

PIMCO MUNICIPAL INCOME FUND
Form N-Q
March 26, 2009

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM N-Q
QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act File Number: 811-10377

Registrant Name: PIMCO Municipal Income Fund

Address of Principal Executive Offices: 1345 Avenue of the Americas,
New York, NY 10105

Name and Address of Agent for Service: Lawrence G. Altadonna
1345 Avenue of the Americas,
New York, NY 10105

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

Date of Fiscal Year End: April 30, 2009

Date of Reporting Period: January 31, 2009

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (§§ 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to the collection of information contained in Form N-Q 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 the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

Item 1. Schedule of Investments**PIMCO Municipal Income Fund Schedule of Investments**

January 31, 2009 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody s/S&P) | Value* |
|--|--|--------------------------------|--------------|
| MUNICIPAL BONDS & NOTES 89.3% | | | |
| Alabama 2.7% | | | |
| \$ 2,500 | Birmingham Baptist Medical Centers Special Care Facs. Financing Auth. Rev., 5.875%, 11/15/24, Ser. A | Baa1/NR | \$ 1,829,475 |
| 8,000 | Huntsville Health Care Auth. Rev., 5.75%, 6/1/31, Ser. A, (Pre-refunded @ \$101, 6/1/11) (c) Huntsville-Redstone Village Special Care Facs. Financing Auth. Rev., 5.50%, 1/1/28 | A2/NR | 8,835,520 |
| 250 | 5.50%, 1/1/28 | NR/NR | 165,000 |
| 885 | 5.50%, 1/1/43 | NR/NR | 522,672 |
| 1,350 | Montgomery Medical Clinic Board Jackson Hospital & Clinic, Rev., 5.25%, 3/1/31 | Baa2/BBB- | 928,017 |
| | | | 12,280,684 |
| Alaska 1.9% | | | |
| 3,280 | Boro of Matanuska-Susitna Rev., Goose Creek Correctional Center, 6.00%, 9/1/32 | Aa2/NR | 3,431,438 |
| 900 | Industrial Dev. & Export Auth. Boys & Girls Home Rev., 6.00%, 12/1/36 | NR/NR | 529,290 |
| 2,400 | Northern Tobacco Securitization Corp. Rev., 5.00%, 6/1/46, Ser. A | Baa3/NR | 1,257,288 |
| 3,000 | 5.50%, 6/1/29, (Pre-refunded @ \$100, 6/1/11) (c) | Aaa/AAA | 3,281,790 |
| | | | 8,499,806 |
| Arizona 3.8% | | | |
| 5,000 | Apache Cnty. Industrial Dev. Auth. Pollution Control Rev., Tucson Electric Power Co., 5.875%, 3/1/33 | Baa3/BBB- | 3,842,100 |
| 600 | Health Facs. Auth. Rev., Banner Health, 5.50%, 1/1/38, Ser. D | NR/AA- | 563,676 |
| 2,750 | Beatitudes Campus, 5.20%, 10/1/37 | NR/NR | 1,616,257 |
| 4,150 | Pima Cnty. Industrial Dev. Auth. Rev., Tucson Electric Power, 6.375%, 9/1/29, Ser. A | Baa3/BBB- | 3,478,198 |
| 5,000 | Salt River Project Agricultural Improvement & Power District Rev., 5.00%, 1/1/39, Ser. A (I) | Aa1/AA | 4,856,250 |
| 4,200 | Salt Verde Financial Corp. Rev., 5.00%, 12/1/37 | A2/AA- | 2,687,874 |

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17,044,355

Arkansas 0.4%

8,500 Arkansas Dev. Finance Auth. Rev., zero coupon, 7/1/36, (AMBAC) Aa3/NR 1,797,325

California 6.5%

Golden State Tobacco Securitization Corp. Rev., Ser. A-1
 6,000 5.00%, 6/1/33 Baa3/BBB 3,693,360
 10,000 6.75%, 6/1/39, (Pre-refunded @ \$100, 6/1/13) (c) NR/AAA 11,921,700
 300 State, GO, 5.00%, 6/1/37 A1/A+ 266,742
 Statewide Community Dev. Auth. Rev.,
 1,000 Catholic Healthcare West, 5.50%, 7/1/31, Ser. E A2/A 892,770
 Methodist Hospital (FHA)(e),
 2,600 6.625%, 8/1/29 Aa2/AA 2,666,144
 9,500 6.75%, 2/1/38 Aa2/AA 9,736,645

