,800 | Southern Mono Health Care Dist., GO, zero coupon, 8/1/26 (MBIA) | Aaa/AAA | 713,790 |
| 3,730 | State Dev. Finance Agcy., Tax Allocation, 5.00%, 9/1/27 (MBIA) | Aaa/AAA | 3,837,126 |
| 9,605 | State Public Works Board Lease Rev., UCLA Replacement Hospital, 5.00%, 10/1/22, Ser. A (FSA) | Aaa/AAA | 9,991,985 |
| | Statewide Community Dev. Auth., | | |
| 1,600 | Baptist Univ., 5.50%, 11/1/38, Ser. A | NR/NR | 1,572,368 |
| 3,555 | Bentley School, 6.75%, 7/1/32 (a)(i) | NR/NR | 3,767,909 |
| 1,250 | Huntington Park Chapter School, 5.25%, 7/1/42, Ser. A | NR/NR | 1,165,575 |
| 9,700 | Jewish Home Rev., 5.50%, 11/15/33 (CA St. Mtg.) | NR/A+ | 10,128,740 |
| 2,770 | Kaiser Permanente Rev., 5.50%, 11/1/32, Ser. A | NR/A+ | 2,847,643 |
| 3,000 | Live Oak School Rev., 6.75%, 10/1/30 | NR/NR | 3,076,290 |
| 500 | Peninsula Project Rev., 5.00%, 11/1/29 | NR/NR | 458,835 |
| 1,170 | Wildwood Elementary School, CP, 6.10%, 11/1/15 (a)(i) | NR/NR | 1,177,196 |
| 1,365 | Windrush School Rev., 5.50%, 7/1/37 | NR/NR | 1,351,159 |
| | Statewide Financing Auth. Tobacco Settlement Rev., | | |
| 1,665 | 5.625%, 5/1/29 | Baa3/NR | 1,641,474 |
| 20,000 | 6.00%, 5/1/37 (h) | Baa3/NR | 19,864,200 |
| 7,750 | Tamalpais Union High School Dist., GO, 5.00%, 8/1/27 (FSA) | Aaa/AAA | 8,009,315 |
| | Tobacco Securitization Agcy. Rev., | | |
| 4,500 | Alameda Cnty., 6.00%, 6/1/42 | Baa3/NR | 4,422,735 |
| | Fresno Cnty., | | |
| 3,750 | 5.625%, 6/1/23 | Baa3/BBB | 3,754,050 |
| 10,000 | 6.00%, 6/1/35 | Baa3/BBB | 9,946,600 |
| 6,875 | Gold Cnty., zero coupon, 6/1/33 | NR/BBB | 1,297,519 |
| 1,800 | Stanislaus Funding, 5.875%, 6/1/43, Ser. A | Baa3/NR | 1,723,878 |
| 8,000 | Tobacco Securitization Auth. of Southern California Rev., 5.00%, 6/1/37, Ser. A-1 | Baa3/BBB | 6,764,480 |
| 995 | Tracy Community Facs. Dist., Special Tax, No. 99-2 South Macarthur Area, 6.00%, 9/1/27 | NR/NR | 1,011,925 |

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PIMCO California Municipal Income Fund II Schedule of Investments

November 30, 2007 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody's/S&P) | Value |
|---|--|-----------------------------|--------------------|
| \$ 5,500 | Univ. Rev. (h), 4.75%, 5/15/35, Ser. F (FSA) | Aaa/AAA | \$ 5,533,220 |
| 5,000 | 4.75%, 5/15/35, Ser. G (FGIC) | Aaa/AAA | 5,016,400 |
| 5,650 | 4.75%, 5/15/38, Ser. B | Aa2/AA- | 5,665,424 |
| 10,000 | 5.00%, 9/1/27, Ser. O, (Pre-refunded @ \$101, 9/1/10) (FGIC) (b) | Aaa/AAA | 10,573,100 |
| 10,000 | Ventura Cnty. Community College Dist., GO, 5.00%, 8/1/27, Ser. A (MBIA) | Aaa/AAA | 10,373,000 |
| 1,555 | Ventura Unified School Dist., GO, 5.00%, 8/1/32, Ser. F (FSA) | Aaa/AAA | 1,609,021 |
| 2,000 | Vernon Electric System Rev., Malburg Generating Station, 5.50%, 4/1/33, (Pre-refunded @ \$100, 4/1/08) (b) | Aaa/NR | 2,014,540 |
| 1,125 | Victor Elementary School Dist., GO, Ser. A (FGIC), zero coupon, 8/1/24 | Aaa/AAA | 508,084 |
| 2,410 | zero coupon, 8/1/26 | Aaa/AAA | 973,254 |
| 1,000 | Vista Unified School Dist., GO, zero coupon, 8/1/26, Ser. A (FSA) | Aaa/AAA | 407,530 |
| 2,740 | West Contra Costa Unified School Dist., GO, Ser. A (MBIA), 5.00%, 8/1/26 | Aaa/AAA | 2,803,376 |
| 2,690 | 5.00%, 8/1/28 | Aaa/AAA | 2,748,830 |
| 1,890 | 5.00%, 8/1/31 | Aaa/AAA | 1,929,425 |
| 2,000 | William S. Hart JT School Financing Auth. Rev., 5.625%, 9/1/34 | NR/BBB+ | 2,062,200 |
| 2,110 | Yuba City Unified School Dist., GO, zero coupon, 9/1/25 (FGIC) | Aaa/AAA | 904,916 |
| | Total California Municipal Bonds & Notes (cost \$825,548,624) | | 858,735,747 |
| OTHER MUNICIPAL BONDS & NOTES 3.6% | | | |
| | Iowa 1.6% | | |
| 16,100 | Tobacco Settlement Auth. of Iowa Rev., zero coupon, 6/1/34, Ser. B | Baa3/BBB | 14,654,381 |
| | New York 0.4% | | |
| 3,235 | State Dormitory Auth. Hospital Rev., 6.25%, 8/15/15 (FHA) | Aa2/AAA | 3,566,782 |
| | Pennsylvania 0.5% | | |
| 4,300 | Allegheny Cnty. Hospital Dev. Auth. Rev., 5.375%, 11/15/40, Ser. A | Ba2/BB | 3,915,795 |
| | Puerto Rico 1.1% | | |
| 2,000 | Electric Power Auth. Power Rev., 5.125%, 7/1/29, Ser. NN, (Pre-refunded @ \$100, 7/1/13) (b) | A3/BBB+ | 2,181,160 |
| 2,505 | Public Building Auth. Rev., Gov't Facs., 5.00%, 7/1/36, Ser. I (GTD) | Baa3/BBB- | 2,493,577 |
| 32,600 | Sales Tax Financing Corp., Rev., Ser. A (AMBAC), zero coupon, 8/1/47 | Aaa/AAA | 4,323,412 |
| 12,500 | zero coupon, 8/1/54 | Aaa/AAA | 1,139,500 |
| | Total Other Municipal Bonds & Notes (cost \$33,203,782) | | 32,274,607 |

PIMCO California Municipal Income Fund II Schedule of Investments

November 30, 2007 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody's/S&P) | Value |
|--|---|-----------------------------|-----------------------|
| CALIFORNIA VARIABLE RATE NOTES (c) (e) (f) 0.2% | | | |
| \$ 1,500 | Modesto Public Financing Auth. Lease Rev., 9.52%, 9/1/29, Ser. 354 (AMBAC) (cost \$1,481,552) | Aaa/NR | \$ 1,600,350 |
| OTHER VARIABLE RATE NOTES (f) 0.6% | | | |
| Puerto Rico 0.6% | | | |
| 5,300 | Public Finance Corp. Rev., 5.75%, 8/1/27, Ser. A (cost \$5,553,072) | Ba1/BBB- | 5,558,428 |
| U.S. TREASURY BILLS (g) 0.4% | | | |
| 3,920 | 3.20%-5.60%, 12/13/07-2/28/08 (cost \$3,907,611) | NR/NR | 3,907,611 |
| | Total Investments (cost \$869,694,641) 100.0% | | \$ 902,076,743 |

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PIMCO New York Municipal Income Fund II Schedule of Investments

