

PIMCO CALIFORNIA MUNICIPAL INCOME FUND II
Form N-CSR
August 07, 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 811-21077

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

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

New York 10105
(Zip code)

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

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

Date of fiscal year end: May 31, 2008

Date of reporting period: May 31, 2008

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

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

ITEM 1. REPORT TO SHAREHOLDERS

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

Annual Report
May 31, 2008

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PIMCO Municipal Income Funds II Letter to Shareholders

July 15, 2008

Dear Shareholder:

We are pleased to provide you with the annual report for PIMCO Municipal Income Fund II, PIMCO California Municipal Income Fund II and PIMCO New York Municipal Income Fund II (the Funds) for the fiscal year ended May 31, 2008.

As economic growth slowed and credit conditions tightened during the period, the U.S. bond market delivered positive returns for all but U.S. high yield bonds. The Lehman Municipal Bond Index posted a 3.87% tax-advantaged return. The Federal Reserve (the Fed) reduced the Federal Funds rate seven times during the reporting period, reducing the benchmark rate on loans between member banks from 5.25% to 2.0%. The Fed also sought other methods to inject liquidity into the economy.

Since February 2008, industry-wide developments in the auction-rate preferred markets have caused auctions for the Funds' auction-rate preferred shares (ARPS) to fail, as described in Note 5 in the accompanying Notes to Financial Statements. At the time this report is being prepared, it is not possible to predict how and when full or partial liquidity will return, if at all, to the closed-end fund ARPS market. Additional information regarding ARPS, failed auctions and potential solutions to address the unprecedented lack of liquidity of the ARPS due to recent failed auctions can be accessed on our Web site, www.allianzinvestors.com/arps.

For specific information on the Funds and their 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. You will also find 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.

We remain dedicated to serving your investment needs.

Sincerely,

Hans W. Kertess
Chairman

Brian S. Shlissel
President & Chief Executive Officer

PIMCO Municipal Income Fund II Fund Insights/Performance & Statistics

May 31, 2008 (unaudited)

For the fiscal year ended May 31, 2008, PIMCO Municipal Income Fund II returned (2.75)% on net asset value and (3.09)% on market price, compared to (1.78)% and (3.56)%, respectively for the Lipper Analytical General Municipal Debt Funds Leveraged (the Benchmark) average. The Fund's average credit quality was AA- at fiscal year-end compared to the Benchmark's average of AA1/AA2.

Municipal Securities underperformed Treasuries and the taxable debt sector during the reporting period as the Lehman Brothers Municipal Bond Index

returned 3.87%, while the Lehman Brothers Aggregate and the Lehman Brothers Treasury Indices returned 6.89% and 9.81%, respectively.

For the 12-month period ended May 31, 2008, 10-year AAA muni yields decreased 27 basis points, while 20-and 30-year AAA muni yields increased 14 and 26 basis points, respectively.

The Fund's effective duration was managed below that of its Benchmark throughout the period, which was positive for performance, as municipal yields decreased in the short maturities, and increased in the longer

maturities during the reporting period.

Exposure to the prerefunded and special tax sectors were positive for performance as these sectors outperformed during the reporting period.

Exposure to the hospital sector detracted from performance as this sector underperformed during the fiscal year.

The Fund's Hedging strategies detracted from performance as municipals underperformed Treasuries during the twelve-month reporting period.

Total Return⁽¹⁾:	Market Price	Net Asset Value (NAV)
1 Year	(3.09)%	(2.75)%
3 Year	3.86%	3.65%
5 Year	5.48%	5.24%
Commencement of Operations (6/28/02) to 5/31/08	5.50%	5.95%

Common Share Market Price/NAV Performance:

Commencement of Operations (6/28/02) to 5/31/08

Market Price

NAV

\$16.00

15.50

15.00

14.50

14.00

13.50

13.00

12.50

6/28/02

5/31/08

Market Price/NAV:

Market Price	\$14.14
NAV	\$13.86
Premium to NAV	2.02%
Market Price Yield ⁽²⁾	5.52%

(1) **Past performance is no guarantee of future results.** Returns are calculated by determining the percentage change in net asset value or market share price (as applicable) in the period covered. The calculation assumes that all of the Fund's 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 more than one year represents the average annual total return.

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.

An investment in the Fund involves risk, including the loss of principal. Total return, market price, market price yield and net asset value will fluctuate with changes in market conditions. This data is provided for information only and is not intended for trading purposes. Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public offering, and once issued, shares of closed-end funds are

sold in the open market through a stock exchange. Net asset value is 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 May 31, 2008.

PIMCO California Municipal Income Fund II Fund Insights/Performance & Statistics

May 31, 2008 (unaudited)

For the fiscal year ended May 31, 2008, PIMCO California Municipal Income Fund II returned (4.83)% on net asset value and (5.17)% on market price, compared to (0.40)% and (4.24)%, respectively for the Lipper California Municipal Debt Funds Leveraged (the Benchmark) average.

The Fund's average credit quality was AA- at fiscal year-end compared to the Benchmark's average of AA1/AA2.

Municipals underperformed Treasuries and the taxable debt sector during the reporting period as Lehman Brothers

California Municipal Index returned 3.04%, while the Lehman Brothers Aggregate and the Lehman Brothers Treasury Indices returned 6.89% and 9.81%, respectively.

For the 12-month period ended May 31, 2008, 10-year California muni yields increased 2 basis points, while 20- and 30-year yields increased 39 and 48 basis points, respectively.

The Fund's effective duration was managed below that of its Benchmark throughout the period, which performance, as municipal yields

increased in the longer maturities while decreasing in the shorter maturities.

Exposure to tobacco-securitized municipals detracted from performance as the over-all index returned (4.45)% during the reporting period.

California Municipals slightly underperformed the broader national market for the 12-month period.

The Fund's Hedging strategy detracted from performance as municipals underperformed Treasuries during the reporting period.

Total Return⁽¹⁾:	Market Price	Net Asset Value (NAV)
1 Year	(5.17)%	(4.83)%
3 Year	4.89%	3.03%
5 Year	5.73%	4.55%
Commencement of Operations (6/28/02) to 5/31/08	5.55%	5.22%

Common Share Market Price/NAV Performance:

Commencement of Operations (6/28/02) to 5/31/08

Market Price

NAV

\$17.00

16.00

15.00

14.00

13.00

12.00

11.00

6/28/02

5/31/08

Market Price/NAV:

Market Price	\$ 14.25
NAV	\$ 13.34
Premium to NAV	6.82%
Market Price Yield ⁽²⁾	5.89%

(1) **Past performance is no guarantee of future result.** Returns are calculated by determining the percentage change in net asset value or market share price (as applicable) in the period covered. The calculation assumes that all of the Fund's income dividends have been reinvested. Total return does not reflect broker commissions or sales charges. Total return for a period of more than one year represents the average annual total return.

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.

An investment in the Fund involves risk, including the loss of principal. Total return, market price, market price yield and net asset value will fluctuate with changes in market conditions. This data is provided for information only and is not intended for trading purposes. Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. Net asset value is 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 May 31, 2008.

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

May 31, 2008 (unaudited)

For the fiscal year ended May 31, 2008, PIMCO New York Municipal Income Fund II returned (2.19)% on net asset value and (1.46)% on market price, compared to 0.13% and (3.01)%, respectively for the Lipper New York Municipal Debt Funds Leveraged (the Benchmark) average.

The Fund's average credit quality was AA at fiscal year-end compared to the Benchmark's average of AA1/AA2.

Municipals underperformed Treasuries and the taxable debt sector during the reporting period the Lehman Brothers

New York Muni Index returned 4.44%, while the Lehman Brothers Aggregate and the Lehman Brothers Treasury Indices returned 6.89% and 9.81%, respectively.

For the 12-month period, 10-year New York yields decreased 28 basis points, while 20- and 30-year New York yields increased 12 and 24 basis points, respectively.

The Fund's effective duration was managed below that of its Benchmark throughout the period, which was positive for performance, as municipal

yields decreased in the short-end and increased in the longer maturities.

Exposure to hospital bonds detracted from performance as this sector underperformed for the fiscal year.

Municipal bonds within New York outperformed the broader national market during the reporting period.

The Fund's Hedging strategies detracted from performance as municipals underperformed Treasuries during the twelve-month reporting period.

Total Return⁽¹⁾:	Market Price	Net Asset Value (NAV)
1 Year	(1.46)%	(2.19)%
3 Year	4.98%	3.58%
5 Year	5.91%	5.19%
Commencement of Operations (6/28/02) to 5/31/08	5.62%	5.50%

Common Share Market Price/NAV Performance:

Commencement of Operations (6/28/02) to 5/31/08

Market Price

NAV

\$16.50

16.00
 15.50
 15.00
 14.50
 14.00
 13.50
 13.00
 6/28/02
 5/31/08
 12.50
 12.00

Market Price/NAV:

Market Price	\$ 14.42
NAV	\$ 13.67
Premium to NAV	5.49%
Market Price Yield ⁽²⁾	5.51%

(1) **Past performance is no guarantee of future results.** Returns are calculated by determining the percentage change in the net asset value or market share price (as applicable) in the period covered. The calculation assumes that all of the Fund's income dividends have been reinvested. Total return does not reflect broker commissions or sales charges. Total return for a period more than one year represents the average annual total return.

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.

An investment in the Fund involves risk, including the loss of principal. Total return, market price, market price yield and net asset value will fluctuate with changes in market conditions. This data is provided for information only and is not intended for trading purposes. Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. Net asset value is 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 May 31, 2008.

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PIMCO Municipal Income Fund II Schedule of Investments

May 31, 2008

Principal
Amount
(000)**MUNICIPAL BONDS & NOTES 96.0%****Alabama 3.5%**

\$10,000	Birmingham Baptist Medical Centers Special Care Facs. Financing Auth. Rev, 5.00%, 11/15/30, Ser. A
18,000	Birmingham Waterworks & Sewer Board Rev., 5.25%, 1/1/33, Ser. B, (Pre-refunded @ \$100, 1/1/13) (MBIA)(b)(h)
1,750	Huntsville Health Care Auth. Rev., 5.75%, 6/1/32, Ser. B, (Pre-refunded @\$101, 6/1/12) (b)
16,580	Jefferson Cnty. Sewer Rev., 4.75%, 2/1/38, Ser. B, (Pre-refunded @ \$100, 8/1/12) (FGIC)(b)
2,650	Tuscaloosa Educational Building Auth. Rev., Stillman College, 5.00%, 6/1/26

Alaska 0.6%

5,900	Northern Tobacco Securitization Corp. Rev., 5.00%, 6/1/46, Ser. A
3,550	State Housing Finance Corp. Rev., 5.25%, 6/1/32, Ser. C (MBIA)

Arizona 5.7%

6,500	Health Facs. Auth. Rev., Beatitudes Project, 5.20%, 10/1/37
1,300	Hospital System, 5.75%, 12/1/32, (Pre-refunded @ \$101, 12/1/12) (b)
3,500	Pima Cnty. Industrial Dev. Auth. Rev., Center for Academic Success, 5.50%, 7/1/37 (c)
29,700	Correctional Facs., 5.00%, 9/1/39
33,000	Salt River Project Agricultural Improvement & Power Dist. Rev., 5.00%, 1/1/37, Ser. A (h)
10,500	Salt Verde Financial Corp. Rev., 5.00%, 12/1/37