29,177,361

Colorado 3.3%

500 Confluence Metropolitan Dist. Rev., 5.45%, 12/1/34 NR/NR 290,730
 1,000 Denver Health & Hospital Auth. Healthcare Rev., 6.00%, 12/1/23,
 Ser. A,
 (Pre-refunded @ \$100, 12/1/11) (c) NR/NR 1,120,150

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January 31, 2009 (unaudited)

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|---------------------------|---|--------------------------------|--------------|
| | Colorado (continued) | | |
| \$ 12,400 | Health Facs. Auth. Rev., Liberty Heights, zero coupon, 7/15/24 | Aaa/AAA | \$ 5,995,524 |
| 4,940 | Northwest Parkway Public Highway Auth. Rev., 7.125%, 6/15/41, Ser. D, (Pre-refunded @ \$102, 6/15/11) (c) | NR/NR | 5,354,515 |
| 500 | Public Auth. for Colorado Energy Rev., 6.50%, 11/15/38 | A2/A+ | 412,955 |
| 1,500 | Univ. of Colorado Rev., 5.375%, 6/1/38, Ser. A | Aa3/AA- | 1,521,855 |
| | | | 14,695,729 |
| | Connecticut 0.2% | | |
| 1,000 | State Dev. Auth. Pollution Control Rev., 5.85%, 9/1/28 | Baa1/BBB | 913,070 |
| | District of Columbia 1.4% | | |
| 2,500 | Dist. of Columbia Rev., Brookings Institution, 5.75%, 10/1/39 (e) | NR/NR | 2,481,950 |
| 4,600 | Tobacco Settlement Financing Corp. Rev., 6.25%, 5/15/24 | Baa3/BBB | 3,855,306 |
| | | | 6,337,256 |
| | Florida 2.8% | | |
| 905 | Beacon Lakes Community Dev. Dist., Special Assessment, 6.00%, 5/1/38, Ser. A | NR/NR | 532,276 |
| 3,900 | Board of Education, GO, 5.00%, 6/1/38, Ser. D (e)(l) | Aa1/AAA | 3,743,376 |
| 1,750 | Highlands Cnty. Health Facs. Auth. Rev., Adventist/Sunbelt Health System, 6.00%, 11/15/31, Ser. A, (Pre-refunded @ \$101, 11/15/11) (c) | NR/NR | 1,973,755 |
| 500 | Lee Cnty. Industrial Dev. Auth. Rev., 5.375%, 6/15/37, Ser. A | NR/BB | 278,335 |
| 5,685 | State Board of Governors Rev., Florida Univ., 6.50%, 7/1/33 | Aa2/AA | 5,965,157 |
| | | | 12,492,899 |
| | Georgia 0.3% | | |
| 2,300 | Medical Center Hospital Auth. Rev., 5.25%, 7/1/37 | NR/NR | 1,353,228 |
| | Hawaii 1.6% | | |
| 6,935 | | A1/AA | 6,974,946 |

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City & Cnty. of Honolulu Sewer Rev., 5.00%, 7/1/23,
(MBIA-FGIC)

Illinois 8.0%

| | | | |
|--------|---|---------|------------|
| 5,000 | Chicago, GO, 5.00%, 1/1/34, Ser. C (l) | Aa3/AA- | 4,767,050 |
| 2,935 | 5.375%, 1/1/34, Ser. A (FGIC) | Aa3/AA- | 2,865,969 |
| 10,115 | Chicago Board of Education School Reform, GO, zero coupon, 12/1/31, Ser. A (MBIA-FGIC) | A1/AA | 2,282,146 |
| 190 | Educational Facs. Auth. Rev., Univ. of Chicago, 5.25%, 7/1/41 | Aa1/AA | 189,111 |
| 80 | 5.25%, 7/1/41, (Pre-refunded @ \$101, 7/1/11) (c) | Aa1/AA | 88,587 |
| | Finance Auth. Rev., Adventist Health System, (Pre-refunded @ \$101, 11/15/09)(c), | | |
| 5,000 | 5.50%, 11/15/29 | NR/NR | 5,243,450 |
| 1,260 | 5.65%, 11/15/24 | NR/NR | 1,322,824 |
| 10,000 | Univ. of Chicago, 5.50%, 7/1/37, Ser. B (l) | Aa1/AA | 10,094,500 |
| 5,345 | Regional Transportation Auth. Rev., 5.50%, 6/1/23, Ser. B (MBIA-FGIC) | Aa2/AA+ | 5,880,729 |
| 1,900 | Springfield Power Rev., 5.00%, 3/1/36 | Aa3/AA- | 1,676,921 |
| 1,495 | Univ. Rev., 5.25%, 4/1/32, (FGIC) | Aa3/AA- | 1,495,493 |
| | | | 35,906,780 |