November 30, 2007 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody's/S&P) | Value |
|---|--|-----------------------------|------------|
| NEW YORK MUNICIPAL BONDS & NOTES 89.4% | | | |
| | Buffalo Municipal Water Finance Auth., Water System Rev., Ser. B, (Pre-refunded @ \$100, 7/1/12) (FSA) (b), | | |
| \$ 250 | 5.00%, 7/1/27 | Aaa/AAA | \$ 268,443 |
| 1,000 | 5.125%, 7/1/32 | Aaa/AAA | 1,079,040 |
| 2,400 | Erie Cnty. Industrial Dev. Agcy., Orchard Park Rev., 6.00%, 11/15/36 | NR/NR | 2,344,512 |
| 10,000 | Erie Cnty. Tobacco Asset Securitization Corp. Rev., 6.50%, 7/15/32, (Pre-refunded @ \$101, 7/15/10) (b) | NR/AAA | 10,906,700 |
| | Liberty Dev. Corp. Rev., | | |
| 2,500 | 5.25%, 10/1/35 (h) | Aa3/AA- | 2,655,625 |
| 1,700 | 5.50%, 10/1/37 | Aa3/AA- | 1,873,128 |
| | Metropolitan Transportation Auth. Rev., | | |
| 1,850 | 5.00%, 11/15/30, Ser. A (FSA) | Aaa/AAA | 1,901,282 |
| 10,000 | 5.25%, 11/15/31, Ser. E | A2/A | 10,355,800 |
| 7,000 | 5.35%, 7/1/31, Ser. B | A1/AAA | 7,290,150 |
| 4,130 | Mortgage Agcy. Rev., 4.75%, 10/1/27, Ser. 128 (h) | Aa1/NR | 4,056,858 |
| 4,000 | New York City, GO, 5.00%, 3/1/33, Ser. I | Aa3/AA | 4,064,160 |
| | New York City Health & Hospital Corp. Rev., Ser. A, | | |
| 1,100 | 5.375%, 2/15/26 | A1/A | 1,122,429 |
| 2,000 | 5.45%, 2/15/26 | A1/A | 2,051,760 |
| | New York City Industrial Dev. Agcy. Rev., | | |
| 975 | Eger Harbor, 4.95%, 11/20/32 (GNMA) | NR/AA+ | 976,687 |
| 1,415 | Liberty Interactive Corp., 5.00%, 9/1/35 | Baa3/BB | 1,347,646 |
| 1,220 | Staten Island Univ. Hospital, 6.45%, 7/1/32 | B2/NR | 1,253,318 |
| 1,500 | United Jewish Appeal Fed., 5.00%, 7/1/27 | Aa1/NR | 1,558,635 |
| | New York City Municipal Water Finance Auth., | | |
| | Water & Sewer System Rev. (h), | | |
| 7,500 | 4.50%, 6/15/33, Ser. C | Aa2/AA+ | 7,310,925 |
| 5,000 | 5.00%, 6/15/32, Ser. A | Aa2/AA+ | 5,105,150 |
| 15,000 | 5.125%, 6/15/34, Ser. A | Aa2/AA+ | 15,491,550 |
| 10,000 | New York City Transitional Finance Auth. Rev., 5.00%, 11/1/27, Ser. B | Aa1/AAA | 10,355,400 |
| 7,785 | New York City Trust for Cultural Res. Rev., 5.00%, 2/1/34 (FGIC) (h) | Aaa/AAA | 8,055,295 |
| 3,600 | Port Auth. New York & New Jersey Rev., 5.00%, 4/15/32, Ser. 125 (FSA) | Aaa/AAA | 3,746,448 |
| 7,500 | State Dormitory Auth. Lease Rev., State Univ. Dormitory Facs., 5.00%, 7/1/32, (Pre-refunded @ \$100, 7/1/12) (b) | Aa3/AA- | 8,046,675 |
| | State Dormitory Auth. Rev., | | |
| 5,000 | 5.00%, 12/1/35 (Radian) | Aa3/AA | 4,775,400 |
| 1,320 | 5.25%, 9/1/28 (Radian) | Aa3/AA | 1,321,214 |
| 80 | 5.25%, 9/1/28, (Pre-refunded @ \$102, 9/1/09) (Radian) (b) | Aa3/AA | 84,249 |
| 7,490 | 5.50%, 5/15/31, Ser. A (AMBAC) (h) | Aaa/AAA | 8,639,266 |
| 1,000 | 5.625%, 7/1/37, Ser. B (d) | Ba2/BB | 982,280 |
| 2,600 | Catholic Health of Long Island, 5.10%, 7/1/34 | Baa1/BBB | 2,504,710 |

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| | | | |
|-------|---|--------|-----------|
| 2,000 | Kaleida Health Hospital, 5.05%, 2/15/25 (FHA) | NR/AAA | 2,046,820 |
| 5,300 | Lenox Hill Hospital, 5.50%, 7/1/30 | Ba2/NR | 5,094,572 |

11.30.07 | PIMCO Municipal Income Funds II Semi-Annual Report **23**

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PIMCO New York Municipal Income Fund II Schedule of Investments

November 30, 2007 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody's/S&P) | Value |
|------------------------|--|-----------------------------|--------------|
| \$ 8,850 | North General Hospital, 5.00%, 2/15/25 | NR/AA- | \$ 9,040,009 |
| 8,600 | State Personal Income Tax, 5.00%, 3/15/32, (Pre-refunded @ \$100, 3/15/13) (b) | Aa3/AAA | 9,298,062 |
| 1,250 | Student Housing Corp., 5.125%, 7/1/34, (Pre-refunded @ \$100, 7/1/14) (FGIC) (b) | Aaa/AAA | 1,376,787 |
| 4,270 | Teachers College, 5.00%, 7/1/32 (MBIA) | Aaa/NR | 4,403,480 |
| 2,000 | Yeshiva Univ., 5.125%, 7/1/34 (AMBAC) | Aaa/NR | 2,097,040 |
| 2,000 | State Environmental Facs. Corp., State Clean Water & Drinking Rev., 5.125%, 6/15/31 | Aaa/AAA | 2,078,040 |
| 6,100 | State Urban Dev. Corp., Personal Income Tax Rev., 5.00%, 3/15/33, Ser. C-1, (Pre-refunded @ \$100, 3/15/13) (b) | Aa3/AAA | 6,595,137 |
| 25,000 | Tobacco Settlement Asset Backed, Inc. Rev., Ser.1, 5.00%, 6/1/34 | NR/BBB | 22,973,750 |
| 25,000 | 5.75%, 7/15/32, (Pre-refunded @ \$100, 7/15/12) (b) | Aaa/AAA | 27,576,500 |
| 10,000 | 6.375%, 7/15/39, (Pre-refunded @ \$101, 7/15/09) (b) | Aaa/AAA | 10,587,700 |
| 710 | Triborough Bridge & Tunnel Auth. Rev. (FGIC-TCRS), 5.00%, 1/1/32 | Aaa/AAA | 728,630 |
| 3,990 | 5.00%, 1/1/32, (Pre-refunded @ \$100, 1/1/12) (b) | Aaa/AAA | 4,254,218 |
| 1,815 | Ulster Cnty. Industrial Dev. Agcy. Rev., 6.00%, 9/15/37, Ser. A | NR/NR | 1,772,983 |
| 2,000 | Warren & Washington Cntys. Industrial Dev. Agcy. Fac. Rev., Glens Falls Hospital, 5.00%, 12/1/35, Ser. A (FSA) | Aaa/AAA | 2,049,860 |
| 750 | Westchester Cnty. Industrial Dev. Agcy. Continuing Care Retirement Rev., Kendal on Hudson, 6.50%, 1/1/34 | NR/NR | 776,400 |
| | Total New York Municipal Bonds & Notes (cost \$235,077,800) | | 244,274,723 |

OTHER MUNICIPAL BONDS & NOTES 6.8%

California 3.0%

| | | | |
|-------|---|---------|-----------|
| 3,500 | Alameda Unified School Dist., Alameda Cnty., GO, Ser. A (FSA), zero coupon, 8/1/24 | Aaa/AAA | 1,593,585 |
| 3,000 | zero coupon, 8/1/25 | Aaa/AAA | 1,291,740 |
| 3,130 | Covina Valley Unified School Dist., GO, zero coupon, 6/1/25, Ser. B (FGIC) | Aaa/AAA | 1,346,933 |
| 5,000 | Tobacco Securitization Agcy. Rev., Los Angeles Cnty., zero coupon, 6/1/28 | Baa3/NR | 3,845,700 |
| | | | 8,077,958 |

Colorado 0.0%

| | | | |
|-----|--|--------|---------|
| 210 | Dawson Ridge Dist. No. 1, GO, zero coupon, 10/1/22, Ser. A | Aaa/NR | 108,425 |
|-----|--|--------|---------|

Puerto Rico 3.8%

| | | | |
|-------|--|----------|-----------|
| 5,675 | Children's Trust Fund, Tobacco Settlement Rev., 5.625%, 5/15/43 | Baa3/BBB | 5,593,280 |
| 1,500 | Commonwealth Highway & Transportation Auth. Rev., 5.25%, 7/1/38, Ser. D, (Pre-refunded @ \$100, 7/1/12) (b) | Baa3/AAA | 1,625,145 |
| 750 | Electric Power Auth. Power Rev., 5.125%, 7/1/29, Ser. NN, (Pre-refunded @ \$100, 7/1/13) (b) | A3/BBB+ | 817,935 |