Arkansas 0.1%

13,000	Arkansas Dev. Finance Auth. Rev., zero coupon, 7/1/46 (AMBAC)
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California 5.0%

9,610	Alameda Corridor Transportation Auth. Rev., zero coupon, 10/1/16, Ser. A (AMBAC)
6,000	Golden State Tobacco Securitization Corp. Rev., Ser. A-1, 5.00%, 6/1/33
3,080	6.25%, 6/1/33
9,000	6.75%, 6/1/39, (Pre-refunded @ \$100, 6/1/13) (b)
1,000	Rancho Cucamonga Community Facs. Dist., Special Tax, 6.30%, 9/1/23, Ser. A State, GO, 5.00%, 6/1/37
800	5.00%, 6/1/37
28,600	5.00%, 11/1/37, Ser. 2670 (h)
10,900	5.00%, 12/1/37
4,700	Statewide Community Dev. Auth. Rev., Baptist Univ., 9.00%, 11/1/17, Ser. B (c)

PIMCO Municipal Income Fund II Schedule of Investments

May 31, 2008

Principal
Amount
(000)**Colorado 5.0%**

\$30,000	Dawson Ridge Dist. No. 1, GO, zero coupon, 10/1/22, Ser. A
20,000	E-470 Public Highway Auth. Rev., Ser. B (MBIA),
15,000	zero coupon, 9/1/35
1,000	zero coupon, 9/1/37
25,000	Health Facs. Auth. Rev.,
18,305	American Baptist Homes, 5.90%, 8/1/37, Ser. A
6,500	Catholic Health Initiatives, 5.50%, 3/1/32
2,000	Exempla, Inc., 5.625%, 1/1/33, Ser. A
	Liberty Height, zero coupon, 7/15/22
	Housing & Finance Auth. Rev., Evergreen Country Day School, 5.875%, 6/1/37 (c)

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)
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Florida 4.7%

2,310	Dev. Finance Corp. Rev., Learning Gate Community School, 6.00%, 2/15/37
8,000	Highlands Cnty. Health Facs. Auth. Rev., Adventist/Sunbelt
	Health System, 6.00%, 11/15/31, Ser. A,
	(Pre-refunded @ \$101, 11/15/11) (b)
2,335	Hillsborough Cnty. Industrial Dev. Auth. Rev.,
635	Pollution Control, Tampa Electric Co., 5.50%, 10/1/23
7,135	Health Facs. Project, 5.625%, 8/15/23, Ser. A
11,500	Jacksonville Health Facs. Auth. Rev., 5.25%, 11/15/32, Ser. A
	Lakeland Hospital System Rev., Regional Health System, 5.50%, 11/15/32, (Pre-refunded @ \$101, 11/15/12) (b)
3,000	Leesburg Hospital Rev., Leesburg Regional Medical Center Project, 5.50%, 7/1/32
2,550	Orange Cnty. Health Facs. Auth. Rev., Adventist Health System (b),
5,000	5.625%, 11/15/32, (Pre-refunded @ \$101, 11/15/12)
500	6.25%, 11/15/24, (Pre-refunded @ \$100, 11/15/12)
6,205	Sarasota Cnty. Health Fac. Auth. Rev., 5.75%, 7/1/37
5,000	State Governmental Utility Auth. Rev., Barefoot Bay Utilities System, 5.00%, 10/1/29 (AMBAC)
10,000	Sumter Landing Community Dev. Dist. Rev., 4.75%, 10/1/35, Ser. A (MBIA) (h)
1,500	Tallahassee Rev., 5.00%, 10/1/15, Ser. 2617 (h)
	Winter Springs Water & Sewer Rev., zero coupon, 10/1/29 (FGIC)

Georgia 0.5%

2,775	Medical Center Hospital Auth. Rev., 5.25%, 7/1/37
9,600	Richmond Cnty. Dev. Auth. Rev., zero coupon, 12/1/21

Hawaii 1.3%

19,170	Honolulu City & Cnty. Wastewater System Rev., First Board Resolution, 4.75%, 7/1/28 (FGIC)
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PIMCO Municipal Income Fund II Schedule of Investments

May 31, 2008

Principal Amount (000)		Credit Rating (Moody)
	Illinois 17.6%	
\$2,935	Central Lake Cnty. JT Action Water Agcy. Rev., Ser. A (AMBAC),	Aaa/NR
675	5.125%, 5/1/28	Aaa/NR
	5.125%, 5/1/28, (Pre-refunded @ \$100, 11/1/12) (b)	
1,635	Chicago, GO, Ser. A (FGIC),	Aaa/AAA
3,415	5.125%, 1/1/29	Aa3/AA-
	5.125%, 1/1/29, (Pre-refunded @ \$101, 1/1/09) (b)	
3,162	Chicago, Lake Shore East, Special Assessment,	NR/NR
6,700	6.625%, 12/1/22	NR/NR
	6.75%, 12/1/32	
15,535	Chicago Board of Education School Reform, GO (FGIC),	A1/AA-
5,000	zero coupon, 12/1/16, Ser. A	A1/AA-
4,500	zero coupon, 12/1/28, Ser. A	A1/AA-
	zero coupon, 12/1/31	
32,670	Chicago City Colleges, GO (FGIC),	Aa3/AA-
29,145	zero coupon, 1/1/37	Aa3/AA-
32,670	zero coupon, 1/1/38	Aa3/AA-
5,000	zero coupon, 1/1/39	Aaa/AAA
	Cicero, GO, 5.25%, 12/1/31 (MBIA)	
2,500	Finance Auth. Rev.,	NR/NR
250	Christian Homes, Inc., 5.75%, 5/15/31, Ser. A	NR/NR
	Leafs Hockey Club, 6.00%, 3/1/37, Ser. A	
10,000	Regency Park,	NR/AAA
134,650	zero coupon, 7/15/23	NR/AAA
1,500	zero coupon, 7/15/25	NR/NR
	Sedgebrook, Inc., 6.00%, 11/15/42, Ser. A	
5,000	Health Facs. Auth. Rev.,	Baa3/NR
20,100	Condell Medical Center, 5.50%, 5/15/32	Baa1/NR
	Elmhurst Memorial Healthcare, 5.625%, 1/1/28	
4,500	Hillside, Tax Allocation, Mannheim Redev. Project (d),	NR/NR
2,900	6.55%, 1/1/20	NR/NR
	7.00%, 1/1/28	
60,000	Metropolitan Pier & Exposition Auth. Rev. (MBIA),	Aaa/AAA
50,000	zero coupon, 12/15/30	Aaa/AAA
2,460	zero coupon, 12/15/33	Aaa/AAA
68,470	zero coupon, 6/15/38	Aaa/AAA
	State Sports Facs. Auth. Rev., 5.50% (zero coupon until 6/15/10), 6/15/30 (AMBAC)	Aaa/AAA
	Indiana 0.3%	
4,125	Fort Wayne Pollution Control Rev., 6.20%, 10/15/25	Caa1/B
990	Vigo Cnty. Hospital Auth. Rev., 5.80%, 9/1/47 (a)(c)	NR/NR
	Iowa 4.1%	
1,075	Finance Auth. Rev.,	NR/NR
	5.50%, 11/15/37	

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250	Deerfield Retirement Community, 5.50%, 11/15/27, Ser. A	NR/NR
4,500	Edgewater LLC, 6.75%, 11/15/42	NR/NR
1,000	Wedum Walnut Ridge LLC, 5.625%, 12/1/45, Ser. A	NR/NR

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PIMCO Municipal Income Fund II Schedule of Investments

May 31, 2008

Principal Amount (000)		Credit Rating (Moody's)
	Iowa (continued)	
\$2,300	Higher Education Loan Auth. Rev., Grandview College, 5.10%, 10/1/36	NR/NR
46,000	Tobacco Settlement Auth. of Iowa Rev., Ser. B, 5.60%, 6/1/34	Baa3/BBB
8,850	5.60%, 6/1/35, (Pre-refunded @ \$101, 6/1/11) (b)	NR/AAA
	Kansas 0.2%	
2,800	Univ. of Kansas Hospital Auth. Rev., 5.625%, 9/1/32, (Pre-refunded @ \$100, 9/1/12) (b)	NR/AAA
	Kentucky 0.2%	
2,500	Economic Dev. Finance Auth. Rev., Catholic Healthcare Partners, 5.25%, 10/1/30	A1/AA-
	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
3,300	5.50%, 5/15/47	A3/NR
44,395	Tobacco Settlement Financing Corp. Rev., 5.875%, 5/15/39, Ser. 2001-B	Baa3/BBB
	Maryland 0.4%	
1,010	Health & Higher Educational Facs. Auth. Rev., 5.30%, 1/1/37	NR/NR
4,050	6.00%, 1/1/43	NR/BBB-
1,000	Adventist Healthcare, 5.75%, 1/1/25, Ser. A	Baa2/NR
	Massachusetts 3.2%	
14,500	Bay Transportation Auth. Rev., 4.75%, 7/1/34, Ser. A, (Pre-refunded @ \$100, 7/1/15) (b)(h)	Aa1/AAA
4,610	Dev. Finance Agcy. Rev., 6.75%, 10/15/37, Ser. A	NR/NR
	State Turnpike Auth. Rev., Ser. A (AMBAC), 4.75%, 1/1/34	Aaa/AAA
4,295	5.00%, 1/1/39	Aaa/AAA
10,325	State Water Res. Auth. Rev., 4.75%, 8/1/37 Ser. A, (FSA)(h)	Aaa/AAA
12,050		
	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)	Aa3/AA-
4,545	Garden City Hospital Finance Auth. Rev., 5.00%, 8/15/38, Ser. A	NR/NR
800	Public Educational Facs. Auth. Rev., 6.50%, 9/1/37 (c)	NR/NR
500	Star International Academy, CP, 6.125%, 3/1/37	NR/BB+
5,000	State Hospital Finance Auth. Rev., Ascension Health, 5.25%, 11/15/26, Ser. B	Aa1/AA
	Oakwood Group, Ser. A, 5.75%, 4/1/32	A2/A
13,500	6.00%, 4/1/22	A2/A
1,925	Tobacco Settlement Finance Auth. Rev., 6.00%, 6/1/48, Ser. A	NR/BBB
6,000		

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PIMCO Municipal Income Fund II Schedule of Investments