Iowa 1.6%

| | | | |
|-------|--|-------|-----------|
| 4,890 | Finance Auth. Rev., Deerfield Retirement Community, Inc., 5.50%, 11/15/37 | NR/NR | 2,712,434 |
|-------|--|-------|-----------|

PIMCO Municipal Income Fund Schedule of Investments

January 31, 2009 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody s/S&P) | Value* |
|---------------------------|---|--------------------------------|--------------|
| | Iowa (continued) | | |
| \$ 3,500 | Edgewater LLC, 6.75%, 11/15/37 | NR/NR | \$ 2,496,970 |
| 1,500 | 6.75%, 11/15/42 | NR/NR | 1,053,450 |
| 2,000 | Wedum Walnut Ridge LLC, 5.625%, 12/1/45, Ser. A | NR/NR | 1,124,500 |
| | | | 7,387,354 |
| | Kansas 4.5% | | |
| 1,000 | Lenexa, City Center East, Tax Allocation, 6.00%, 4/1/27 | NR/NR | 697,750 |
| 650 | Manhattan Rev., Meadowlark Hills Retirement, 5.125%, 5/15/42, Ser. B | NR/NR | 370,630 |
| 5,000 | Wichita Hospital Rev., 5.625%, 11/15/31, Ser. III | NR/A+ | 4,560,500 |
| 14,370 | 6.25%, 11/15/24, Ser. XI | NR/A+ | 14,547,038 |
| | | | 20,175,918 |
| | Kentucky 0.2% | | |
| 810 | Economic Dev. Finance Auth. Rev., St. Luke s Hospital, 6.00%, 10/1/19, Ser. B | A3/A | 809,960 |
| | Louisiana 4.8% | | |
| 4,300 | Local Gov t Environmental Facs. & Community Dev. Auth. Rev., 6.55%, 9/1/25 (ACA) | NR/NR | 3,473,540 |
| 27,895 | Tobacco Settlement Financing Corp. Rev., 5.875%, 5/15/39, Ser. B | Baa3/BBB | 17,967,169 |
| | | | 21,440,709 |
| | Massachusetts 0.4% | | |
| 550 | Dev. Finance Agcy. Rev., Linden Ponds, 5.75%, 11/15/35, Ser. A | NR/NR | 304,029 |
| 1,500 | State College Building Auth. Rev., 5.50%, 5/1/39, Ser. A | A1/A+ | 1,456,845 |
| | | | 1,760,874 |

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| | | | |
|-----------------------|--|---------|------------|
| Michigan 2.3% | | | |
| 1,000 | Detroit, GO, 5.375%, 4/1/17, Ser. A-1 (MBIA) | Baa1/AA | 1,004,710 |
| 4,550 | Garden City Hospital Finance Auth. Rev., 5.00%, 8/15/38, Ser. A | NR/NR | 2,482,298 |
| | Royal Oak Hospital Finance Auth. Rev., | | |
| 50 | William Beaumont Hospital, 5.25%, 11/15/35, Ser. M (MBIA) | A1/AA | 37,416 |
| 1,500 | 8.25%, 9/1/39 | A1/A | 1,523,040 |
| 4,000 | State Hospital Finance Auth. Rev., | | |
| | Detroit Medical Center, 6.25%, 8/15/13 | Ba3/BB- | 3,726,680 |
| 2,000 | Strategic Fund Ltd. Obligation Rev., Detroit Edison Pollution | A3/A- | 1,703,140 |
| | Control Co., 5.45%, 9/1/29 | | |
| | | | 10,477,284 |
| Minnesota 0.1% | | | |
| 95 | Agricultural & Economic Dev. Board Rev., Health Care System, | | |
| | 6.375%, 11/15/29 | A2/A | 94,179 |
| 500 | Washington Cnty. Housing & Redev. Auth. Rev., | | |
| | Birchwood & Woodbury, 5.625%, 6/1/37, Ser. A | NR/NR | 322,585 |
| | | | 416,764 |
| Missouri 0.1% | | | |
| 1,000 | Joplin Industrial Dev. Auth. Rev., Christian Homes, Inc., 5.75%, | NR/NR | 673,730 |
| | 5/15/26, Ser. F | | |
| Nevada 3.5% | | | |
| 5,000 | Clark Cnty., GO, 4.75%, 6/1/30, (FSA) | Aa1/AAA | 4,188,200 |
| 12,185 | Washoe Cnty., GO, 5.00%, 1/1/35, (MBIA) | Aa2/NR | 11,623,028 |
| | | | 15,811,228 |