PIMCO New York Municipal Income Fund II Schedule of Investments

November 30, 2007 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody's/S&P) | Value |
|--|--|-----------------------------|-----------------------|
| Puerto Rico (continued) | | | |
| \$ 14,250 | Sales Tax Financing Corp., Rev., Ser. A, zero coupon, 8/1/54 (AMBAC) | Aaa/AAA | \$ 1,299,030 |
| 12,900 | zero coupon, 8/1/56 | A1/A+ | 1,051,221 |
| | | | 10,386,611 |
| | Total Other Municipal Bonds & Notes (cost \$18,348,814) | | 18,572,994 |
| NEW YORK VARIABLE RATE NOTES (c) (e) (f) 2.8% | | | |
| 5,595 | Long Island Power Auth. Electric System Rev., 10.74%, 12/1/26, Ser. 339 (MBIA-IBC) | Aaa/NR | 6,147,506 |
| 1,300 | State Urban Dev. Corp. Rev., 9.897%, 3/15/35 | NR/AAA | 1,548,430 |
| | Total New York Variable Rate Notes (cost \$7,016,192) | | 7,695,936 |
| OTHER VARIABLE RATE NOTES 0.7% | | | |
| Puerto Rico 0.7% | | | |
| 1,900 | Public Finance Corp. Rev., 5.75%, 8/1/27, Ser. A (cost \$1,990,724) | Ba1/BBB- | 1,992,644 |
| U.S. TREASURY BILLS (g) 0.3% | | | |
| 795 | 3.21%-5.60%, 12/13/07-2/28/08 (cost \$793,307) | NR/NR | 793,307 |
| | Total Investments (cost \$263,226,837) 100.0% | | \$ 273,329,604 |

PIMCO Municipal Income Funds II Schedule of Investments

November 30, 2007 (unaudited)

Notes to Schedules of Investments:

- (a) Illiquid security.
- (b) 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).
- (c) 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.
- (d) When-issued or delayed-delivery security. To be settled/delivered after November 30, 2007.
- (e) Inverse Floater—interest rate shown bears an inverse relationship to the interest rate on another security or the value of an index.
- (f) 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 November 30, 2007.
- (g) All or partial amount segregated as collateral for futures contracts.
- (h) Residual Interest Bonds held in trust—securities represent underlying bonds transferred to a separate securitization trust established in a tender option bond transaction in which the Funds acquired the residual interest certificates. These securities serve as collateral in a financing transaction.
- (i) Private Placement—restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$20,722,069, representing 2.30% of total investments in California Municipal Income II.

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 — Public School Fund

Q-SBLF—Qualified School Bond Loan Fund

Radian — insured by Radian Guaranty, Inc.

TCRS — Temporary Custodian Receipts

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PIMCO Municipal Income Funds II Statements of Assets and Liabilities

November 30, 2007 (unaudited)

| | Municipal II | California Municipal II | New York Municipal II |
|---|----------------------|------------------------------------|----------------------------------|
| Assets: | | | |
| Investments, at value (cost—\$1,389,981,872, \$869,694,641 and \$263,226,837, respectively) | \$1,488,209,136 | \$902,076,743 | \$273,329,604 |
| Interest receivable | 18,847,663 | 10,682,801 | 4,234,551 |
| Receivable for variation margin on futures contracts | 1,746,875 | 1,264,375 | 261,569 |
| Receivable for investments sold | 13,000 | □ | □ |
| Prepaid expenses and other assets | 2,035,714 | 124,633 | 440,556 |
| Total Assets | 1,510,852,388 | 914,148,552 | 278,266,280 |
| Liabilities: | | | |
| Payable for floating rate notes | 115,540,000 | 220,964,639 | 36,847,780 |
| Payable for investments purchased | 25,560,600 | □ | 971,210 |
| Payable to custodian for cash overdraft | 10,623,048 | 4,912,760 | 886,465 |
| Dividends payable to common and preferred shareholders | 4,005,126 | 2,215,352 | 737,216 |
| Interest payable | 1,645,474 | 763,863 | 171,560 |
| Investment management fees payable | 608,629 | 308,710 | 107,222 |
| Accrued expenses and other payables | 172,769 | 890,830 | 184,708 |
| Total Liabilities | 158,155,646 | 230,056,154 | 39,906,161 |
| 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 | \$847,696,742 | \$424,092,398 | \$148,360,119 |
| Composition of Net Assets Applicable to Common Shareholders: | | | |
| Common Stock: | | | |
| Par value (\$0.00001 per share) | \$590 | \$307 | \$106 |
| Paid-in-capital in excess of par | 839,548,318 | 435,674,520 | 150,349,620 |
| Dividends in excess of net investment income | (600,341) | (2,860,552) | (685,374) |
| Accumulated net realized loss on investments | (89,069,595) | (41,984,628) | (11,636,645) |
| Net unrealized appreciation of investments and futures contracts | 97,817,770 | 33,262,751 | 10,332,412 |
| Net Assets Applicable to Common Shareholders | \$847,696,742 | \$424,092,398 | \$148,360,119 |
| Common Shares Outstanding | 59,029,006 | 30,650,629 | 10,591,830 |
| Net Asset Value Per Common Share | \$14.36 | \$13.84 | \$14.01 |

PIMCO Municipal Income Funds II Statements of Operations

Six months ended November 30, 2007 (unaudited)

| | Municipal II | California Municipal II | New York Municipal II |
|--|-----------------------|------------------------------------|----------------------------------|
| Investment Income: | | | |
| Interest | \$39,142,486 | \$23,699,633 | \$7,377,789 |
| Expenses: | | | |
| Investment management fees | 4,436,791 | 2,268,892 | 783,628 |
| Interest expense | 2,071,922 | 4,926,175 | 922,755 |
| Auction agent fees and commissions | 645,178 | 335,430 | 119,972 |
| Custodian and accounting agent fees | 422,310 | 193,088 | 27,263 |
| Shareholder communications | 60,690 | 42,232 | 23,487 |
| Audit and tax services | 43,077 | 35,977 | 25,623 |
| Trustees' fees and expenses | 40,739 | 28,897 | 12,869 |
| New York Stock Exchange listing fees | 27,240 | 14,118 | 12,243 |
| Transfer agent fees | 17,796 | 17,399 | 19,032 |
| Legal fees | 16,953 | 9,695 | 8,468 |
| Insurance expense | 10,924 | 5,780 | 2,282 |
| Miscellaneous | 19,337 | 8,825 | 7,330 |
| Total expenses | 7,812,957 | 7,886,508 | 1,964,952 |
| Less: investment management fees waived | (739,074) | (378,085) | (130,557) |
| custody credits earned on cash balances | (22,233) | (22,803) | (16,655) |
| Net expenses | 7,051,650 | 7,485,620 | 1,817,740 |
| Net Investment Income | 32,090,836 | 16,214,013 | 5,560,049 |
| Realized and Change In Unrealized Gain (Loss): | | | |
| Net realized gain (loss) on: | | | |
| Investments | 3,952,107 | 531,914 | 375,613 |
| Futures contracts | (5,505,482) | (11,954,612) | (1,722,170) |
| Net change in unrealized appreciation/depreciation of: | | | |
| Investments | (28,461,750) | (17,386,596) | (5,471,730) |
| Futures contracts | (10,755,000) | (2,620,425) | (1,259,766) |
| Net realized and change in unrealized loss on investments and futures contracts | (40,770,125) | (31,429,719) | (8,078,053) |
| Net Decrease in Net Assets Resulting from Investment Operations | (8,679,289) | (15,215,706) | (2,518,004) |
| Dividends on Preferred Shares from Net Investment Income | (8,965,712) | (4,279,372) | (1,514,346) |
| Net Decrease in Net Assets Applicable to Common Shareholders Resulting from Investment Operations | \$(17,645,001) | \$(19,495,078) | \$(4,032,350) |

See accompanying Notes to Financial Statements | 11.30.07 | PIMCO Municipal Income Funds II Semi-Annual Report 29

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

| | Municipal II | |
|---|--|----------------------------|
| | Six months ended November 30, 2007 (unaudited) | Year ended May 31, 2007 |
| Investment Operations: | | |
| Net investment income | \$32,090,836 | \$65,691,345 |
| Net realized gain (loss) on investments and futures contracts | (1,553,375) | 87,615 |
| Net change in unrealized appreciation/depreciation of investments and futures contracts | (39,216,750) | 19,514,662 |
| Net increase (decrease) in net assets resulting from investment operations | (8,679,289) | 85,293,622 |
| Dividends on Preferred Shares from Net Investment Income | | |
| Net increase (decrease) in net assets applicable to common shareholders resulting from investment operations | (8,965,712) | (17,388,694) |
| Dividends to Common Shareholders from Net Investment Income | | |
| | (23,006,036) | (47,920,349) |
| Capital Share Transactions: | | |
| Reinvestment of dividends and distributions | 1,533,019 | 3,998,399 |
| Total increase (decrease) in net assets applicable to common shareholders | (39,118,018) | 23,982,978 |
| Net Assets Applicable to Common Shareholders: | | |
| Beginning of period | 886,814,760 | 862,831,782 |
| End of period (including dividends in excess of net investment income of \$(600,341) and \$(719,429); \$(2,860,552) and \$(1,935,976); \$(685,374) and \$(524,386); respectively) | \$847,696,742 | \$886,814,760 |
| Common Shares Issued in Reinvestment of Dividends | 104,373 | 266,561 |