May 31, 2008

Principal Amount (000)		Credit Rating (Moody s/S&P)
	Minnesota 0.5%	
\$1,300	Meeker Cnty. Rev., 5.75%, 11/1/37	NR/NR
1,500	Minneapolis Rev., Providence Project, 5.75%, 10/1/37, Ser. A	NR/NR
280	Minneapolis, Tax Allocation, Grant Park Project, 5.35%, 2/1/30 North Oaks Presbyterian Homes Rev.,	NR/NR
2,640	6.00%, 10/1/33	NR/NR
1,530	6.125%, 10/1/39	NR/NR
500	Oronoco Multifamily Housing Rev., 5.40%, 6/1/41	NR/NR
	Mississippi 0.3%	
3,605	Business Finance Corp., Pollution Control Rev., 5.875%, 4/1/22	Ba1/BBB
740	Dev. Bank Special Obligation, Projects & Equipment Acquisitions Rev., 5.00%, 7/1/24 (AMBAC)	Aaa/AAA
	Missouri 0.3%	
2,600	Branson Regional Airport Transportation Dev. Dist. Rev., 6.00%, 7/1/37, Ser. A	NR/NR
800	Hanley Road & North of Folk Ave. Transportation Dist. Rev., 5.00%, 10/1/25	NR/NR
1,500	St. Louis Parking Rev., Downtown Parking Facs., 6.00%, 2/1/28, (Pre-refunded @ \$100, 2/1/12) (b)	NR/NR
	Nevada 0.5%	
1,450	Clark Cnty., GO, 5.00%, 6/1/31 (FGIC)	Aa1/AA+
2,000	Reno Transportation Project Rev., (Pre-refunded @ \$100, 6/1/12) (AMBAC)(b),	Aaa/AAA
3,500	5.125%, 6/1/32	Aaa/AAA
	5.125%, 6/1/37	Aaa/AAA
	New Hampshire 0.2%	
360	Health & Education Facs. Auth. Rev., Catholic Medical Center,	Baa1/BBB+
2,640	6.125%, 7/1/32	Baa1/BBB+
	6.125%, 7/1/32, (Pre-refunded @ \$101, 7/1/12) (b)	
	New Jersey 3.4%	
950	Burlington Cnty. Bridge Commission Rev., 5.625%, 1/1/38	NR/NR
	Economic Dev. Auth.,	
	Arbor Glen Rev.,	
525	6.00%, 5/15/28	NR/NR
225	6.00%, 5/15/28, Ser. A, (Pre-refunded @ \$102, 5/15/09) (b)	NR/NR
	Kapkowski Road Landfill, Special Assessment,	
4,000	5.75%, 10/1/21	Baa3/NR
11,405	5.75%, 4/1/31	Baa3/NR
1,100	Seabrook Village Rev., 5.25%, 11/15/36	NR/NR
250	Seashore Gardens Rev., 5.375%, 11/1/36	NR/NR
	Health Care Facs. Financing Auth. Rev.,	
1,500	St. Peters Univ. Hospital, 5.75%, 7/1/37	Baa2/BBB-
1,830	Trinitas Hospital, 5.25%, 7/1/30, Ser. A	Baa3/BBB-

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PIMCO Municipal Income Fund II Schedule of Investments

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Principal Amount (000)		Credit Rating (Moody's)
	New Jersey (continued)	
\$3,500	State Educational Facs. Auth. Rev., Fairfield Dickinson Univ., 6.00%, 7/1/25, Ser. D Tobacco Settlement Financing Corp. Rev.,	NR/NR
13,150	5.00%, 6/1/41, Ser. 1A	Baa3/BBB
1,285	6.00%, 6/1/37, (Pre-refunded @ \$100, 6/1/12) (b)	Aaa/AAA
3,095	6.125%, 6/1/42, (Pre-refunded @ \$100, 6/1/12) (b)	Aaa/AAA
6,150	6.25%, 6/1/43, (Pre-refunded @ \$100, 6/1/13) (b)	Aaa/AAA
2,500	6.75%, 6/1/39, (Pre-refunded @ \$100, 6/1/13) (b)	Aaa/AAA
	New Mexico 0.3%	
5,000	Farmington Pollution Control Rev., 5.80%, 4/1/22	Baa3/BB+
	New York 1.2%	
1,200	Erie Cnty. Industrial Dev. Agcy., Orchard Park Rev., 6.00%, 11/15/36	NR/NR
10,000	Liberty Dev. Corp. Rev., 5.25%, 10/1/35 (h)	Aa3/AA-
1,100	Nassau Cnty. Industrial Dev. Agcy. Rev., Amsterdam at Harborside, 6.70%, 1/1/43, Ser. A	NR/NR
4,750	New York City Municipal Water Finance Auth., Water & Sewer System Rev., 5.00%, 6/15/37, Ser. D (h)	Aa2/AA+
	North Carolina 0.1%	
550	Medical Care Commission Rev.,	NR/NR
1,000	Salemtowne, 5.10%, 10/1/30	NR/NR
	Village at Brookwood, 5.25%, 1/1/32	NR/NR
	North Dakota 0.3%	
3,710	Stark Cnty. Healthcare Rev., Benedictine Living Communities, 6.75%, 1/1/33	NR/NR
	Ohio 0.5%	
7,500	Lorain Cnty. Hospital Rev., Catholic Healthcare, 5.375%, 10/1/30	A1/AA-
	Pennsylvania 3.2%	
22,600	Allegheny Cnty. Hospital Dev. Auth. Rev.,	Ba2/BB
505	5.375%, 11/15/40, Ser. A	Ba3/AAA
1,000	9.25%, 11/15/15, Ser. B, (Pre-refunded @ \$102, 11/15/10) (b)	Ba3/AAA
5,700	9.25%, 11/15/22, Ser. B, (Pre-refunded @ \$102, 11/15/10) (b)	Ba3/AAA
	9.25%, 11/15/30, Ser. B, (Pre-refunded @ \$102, 11/15/10) (b)	Ba3/AAA
750	Cumberland Cnty. Auth., Retirement Community Rev., Ser. A, Messiah Village,	NR/BBB-
670	5.625%, 7/1/28	NR/BBB-
	6.00%, 7/1/35	NR/BBB-
4,500	Wesley Affiliated Services,	NR/NR
3,250	7.25%, 1/1/35, (Pre-refunded @ \$101, 1/1/13) (b)	NR/NR
	Harrisburg Auth. Rev., 6.00%, 9/1/36	NR/NR
	Montgomery Cnty. Higher Education & Health Auth. Hospital Rev., Abington Memorial Hospital, Ser. A,	
5,000	5.125%, 6/1/27	NR/A
3,750	5.125%, 6/1/32	NR/A

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Principal Amount (000)		Credit (Mood)
	Pennsylvania (continued)	
\$500	Pittsburgh & Allegheny Cntys. Public Auditorium Auth. Rev., 5.00%, 2/1/29 (AMBAC)	Aaa/A-
	Puerto Rico 0.3%	
3,320	Electric Power Auth. Power Rev., 5.125%, 7/1/29, Ser. HH, (Pre-refunded @ \$100, 7/1/13) (b)	A3/AA-
	Rhode Island 5.0%	
76,200	Tobacco Settlement Financing Corp. Rev., 6.25%, 6/1/42, Ser. A	Baa3/B-
	South Carolina 5.5%	
27,745	Greenville Cnty. School Dist. Rev., Building Equity Sooner Tomorrow, 5.50%, 12/1/28, (Pre-refunded @ \$101, 12/1/12) (b)	Aaa/A-
14,350	Jobs-Economic Dev. Auth. Rev., Bon Secours, 5.625%, 11/15/30	A3/A-
3,770	5.625%, 11/15/30, (Pre-refunded @ \$100, 11/15/12) (b)	A3/A-
15,000	Lexington Cnty. Health Services Dist. Hospital Rev. (b), 5.50%, 11/1/32, (Pre-refunded @ \$100, 11/1/13)	A2/A+
3,500	5.50%, 5/1/37, (Pre-refunded @ \$100, 5/1/14)	A2/A+
5,000	5.75%, 11/1/28, (Pre-refunded @ \$100, 11/1/13)	A2/A+
3,250	Tobacco Settlement Rev. Management Auth. Rev., 6.375%, 5/15/28, Ser. B	Baa3/B-
	Tennessee 0.5%	
3,000	Energy Acquisition Corp. Rev., 5.00%, 2/1/23, Ser. C	Aa3/A-
3,750	Knox Cnty. Health Educational & Housing Facs. Board Rev., 5.25%, 10/1/30	A1/AA-
500	Sullivan Cnty. Health Educational & Housing Facs. Rev., 5.25%, 9/1/36, Ser. C	NR/BB-
	Texas 7.0%	
10	Arlington Independent School Dist., GO, 5.00%, 2/15/24 (PSF-GTD)	Aaa/N-
130	Aubrey Independent School Dist., GO (PSF-GTD), 5.50%, 2/15/33	Aaa/N-
4,350	5.50%, 2/15/33, (Pre-refunded @ \$100, 8/15/14) (b)	Aaa/N-
17,500	Austin Trust, GO, 4.75%, 4/1/36 (h)	Aa1/AA-
6,500	Brazos Cnty. Health Facs. Dev. Corp. Rev., Franciscan Services Corp., 5.375%, 1/1/32	NR/A-
2,700	Comal Cnty. Health Facs. Dev. Rev., McKenna Memorial Hospital Project, 6.25%, 2/1/32, (Pre-refunded @ \$100, 2/1/13) (b)	Baa2/AA-
20,000	Frisco Independent School Dist., GO, zero coupon, 8/15/34 (PSF-GTD)	Aaa/N-
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/AA-
700	HFDC of Central Texas, Inc. Rev., Village at Gleannloch Farms, 5.50%, 2/15/37, Ser. A	NR/NF-
770	Keller Independent School Dist., GO (PSF-GTD), 4.875%, 8/15/31	Aaa/A-
6,730	4.875%, 8/15/31, (Pre-refunded @ \$100, 8/15/09) (b)	Aaa/A-

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Principal Amount (000)		Credit Rating (Moody s/S&P)*
	Texas (continued)	
\$3,170	Little Elm Independent School Dist., GO, 5.30%, 8/15/29, Ser. A (PSF-GTD)	NR/AAA
6,250	North Dallas Thruway Auth. Rev., 4.75%, 1/1/29 (FGIC)	A2/A-
5,000	North Texas Tollway Auth. Rev., 5.625%, 1/1/33, Ser. B	A2/A-
2,000	Sabine River Auth. Rev., 5.20%, 5/1/28	NR/CCC
10,025	State, GO, 4.75%, 4/1/35, Ser. A (h)	Aa1/AA
1,000	State Public Finance Auth. Rev., 5.875%, 12/1/36, Ser. A	Baa3/BBB-
10,000	State Turnpike Auth. Central Turnpike System Rev., Ser. A (AMBAC), zero coupon, 8/15/19	Aaa/AAA
8,880	5.00%, 8/15/42	Aaa/AAA
3,250	State Water Financial Assistance, GO, 5.00%, 8/1/36	Aa1/AA
4,150	Willacy Cnty. Rev., 6.875%, 9/1/28, Ser. A-1	NR/NR
	Utah 3.3%	
44,150	Utah Transit Auth. Rev., 4.75%, 6/15/35, Ser. B, (Pre-refunded @ \$100, 12/15/15) (FSA)(b)(h)	Aaa/AAA
	Virginia 0.6%	
2,500	Fredericksburg Industrial Dev. Auth., Medicorp Health System Rev., Ser. B, 5.125%, 6/15/33	A3/NR
4,000	5.25%, 6/15/27	A3/NR
2,050	James City Cnty. Economic Dev. Auth. Rev., 5.50%, 7/1/37, Ser. A	NR/NR
	Washington 1.3%	
13,000	Health Care Facs. Auth. Rev., Virginia Mason Medical Center, 6.125%, 8/15/37, Ser. A	Baa2/BBB
6,800	State Housing Finance Commission Rev., Skyline at First Hill, 5.625%, 1/1/38, Ser. A	NR/NR
	Wisconsin 0.6%	
1,125	Badger Tobacco Asset Securitization Corp. Rev., 6.00%, 6/1/17	Baa3/BBB
7,150	6.125%, 6/1/27	Baa3/BBB
90	Health & Educational Facs. Auth. Rev., Froedert & Community Health Oblig., 5.375%, 10/1/30	NR/AA-
910	5.375%, 10/1/30, (Pre-refunded @ \$101, 10/1/11) (b)	NR/AA-
	Total Municipal Bonds & Notes (cost \$1,342,078,367)	
	VARIABLE RATE NOTES (f) 4.0%	
	Alabama 0.5%	
4,450	Jefferson Cnty. Sewer Rev., 18.63%, 2/1/36, Ser. 352 (FGIC)(a)(c)(e)	Aaa/NR