PIMCO Municipal Income Fund Schedule of Investments

January 31, 2009 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody s/S&P) | Value* |
|---------------------------|--|--------------------------------|--------------|
| | New Hampshire 0.7% | | |
| \$ 3,000 | Business Finance Auth. Pollution Control Rev., Conn. Light & Power Co., 5.85%, 12/1/22 | Baa1/BBB- | \$ 2,930,310 |
| | New Jersey 4.6% | | |
| 2,000 | Economic Dev. Auth. Rev., 5.50%, 12/15/34, Ser. Z | Aa2/AAA | 2,005,900 |
| 16,550 | Kapkowski Road Landfill, Special Assessment, 5.75%, 4/1/31 | Baa3/NR | 12,822,940 |
| 1,000 | Health Care Facs. Financing Auth. Rev., Trinitas Hospital, 5.25%, 7/1/30, Ser. A | Baa3/BBB- | 689,340 |
| 9,100 | Tobacco Settlement Financing Corp. Rev., 5.00%, 6/1/41, Ser. 1A | Baa3/BBB | 4,877,873 |
| | | | 20,396,053 |
| | New Mexico 0.5% | | |
| 2,500 | Farmington Pollution Control Rev., 5.80%, 4/1/22 | Baa3/BB+ | 2,057,100 |
| | New York 5.5% | | |
| 5,000 | Liberty Dev. Corp. Rev., Goldman Sachs Headquarters, 5.25%, 10/1/35 | A1/A | 4,019,250 |
| 3,000 | 5.50%, 10/1/37 | A1/AA- | 2,460,540 |
| 4,200 | Nassau Cnty. Industrial Dev. Agcy. Rev., Amsterdam at Harborside, 6.70%, 1/1/43, Ser. A | NR/NR | 3,082,464 |
| 13,000 | New York City Municipal Water Finance Auth. Rev. (I), 5.00%, 6/15/26, Ser. 3245 | Aa2/AAA | 13,068,250 |
| 670 | 5.00%, 6/15/37, Ser. 3240 | Aa2/AAA | 644,044 |
| 1,625 | Westchester Cnty. Healthcare Corp. Rev., 5.875%, 11/1/25, Ser. A | Baa3/BBB- | 1,319,484 |
| | | | 24,594,032 |
| | North Carolina 0.3% | | |
| 570 | Capital Facs. Finance Agcy. Rev., Duke Univ., 5.125%, 10/1/41, Ser. A | Aa1/AA+ | 570,593 |
| 1,500 | Medical Care Commission Rev., Village at Brookwood, 5.25%, 1/1/32 | NR/NR | 862,695 |
| | | | 1,433,288 |

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Ohio 2.6%

| | | | |
|--------|--|----------|------------|
| 11,000 | Buckeye Tobacco Settlement Financing Auth. Rev., 5.875%, 6/1/47, Ser. A-2 | Baa3/BBB | 6,309,600 |
| | Lorain Cnty. Hospital Rev., Catholic Healthcare, | | |
| 2,500 | 5.625%, 10/1/17 | A1/AA- | 2,584,150 |
| 2,565 | 5.75%, 10/1/18 | A1/AA- | 2,663,188 |
| | | | 11,556,938 |