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| California Municipal II | | New York Municipal II | |
|----------------------------------|---------------|----------------------------------|---------------|
| Six months ended | Year ended | Six months ended | Year ended |
| November 30, 2007 (unaudited) | May 31, 2007 | November 30, 2007 (unaudited) | May 31, 2007 |
| \$16,214,013 | \$33,005,824 | \$5,560,049 | \$11,516,932 |
| (11,422,698) | (931,161) | (1,346,557) | 138,535 |
| (20,007,021) | 11,319,352 | (6,731,496) | 1,022,067 |
| (15,215,706) | 43,394,015 | (2,518,004) | 12,677,534 |
| (4,279,372) | (8,273,822) | (1,514,346) | 2,954,143 |
| (19,495,078) | 35,120,193 | (4,032,350) | 9,723,391 |
| (12,859,217) | (25,618,929) | (4,206,691) | (8,378,638) |
| 1,162,603 | 2,403,958 | 381,270 | 784,927 |
| (31,191,692) | 11,905,222 | (7,857,771) | 2,129,680 |
| 455,284,090 | 443,378,868 | 156,217,890 | 154,088,210 |
| \$424,092,398 | \$455,284,090 | \$148,360,119 | \$156,217,890 |
| 80,100 | 158,649 | 26,456 | 52,337 |

See accompanying Notes to Financial Statements | 11.30.07 | PIMCO Municipal Income Funds II Semi-Annual Report 31

PIMCO Municipal Income Fund II Statement of Cash Flows**Six months ended November 30, 2007 (unaudited)****Cash Flows provided by Operating Activities:**

| | |
|--|------------------|
| Purchases of long-term investments | \$ (141,662,025) |
| Proceeds from sales of long-term investments | 154,167,711 |
| Interest received | 29,191,541 |
| Operating expenses paid | (5,055,499) |
| Net cash used for futures transactions | (18,328,445) |
| Net increase in short-term investments | (189,384) |

| | |
|--|-------------------|
| Net cash provided by operating activities | 18,123,899 |
|--|-------------------|

Cash Flows from Financing Activities:

| | |
|--|--------------|
| Cash dividends paid (excluding reinvestment of dividends of \$1,553,019) | (30,411,883) |
| Custody overdraft | 10,623,048 |

| | |
|--|---------------------|
| Net cash used for financing activities* | (19,788,835) |
|--|---------------------|

| | |
|-----------------------------|--------------------|
| Net decrease in cash | (1,664,936) |
|-----------------------------|--------------------|

| | |
|------------------------------------|------------------|
| Cash at beginning of period | 1,664,936 |
|------------------------------------|------------------|

| | |
|------------------------------|----------|
| Cash at end of period | □ |
|------------------------------|----------|

Reconciliation of Net Increase in Net Assets From Investment**Operations to Net Cash Provided by Operating Activities:**

| | |
|---|-------------|
| Net decrease in net assets resulting from investment operations | (8,679,289) |
| Increase in interest receivable | (499,495) |
| Decrease in receivable for investments sold | 407,000 |
| Increase in payable for investments purchased | 25,560,600 |
| Decrease in prepaid expenses and other assets | 523 |
| Increase in investment management fees payable | 15,472 |
| Decrease in variation margin payable on futures contracts | (355,219) |
| Increase in variation margin receivable on futures contracts | (1,712,744) |
| Decrease in accrued expenses and other payables | (91,766) |
| Net decrease in investments | 3,478,817 |

| | |
|--|---------------------|
| Net cash provided by operating activities | \$18,123,899 |
|--|---------------------|

*** Supplemental Disclosure**

Non-cash financing activity not included consists of interest expense on floating rate notes issued of \$2,071,922.

PIMCO California Municipal Income Fund II Statement of Cash Flows

Six months ended November 30, 2007 (unaudited)

Cash Flows provided by Operating Activities:

| | |
|--|-----------------|
| Purchases of long-term investments | \$ (23,498,795) |
| Proceeds from sales of long-term investments | 36,732,288 |
| Interest received | 16,757,888 |
| Operating expenses paid | (2,622,300) |
| Net cash used for futures transactions | (15,928,025) |
| Net increase in short-term investments | (479,428) |

Net cash provided by operating activities 10,961,628

Cash Flows from Financing Activities:

| | |
|--|--------------|
| Cash dividends paid (excluding reinvestment of dividends of \$1,162,603) | (15,973,228) |
| Custody overdraft | 4,912,760 |

Net cash used for financing activities* (11,060,468)

Net decrease in cash (98,840)

Cash at beginning of period 98,840

Cash at end of period □

Reconciliation of Net Increase in Net Assets From Investment**Operations to Net Cash Provided by Operating Activities:**

| | |
|---|--------------|
| Net increase in net assets resulting from investment operations | (15,215,706) |
| Decrease in interest receivable | 183,907 |
| Decrease in receivable for investments sold | 323,055 |
| Decrease in prepaid expenses and other assets | 5,899 |
| Increase in investment management fees payable | 4,181 |
| Decrease in variation margin payable on futures contracts | (138,925) |
| Increase in variation margin receivable on futures contracts | (1,214,062) |
| Decrease in accrued expenses and other payables | (72,935) |
| Net decrease in investments | 27,086,214 |

Net cash provided by operating activities \$10,961,628

*** Supplemental Disclosure**

Non-cash financing activity not included consists of interest expense on floating rate notes issued of \$4,926,175

See accompanying Notes to Financial Statements | 11.30.07 | PIMCO Municipal Income Funds II Annual Report 33

PIMCO New York Municipal Income Fund II Statement of Cash Flows

Six months ended November 30, 2007 (unaudited)

Cash Flows provided by Operating Activities:

| | |
|--|------------------|
| Purchases of long-term investments | \$ (13,797,598) |
| Proceeds from sales of long-term investments | 12,076,291 |
| Interest received | 6,259,697 |
| Operating expenses paid | (918,901) |
| Net cash used for futures transactions | (3,257,505) |
| Net decrease in short-term investments | 2,566,790 |
| Net cash provided by operating activities | 2,928,774 |

Cash Flows from Financing Activities:

| | |
|--|--------------------|
| Cash dividends paid (excluding reinvestment of dividends of \$381,270) | (5,318,658) |
| Custody overdraft | 886,465 |
| Net cash used for financing activities* | (4,432,193) |

| | |
|------------------------------------|--------------------|
| Net decrease in cash | (1,503,419) |
| Cash at beginning of period | 1,503,419 |
| Cash at end of period | □ |

Reconciliation of Net Increase in Net Assets From Investment**Operations to Net Cash Provided by Operating Activities:**

| | |
|---|--------------------|
| Net decrease in net assets resulting from investment operations | (2,518,004) |
| Decrease in interest receivable | 63,482 |
| Decrease in receivable for investments sold | 10,000 |
| Increase in payable for investments purchased | 971,210 |
| Increase in prepaid expenses and other assets | (9,007) |
| Increase in investment management fees payable | 2,256 |
| Decrease in variation margin payable on futures contracts | (17,719) |
| Increase in variation margin receivable on futures contracts | (257,850) |
| Decrease in accrued expenses and other payables | (17,165) |
| Net decrease in investments | 4,701,571 |
| Net cash provided by operating activities | \$2,928,774 |

*** Supplemental Disclosure**

Non-cash financing activity not included consists of interest expense on floating rate notes issued of \$922,755.

PIMCO Municipal Income Funds II Notes to Financial Statements

November 30, 2007 (unaudited)

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" or "PIMCO Municipal Income Funds II", 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 SE, a publicly traded European insurance and financial services company. The Funds have an unlimited amount of \$0.00001 par value common stock authorized.

Under normal market conditions, Municipal II invests substantially all of its assets in a portfolio of municipal bonds, the interest from which is exempt from federal income taxes. Under normal market conditions, 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. Under normal market conditions, 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.

In July 2006, the Financial Accounting Standards Board issued interpretation No. 48, "Accounting for Uncertainty in Income Taxes" (an Interpretation of FASB Statement No. 109) (the "Interpretation"). The Interpretation establishes for all entities, including pass-through entities such as the Funds, a minimum threshold for financial statement recognition of the benefit of positions taken in filing tax returns (including whether an entity is taxable in a particular jurisdiction), and requires certain expanded tax disclosures. The Funds' management has determined that its evaluation of the Interpretation has resulted in no impact to the Funds' financial statements at November 30, 2007.

In September 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") 157, Fair Value Measurements, which clarifies the definition of fair value and requires companies to expand their disclosure about the use of fair value to measure assets and liabilities in interim and annual periods subsequent to initial recognition. Adoption of SFAS 157 requires the use of the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. At this time, the Funds are in the process of reviewing the Standard against its current valuation policies to determine future applicability.

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, are fair-valued, in good faith, pursuant to guidelines established by the Board of Trustees or persons acting at their discretion. The Funds' investments are valued daily using prices supplied by an independent pricing service or dealer quotations, or by using the last sale price on the exchange that is the primary market for such securities, or the last 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. Independent pricing services use information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics. Exchange traded options and futures are valued at the settlement price determined by the relevant exchange.