1,400

Montgomery Special Care Facs. Financing Auth. Rev., 17.44%, 11/15/29, Ser.
435 (MBIA)(a)(c)(e)

Aaa/NR

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Principal Amount (000)		Credit Rating (Moody s/S&P)*
	Colorado 0.2%	
\$2,250	Denver City & Cnty. Airport Rev., 17.44%, 11/15/25, Ser. 425 (FSA)(a)(c)(e)	Aaa/NR
	Florida 0.4%	
2,830	Highlands Cnty. Health Facs. Auth. Rev., Adventist Health System, 5.00%, 11/15/31, Ser. C	A1/A+
1,782	Orange Cnty. School Board, CP, 17.45%, 8/1/24, Ser. 328 (MBIA)(a)(c)(e)	Aaa/NR
	Illinois 0.6%	
1,780	Chicago, GO (a)(c)(e), 18.07%, 1/1/28, Ser. 332 (MBIA)	Aaa/NR
2,200	19.94%, 1/1/40, Ser. 426 (FGIC)	Aa3/NR
1,288	Cook Cnty., GO, 15.65%, 11/15/28, Ser. 403 (FGIC)(a)(c)(e)	Aa2/NR
2,000	State, GO, 18.70%, 4/1/27, Ser. 783 (FSA)(a)(c)(e)	Aaa/NR
	Massachusetts 1.0%	
1,400	Boston Water & Sewer Community Rev., 15.68%, 11/1/28, Ser. 434 (FGIC)(a)(c)(e)	Aa2/NR
2,200	State, GO, 18.74%, 11/1/30, Ser. 785 (FGIC-TRS)(a)(c)(e)	Aa2/NR
7,366	State Turnpike Auth. Rev. (MBIA)(a)(c)(e), 0.12%, 1/1/37, Ser. 334	Aaa/NR
3,000	0.12%, 1/1/37, Ser. 489	NR/AAA
	Nevada 0.0%	
325	State, GO, 15.60%, 5/15/28, Ser. 344 (FGIC)(a)(c)(e)	Aa1/NR
	Ohio 0.1%	
1,580	Hamilton Cnty. Sales Tax Rev., 17.44%, 12/1/27, Ser. 356 (MBIA)(a)(c)(e)	Aaa/NR
	Pennsylvania 0.3%	
1,670	Philadelphia School Dist., GO (MBIA)(a)(c)(e) 16.20%, 4/1/27, Ser. 345	Aaa/NR
2,677	16.20%, 4/1/27, Ser. 496	NR/AAA
	Texas 0.7%	
2,460	Denton Utility System Rev., 18.07%, 12/1/29, Ser. 428 (MBIA)(a)(c)(e)	Aaa/NR
1,100	Houston Airport System Rev., 0.12%, 7/1/25, Ser. 404 (FGIC)(a)(c)(e)	A1/NR
2,200	Houston Water & Sewer System Rev. (a)(c)(e), 17.44%, 12/1/28, Ser. 427 (FSA)	Aaa/NR
3,070	18.70%, 12/1/30, Ser. 495 (FGIC)	NR/NR
	Washington 0.2%	
2,275	Central Puget Sound Regional Transit Auth. Sales Tax & Motor Rev., 11.98%, 2/1/28, Ser. 360 (FGIC)(a)(c)(e)	Aa2/NR
	Total Variable Rate Notes (cost \$49,478,598)	

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PIMCO Municipal Income Fund II Schedule of Investments

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Principal Amount (000)		Value
U.S. TREASURY BILLS (g) 0.0%		
\$175	1.42%, 6/12/08 (cost \$174,923)	\$174,923
	Total Investments (cost \$1,391,731,888) 100.0%	\$1,442,931,297

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PIMCO California Municipal Income Fund II Schedule of Investments

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Principal Amount (000)		Credit Rating (Moody's/S&P)*
CALIFORNIA MUNICIPAL BONDS & NOTES 95.5%		
\$2,000	ABC Unified School Dist., GO, zero coupon, 8/1/23, Ser. B (FGIC)	A1/A+
1,000	Alpine Union School Dist., GO, zero coupon, 8/1/24, Ser. B (FSA)	Aaa/AAA
8,115	Anaheim City School Dist., GO, 5.00%, 8/1/26, (Pre-refunded @ \$101, 8/1/11) (FGIC) (b)	Baa3/A
5,300	Assoc. of Bay Area Gov't Finance Auth. Rev., Odd Fellows Home, 5.20%, 11/15/22	NR/A+
26,000	5.35%, 11/15/32	NR/A+
23,000	Bakersfield, CP, zero coupon, 4/15/21	NR/AAA
2,000	Bay Area Gov't Assoc., Lease Rev., 5.00%, 7/1/32, Ser. 2002-1, (AMBAC)	Aaa/AAA
1,945	Windmere Ranch Dist., Special Assessment, 6.30%, 9/2/25, (Pre-refunded @ \$102, 9/2/11) (b)	NR/AAA
1,085	Capistrano Unified School Dist., Special Tax, 5.70%, 9/1/20, (Pre-refunded @ \$102, 9/1/09) (b)	NR/NR
2,300	Ceres Unified School Dist., GO, zero coupon, 8/1/27 (FGIC)	Baa3/A
1,160	Chula Vista Dist., Special Tax, 6.05%, 9/1/25, (Pre-refunded @ \$102, 9/1/10) (b)	NR/NR
2,500	6.10%, 9/1/32, (Pre-refunded @ \$102, 9/1/10) (b)	Aa1/NR
1,825	Eastlake Woods, 6.15%, 9/1/26	NR/NR
4,380	6.20%, 9/1/33	NR/NR
2,980	Otay Ranch Villiage, 5.125%, 9/1/36	NR/NR
2,000	Clovis Unified School Dist., GO, Ser. B (FGIC) zero coupon, 8/1/23	Baa3/AA
3,535	zero coupon, 8/1/25	Baa3/AA
2,500	zero coupon, 8/1/27	Baa3/AA
1,410	Community College Financing Auth. Lease Rev., 5.00%, 8/1/27, Ser. A (AMBAC)	Aaa/AAA
10,000	Coronado Community Dev. Agcy., Tax Allocation, 4.875%, 9/1/35 (AMBAC) (h)	NR/NR
1,110	Corona-Norco Unified School Dist. Public Financing Auth., Special Tax, 5.10%, 9/1/25 (AMBAC)	Aaa/AAA
210	5.55%, 9/1/15, Ser. A	NR/NR
305	5.65%, 9/1/16, Ser. A	NR/NR
160	5.75%, 9/1/17, Ser. A	NR/NR
530	6.00%, 9/1/20, Ser. A	NR/NR
1,000	6.00%, 9/1/25, Ser. A	NR/NR
4,150	6.10%, 9/1/32, Ser. A	NR/NR
3,000	Dinuba Financing Auth. Lease Rev., 5.10%, 8/1/32 (MBIA)	Aaa/AAA
3,475	Educational Facs. Auth. Rev., Loyola Marymount Univ., zero coupon, 10/1/34 (MBIA)	Aaa/NR
2,000	Educational Facs. Auth. Rev., Woodbury Univ., 5.00%, 1/1/36	Baa3/BBB-
1,560	Empire Union School Dist., Special Tax (AMBAC), zero coupon, 10/1/30	Aaa/AAA
1,265	zero coupon, 10/1/32	Aaa/AAA

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1,000	Escondido Union School Dist., GO, zero coupon, 8/1/27 (FSA)	Aaa/AAA
2,440	Eureka Union School Dist., GO, zero coupon, 8/1/27 (FSA)	Aaa/AAA

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PIMCO California Municipal Income Fund II Schedule of Investments

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Principal Amount (000)		Credit Rating (Moody s/S&P)*
\$7,100	Foothill Eastern Corridor Agcy. Toll Road Rev., zero coupon, 1/1/25, Ser. A	Aaa/AAA
3,270	zero coupon, 1/1/26, Ser. A	Aaa/AAA
1,500	zero coupon, 1/15/27 (MBIA-IBC)	Aaa/AAA
3,780	zero coupon, 1/1/28, Ser. A	Aaa/AAA
17,860	zero coupon, 1/1/30, Ser. A	Aaa/AAA
400	Franklin-McKinley School Dist., GO, 5.00%, 8/1/27, Ser. B, (Pre-refunded @ \$100, 8/1/13) (FSA) (b)	Aaa/AAA
1,440	Fremont Community Dist., Special Tax, 5.30%, 9/1/30	NR/NR
	Golden State Tobacco Securitization Corp. Rev., zero coupon, 6/1/37, Ser. A-2	Baa3/BBB
2,000		Baa3/BBB
8,000	5.00%, 6/1/33, Ser. A-1	A2/A
10,000	5.00%, 6/1/35, Ser. A (FGIC) (h)	A2/A
45,000	5.00%, 6/1/38, Ser. A (FGIC) (h)	Aaa/AAA
12,485	5.00%, 6/1/45 (AMBAC-TCRS) (h)	A2/AAA
6,000	5.00%, 6/1/45, Ser. A (FGIC-TCRS) (h)	Aaa/AAA
10,915	6.25%, 6/1/33, Ser. A-1	Aaa/AAA
36,200	6.75%, 6/1/39, Ser. A-1, (Pre-refunded @ \$100, 6/1/13) (b)	Aaa/AAA
	Health Facs. Finance Auth. Rev., Adventist Health System, 5.00%, 3/1/33	NR/A
4,000	Catholic Healthcare West (b), 5.00%, 7/1/28, (Partially Pre-refunded @ \$101, 7/1/08)	A2/A
495	5.00%, 7/1/28, (Pre-refunded @ \$101, 7/1/08)	A2/A
70	Hope Rehabilitation, 5.375%, 11/1/20 (CA Mtg. Ins.)	NR/A+
2,115	Paradise VY Estates (CA Mtg. Ins.), 5.125%, 1/1/22	NR/A+
5,500		NR/A+
3,875	5.25%, 1/1/26	NR/NR
1,750	Huntington Beach Community Facs. Dist., Special Tax, 6.30%, 9/1/32	NR/NR
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
7,000	Irvine Improvement Board Act 1915, Special Assessment, 5.70%, 9/2/26	NR/NR
1,000	Irvine Unified School Dist., Special Tax, 5.125%, 9/1/36, Ser. A	NR/NR
1,900	Jurupa Unified School Dist., GO, zero coupon, 5/1/27 (FGIC)	Baa3/A
2,450	Kings Canyon JT Unified School Dist., GO, zero coupon, 8/1/27 (FGIC)	Baa3/A
5,300	Livermore-Amador Valley Water Management Agcy. Rev., 5.00%, 8/1/31, Ser. A (AMBAC)	Aaa/AAA
	Los Angeles, CP, (MBIA)	
9,895	5.00%, 2/1/27	Aaa/AAA
2,685	5.00%, 10/1/27, Ser. AU	Aaa/AAA
	Los Angeles Department of Water & Power Rev., Ser. A (h), 4.75%, 7/1/30, (FSA)	Aaa/AAA
15,000		Aaa/AAA
30,000	5.00%, 7/1/35, (FSA)	Aa3/AA
16,950	5.125%, 7/1/41, (FGIC-TCRS)	