Pennsylvania 4.4%

| | | | |
|-------|--|-----------|------------|
| 1,000 | Allegheny Cnty. Industrial Dev. Auth. Rev., 5.60%, 9/1/30 | Baa1/BBB+ | 681,510 |
| 2,000 | Harrisburg Auth. Rev., 6.00%, 9/1/36 | NR/NR | 1,513,080 |
| 6,200 | Higher Educational Facs. Auth. Rev., 6.00%, 1/15/31, Ser. A | Aa3/AA- | 6,162,366 |
| | Lancaster Cnty. Hospital Auth. Rev., Brethren Village, Ser. A, | | |
| 750 | 6.25%, 7/1/26 | NR/NR | 592,868 |
| 85 | 6.375%, 7/1/30 | NR/NR | 65,341 |
| 4,700 | Philadelphia Hospitals & Higher Education Facs. Auth. Rev., Temple Univ. Hospital, 6.625%, 11/15/23, Ser. A | Baa3/BBB | 3,989,830 |
| 7,000 | Philadelphia, GO, 5.25%, 12/15/32, Ser. A (FSA) | Aa3/AAA | 6,732,530 |
| | | | 19,737,525 |

PIMCO Municipal Income Fund Schedule of Investments

January 31, 2009 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody s/S&P) | Value* |
|------------------------|---|-----------------------------|------------|
| | Puerto Rico 0.5% | | |
| \$ 135 | Commonwealth of Puerto Rico, GO, 5.00%, 7/1/35 | Baa3/BBB- | \$ 104,823 |
| 32,550 | Sales Tax Financing Corp. Rev., Ser. A, zero coupon, 8/1/54 (AMBAC) | A1/A+ | 1,204,350 |
| 29,200 | zero coupon, 8/1/56 | A1/A+ | 852,932 |
| | | | 2,162,105 |
| | Rhode Island 3.6% | | |
| 23,800 | Tobacco Settlement Financing Corp. Rev., 6.25%, 6/1/42, Ser. A | Baa3/BBB | 15,918,392 |
| | South Carolina 1.3% | | |
| 3,500 | Greenwood Cnty. Hospital Rev., Self Memorial Hospital, 5.50%, 10/1/21 | A2/A | 3,474,520 |
| 2,000 | 5.50%, 10/1/26 | A2/A | 1,868,060 |
| 450 | Jobs Economic Dev. Auth. Rev., Lutheran Homes, 5.50%, 5/1/28 | NR/NR | 295,398 |
| | | | 5,637,978 |
| | Tennessee 2.4% | | |
| 940 | Memphis Health Educational & Housing Fac. Rev., Wesley Housing Corp., 6.95%, 1/1/20 (a)(b)(f) | NR/NR | 470,000 |
| 370 | State Energy Acquisition Corp. Rev., 5.00%, 2/1/21, Ser. C | Baa1/AA- | 274,629 |
| 6,460 | 5.25%, 9/1/17, Ser. A | A1/A | 5,427,498 |
| 600 | 5.25%, 9/1/21, Ser. A | Baa1/A | 464,544 |
| 300 | 5.25%, 9/1/22, Ser. A | Baa1/A | 228,804 |
| 5,000 | 5.25%, 9/1/24, Ser. A | A1/A | 3,710,250 |
| | | | 10,575,725 |
| | Texas 7.2% | | |
| 10,000 | Coppell Independent School Dist., GO, zero coupon, 8/15/29 (PSF-GTD) | Aaa/AAA | 3,302,400 |
| 20 | Duncanville Independent School Dist., GO, 5.25%, 2/15/32, Ser. B (PSF-GTD) | Aaa/AAA | 20,178 |
| 285 | | Aaa/AAA | 292,718 |

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| | | | |
|-------|---|-----------|------------|
| | Mansfield Independent School Dist., GO, 5.25%, 2/15/23 (PSF-GTD) | | |
| 150 | Municipal Gas Acquisition & Supply Corp. I Rev., 5.25%, 12/15/25, Ser. A | Aa3/A+ | 111,997 |
| 6,500 | 6.25%, 12/15/26, Ser. D | A2/A | 5,363,345 |
| 4,200 | North Harris Cnty. Regional Water Auth. Rev., 5.25%, 12/15/33 | A3/A+ | 3,851,064 |
| 4,200 | 5.50%, 12/15/38 | A3/A+ | 3,926,076 |
| 6,050 | North Texas Tollway Auth. Rev., 5.625%, 1/1/33, Ser. A | A2/A- | 5,668,850 |
| 600 | 5.75%, 1/1/33, Ser. F | A3/BBB+ | 532,572 |
| 6,500 | State Municipal Gas Acquisition & Supply Corp. I Rev., 5.25%, 12/15/23, Ser. A | A2/A | 4,997,915 |
| 400 | State Public Finance Auth. Rev., 5.875%, 12/1/36, Ser. A | Baa3/BBB- | 271,860 |
| 4,000 | Tarrant Cnty. Cultural Education Facs. Finance Corp. Rev., Baylor Health Care Systems, 6.25%, 11/15/29 (e) | Aa2/AA- | 4,066,840 |
| | | | 32,405,815 |
| | Utah 1.6% | | |
| 7,000 | Salt Lake Cnty. Hospital Rev., IHC Health Services, 5.125%, 2/15/33 (AMBAC) | Baa1/AA+ | 7,178,360 |