PIMCO Municipal Income Funds II Notes to Financial Statements

November 30, 2007 (unaudited)

1. Organization and Significant Accounting Policies (continued)

(a) Valuation of Investments (continued)

Securities purchased on a when-issued or delayed-delivery basis are marked to market daily until settlement at the forward settlement date. 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. 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. Each Fund's net asset value is normally determined as of the close of regular trading (normally, 4:00 p.m. Eastern time) on the New York Stock Exchange (["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. Securities purchased and sold on a when-issued or delayed-delivery basis may be settled a month or more after the trade date. Realized gains and losses on investments are determined on the identified cost basis. Interest income is recorded on an accrual basis. Discounts or premiums on debt securities purchased are accreted or amortized to interest income over the lives of the respective securities using the effective interest method. Dividend income is recorded on the ex-dividend date.

(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. The Funds record 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. 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.

PIMCO Municipal Income Funds II Notes to Financial Statements

November 30, 2007 (unaudited)

1. Organization and Significant Accounting Policies (continued)**(f) Option Transactions (continued)**

When an option is written, the premium received is recorded as an asset with an equal liability which is subsequently marked to market to reflect 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) Inverse Floating Rate Transactions □ Residual Interest Municipal Bonds (□RIBs□) / Residual Interest Tax Exempt Bonds (□RITEs□)

The Funds invest in RIBs and RITEs (□Inverse Floaters□) whose interest rates bear an inverse relationship to the interest rate on another security or the value of an index. In these transactions, the Funds sell a fixed rate municipal bond (□Fixed Rate Bond□) to a broker who places the Fixed Rate Bond in a special purpose trust (□Trust□) from which floating rate bonds (□Floating Rate Notes□) and Inverse Floaters are issued. The Funds simultaneously or within a short period of time purchase the Inverse Floaters from the broker. The Inverse Floaters held by the Funds provide the Funds with the right to: (1) cause the holders of the Floating Rate Notes to tender their notes at par, and (2) cause the broker to transfer the Fixed-Rate Bond held by the Trust to the Funds, thereby collapsing the Trust. Pursuant to Statement of Financial Accounting Standards No. 140 (□FASB Statement No. 140□), the Funds account for the transaction described above as a secured borrowing by including the Fixed-Rate Bond in their Schedules of Investments, and account for the Floating Rate Notes as a liability under the caption □Payable for floating rate notes□ in the Funds□ Statements of Assets and Liabilities. The Floating Rate Notes have interest rates that generally reset weekly and their holders have the option to tender their notes to the broker for redemption at par at each reset date.

The Funds may also invest in inverse floaters without transferring a fixed rate municipal bond into a special purpose trust, which are not accounted for as secured borrowings.

The Inverse Floaters 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 component is reset by an index or auction process typically every 7 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 rates result in lower income for the long-term component and vice versa. The longer-term bonds may be more volatile and less liquid than other municipal bonds of comparable maturity. Investments in Inverse Floaters typically will involve greater risk than an investment in Fixed Rate Bonds. The Funds may also invest in Inverse Floaters for the purpose of increasing leverage.

The Funds□ restrictions on borrowings do not apply to the secured borrowings deemed to have occurred for accounting purposes pursuant to FASB Statement No. 140. Inverse Floaters held by the Funds are exempt from registration under Rule 144A of the Securities Act of 1933.

(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.

PIMCO Municipal Income Funds II Notes to Financial Statements

November 30, 2007 (unaudited)

1. Organization and Significant Accounting Policies (continued)**(i) Custody Credits Earned on Cash Balances**

The Funds benefit from an expense offset arrangement with its 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.

(j) Interest Expense

Relates to the Funds' liability in connection with floating rate notes held by third parties in conjunction with Inverse Floater transactions. Interest expense is recorded as incurred.

2. Investment Manager/Sub-Adviser

Each Fund has entered into an Investment Management Agreement (collectively 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 administrative matters. Pursuant to the Agreements, the Investment Manager receives an annual fee, payable monthly, at an 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 through June 30, 2007. On July 1, 2007, the contractual fee waiver was reduced to 0.10% of each Fund's average daily net assets inclusive of net assets attributable to any preferred shares that may be outstanding through June 30, 2008, 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 is responsible for making 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.

3. Investments in Securities

For the six months ended November 30, 2007, purchases and sales of investments, other than short-term securities and U.S. government obligations, were:

| | Municipal II | California Municipal II | New York Municipal II |
|-----------|---------------|----------------------------|--------------------------|
| Purchases | \$167,222,625 | \$23,498,795 | \$14,768,808 |
| Sales | 153,760,711 | 36,409,233 | 12,066,291 |

(a) Futures contracts outstanding at November 30, 2007:

| Fund | Type | Contracts | Market Value (000) | Expiration Date | Unrealized Appreciation (Depreciation) |
|-------------------------|-----------------------------------|-----------|--------------------------|--------------------|--|
| Municipal II | Short: U.S. Treasury Bond Futures | (2,795) | \$(327,539) | 3/19/08 | \$(561,094) |
| California Municipal II | Short: U.S. Treasury Bond Futures | (2,023) | (237,070) | 3/19/08 | 867,750 |
| New York Municipal II | Short: U.S. Treasury Bond Futures | (426) | (49,922) | 3/19/08 | (67,508) |

4. Income Tax Information

The cost basis of investments is substantially the same for both financial reporting purposes and federal income tax purposes. Gross unrealized appreciation and gross unrealized depreciation of investments at November 30, 2007 were:

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| | Cost of | Gross | Gross | Net |
|-------------------------|-----------------|---------------|--------------|--------------|
| | Investments | Unrealized | Unrealized | Unrealized |
| | | Appreciation | Depreciation | Appreciation |
| Municipal II | \$1,276,440,994 | \$106,671,275 | \$8,464,302 | \$98,206,973 |
| California Municipal II | 649,284,922 | 38,004,660 | 6,883,970 | 31,120,690 |
| New York Municipal II | 228,773,374 | 11,199,077 | 3,193,876 | 8,005,201 |

38 PIMCO Municipal Income Funds II Semi-Annual Report | 11.30.07

PIMCO Municipal Income Funds II Notes to Financial Statements

November 30, 2007 (unaudited)

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 are accumulated daily at an annual rate (typically re-set every seven days) through auction procedures. Distributions of net realized capital gains, if any, are paid annually.

For the six months ended November 30, 2007, the annualized dividend rates ranged from:

| | High | Low | At November 30, 2007 |
|---------------------------------|-------|-------|----------------------|
| <u>Municipal II:</u> | | | |
| Series A | 4.20% | 3.00% | 4.20% |
| Series B | 4.00% | 3.30% | 4.00% |
| Series C | 4.15% | 3.15% | 3.75% |
| Series D | 4.00% | 2.85% | 3.75% |
| Series E | 4.15% | 3.10% | 4.15% |
| <u>California Municipal II:</u> | | | |
| Series A | 3.75% | 1.90% | 3.75% |
| Series B | 3.95% | 2.95% | 3.00% |
| Series C | 3.80% | 2.90% | 3.50% |
| Series D | 4.05% | 2.75% | 3.50% |
| Series E | 3.95% | 2.90% | 2.90% |
| <u>New York Municipal II:</u> | | | |
| Series A | 4.15% | 2.75% | 4.15% |
| Series B | 4.10% | 2.50% | 4.10% |

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 could trigger the mandatory redemption of Preferred Shares at their liquidation value.

6. Subsequent Common Dividend Declarations

On December 3, 2007, the following dividends were declared to common shareholders payable December 31, 2007 to shareholders of record on December 13, 2007:

| | |
|-------------------------|----------------------------|
| Municipal II | \$0.065 per common share |
| California Municipal II | \$0.07 per common share |
| New York Municipal II | \$0.06625 per common share |

On January 2, 2008 the following dividends were declared to common shareholders payable February 1, 2008 to shareholders of record on January 14, 2008:

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| | |
|-------------------------|----------------------------|
| Municipal II | \$0.065 per common share |
| California Municipal II | \$0.07 per common share |
| New York Municipal II | \$0.06625 per common share |

11.30.07 | PIMCO Municipal Income Funds II Semi-Annual Report **39**

PIMCO Municipal Income Funds II Notes to Financial Statements

November 30, 2007 (unaudited)

7. Legal Proceedings

In June and September 2004, the Investment Manager, certain of its affiliates (including Allianz Global Investors Distributors LLC, 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 related to an alleged "market timing" arrangement in certain open-end funds formerly sub-advised by PEA Capital LLC. The Investment Manager and its affiliates agreed to pay a total of \$68 million to settle the claims related to shelf space. In addition to monetary payments, the settling parties agreed to undertake certain corporate governance, compliance and disclosure reforms related to market timing, and consented to cease and desist orders and censures. Subsequent to these events, PEA Capital LLC deregistered and dissolved. 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 proceeding in the U.S. District Court for the District of Maryland. Any potential resolution of these matters may include, but not be limited to judgments or settlements for damages against the Investment Manager, the Sub-Adviser or their affiliates or related injunctions.