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PIMCO California Municipal Income Fund II Schedule of Investments

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Principal Amount (000)		Credit Rating
\$7,200	Los Angeles Wastewater System Rev., 5.00%, 6/1/30, Ser. A (FGIC)	(Moody's) Aa3/AA
1,000	Manhattan Beach Unified School Dist., GO, zero coupon, 9/1/25 (FGIC)	Aa3/AA
7,295	Manteca Redev. Agcy., Tax Allocation, 5.00%, 10/1/32 (FSA)	Aaa/AAA
10,000	5.00%, 10/1/36 (AMBAC) (h)	Aaa/AAA
2,365	Manteca Unified School Dist., Special Tax (MBIA), zero coupon, 9/1/25	Aaa/AAA
5,330	5.00%, 9/1/29, Ser. C	Aaa/AAA
4,000	Merced Cnty., CP, Juvenile Justice Correctional Fac., 5.00%, 6/1/32 (AMBAC)	Aaa/NR
2,615	Modesto Elementary School Dist. Stanislaus Cnty., GO, Ser. A (FGIC), zero coupon, 8/1/23	A1/A+
2,705	zero coupon, 8/1/24	A1/A+
2,000	zero coupon, 5/1/27	A1/A+
2,150	Modesto High School Dist. Stanislaus Cnty., GO, zero coupon, 8/1/26, Ser. A (FGIC)	A1/A+
55	Modesto Public Financing Auth. Lease Rev., 5.00%, 9/1/29 (AMBAC)	Aaa/AAA
2,385	Monrovia Financing Auth. Lease Rev., Hillside Wilderness Preserve, 5.125%, 12/1/31 (AMBAC)	Aaa/AAA
1,500	Montebello Unified School Dist., GO, zero coupon, 8/1/24 (FGIC)	Baa3/A
1,485	zero coupon, 8/1/24 (FSA)	Aaa/AAA
2,830	zero coupon, 8/1/25 (FGIC)	Baa3/A
2,775	zero coupon, 8/1/27 (FGIC)	Baa3/A
4,700	Moreno Valley Unified School Dist. Community Facs. Dist., Special Tax, 5.20%, 9/1/36	NR/NR
2,400	Morgan Hill Unified School Dist., GO, zero coupon, 8/1/23 (FGIC)	Baa3/AA
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
3,245	Newark Unified School Dist., GO, zero coupon, 8/1/26, Ser. D (FSA)	Aaa/AAA
19,805	Oakland, GO, 5.00%, 1/15/32, Ser. A (FGIC) (h)	A1/A+
1,395	Oakland Redev. Agcy., Tax Allocation, (Pre-refunded @ \$100, 3/1/13) (b), 5.25%, 9/1/27	NR/A
2,185	5.25%, 9/1/33	NR/A
1,000	Orange Cnty. Community Facs. Dist., No. 01-1-Ladera Ranch, Special Tax,, 6.00%, 8/15/25, Ser. A, (Pre-refunded @ \$101, 8/15/10) (b)	NR/AAA
9,500	Orange Cnty. Sanitation Dist. Rev., CP, 5.25%, 2/1/30, (Pre-refunded @ \$100, 8/1/13) (FGIC) (b)	Aa3/AAA

PIMCO California Municipal Income Fund II Schedule of Investments

May 31, 2008

Principal Amount (000)		Credit Rating (Moody s/S&
\$1,230	Palmdale Community Redev. Agcy., Tax Allocation (AMBAC), zero coupon, 12/1/30	Aaa/AAA
1,230	zero coupon, 12/1/31	Aaa/AAA
1,225	zero coupon, 12/1/32	Aaa/AAA
1,750	Paramount Unified School Dist., GO, zero coupon, 9/1/23, Ser. B (FSA)	Aaa/AAA
780	Perris Public Financing Auth. Rev., Tax Allocation, Ser. C, 5.375%, 10/1/20	NR/BBB+
1,800	5.625%, 10/1/31	NR/BBB+
10,000	Placentia-Yorba Linda Unified School Dist., CP, 5.00%, 10/1/35 (FGIC)(h)	A2/A
10,150	Placer Union High School Dist., GO, zero coupon, 8/1/33 (FSA)	Aaa/AAA
2,700	Poway Unified School Dist., Special Tax, Community Facs. Dist. No. 6, 5.125%, 9/1/28	NR/BBB
2,300	5.125%, 9/1/28, Area B	NR/NR
1,500	5.50%, 9/1/25	NR/BBB
3,000	5.60%, 9/1/33	NR/BBB
1,000	6.05%, 9/1/25, Area A	NR/NR
5,500	6.125%, 9/1/33, Area A	NR/NR
1,000	Community Facs. Dist. No. 10, 5.65%, 9/1/25	NR/NR
2,200	5.70%, 9/1/32	NR/NR
2,000	Rancho Cucamonga Community Facs. Dist., Special Tax, 6.375%, 9/1/31, Ser. A	NR/NR
1,500	Richmond Wastewater Rev., zero coupon, 8/1/30 (FGIC)	Baa3/A+
3,510	Riverside, CP, 5.00%, 9/1/33 (AMBAC)	Aaa/AAA
1,000	Riverside Unified School Dist. Community Facs. Dist. No. 15, Special Tax, Ser. A, 5.15%, 9/1/25	NR/NR
1,000	5.25%, 9/1/30	NR/NR
1,000	5.25%, 9/1/35	NR/NR
5,000	Rocklin Unified School Dist., GO (FGIC), zero coupon, 8/1/24	A1/A+
4,000	zero coupon, 8/1/25	A1/A+
4,000	zero coupon, 8/1/26	A1/A+
4,500	zero coupon, 8/1/27	A1/A+
3,730	Roseville Redev. Agcy., Tax Allocation (MBIA), 5.00%, 9/1/27, Ser. B	Aaa/AAA
3,365	5.00%, 9/1/32	Aaa/AAA
2,075	5.00%, 9/1/33	Aaa/AAA
4,500	Sacramento City Financing Auth. Rev., 5.00%, 12/1/32, Ser. A, (Pre-refunded @ \$100, 12/1/12) (FSA)(b)	Aaa/AAA
4,475	North Natomas CFD No. 2, 6.25%, 9/1/23, Ser. A	NR/NR
8,990	Sacramento Cnty. Airport System Rev., 5.00%, 7/1/32, Ser. A, (Pre-refunded @ \$100, 7/1/12) (FSA)(b)	Aaa/AAA

PIMCO California Municipal Income Fund II Schedule of Investments

May 31, 2008

Principal Amount (000)		Credit Rating (Moody s/S&P)*
\$14,350	Sacramento Cnty. Sanitation Dist. Rev., 5.00%, 12/1/35, (Pre-refunded @ \$100, 12/1/14) (AMBAC)(b)(h)	Aaa/AAA
8,285	San Diego Cnty. Water Auth., CP, Ser. A (MBIA), 5.00%, 5/1/28	Aaa/AAA
8,000	San Diego Cnty. Water Auth., CP, Ser. A (MBIA), 5.00%, 5/1/29	Aaa/AAA
1,200	San Diego Community Facs. Dist. No. 3, Special Tax, Ser. A (a), 5.60%, 9/1/21	NR/NR
800	San Diego Community Facs. Dist. No. 3, Special Tax, Ser. A (a), 5.70%, 9/1/26	NR/NR
2,300	San Diego Community Facs. Dist. No. 3, Special Tax, Ser. A (a), 5.75%, 9/1/36	NR/NR
1,000	San Diego Public Facs. Financing Auth. Lease Rev., 5.00%, 5/15/29, Ser. A (FGIC)	A3/A+
1,500	San Diego Public Facs. Financing Auth. Lease Rev., 5.00%, 5/15/29, Ser. A (FGIC)	Aaa/AAA
14,000	Fire & Life Safety Facs., 5.00%, 4/1/32 (MBIA)	Aaa/AAA
7,775	San Diego Public Facs. Financing Auth. Water Rev., 5.00%, 8/1/32 (MBIA)	Aaa/AAA
7,775	San Diego Unified School Dist., GO, 5.00%, 7/1/27, Ser. D (FGIC)(h)	Aa2/AA
5,585	San Francisco City & Cnty. Airports Commission Rev. (MBIA), 4.50%, 5/1/28, Ser. 2	Aaa/AAA
11,585	San Francisco City & Cnty. Airports Commission Rev. (MBIA), 5.00%, 5/1/32	Aaa/AAA
8,715	San Francisco City & Cnty. Airports Commission Rev. (MBIA), 5.00%, 5/1/32, Ser 28B, (Pre-refunded @ \$100, 5/1/12) (b)	Aaa/AAA
10,405	San Joaquin Hills Transportation Corridor Agcy. Toll Road Rev., zero coupon, 1/1/25	Aaa/AAA
14,970	San Jose, Libraries & Parks, GO, 5.00%, 9/1/32 (MBIA)(h)	Aaa/AAA
10,190	San Jose, Libraries & Parks, GO, 5.125%, 9/1/31	Aa1/AAA
9,150	San Jose Unified School Dist. Santa Clara Cnty., GO, 5.00%, 8/1/27, Ser. A (FSA)(h)	Aaa/AAA
1,770	San Juan Unified School Dist., GO (FSA), zero coupon, 8/1/23	Aaa/AAA
6,105	San Juan Unified School Dist., GO (FSA), zero coupon, 8/1/26	Aaa/AAA
2,300	San Mateo Union High School Dist., GO, zero coupon, 9/1/20 (FGIC)	Aa3/AA-
1,730	San Rafael City High School Dist., GO, 5.00%, 8/1/27, Ser. B (FSA)	Aaa/AAA
3,280	San Rafael Elementary School Dist., GO, 5.00%, 8/1/27, Ser. B (FSA)	Aaa/AAA
2,755	Santa Clara Unified School Dist., GO (MBIA), 5.00%, 7/1/25	Aaa/AAA
3,040	Santa Clara Unified School Dist., GO (MBIA), 5.00%, 7/1/27	Aaa/AAA
1,260	Santa Cruz Cnty., CP, 5.25%, 8/1/32	A3/NR
2,000	Santa Margarita Water Dist., Special Tax, 6.00%, 9/1/30, (Pre-refunded @ \$100, 9/1/13) (b)	NR/NR
2,185	Santa Margarita Water Dist., Special Tax, 6.25%, 9/1/29	NR/NR
815	Santa Margarita Water Dist., Special Tax, 6.25%, 9/1/29, (Pre-refunded @ \$102, 9/1/09) (b)	NR/NR
2,000	Santa Monica Community College Dist., GO, zero coupon, 8/1/26, Ser. C (MBIA)	Aaa/AAA