PIMCO Municipal Income Fund Schedule of Investments

January 31, 2009 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody's/S&P) | Value* |
|------------------------------|--|--------------------------------|--------------|
| | Virginia 0.3% | | |
| \$ 2,000 | Peninsula Town Center Community Dev. Auth. Rev., 6.45%, 9/1/37 | NR/NR | \$ 1,319,000 |
| | Washington 0.9% | | |
| | Health Care Facs. Auth. Rev., | | |
| 250 | Seattle Cancer Care Alliance, 7.375%, 3/1/38 (e) | A3/NR | 248,422 |
| 2,000 | Virginia Mason Medical Center, 6.125%, 8/15/37, Ser. A | Baa2/BBB | 1,461,720 |
| | State Housing Finance Commission Rev., Skyline at First Hill, Ser. A, | | |
| 275 | 5.25%, 1/1/17 | NR/NR | 210,873 |
| 3,600 | 5.625%, 1/1/38 | NR/NR | 2,078,028 |
| | | | 3,999,043 |
| | Wisconsin 2.5% | | |
| 9,785 | Badger Tobacco Asset Securitization Corp. Rev., 6.00%, 6/1/17 | Baa3/BBB | 9,299,762 |
| 2,230 | Health & Educational Facs. Auth. Rev., Kenosha Hospital & Medical Center, 5.625%, 5/15/29 | NR/A | 1,962,333 |
| | | | 11,262,095 |
| | Total Municipal Bonds & Notes (cost \$446,057,282) | | 399,591,019 |
| | CORPORATE BONDS & NOTES (k) 2.3% | | |
| 10,000 | American General Finance Corp., 4.625%, 9/1/10 | Baa1/BBB | 5,940,300 |
| 4,500 | CIT Group, Inc., 5.80%, 7/28/11 | Baa2/BBB+ | 3,759,471 |
| 600 | International Lease Finance Corp., 2.373%, 5/24/10, FRN | Baa1/BBB+ | 497,537 |
| | Total Corporate Bonds & Notes (cost \$9,998,915) | | 10,197,308 |
| | VARIABLE RATE NOTES (a)(d)(g)(h) 1.6% | | |
| | Illinois 1.6% | | |
| 7,252 | Cook Cnty., GO, 8.27%, 11/15/28, Ser. 458 (FGIC) (cost \$6,906,226) | Aa2/NR | 7,244,522 |

SHORT-TERM INVESTMENTS 6.8%**Variable Rate Demand Notes (h)(i) 3.9%****South Carolina 0.8%**

| | | | |
|-------|--|----------|-----------|
| 3,500 | Educational Facs. Auth. Rev., Furman Univ., 0.67%, 2/2/09, Ser. B | VMIG1/NR | 3,500,000 |
|-------|--|----------|-----------|

Utah 3.1%

| | | | |
|--------|---|----------|------------|
| 13,960 | Intermountain Power Agcy. Rev., 0.80%, 2/2/09, Ser. F | VMIG1/NR | 13,960,000 |
|--------|---|----------|------------|

| | | | |
|--|--|--|------------|
| | Total Variable Rate Demand Notes (cost \$17,460,000) | | 17,460,000 |
|--|--|--|------------|