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 Fund II Financial Highlights

For a share of common stock outstanding throughout each period:

| | Six Months ended November 30, 2007 (unaudited) | 2007 | Year Ended May 31, 2006 | 2005 | 2004 |
|--|--|---------------|----------------------------|---------------|----------------|
| Net asset value, beginning of period | \$15.05 | \$14.71 | \$14.81 | \$14.01 | \$14.66 |
| Investment Operations: | | | | | |
| Net investment income | 0.54 | 1.13 | 1.08 | 1.11 | 1.17 |
| Net realized and change in unrealized gain (loss) on investments and futures contracts | (0.69) | 0.33 | 0.01 | 0.84 | (0.77) |
| Total from investment operations | (0.15) | 1.46 | 1.09 | 1.95 | 0.40 |
| Dividends and Distributions on Preferred Shares from: | | | | | |
| Net investment income | (0.15) | (0.30) | (0.23) | (0.14) | (0.08) |
| Net realized gains | □ | □ | □ | □ | □ |
| Total dividends and distributions on preferred shares | (0.15) | (0.30) | (0.23) | (0.14) | (0.08) |
| Net increase (decrease) in net assets applicable to common shareholders resulting from investment operations | (0.30) | 1.16 | 0.86 | 1.81 | 0.32 |
| Dividends and Distributions to Common Shareholders from: | | | | | |
| Net investment income | (0.39) | (0.82) | (0.96) | (1.01) | (0.97) |
| Net realized gains | □ | □ | □ | □ | □ |
| Total dividends and distributions to common shareholders | (0.39) | (0.82) | (0.96) | (1.01) | (0.97) |
| Capital Share Transactions: | | | | | |
| Common stock offering costs charged to paid-in capital | □ | □ | □ | □ | □ |
| Preferred shares offering costs/underwriting discounts charged to paid-in capital in excess of par | □ | □ | □ | □ | □ |
| Total capital share transactions | □ | □ | □ | □ | □ |
| Net asset value, end of period | \$14.36 | \$15.05 | \$14.71 | \$14.81 | \$14.01 |
| Market price, end of period | \$13.73 | \$15.42 | \$14.45 | \$15.02 | \$13.31 |
| Total Investment Return (1) | (8.53)% | 12.64% | 2.63% | 21.00% | (3.69)% |
| RATIOS/SUPPLEMENTAL DATA: | | | | | |
| Net assets applicable to common shareholders, end of period (000) | \$847,697 | \$886,815 | \$862,832 | \$862,290 | \$812,670 |
| Ratio of expenses to average net assets including interest expense (2)(3)(4)(5) | 1.64%# | 1.50% | 1.30% | 1.05% | 1.08% |
| Ratio of expenses to average net assets, excluding interest | | | | | |

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| | | | | | |
|--|----------|----------|----------|----------|----------|
| expense (2)(3)(5) | 1.16%# | 1.01% | 1.05% | 1.02% | 1.03% |
| Ratio of net investment income to average net assets (2)(5) | 7.46%# | 7.45% | 7.31% | 7.71% | 8.16% |
| Preferred shares asset coverage per share | \$66,951 | \$68,889 | \$67,701 | \$67,676 | \$65,224 |
| Portfolio turnover | 10% | 4% | 20% | 9% | 26% |

See accompanying Notes to Financial Statements | 11.30.07 | PIMCO Municipal Income Funds II Semi-Annual Report 41

PIMCO California Municipal Income Fund II Financial Highlights

For a share of common stock outstanding throughout each period:

| | Six Months ended November 30, 2007 (unaudited) | 2007 | Year Ended May 31, | | 2004 |
|--|--|-----------|--------------------|-----------|-----------|
| | | | 2006 | 2005 | |
| Net asset value, beginning of period | \$14.89 | \$14.58 | \$14.61 | \$13.53 | \$14.66 |
| Investment Operations: | | | | | |
| Net investment income | 0.53 | 1.08 | 1.06 | 1.05 | 1.13 |
| Net realized and change in unrealized gain (loss) on investments and futures contracts | (1.02) | 0.34 | 0.05 | 1.13 | (1.26) |
| Total from investment operations | (0.49) | 1.42 | 1.11 | 2.18 | (0.13) |
| Dividends on Preferred Shares from Net Investment Income | | | | | |
| | (0.14) | (0.27) | (0.21) | (0.12) | (0.07) |
| Net increase (decrease) in net assets applicable to common shareholders resulting from investment operations | (0.63) | 1.15 | 0.90 | 2.06 | (0.20) |
| Dividends to Common Shareholders from Net Investment Income | | | | | |
| | (0.42) | (0.84) | (0.93) | (0.98) | (0.93) |
| Capital Share Transactions: | | | | | |
| Common stock offering costs charged to paid-in capital | □ | □ | □ | □ | □ |
| Preferred shares offering costs/underwriting discounts charged to paid-in capital in excess of par | □ | □ | □ | □ | □ |
| Total capital share transactions | □ | □ | □ | □ | □ |
| Net asset value, end of period | \$13.84 | \$14.89 | \$14.58 | \$14.61 | \$13.53 |
| Market price, end of period | \$14.14 | \$15.96 | \$14.62 | \$14.76 | \$13.27 |
| Total Investment Return (1) | (8.77)% | 15.35% | 5.50% | 19.14% | (3.92)% |
| RATIOS/SUPPLEMENTAL DATA: | | | | | |
| Net assets applicable to common shareholders, end of period (000) | \$424,092 | \$455,284 | \$443,379 | \$441,596 | \$407,659 |
| Ratio of expenses to average net assets including interest expense (2)(3)(4)(6) | 3.43%# | 2.89% | 2.02% | 1.36% | 1.60% |
| Ratio of expenses to average net assets, excluding interest expense (2)(3)(6) | 1.18%# | 1.01% | 1.06% | 1.06% | 1.07% |
| Ratio of net investment income to average net assets (2)(6) | 7.40%# | 7.28% | 7.24% | 7.37% | 8.05% |
| Preferred shares asset coverage per share | \$65,767 | \$68,765 | \$67,620 | \$67,451 | \$64,191 |
| Portfolio turnover | 3% | 3% | 12% | 5% | 20% |

PIMCO New York Municipal Income Fund II Financial Highlights

For a share of common stock outstanding throughout each period:

| | Six Months ended November 30, 2007 (unaudited) | 2007 | Year Ended May 31, | | 2004 |
|--|--|-----------|--------------------|-----------|-----------|
| | | | 2006 | 2005 | |
| Net asset value, beginning of period | \$14.79 | \$14.66 | \$14.62 | \$13.54 | \$14.45 |
| Investment Operations: | | | | | |
| Net investment income | 0.52 | 1.10 | 1.07 | 1.07 | 1.06 |
| Net realized and change in unrealized gain (loss) on investments and futures contracts | (0.76) | 0.11 | 0.11 | 1.12 | (0.97) |
| Total from investment operations | (0.24) | 1.21 | 1.18 | 2.19 | 0.09 |
| Dividends on Preferred Shares from net investment income | | | | | |
| | (0.14) | (0.28) | (0.23) | (0.13) | (0.07) |
| Net increase (decrease) in net assets applicable to common shareholders resulting from investment operations | (0.38) | 0.93 | 0.95 | 2.06 | 0.02 |
| Dividends to Common Shareholders from net investment income | | | | | |
| | (0.40) | (0.80) | (0.91) | (0.98) | (0.93) |
| Capital Share Transactions: | | | | | |
| Common stock offering costs charged to paid-in capital | □ | □ | □ | □ | □ |
| Preferred shares offering costs/underwriting discounts charged to paid-in capital in excess of par | □ | □ | □ | □ | □ |
| Total capital share transactions | □ | □ | □ | □ | □ |
| Net asset value, end of period | \$14.01 | \$14.79 | \$14.66 | \$14.62 | \$13.54 |
| Market price, end of period | \$13.65 | \$15.49 | \$14.14 | \$14.80 | \$13.05 |
| Total Investment Return (1) | (9.38)% | 15.51% | 1.65% | 21.45% | (5.15)% |
| RATIOS/SUPPLEMENTAL DATA: | | | | | |
| Net assets applicable to common shareholders, end of period (000) | \$148,360 | \$156,218 | \$154,088 | \$152,812 | \$140,958 |
| Ratio of expenses to average net assets including interest expense (2)(3)(4)(7) | 2.43%# | 2.13% | 1.89% | 1.25% | 1.16% |
| Ratio of expenses to average net assets, excluding interest expense (2)(3)(7) | 1.21%# | 1.14% | 1.13% | 1.14% | 1.15% |
| Ratio of net investment income to average net assets (2)(7) | 7.36%# | 7.33% | 7.29% | 7.53% | 7.58% |
| Preferred shares asset coverage per share | \$66,195 | \$68,386 | \$67,785 | \$67,439 | \$64,148 |
| Portfolio turnover | 4% | 3% | 26% | 11% | 14% |