PIMCO California Municipal Income Fund II Schedule of Investments

May 31, 2008

Principal Amount (000)		Credit Rating (Moody s/S&
\$1,140	Saugus Hart School Facs. Financing Auth. Community Facs. Dist., Special Tax, 6.10%, 9/1/32	NR/NR
2,195	6.125%, 9/1/33	NR/NR
1,000	Shasta Union High School Dist., GO, zero coupon, 8/1/24 (FGIC)	Baa3/A+
2,745	South Tahoe JT Powers Parking Financing Auth. Rev., 7.00%, 12/1/27, Ser. A	NR/NR
1,800	Southern Mono Health Care Dist., GO, zero coupon, 8/1/26 (MBIA) State, GO,	Aaa/AAA
400	5.00%, 6/1/37	A1/A+
14,400	5.00%, 11/1/37, Ser. 2670 (h)	A1/A+
5,400	5.00%, 12/1/37	A1/A+
1,600	Statewide Community Dev. Auth., Baptist Univ. Rev., 5.50%, 11/1/38, Ser. A	NR/NR
3,555	Bentley School Rev., 6.75%, 7/1/32 (a)(i)	NR/NR
1,800	Catholic Healthcare West Rev., 5.50%, 7/1/31, Ser. D	A2/A
1,800	5.50%, 7/1/31, Ser. E	A2/A
1,250	Huntington Park Chapter School Rev., 5.25%, 7/1/42, Ser. A	NR/NR
9,700	Jewish Home Rev., 5.50%, 11/15/33 (CA St. Mtg.)	NR/A+
2,770	Kaiser Permanente Rev., 5.50%, 11/1/32, Ser. A	NR/A+
3,000	Live Oak School Rev., 6.75%, 10/1/30	NR/NR
500	Peninsula Project Rev., 5.00%, 11/1/29	NR/NR
1,170	Wildwood Elementary School, CP, 6.10%, 11/1/15 (a)(i)	NR/NR
1,365	Windrush School Rev., 5.50%, 7/1/37	NR/NR
1,625	Statewide Financing Auth. Tobacco Settlement Rev., 5.625%, 5/1/29	Baa3/NR
20,000	6.00%, 5/1/37, Ser. B	Baa3/NR
4,500	Tobacco Securitization Agcy. Rev., Alameda Cnty., 6.00%, 6/1/42	Baa3/NR
3,400	Fresno Cnty., 5.625%, 6/1/23	Baa3/BBB
10,000	6.00%, 6/1/35	Baa3/BBB
6,810	Gold Cnty., zero coupon, 6/1/33	NR/BBB
1,800	Stanislaus Funding, 5.875%, 6/1/43, Ser. A	Baa3/NR
8,000	Tobacco Securitization Auth. of Southern California Rev., 5.00%, 6/1/37, Ser. A-1	Baa3/BBB
995	Tracy Community Facs. Dist., Special Tax, South Macarthur Area, 6.00%, 9/1/27 Univ. Rev. (h),	NR/NR
5,500	4.75%, 5/15/35, Ser. 1119 (FSA)	Aaa/AAA
5,000	4.75%, 5/15/35, Ser. G (FGIC)	Aa1/AA
5,650	4.75%, 5/15/38, Ser. B	Aa2/AA-
10,000	5.00%, 9/1/27, Ser. O, (Pre-refunded @ \$101, 9/1/10) (FGIC)(b)	Aa2/AA
10,000	Ventura Cnty., GO, 5.00%, 8/1/27 (MBIA)(h)	Aaa/AAA

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PIMCO California Municipal Income Fund II Schedule of Investments

May 31, 2008

Principal
Amount
(000)

\$1,555	Ventura Unified School Dist., GO, 5.00%, 8/1/32, Ser. F (FSA) Victor Elementary School Dist., GO, Ser. A (FGIC)
1,125	zero coupon, 8/1/24
2,410	zero coupon, 8/1/26
1,000	Vista Unified School Dist., GO, zero coupon, 8/1/26, Ser. A (FSA)
2,740	West Contra Costa Unified School Dist., GO, Ser. A (MBIA), 5.00%, 8/1/26
2,690	5.00%, 8/1/28
1,890	5.00%, 8/1/31
2,000	William S. Hart JT School Financing Auth. Rev., 5.625%, 9/1/34
2,110	Yuba City Unified School Dist., GO, zero coupon, 9/1/25 (FGIC)
	Total California Municipal Bonds & Notes (cost \$818,772,158)

OTHER MUNICIPAL BONDS & NOTES 3.7%

	Iowa 1.6%
16,100	Tobacco Settlement Auth. of Iowa Rev., 5.60%, 6/1/34, Ser. B
	New York 0.4%
3,025	State Dormitory Auth. Rev., Hospital Center, 6.25%, 8/15/15 (FHA)
	Pennsylvania 0.4%
4,300	Allegheny Cnty. Hospital Dev. Auth. Rev., 5.375%, 11/15/40, Ser. A
	Puerto Rico 1.3%
2,200	Aqueduct & Sewer Auth. Rev., 6.00%, 7/1/38, Ser. A
1,580	Electric Power Auth. Power Rev., Ser. NN, 5.125%, 7/1/29
420	5.125%, 7/1/29, (Pre-refunded @ \$100, 7/1/13) (b),
2,505	Public Building Auth. Rev., Gov t Facs., 5.00%, 7/1/36, Ser. I (GTD)
32,600	Sales Tax Financing Corp. Rev., Ser. A (AMBAC), zero coupon, 8/1/47
12,500	zero coupon, 8/1/54

Total Other Municipal Bonds & Notes (cost \$35,277,582)

CALIFORNIA VARIABLE RATE NOTES (a)(c)(e)(f) 0.2%

1,500	Modesto Public Financing Auth. Lease Rev., 11.76%, 9/1/29, Ser. 354 (AMBAC) (cost \$1,480,720)
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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 \$5,525,066)
	Total Investments (cost \$861,055,535) 100.0%

PIMCO New York Municipal Income Fund II Schedule of Investments

May 31, 2008

Principal Amount (000)		Credit Rating (Moody s/S&P)
NEW YORK MUNICIPAL BONDS & NOTES 88.1%		
	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
1,000	5.125%, 7/1/32	Aaa/AAA
2,400	Erie Cnty. Industrial Dev. Agcy., Orchard Park Rev., 6.00%, 11/15/36	NR/NR
10,000	Erie Cnty. Tobacco Asset Securitization Corp. Rev., 6.50%, 7/15/32, (Pre-refunded @ \$101, 7/15/10) (b)	NR/AAA
	Liberty Dev. Corp. Rev.,	
2,500	5.25%, 10/1/35 (h)	Aa3/AA-
1,700	5.50%, 10/1/37	Aa3/AA-
	Metropolitan Transportation Auth. Rev.,	
1,850	5.00%, 11/15/30, Ser. A (FSA)	Aaa/AAA
10,000	5.25%, 11/15/31, Ser. E	A2/A
7,000	5.35%, 7/1/31, Ser. B	A1/AAA
3,570	Mortgage Agcy. Rev., 4.75%, 10/1/27, Ser. 128	Aa1/NR
2,400	Nassau Cnty. Industrial Dev. Agcy. Rev., Amsterdam at Harborside, 6.70%, 1/1/43, Ser. A	NR/NR
4,000	New York City, GO, 5.00%, 3/1/33, Ser. I	Aa3/AA
	New York City Health & Hospital Corp. Rev., Ser. A,	
1,100	5.375%, 2/15/26	A1/A
2,000	5.45%, 2/15/26	A1/A
	New York City Industrial Dev. Agcy. Rev.,	
975	Eger Harbor, 4.95%, 11/20/32 (GNMA)	NR/AA+
1,415	Liberty Interactive Corp., 5.00%, 9/1/35	Baa3/BB
1,205	Staten Island Univ. Hospital, 6.45%, 7/1/32	B2/NR
1,500	United Jewish Appeal Fed., 5.00%, 7/1/27	Aa1/NR
	Yankee Stadium,	
5,000	5.00%, 3/1/31 (FGIC)	Baa3/BBB-
2,400	5.00%, 3/1/36 (MBIA)	Aaa/AAA
	New York City Municipal Water Finance Auth., Water & Sewer System Rev. (h),	
7,500	4.50%, 6/15/33, Ser. C	Aa2/AA+
5,000	5.00%, 6/15/32, Ser. A	Aa2/AA+
15,000	5.125%, 6/15/34, Ser. A	Aa2/AA+
10,000	New York City Transitional Finance Auth. Rev., 5.00%, 11/1/27, Ser. B	Aa1/AAA
7,785	New York City Trust for Cultural Res. Rev., 5.00%, 2/1/34 (FGIC)	Aa3/AA-
3,600	Port Auth. of New York & New Jersey Rev., 5.00%, 4/15/32, Ser. 125 (FSA)	Aaa/AAA
	State Dormitory Auth. Rev.,	
80	5.25%, 9/1/28, (Pre-refunded @ \$102, 9/1/09) (Radian)(b)	Aa3/AA
1,320	5.25%, 9/1/28 (Radian)	Aa3/AA
7,490	5.50%, 5/15/31, Ser. A (AMBAC)	Aaa/AAA
2,600	Catholic Health of Long Island, 5.10%, 7/1/34	Baa1/BBB
2,000	Kaleida Health Hospital, 5.05%, 2/15/25 (FHA)	NR/AAA

5,300

Lenox Hill Hospital, 5.50%, 7/1/30

Ba2/NR

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PIMCO New York Municipal Income Fund II Schedule of Investments

May 31, 2008

Principal Amount (000)		Credit Rating (Moody)
\$1,000	New York Univ. Hospital, 5.625%, 7/1/37, Ser. B	Ba2/BB
5,850	North General Hospital, 5.00%, 2/15/25	NR/AA-
5,000	Rochester General Hospital, 5.00%, 12/1/35 (Radian)	Aa3/AA
4,270	Teachers College, 5.00%, 7/1/32 (MBIA)	Aaa/NR
2,000	Yeshiva Univ., 5.125%, 7/1/34 (AMBAC)	Aaa/NR
2,000	State Environmental Facs. Corp., State Clean Water & Drinking Rev., 5.125%, 6/15/31	Aaa/AAA
	Tobacco Settlement Asset Backed, Inc. Rev., Ser. 1,	
25,000	5.00%, 6/1/34	NR/BBB
25,000	5.75%, 7/15/32, (Pre-refunded @ \$100, 7/15/12) (b)	Aaa/AAA
10,000	6.375%, 7/15/39, (Pre-refunded @ \$101, 7/15/09) (b)	Aaa/AAA
	Triborough Bridge & Tunnel Auth. Rev. (FGIC-TCRS),	
710	5.00%, 1/1/32	Aa2/AA-
3,990	5.00%, 1/1/32, (Pre-refunded @ \$100, 1/1/12) (b)	Aa2/AAA
1,815	Ulster Cnty. Industrial Dev. Agcy. Rev., 6.00%, 9/15/37, Ser. A	NR/NR
2,000	Warren & Washington Cntys. Industrial Dev. Agcy. Rev., Glens Falls Hospital, 5.00%, 12/1/35, Ser. A (FSA)	Aaa/AAA
750	Westchester Cnty. Industrial Dev. Agcy. Continuing Care Retirement Rev., Kendal on Hudson, 6.50%, 1/1/34, (Pre-refunded @ \$100, 1/1/13) (b)	NR/NR
	Total New York Municipal Bonds & Notes (cost \$217,685,267)	

OTHER MUNICIPAL BONDS & NOTES 8.2%**California 3.2%**

3,500	Alameda Unified School Dist., Alameda Cnty., GO, Ser. A (FSA), zero coupon, 8/1/24	Aaa/AAA
3,000	zero coupon, 8/1/25	Aaa/AAA
3,130	Covina Valley Unified School Dist., GO, zero coupon, 6/1/25, Ser. B (FGIC)	Baa3/A+
5,000	Tobacco Securitization Agcy. Rev., Los Angeles Cnty., zero coupon, 6/1/28	Baa3/NF