Corporate Bonds & Notes (k) 1.8%

| | | | |
|-------|--|----------|-----------|
| 1,600 | American General Finance Corp., 1.785%, 10/2/09 | Baa1/BBB | 1,262,547 |
|-------|--|----------|-----------|

| | | | |
|-------|-----------------|----------|-----------|
| 1,100 | 4.625%, 5/15/09 | Baa1/BBB | 1,004,615 |
|-------|-----------------|----------|-----------|

| | | | |
|-------|----------------------------------|-----------|-----------|
| 4,400 | CIT Group, Inc., 4.125%, 11/3/09 | Baa1/BBB+ | 4,138,539 |
|-------|----------------------------------|-----------|-----------|

| | | | |
|-----|--|-----------|---------|
| 500 | International Lease Finance Corp., 1.494%, 1/15/10, FRN | Baa1/BBB+ | 441,719 |
|-----|--|-----------|---------|

| | | | |
|-------|---------------|-----------|-----------|
| 1,500 | 4.75%, 7/1/09 | Baa1/BBB+ | 1,444,714 |
|-------|---------------|-----------|-----------|

| | | | |
|--|--|--|-----------|
| | Total Corporate Bonds & Notes (cost \$8,083,557) | | 8,292,134 |
|--|--|--|-----------|

U.S. Treasury Bills (j) 1.1%

| | | | |
|-------|---|--|-----------|
| 4,720 | 0.01%-0.98%, 2/19/09-6/11/09 (cost \$4,719,227) | | 4,719,227 |
|-------|---|--|-----------|

| | | | |
|--|--|--|------------|
| | Total Short-Term Investments (cost \$30,262,784) | | 30,471,361 |
|--|--|--|------------|

| | | | |
|--|--|--|-----------------------|
| | Total Investments (cost-\$493,225,207) 100.0% | | \$ 447,504,210 |
|--|--|--|-----------------------|

Notes to Schedule of Investments:

* Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. Market value is generally determined on the basis of last reported sales prices, or if no sales are reported, based on quotes obtained from a quotation reporting system, established market makers, or pricing services.

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 procedures established by the Board of Trustees, or persons acting at their discretion pursuant to procedures established by the Board of Trustees. The Fund's investments are valued daily using prices supplied by an

independent pricing service or dealer quotations, or by using the last sale price on the exchange that is the primary market for such securities, or the 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. Prices obtained from 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, futures and options on futures are valued at the settlement price determined by the relevant exchange. 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 Fund to value securities may differ from the value that would be realized if the securities were sold and these differences could be material. The Fund's net asset value is normally determined daily 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.

- (a) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$7,714,522, representing 1.72% of total investments.
- (b) Illiquid security.
- (c) 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).

- (d) 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.
- (e) When issued or delayed-delivery security. To be delivered after January 31, 2009.
- (f) Security in default.
- (g) Inverse Floater The interest rate shown bears an inverse relationship to the interest rate on another security or the value of an index. The interest rate disclosed reflects the rate in effect on January 31, 2009.
- (h) 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 January 31, 2009.

- (i) Maturity date shown is date of next put.
- (j) All or partial amount segregated as collateral for swaps.
- (k) All or partial amount segregated as collateral for reverse repurchase agreements.
- (l) 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 Fund acquired the residual interest certificates. These securities serve as collateral in a financing transaction.

Glossary:

ACA insured by American Capital Access Holding Ltd.

AMBAC insured by American Municipal Bond Assurance Corp.

FGIC insured by Financial Guaranty Insurance Co.

FHA insured by Federal Housing Administration

FRN Floating Rate Note. The interest rate disclosed reflects the rate in effect on January 31, 2009.

FSA insured by Financial Security Assurance, Inc.

GO General Obligation Bond

GTD Guaranteed

MBIA insured by Municipal Bond Investors Assurance

NR Not Rated

PSF Public School Fund

Other Investments:

(1) Transactions in options written for the nine months ended January 31, 2009:

| | Contracts | Premiums |
|---------------------------------------|-----------|------------|
| Options outstanding, April 30, 2008 | 276 | \$ 225,464 |
| Options expired | (276) | (225,464) |
| Options outstanding, January 31, 2009 | | \$ |