See accompanying Notes to Financial Statements | 11.30.07 | PIMCO Municipal Income Funds II Semi-Annual Report 43

PIMCO Municipal Income Funds II Financial Highlights

- * Commencement of operations.
- ** Initial public offering price of \$15.00 per share less underwriting discount of \$0.675 per share.
- # Annualized.
- (1) Total investment return is calculated assuming a purchase of a share of common stock at the current market price on the first day of each period and a sale of a share of common stock at the current market price on the last day of each period reported. Dividends and distributions are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment return does not reflect brokerage commissions or sales charges. Total investment return for a period of less than one year is not annualized.
- (2) Calculated on the basis of income and expenses applicable to both common and preferred shares relative to the average net assets of common shareholders.
- (3) Inclusive of expenses offset by custody credits earned on cash balances at the custodian bank. (See note 1(i) in Notes to Financial Statements).
- (4) Interest expense relates to the liability for floating rate notes issued in connection with inverse floater transactions.
- (5) During the periods indicated above, the Investment Manager waived a portion of its investment management fee. The effect of such waiver relative to the average net assets of common shareholders was 0.17% (annualized), 0.24%, 0.24%, 0.24%, 0.25% and 0.23% (annualized) for the six months ended November 30, 2007, the years ended May 31, 2007, May 31, 2006, May 31, 2005, May 31, 2004 and for the period June 28, 2002 (commencement of operations) through May 31, 2003, respectively.
- (6) During the periods indicated above, the Investment Manager waived a portion of its investment management fee. The effect of such waiver relative to the average net assets of common shareholders was 0.17% (annualized), 0.24%, 0.24%, 0.24%, 0.24% and 0.23% (annualized) for the six months ended November 30, 2007, the years ended May 31, 2007, May 31, 2006, May 31, 2005, May 31, 2004 and for the period June 28, 2002 (commencement of operations) through May 31, 2003, respectively.
- (7) During the periods indicated above, the Investment Manager waived a portion of its investment management fee. The effect of such waiver relative to the average net assets of common shareholders was 0.17% (annualized), 0.24%, 0.24%, 0.24%, 0.24% and 0.23% (annualized) for the six months ended November 30, 2007, the years ended May 31, 2007, May 31, 2006, May 31, 2005, May 31, 2004 and for the period June 28, 2002 (commencement of operations) through May 31, 2003, respectively.

PIMCO Municipal Income Funds II Matters Relating to the Trustees
Consideration of the Investment Management and Portfolio Management Agreements

The Investment Company Act of 1940 requires that both the full Board of Trustees (the "Trustees") and a majority of the non-interested ("Independent") Trustees, voting separately, approve the Funds' Management Agreements (the "Advisory Agreements") with the Investment Manager and Portfolio Management Agreements (the "Sub-Advisory Agreements", and together with the Advisory Agreements, the "Agreements") between the Investment Manager and the Sub-Adviser. The Trustees met on June 13, 2007 (the "contract review meeting") for the specific purpose of considering whether to approve the continuation of the Advisory Agreements and the Sub-Advisory Agreements. The Independent Trustees were assisted in their evaluation of the Agreements by independent legal counsel, from whom they received separate legal advice and with whom they met separately from Fund management during the contract review meeting.

Based on their evaluation of factors that they deemed to be material, including those factors described below, the Board of Trustees, including a majority of the Independent Trustees, concluded that the continuation of the Funds' Advisory Agreements and the Sub-Advisory Agreements should be approved for a one-year period commencing July 1, 2007.

In connection with their deliberations regarding the continuation of the Agreements, the Trustees, including the Independent Trustees, considered such information and factors as they believed, in light of the legal advice furnished to them and their own business judgment, to be relevant. As described below, the Trustees considered the nature, quality, and extent of the various investment management, administrative and other services performed by the Investment Manager and the Sub-Adviser under the Agreements.

In connection with their contract review meeting, the Trustees received and relied upon materials provided by the Investment Manager which included, among other items: (i) information provided by Lipper Inc. ("Lipper") on the total return investment performance (based on net assets) of the Funds for various time periods and the investment performance of a group of funds with substantially similar investment classifications/objectives identified by Lipper, (ii) information provided by Lipper on the Funds' management fees and other expenses and the management fees and other expenses of comparable funds identified by Lipper, (iii) information regarding the investment performance and management fees of comparable portfolios of other clients of the Sub-Adviser, including institutional separate accounts and other clients, (iv) an estimate of the profitability to the Investment Manager from its relationship with the Funds for the twelve months ended March 31, 2007, (v) descriptions of various functions performed by the Investment Manager and the Sub-Adviser for the Funds, such as portfolio management, compliance monitoring and portfolio trading practices, and (vi) information regarding the overall organization of the Investment Manager and the Sub-Adviser, including information regarding senior management, portfolio managers and other personnel providing investment management, administrative and other services to the Funds.

The Trustees' conclusions as to the continuation of the Agreements were based on a comprehensive consideration of all information provided to the Trustees and not the result of any single factor. Some of the factors that figured particularly in the Trustees' deliberations are described below, although individual Trustees may have evaluated the information presented differently from one another, giving different weights to various factors.

As part of their review, the Trustees examined the Investment Manager's and the Sub-Adviser's ability to provide high quality investment management and other services to the Funds. The Trustees considered the investment philosophy and research and decision-making processes of the Sub-Adviser; the experience of key advisory personnel of the Sub-Adviser responsible for portfolio management of the Funds; the ability of the Investment Manager and the Sub-Adviser to attract and retain capable personnel; the capability and integrity of the senior management and staff of the Investment Manager and the Sub-Adviser; and the level of skill required to manage the Funds. In addition, the Trustees reviewed the quality of the Investment Manager's and the Sub-Adviser's services with respect to regulatory compliance and compliance with the investment policies of the Funds; the nature and quality of certain administrative services the Investment Manager is responsible for providing to the Funds; and conditions that might affect the Investment Manager's or the Sub-Adviser's ability to provide high quality services to the Funds in the future under the Agreements, including each organization's respective business reputation, financial condition and operational stability. Based on the foregoing, the Trustees concluded that the Sub-Adviser's investment process, research capabilities and philosophy were well suited to the Funds given their investment objectives and policies, and that the Investment Manager and the Sub-Adviser would be able to continue to meet any reasonably foreseeable obligations under the Agreements.

Based on information provided by Lipper, the Trustees also reviewed each Fund's total return investment performance as well as the performance of comparable funds identified by Lipper. In the course of their deliberations, the Trustees took

PIMCO Municipal Income Funds II Matters Relating to the Trustees
Consideration of the Investment
Management and Portfolio Management
Agreements

into account information provided by the Investment Manager in connection with the contract review meeting, as well as during investment review meetings conducted with portfolio management personnel during the course of the year regarding each Fund's performance.

In assessing the reasonableness of each Fund's fees under the Agreements, the Trustees considered, among other information, each Fund's management fee and the total expense ratio as a percentage of average net assets attributable to common shares and the management fee and total expense ratios of comparable funds identified by Lipper.

For each of the Funds, the Trustees specifically took note of how each Fund compared to its Lipper peers as to performance and total expense ratio. The Trustees noted that, while the Funds are not charged a separate administration fee, it was not clear whether the peer funds in the Lipper categories were charged such a fee by their investment managers. Thus, the Trustees, at the recommendation of the Investment Manager, considered the total expenses of the Funds compared to the total expenses of the peer funds, recognizing that the fees for management and administrative services would be subsumed within the total expense ratio.

Municipal II

The Trustees noted that Municipal II had outperformed the median for its peer group for the one-year and three-year periods ended March 31, 2007. The Trustees noted that for the one-year period ended March 31, 2007, Municipal II total return ranked second among fifty-five funds in its Lipper category for its asset class. The Trustees also noted that Municipal II's expense ratio (after taking into account waivers) was less than the median for its peer group.

California Municipal II

The Trustees noted that California Municipal II had outperformed the median for its peer group for the one-year and three-year periods ended March 31, 2007. The Trustees noted that for the one- and three-year periods, California Municipal II ranked first and third, respectively, among twenty-two funds in its Lipper category for its asset class. The Trustees also noted that California Municipal II's expense ratio (after taking into account waivers) was in line with the median for its peer group.

New York Municipal II

The Trustees noted that New York Municipal II had outperformed the median for its peer group for the one-year and three-year periods ended March 31, 2007. The Trustees noted that in the one-year and three-year periods, New York Municipal II's total return was ranked second among sixteen funds in its Lipper category for its asset class. The Trustees also noted that New York Municipal II's expense ratio (after taking into account waivers) was more than the median for its peer group and ranked in the third quintile in its Lipper category for its asset class.

After reviewing these and related factors, the Trustees concluded, within the context of their overall conclusions regarding the Agreements, that they were satisfied with the Investment Manager's and the Sub-Adviser's responses and efforts relating to investment performance and the comparative positioning of each Fund with respect to the management fee paid to the Investment Manager.