Colorado 0.0%

210	Dawson Ridge Dist. No. 1, GO, zero coupon, 10/1/22, Ser. A	Aaa/NR
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Puerto Rico 5.0%

4,600	Aqueduct & Sewer Auth. Rev., 6.00%, 7/1/38, Ser. A	Baa3/BB
5,675	Children s Trust Fund Tobacco Settlement Rev., 5.625%, 5/15/43	Baa3/BB
	Electric Power Auth. Power Rev., Ser. NN, (Pre-refunded @ \$100, 7/1/13) (b),	
590	5.125%, 7/1/29	A3/AAA
160	5.125%, 7/1/29	A3/BBB-
	Sales Tax Financing Corp. Rev., Ser. A,	
14,250	zero coupon, 8/1/54 (AMBAC)	Aaa/AAA
12,900	zero coupon, 8/1/56	A1/A+

Total Other Municipal Bonds & Notes (cost \$21,668,180)

PIMCO New York Municipal Income Fund II Schedule of Investments

May 31, 2008

Principal
Amount
(000)

Credit Ra
(Moody s

NEW YORK VARIABLE RATE NOTES (a)(c)(f) 2.9%

\$5,595	Long Island Power Auth. Electric System Rev., 18.77%, 12/1/26, Ser. 339 (MBIA-IBC)	Aaa/NR
1,300	State Urban Dev. Corp. Rev., 17.807%, 3/15/35	NR/AAA

Total New York Variable Rate Notes (cost \$7,009,901)

OTHER VARIABLE RATE NOTES (f) 0.8%

Puerto Rico 0.8%

1,900	Public Finance Corp. Rev., 5.75%, 8/1/27, Ser. A (cost \$1,980,684)	Ba1/BBB-
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U.S. TREASURY BILL (g) 0.0%

45 1.42%, 6/12/08 (cost \$44,980)

Total Investments (cost \$248,389,012) 100.0%

PIMCO Municipal Income Funds II Schedule of Investments

May 31, 2008

Notes to Schedule of Investments:

* Unaudited

- (a) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$55,175,286, representing 3.82% of total investments in Municipal Income II. Securities with an aggregate value of \$10,492,870, representing 1.20% of total investments in California Municipal Income II. Securities with an aggregate value of \$7,328,085, representing 2.90% of total investments in New York Municipal Income II.
- (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. To be issued after May 31, 2008.
- (e) Inverse Floater The 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 May 31, 2008.
- (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) Illiquid security.

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

See accompanying Notes to Financial Statements | 5.31.08 | PIMCO Municipal Income Funds II Annual Report 25

PIMCO Municipal Income Funds II Statements of Assets and Liabilities

May 31, 2008

	Municipal II
Assets:	
Investments, at value (cost \$1,391,731,888, \$861,055,535 and \$249,389,012, respectively)	\$1,442,931,297
Cash	20,388,292
Interest receivable	20,840,512
Deposits with brokers for futures contracts collateral	12,085,100
Receivable for investments sold	730,000
Prepaid expenses and other assets	1,909,568
Total Assets	1,498,884,769
Liabilities:	
Payable to custodian for cash overdraft	
Payable for floating rate notes	158,844,200
Payable for investments purchased	7,400,000
Dividends payable to common and preferred shareholders	3,978,974
Interest payable	1,250,110
Payable for variation margin on futures contracts	1,809,883
Investment management fees payable	615,300
Accrued expenses and other payables	246,679
Total Liabilities	174,145,146
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
Net Assets Applicable to Common Shareholders	\$819,739,623
Composition of Net Assets Applicable to Common Shareholders:	
Common Stock:	
Par value (\$0.00001 per share)	\$591
Paid-in-capital in excess of par	841,166,181
Undistributed (dividends in excess of) net investment income	2,155,462
Accumulated net realized loss on investments	(81,385,803)
Net unrealized appreciation of investments and futures contracts	57,803,192
Net Assets Applicable to Common Shareholders	\$819,739,623
Common Shares Outstanding	59,148,486
Net Asset Value Per Common Share	\$13.86

PIMCO Municipal Income Funds II Statements of Operations

For the year ended May 31, 2008

	Municipal II	California Municipal II
Investment Income:		
Interest	\$80,469,524	\$46,080,654
Miscellaneous income	27,613	
Total Investment Income	80,497,137	46,080,654
Expenses:		
Investment management fees	8,748,406	4,444,269
Interest expense	4,102,668	8,700,878
Auction agent fees and commissions	1,293,522	667,886
Custodian and accounting agent fees	948,525	288,305
Shareholder communications	98,500	93,224
Audit and tax services	89,010	65,074
Trustees' fees and expenses	79,378	45,606
New York Stock Exchange listing fees	45,773	23,793
Transfer agent fees	36,096	29,294
Insurance expense	23,588	12,445
Legal fees	21,918	16,786
Excise tax expense	11,056	
Miscellaneous	9,826	10,730
Total expenses	15,508,266	14,398,290
Less: investment management fees waived	(1,401,281)	(711,915)
custody credits earned on cash balances	(33,371)	(44,871)
Net expenses	14,073,614	13,641,504
Net Investment Income	66,423,523	32,439,150
Realized and Change In Unrealized Gain (Loss):		
Net realized gain (loss) on:		
Investments	12,181,084	1,925,057
Futures contracts	(9,105,714)	(12,527,918)
Options written	2,328,821	1,179,971
Net change in unrealized appreciation/depreciation of:		
Investments	(74,830,105)	(37,252,676)
Futures contracts	(3,628,553)	1,014,805
Net realized and change in unrealized loss on investments, futures contracts and options written	(73,054,467)	(45,660,761)
Net Decrease in Net Assets Resulting from Investment Operations	(6,630,944)	(13,221,611)
Dividends on Preferred Shares from Net Investment Income	(17,559,291)	(8,660,050)
Net Decrease in Net Assets Applicable to Common Shareholders Resulting from Investment Operations	\$(24,190,235)	\$(21,881,661)

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

	Municipal II	
	Year ended May 31,	
	2008	2007
Investment Operations:		
Net investment income	\$66,423,523	\$65,691,34
Net realized gain (loss) on investments, futures contracts and options written	5,404,191	87,615
Net change in unrealized appreciation/depreciation of investments and futures contracts	(78,458,658)	19,514,66
Net increase (decrease) in net assets resulting from investment operations	(6,630,944)	85,293,62
Dividends to Preferred Shareholders from Net investment income	(17,559,291)	(17,388,6
Net increase (decrease) in net assets applicable to common shareholders resulting from investment operations	(24,190,235)	67,904,92
Dividends to Common Shareholders from Net investment income	(46,046,478)	(47,920,3
Capital Share Transactions:		
Reinvestment of dividends	3,161,576	3,998,399
Total increase (decrease) in net assets applicable to common shareholders	(67,075,137)	23,982,97
Net Assets Applicable to Common Shareholders:		
Beginning of year	886,814,760	862,831,7
End of year (including undistributed (dividends in excess of) net investment income of \$2,155,462 and \$(719,429); \$(2,219,623) and \$(1,935,976); \$(621,423) and \$(524,386); respectively)	\$819,739,623	\$886,814,7
Common Shares Issued in Reinvestment of Dividends	223,853	266,561

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	California Municipal II	
	Year ended May 31,	
	2008	2007
Investment Operations:		
Net investment income	\$32,439,150	\$33,005,82
Net realized gain (loss) on investments, futures contracts and options written	(9,422,890)	(931,161
Net change in unrealized appreciation/depreciation of investments and futures contracts	(36,237,871)	11,319,35
Net increase (decrease) in net assets resulting from investment operations	(13,221,611)	43,394,01
Dividends to Preferred Shareholders from Net investment income	(8,660,050)	(8,273,82
Net increase (decrease) in net assets applicable to common shareholders resulting from investment operations	(21,881,661)	35,120,19
Dividends to Common Shareholders from Net investment income	(25,748,032)	(25,618,9
Capital Share Transactions:		
Reinvestment of dividends	2,114,952	2,403,958
Total increase (decrease) in net assets applicable to common shareholders	(45,514,741)	11,905,22
Net Assets Applicable to Common Shareholders:		
Beginning of year	455,284,090	443,378,8
End of year (including undistributed (dividends in excess of) net investment income of \$2,155,462 and \$(719,429); \$(2,219,623) and \$(1,935,976); \$(621,423) and \$(524,386); respectively)	\$409,769,349	\$455,284,0
Common Shares Issued in Reinvestment of Dividends	150,398	158,649

See accompanying Notes to Financial Statements | 5.31.08 | PIMCO Municipal Income Funds II Annual Report 29

PIMCO California Municipal Income Fund II Statement of Cash Flows

For the year ended May 31, 2008

Cash Flows provided by Operating Activities:

Purchases of long-term investments	\$(48,647,139)
Proceeds from sales of long-term investments	69,361,678
Increase in deposits with brokers for futures contracts collateral	(5,940,000)
Interest received	33,214,924
Operating expenses paid	(4,981,317)
Net cash used for futures transactions	(10,617,091)
Net cash provided by options written	1,179,971
Net decrease in short-term investments	3,449,756
Net cash provided by operating activities	37,020,782

Cash Flows from Financing Activities:

Cash dividends paid (excluding reinvestment of \$2,114,952)	(32,286,100)
Payments to retire floating rate notes	(12,700,000)
Cash receipts on issuance of floating rate notes	18,300,000
Net cash used for financing activities*	(26,686,100)

Net increase in cash	10,334,682
Cash at beginning of year	98,840
Cash at end of year	10,433,522

Reconciliation of Net Decrease in Net Assets Resulting from Investment Operations to Net Cash Provided by Operating Activities:

Net decrease in net assets resulting from investment operations	(13,221,611)
Increase in deposits with brokers for futures contracts collateral	(5,940,000)
Increase in receivable for investments sold	(827,397)
Decrease in interest receivable	104,024
Decrease in prepaid expenses and other assets	3,637
Increase in investment management fees payable	6,608
Increase in net payable for variation margin on futures contracts	896,022
Decrease in accrued expenses and other liabilities	(50,936)
Net decrease in investments	56,050,435
Net cash provided by operating activities	\$37,020,782

*** Supplemental Disclosure**

Non-cash financing activity not included consists of interest expense on floating rate notes issued of \$8,700,878.

PIMCO New York Municipal Income Fund II Statement of Cash Flows

For the year ended May 31, 2008

Cash Flows provided by Operating Activities:

Purchases of long-term investments	\$(25,047,524)
Proceeds from sales of long-term investments	43,005,665
Increase in deposits with brokers for futures contracts collateral	(2,220,200)
Interest received	12,529,079
Operating expenses paid	(1,849,871)
Net cash used for futures transactions	(2,586,929)
Net cash provided by options written	448,804
Net decrease in short-term investments	3,325,137
Net cash provided by operating activities	27,604,161

Cash Flows from Financing Activities:

Cash dividends paid (excluding reinvestment of \$682,941)	(10,798,931)
Payments to retire floating rate notes	(18,359,562)
Cash overdraft at custodian	50,913
Net cash used for financing activities*	(29,107,580)

Net decrease in cash	(1,503,419)
Cash at beginning of year	1,503,419
Cash at end of year	

Reconciliation of Net Decrease in Net Assets Resulting from Investment Operations to Net Cash Provided by Operating Activities:

Net decrease in net assets resulting from investment operations	(306,599)
Increase in deposits with brokers for futures contracts collateral	(2,220,200)
Increase in receivable for investments sold	(5,000)
Increase in interest receivable	(164,078)
Increase in prepaid expenses and other assets	(4,852)
Increase in investment management fees payable	4,378
Increase in net payable for variation margin on futures contracts	274,117
Increase in accrued expenses and other liabilities	(13,919)
Net decrease in investments	30,040,314
Net cash provided by operating activities	\$27,604,161

*** Supplemental Disclosure**

Non-cash financing activity not included consists of interest expense on floating rate notes issued of \$1,205,120.