(2) Interest rate swap agreements outstanding at January 31, 2009:

| Swap Counterparty | Notional Amount | Termination Date | Rate Type | Payments Made by Fund | Payments Received by Fund | Market Value | Upfront Premiums Received | Unrealized Appreciation (Depreciation) |
|------------------------|-----------------|------------------|-----------|-----------------------|---------------------------|---------------|---------------------------|--|
| Royal Bank of Scotland | \$ 16,400 | 12/17/23 | 3-Month | 5.00%USD-LIBOR | | \$(3,233,875) | \$(1,016,800) | \$(2,278,515) |
| Royal Bank of Scotland | 11,300 | 6/17/24 | 3-Month | 4.00%USD-LIBOR | | (775,772) | (1,366,735) | 590,963 |
| | | | | | | \$(4,009,647) | \$(2,383,535) | \$(1,687,552) |

LIBOR London Inter-bank Offered Rate

(3) Open reverse repurchase agreements at January 31, 2009:

| Counterparty | Rate | Trade Date | Maturity Date | Principal & Interest | Par |
|----------------------------|--------|------------|---------------|----------------------|---------------|
| Barclays Bank | 0.90% | 1/23/09 | 2/26/09 | \$ 12,951,029 | \$ 12,941,000 |
| | 0.90% | 1/28/09 | 3/2/09 | 2,250,799 | 2,249,000 |
| Credit Suisse First Boston | 1.125% | 1/6/09 | 2/6/09 | 747,701 | 747,000 |
| | | | | | \$ 15,937,000 |

Collateral for open reverse repurchase agreements at January 31, 2009, as reflected in the Schedule of Investments:

| Counterparty | Description | Rate | Maturity Date | Par | Market Value |
|---------------|--------------------------------|--------|---------------|--------------|--------------|
| Barclays Bank | American General Finance Corp. | 1.785% | 10/2/09 | \$ 1,600,000 | \$ 1,262,547 |
| | American General Finance Corp. | 4.625% | 5/15/09 | 1,100,000 | 1,004,615 |
| | American General Finance Corp. | 4.625% | 9/1/10 | 10,000,000 | 5,940,300 |

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| | | | | | |
|-------------------------------|--------------------------------------|--------|---------|-----------|---------------|
| | CIT Group, Inc. | 4.125% | 11/3/09 | 4,400,000 | 4,138,539 |
| | CIT Group, Inc. | 5.80% | 7/28/11 | 4,500,000 | 3,759,471 |
| | International Lease Finance Corp. | 4.75% | 7/1/09 | 1,500,000 | 1,444,714 |
| Credit Suisse First Boston | International Lease Finance Corp. | 1.494% | 1/15/10 | 500,000 | 441,719 |
| | International Lease Finance Corp. | 2.373% | 5/24/10 | 600,000 | 497,537 |
| | | | | | \$ 18,489,442 |

The Fund received \$168,278 in U.S. government agency securities as collateral for reverse repurchase agreements.

Fair Value Measurements Effective May 1, 2008, the Fund adopted FASB Statement of Financial Accounting Standards No. 157, Fair Value Measurements (SFAS 157). This standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value and requires additional disclosures about the use of the fair value measurements. Under this standard, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the exit price) in an orderly transaction between market participants. The three levels of the fair value hierarchy under SFAS 157 are described below:

Level 1 quoted prices in active markets for identical investments that the Fund has the ability to access.

Level 2 valuations based on other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.), or quotes from inactive exchanges.

Level 3 valuations based on significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments).

The valuation techniques used by the Fund to measure fair value during the nine months ended January 31, 2009 maximized the use of observable inputs and minimized the use of unobservable inputs.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used at January 31, 2009 in valuing the Fund's investments carried at value:

| Valuation Inputs | Investments in Securities | Other Financial Instruments |
|---|---------------------------|-----------------------------|
| Level 1 Quoted Prices | \$ | \$ |
| Level 2 Other Significant Observable Inputs | 447,504,210 | (1,687,552) |
| Level 3 Significant Unobservable Inputs | | |
| Total | \$ 447,504,210 | \$ (1,687,552) |

Item 2. Controls and Procedures

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

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

Item 3. Exhibits

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

SIGNATURES

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

Registrant: PIMCO Municipal Income
Fund

By /s/ Brian S. Shlissel

President & Chief Executive Officer
Date: March 26, 2009

By /s/ Lawrence G. Altadonna

Treasurer, Principal Financial &
Accounting Officer
Date: March 26, 2009

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 & Chief Executive Officer
Date: March 26, 2009

By /s/ Lawrence G. Altadonna

Treasurer, Principal Financial &
Accounting Officer
Date: March 26, 2009