The Trustees also considered the management fees charged by the Sub-Adviser to other clients, including institutional separate accounts with investment strategies similar to those of the Funds. Regarding the institutional separate accounts, they noted that the management fees paid by the Funds are generally higher than the fees paid by these other clients of the Sub-Adviser, but were advised that the administrative burden for the Investment Manager and the Sub-Adviser with respect to the Funds is also relatively higher, due in part to the more extensive regulatory regime to which the Funds are subject in comparison to institutional separate accounts. The Trustees noted that the management fees paid by the Funds are generally higher than the fees paid by the open-end funds but were advised that there are additional portfolio management challenges in managing the Funds, such as the use of leverage and meeting a regular dividend.

The Trustees also took into account that the Funds have preferred shares outstanding, which increases the amount of fees received by the Investment Manager and the Sub-Adviser under the Agreements (because the fees are calculated based on either the Funds' net assets or total managed assets, including assets attributable to preferred shares and other forms of leverage outstanding but not deducting any liabilities connected to the leverage). In this regard, the Trustees took into account that the Investment Manager and the Sub-Adviser have a financial incentive for the Funds to continue to have

PIMCO Municipal Income Funds II Matters Relating to the Trustees
Consideration of the Investment
Management and Portfolio Management
Agreements

preferred shares outstanding, which may create a conflict of interest between the Investment Manager and the Sub-Adviser, on the one hand, and the Funds' common shareholders, on the other. In this regard, the Trustees considered information provided by the Investment Manager and the Sub-Adviser indicating that each Fund's use of leverage through preferred shares continues to be appropriate and in the interests of the Funds' common shareholders.

Based on a profitability analysis provided by the Investment Manager, the Trustees also considered the profitability of the Investment Manager from its relationship with each Fund and determined that such profitability was not excessive in light of the nature, scope and quality of services provided to each Fund.

The Trustees also took into account that, as closed-end investment companies, the Funds do not currently intend to raise additional assets, so the assets of the Funds will grow (if at all) only through investment performance. Therefore, the Trustees did not consider potential economies of scale as a principal factor in assessing the fee rates payable under the Agreements.

Additionally, the Trustees considered so-called "fall-out benefits" to the Investment Manager and the Sub-Adviser, such as reputational value derived from serving as Investment Manager and Sub-Adviser to the Funds.

After reviewing these and other factors described herein, the Trustees concluded, within the context of their overall conclusions regarding the Agreements, that the fees payable under the Agreements represent reasonable compensation in light of the nature and quality of the services being provided by the Investment Manager and Sub-Adviser to the Funds.

PIMCO Municipal Income Funds II Annual Shareholder Meetings Results

(unaudited)

Annual Shareholder Meetings Results:

The Funds held their annual meetings of shareholders on December 18, 2007. Common/Preferred shareholders of each fund voted to re-elect Paul Belica and John J. Dalessandro II as class II Trustees to serve until 2010 and John C. Maney as Class II Trustee to serve until 2008. The resulting vote count is indicated below:

| | Affirmative | Withheld Authority |
|--|-------------|-----------------------|
| <u>Municipal II:</u> | | |
| Re-Election of Paul Belica | 54,828,248 | 904,846 |
| Re-Election of John C. Maney | 54,911,557 | 821,537 |
| Re-Election of John J. Dalessandro II* | 18,457 | 77 |
| <u>California Municipal II:</u> | | |
| Re-Election of Paul Belica | 28,142,982 | 355,981 |
| Re-Election of John C. Maney | 28,109,346 | 389,617 |
| Re-Election of John J. Dalessandro II* | 7,914 | 5 |
| <u>New York Municipal II:</u> | | |
| Re-Election of Paul Belica | 10,031,161 | 256,715 |
| Re-Election of John C. Maney | 10,023,683 | 264,193 |
| Re-Election of John J. Dalessandro II* | 3,392 | 169 |

Messrs. Robert E. Connor, Hans W. Kertess*, William B. Ogden IV and R. Peter Sullivan III continue to serve as Trustees of the Funds.

* Preferred Shares Trustee

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Trustees and Principal Officers

Hans W. Kertess

Trustee, Chairman of the Board of Trustees

Paul Belica

Trustee

Robert E. Connor

Trustee

John J. Dalessandro II

Trustee

John C. Maney

Trustee

William B. Ogden, IV

Trustee

R. Peter Sullivan III

Trustee

Brian S. Shlissel

President & Chief Executive Officer

Lawrence G. Altadonna

Treasurer, Principal & Accounting Officer

Thomas J. Fuccillo

Vice President, Secretary & Chief Legal Officer

Scott Whisten

Assistant Treasurer

Youse E. Guia

Chief Compliance Officer

William V. Healey

Assistant Secretary

Richard H. Kirk

Assistant Secretary

Kathleen A. Chapman

Assistant Secretary

Lagan Srivastava

Assistant Secretary

Investment Manager

Allianz Global Investors Fund Management LLC

1345 Avenue of the Americas

New York, NY 10105

Sub-Adviser

Pacific Investment Management Company LLC

840 Newport Center Drive

Newport Beach, CA 92660

Custodian & Accounting Agent

State Street Bank & Trust Co.

225 Franklin Street

Boston, MA 02110

Transfer Agent, Dividend Paying Agent and Registrar

PFPC Inc.

P.O. Box 43027

Providence, RI 02940-3027

Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP

300 Madison Avenue

New York, NY 10017

Legal Counsel

Ropes & Gray LLP

One International Place

Boston, MA 02210-2624

This report, including the financial information herein, is transmitted to the shareholders of PIMCO Municipal Income Fund II, PIMCO California Municipal Income Fund II and PIMCO New York Municipal Income Fund II for their information. It is not a prospectus, circular or representation intended for use in the purchase of shares of the Funds or any securities mentioned in this report.

The financial information included herein is taken from the records of the Funds without examination by an independent registered accounting firm, who did not express an opinion hereon.

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that from time to time the Fund may purchase shares of its common stock in the open market.

The Funds file their complete schedules of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarter of its fiscal year on Form N-Q. The Funds' Form N-Qs are available on the SEC's website at www.sec.gov, and may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330. The information on Form N-Q is also available on the Funds' website at www.allianzinvestors.com/closedendfunds.

On January 2, 2008, the Funds submitted a CEO annual certification to the New York Stock Exchange (NYSE) on which the Funds' principal executive officer certified that he was not aware, as of that date, of any violation by the Fund of the NYSE's Corporate Governance listing standards. In addition, as required by Section 302 of the Sarbanes-Oxley Act of 2002 and related SEC rules each Fund's principal executive and principal financial officer made quarterly certifications, included in filings with the SEC on Forms N-CSR and N-Q, relating to, among other things, the Funds' disclosure controls and procedures and internal control over financial reporting, as applicable.

Information on the Funds is available at www.allianzinvestors.com/closedendfunds or by calling the Funds' shareholder servicing agent at (800) 331-1710.

ITEM 2. CODE OF ETHICS

Not required in this filing.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT

Not required in this filing.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Not required in this filing.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANT

Not required in this filing.

ITEM 6. SCHEDULE OF INVESTMENTS Schedule of Investments is included as part of the report to shareholders filed under Item 1 of this form.

Item 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES

Not required in this filing.

Item 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES

Not required in this filing.

Item 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED COMPANIES.

| PERIOD | TOTAL NUMBER OF SHARES PURCHASED | AVERAGE PRICE PAID PER SHARE | TOTAL NUMBER OF SHARES PURCHASED AS PART OF PUBLICLY ANNOUNCED PLANS OR PROGRAMS | MAXIMUM NUMBER OF SHARES THAT MAY YET BE PURCHASED UNDER THE PLANS OR PROGRAMS |
|---------------|---|-------------------------------------|---|---|
| JUNE '07 | N/A | 15.01 | 26,017 | N/A |
| JULY '07 | N/A | N/A | N/A | N/A |
| AUGUST '07 | N/A | 14.74 | 25,908 | N/A |
| SEPT. '07 | N/A | 14.32 | 26,579 | N/A |
| OCT '07 | N/A | 14.69 | 25,869 | N/A |

NOV 07

N/A

N/A

N/A

N/A

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There have been no material changes to the procedures by which shareholders may recommend nominees to the Fund's Board of Trustees since the Fund last provided disclosure in response to this item.

ITEM 11. CONTROLS AND PROCEDURES

(a) The registrant's President and Chief Executive Officer and Principal Financial Officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-2(c) under the Act (17CFR 270.3a-3(c)), as amended are effective based on their evaluation of these controls and procedures as of a date within 90 days of the filing date of this document.

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

ITEM 12. EXHIBITS

(a) (1) Exhibit 99.302 Cert. - Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

(b) Exhibit 99.906 Cert. - Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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Signature

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

(Registrant) PIMCO Municipal Income
Fund II

By /s/ Brian S. Shlissel
President and Chief Executive
Officer

Date February 6, 2008

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

Date February 6, 2008

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

By /s/ Brian S. Shlissel
President and Chief Executive
Officer

Date February 6, 2008

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

Date February 6, 2008