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PIMCO Municipal Income Funds II Notes to Financial Statements

May 31, 2008

1. Organization and Significant Accounting Policies

PIMCO Municipal Income Fund II (Municipal II), PIMCO California Municipal Income Fund II (California Municipal II) and PIMCO New York Municipal Income Fund II (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 Funds investment manager and is an indirect, wholly-owned subsidiary of Allianz Global Investors of America L.P. (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 per share of 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 and other 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 occurred. 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. Fund management has determined that its evaluation of the Interpretation has resulted in no material impact to the Funds' financial statements at May 31, 2008. The Funds' federal tax returns for the prior three fiscal years remain subject to examination by the Internal Revenue Service.

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 SFAS 157 against their current valuation policies to determine future applicability.

In March 2008, the Financial Accounting Standards board issued Statement of Financial Accounting Standards No. 161, Disclosures about Derivative Instruments and Hedging Activities (SFAS 161). SFAS 161 is effective for fiscal years and interim periods beginning after November 15, 2008. SFAS 161 requires enhanced disclosures about a fund s derivative and hedging activities. The Funds Management is currently evaluating the impact the adoption of SFAS 161 will have on the Funds financial statement disclosures.

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PIMCO Municipal Income Funds II Notes to Financial Statements

May 31, 2008

1. Organization and Significant Accounting Policies (continued)

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 pursuant to guidelines established by the Board of Trustees. The Funds' investments are valued daily using prices supplied by an independent pricing service or dealer quotations, 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. Securities purchased on a when-issued 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 these differences could be material to the financial statements of the Funds. 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.

(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 their 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 relevant 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 or unwillingness of counterparties to meet the terms of their contracts.

PIMCO Municipal Income Funds II Notes to Financial Statements

May 31, 2008

1. Organization and Significant Accounting Policies (continued)

(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 their investment strategies. The risk associated with purchasing an option is that the Funds pay a premium whether or not the option is exercised. Additionally, the Funds bear the risk of loss of premium and change in market value should the counterparty not perform under the contract. Put and call options purchased are accounted for in the same manner as portfolio securities. The cost of securities acquired through the exercise of call options is increased by the premiums paid. The proceeds from securities sold through the exercise of put options is decreased by the premiums paid. When an option is written, the premium received is recorded as an asset with an equal liability which is subsequently 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 its 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 collectively, (Inverse Floaters) whose interest rates bear an inverse relationship to the interest rate on another security or the value of an index. In inverse floating rate 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, by including 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 typically every 7 to 35 days by an index or auction process. 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

The Funds may purchase or sell securities on a when-issued or delayed-delivery basis. The 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

PIMCO Municipal Income Funds II Notes to Financial Statements

May 31, 2008

1. Organization and Significant Accounting Policies (continued)

(h) When-Issued/Delayed-Delivery Transactions (continued)

security, including the risk of price and yield fluctuations; consequently, such fluctuations are taken into account when determining their net asset values. The Funds may dispose of or renegotiate a delayed-delivery transaction after it is entered into, and may sell when-issued securities before they are delivered, which may result in a realized gain or loss. When a security on a delayed-delivery basis is sold, the Funds do not participate in future gains and losses with respect to the security.

(i) Custody Credits Earned on Cash Balances

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

(j) Interest Expense

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 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, each 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 fees 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, including net assets attributable to any preferred shares that may be outstanding through June 1, 2008, and for a declining amount thereafter through June 30, 2009. For the fiscal year ended May 31, 2008, each Fund paid investment management fees at an annualized effective rate of 0.55% of each Fund's average daily net assets inclusive of net assets attributable to any preferred shares that may be outstanding.

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 the Funds' investment decisions. 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 year ended May 31, 2008, 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	\$313,704,539	\$48,647,137	\$25,047,524
Sales	308,891,614	70,189,075	43,010,665
(a) Futures contracts outstanding at May 31, 2008:			

<u>Municipal</u> <u>II:</u>	Contracts	Market Value (000)	Expiration Date	Unrealized Appreciation
Short: U.S. Treasury Bond Futures	(894)	\$(102,335)	6/19/08	\$ 3,156,938
U.S. Treasury Bond Futures	(2,549)	(289,312)	9/19/08	3,408,398
				\$ 6,565,336

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PIMCO Municipal Income Funds II Notes to Financial Statements

May 31, 2008

3. Investments in Securities (continued)

<u>California</u>		Market	Expiration	Unrealized
<u>Municipal II:</u>	Contracts	Value	Date	Appreciation
Short: U.S. Treasury Bond Futures	(482)	\$(55,174)	6/19/08	\$ 1,650,984
U.S. Treasury Bond Futures	(1,413)	(160,376)	9/19/08	2,851,985
				\$ 4,502,969

<u>New York</u>		Market	Expiration	Unrealized
<u>Municipal II:</u>	Contracts	Value	Date	Appreciation
Short: U.S. Treasury Bond Futures	(139)	\$(15,911)	6/19/08	\$ 437,211
U.S. Treasury Bond Futures	(414)	(46,989)	9/19/08	760,430
				\$ 1,197,641

Municipal II, California Municipal II and New York Municipal II pledged to brokers \$12,085,100, \$5,940,000, and \$2,220,200, respectively, as collateral for futures contracts.

(b) Transactions in options written for the year ended May 31, 2008:

	Contracts	Premiums
<u>Municipal II:</u>		
Options outstanding, May 31, 2007		\$
Options written	3,296	2,328,821
Options terminated in closing transactions	(3,296)	(2,328,821)
Options outstanding, May 31, 2008		\$

<u>California</u>		
<u>Municipal II:</u>		
Options outstanding, May 31, 2007		\$
Options written	1,670	1,179,971
Options terminated in closing transactions	(1,670)	(1,179,971)
Options outstanding, May 31, 2008		\$

<u>New York</u>		
<u>Municipal II:</u>		
Options outstanding, May 31, 2007		\$
Options written	628	448,804
Options terminated in closing transactions	(628)	(448,804)
Options outstanding, May 31, 2008		\$

4. Income Tax InformationMunicipal II:

The tax character of dividends paid were:

	Year ended May 31, 2008	Year ended May 31, 2007
Ordinary Income	\$5,121,811	\$6,763,575
Tax Exempt Income	\$58,483,958	\$58,545,468

At May 31, 2008, the tax character of distributable earnings of \$2,155,462 was comprised entirely of tax exempt income.

At May 31, 2008, Municipal II had a capital loss carryforward of \$73,281,329 (\$6,389,744 of which will expire in 2012, \$54,505,416 of which will expire in 2013, \$4,473,237 of which will expire in 2014 and \$7,912,932 of which will expire in 2015), available as a reduction, to the extent provided in the regulations, of any future net realized capital gains. To the extent that these losses are used to offset future realized capital gains, such gains will not be distributed.

PIMCO Municipal Income Funds II Notes to Financial Statements

May 31, 2008

4. Income Tax Information (continued)

During the year ended May 31, 2008, the Fund utilized capital loss carryforwards of \$3,871,169 from the previous fiscal periods.

For the year ended May 31, 2008, permanent book-tax differences were primarily attributable to the differing treatment of inverse floater transactions and non-deductible excise taxes paid. These adjustments were to increase undistributed net investment income by \$57,137, decrease paid-in capital by \$10,693 and increase accumulated net realized loss by \$46,444.

California Municipal II:

The tax character of dividends paid were:

	Year ended May 31, 2008	Year ended May 31, 2007
Ordinary Income	\$2,997,085	\$1,663,293
Tax Exempt Income	\$31,410,997	\$32,229,458

At May 31, 2008, there were no distributable earnings due.

At May 31, 2008, California Municipal II had a capital loss carryforward of \$30,629,860 (\$3,919,943 of which will expire in 2012, \$16,328,922 of which will expire in 2013, \$5,531,398 of which will expire in 2015 and \$4,849,597 of which will expire in 2016) available as a reduction, to the extent provided in the regulations, of any future net realized capital gains. To the extent that these losses are used to offset future realized capital gains, such gains will not be distributed.

In accordance with U.S. Treasury regulations, the fund elected to defer realized capital losses of \$2,686,933, arising after October 31, 2007. Such losses are treated as arising on June 1, 2008.

For the year ended May 31, 2008, permanent book-tax differences were primarily attributable to the differing treatment of inverse floater transactions and taxable distributions. These adjustments were to decrease dividends in excess of net investment income by \$1,685,284, decrease accumulated net realized loss by \$33,576 and decrease paid-in-capital by \$1,718,860.

New York Municipal II:

The tax character of dividends paid were:

	Year ended May 31, 2008	Year ended May 31, 2007
Ordinary Income	\$284,260	\$341,156
Tax Exempt Income	\$11,209,828	\$10,991,625

At May 31, 2008, there were no distributable earnings due.

At May 31, 2008, New York Municipal II had a capital loss carryforward of \$7,357,484 (\$378,802 of which will expire in 2012, \$5,755,677 of which will expire in 2013, \$51,848 of which will expire in 2015 and \$1,171,157 of which will expire in 2016), available as a reduction, to the extent provided in the regulations, of any future net realized capital gains. To the extent that these losses are used to offset future realized capital gains, such gains will not be distributed.

In accordance with U.S. Treasury regulations, the fund elected to defer realized capital losses of \$249,974, arising after October 31, 2007. Such losses are treated as arising on June 1, 2008.

For the year ended May 31, 2008, permanent book-tax differences were primarily attributable to the differing treatment of inverse floater transactions. These adjustments were to decrease dividends in excess of net investment income by \$6,740 and increase accumulated net realized loss by \$6,740.

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PIMCO Municipal Income Funds II Notes to Financial Statements

May 31, 2008

4. Income Tax Information (continued)

The cost of investments for federal income tax purposes, gross unrealized appreciation and gross unrealized depreciation of investments at May 31, 2008 were:

	Cost of Investments	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation
Municipal II	\$1,236,229,957	\$ 72,793,975	\$ 23,095,273	\$ 49,698,702
California Municipal II	635,443,953	27,474,359	17,076,921	10,397,438
New York Municipal II	227,121,766	8,115,944	5,438,316	2,677,628

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 year ended May 31, 2008, the annualized dividend rates ranged from:

	High	Low	At May 31, 2008
<u>Municipal II:</u>			
Series A	5.00%	2.40%	2.589%
Series B	4.356%	2.00%	2.559%
Series C	4.508%	2.00%	2.483%
Series D	5.00%	2.00%	2.483%
Series E	5.00%	2.589%	2.589%
<u>California Municipal II:</u>			
Series A	6.00%	1.90%	2.589%
Series B	6.00%	2.15%	2.559%
Series C	4.508%	2.00%	2.483%
Series D	4.508%	2.188%	2.483%
Series E	6.00%	2.30%	2.589%

New York Municipal II:

Series A	6.00%	2.483%	2.483%
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