

PIMCO MUNICIPAL INCOME FUND
Form N-Q
September 17, 2010

OMB APPROVAL

OMB Number: 3235-0578
Expires: April 30, 2013
Estimated average burden
hours per response: 5.6

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

**Investment Company Act File
Number:** 811-10377

Registrant Name: PIMCO Municipal Income Fund

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

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

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

Date of Fiscal Year End: April 30, 2011

Date of Reporting Period: July 31, 2010

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

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-2001. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

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

July 31, 2010 (unaudited)

| Principal Amount (000s) | | Credit Rating (Moody s/S&P) | Value* |
|--|--|--------------------------------|--------------|
| MUNICIPAL BONDS & NOTES 95.0% | | | |
| Alabama 0.9% | | | |
| \$ 2,500 | Birmingham-Baptist Medical Centers Special Care Facs. Financing Auth. Rev., Baptist Health Systems, Inc., 5.875%, 11/15/24, Ser. A | Baa2/NR | \$ 2,502,650 |
| 250 | Huntsville-Redstone Village Special Care Facs. Financing Auth. Rev., Redstone Village Project, 5.50%, 1/1/28 | NR/NR | 208,835 |
| 885 | 5.50%, 1/1/43 | NR/NR | 663,874 |
| 1,350 | Montgomery Medical Clinic Board Rev., Jackson Hospital & Clinic, 5.25%, 3/1/31 | Baa2/BBB- | 1,286,307 |
| | | | 4,661,666 |
| Alaska 1.1% | | | |
| 3,280 | Borough of Matanuska-Susitna Rev., Goose Creek Correctional Center, 6.00%, 9/1/32 (AGC) | Aa2/AAA | 3,772,328 |
| 900 | Industrial Dev. & Export Auth. Rev., Boys & Girls Home, 6.00%, 12/1/36 | NR/NR | 523,539 |
| 2,400 | Northern Tobacco Securitization Corp. Rev., 5.00%, 6/1/46, Ser. A | Baa3/NR | 1,573,608 |
| | | | 5,869,475 |
| Arizona 4.9% | | | |
| 5,000 | Apache Cnty. Industrial Dev. Auth. Rev., Tucson Electric Power Co. Project, 5.875%, 3/1/33, Ser. B | Baa3/BBB- | 5,014,700 |
| 2,050 | Health Facs. Auth. Rev., Banner Health, 5.50%, 1/1/38, Ser. D | NR/A+ | 2,112,710 |
| 2,750 | Beatitudes Campus Project, 5.20%, 10/1/37 | NR/NR | 2,162,792 |
| 2,500 | Maricopa Cnty. Pollution Control Corp. Rev., 5.00%, 6/1/35, Ser. A | A1/A | 2,526,925 |
| 4,150 | Pima Cnty. Industrial Dev. Auth. Rev., Tucson Electric Power Co., 6.375%, 9/1/29, Ser. A | Baa3/BBB- | 4,247,857 |
| 5,000 | Salt River Project Agricultural Improvement & Power Dist. Rev., 5.00%, 1/1/39, Ser. A (i) | Aa1/AA | 5,262,600 |
| 4,200 | Salt Verde Financial Corp. Rev., 5.00%, 12/1/37 | A3/A | 3,721,578 |
| | | | 25,049,162 |

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| | | | |
|------------------------|---|----------|------------|
| Arkansas 0.4% | | | |
| 8,500 | Dev. Finance Auth. Rev., Arkansas Cancer Research Center Project, zero coupon, 7/1/36 (AMBAC) | Aa2/NR | 2,324,920 |
| California 8.0% | | | |
| 3,000 | Chula Vista Rev., San Diego Gas & Electric, 5.875%, 2/15/34, Ser. B | Aa3/A+ | 3,374,220 |
| 6,000 | Golden State Tobacco Securitization Corp. Rev., 5.00%, 6/1/33, Ser. A-1 | Baa3/BBB | 4,591,320 |
| 2,000 | Health Facs. Financing Auth. Rev., Catholic Healthcare West, 6.00%, 7/1/39, Ser. A | A2/A | 2,130,420 |
| 4,175 | Montebello Unified School Dist., GO, 5.00%, 8/1/33 (AGM) | Aa3/AAA | 4,271,610 |
| 5,000 | Orange Cnty. Airport Rev., 5.25%, 7/1/39, Ser. A State, GO, | Aa3/AA- | 5,146,700 |
| 300 | 5.00%, 6/1/37 | A1/A- | 293,475 |
| 4,200 | 6.00%, 4/1/38 | A1/A- | 4,534,782 |
| 1,000 | Statewide Communities Dev. Auth. Rev., Catholic Healthcare West, 5.50%, 7/1/31, Ser. E | A2/A | 1,031,800 |
| 2,600 | Methodist Hospital Project (FHA), 6.625%, 8/1/29 | Aa2/AA | 3,000,712 |
| 9,500 | 6.75%, 2/1/38 | Aa2/AA | 10,899,730 |

PIMCO Municipal Income Fund Schedule of Investments

July 31, 2010 (unaudited)

| Principal Amount (000s) | | Credit Rating (Moody s/S&P) | Value* |
|----------------------------|---|--------------------------------|--------------|
| | California (continued) | | |
| \$ 4,000 | Whittier Union High School Dist., GO, zero coupon, 8/1/25 | NR/AA- | \$ 1,711,400 |
| | | | 40,986,169 |
| | Colorado 0.6% | | |
| 500 | Confluence Metropolitan Dist. Rev., 5.45%, 12/1/34 | NR/NR | 353,470 |
| 450 | Denver Health & Hospital Auth. Rev., 5.625%, 12/1/40 | NR/BBB | 447,692 |
| 500 | Public Auth. for Colorado Energy Rev., 6.50%, 11/15/38 | A2/A | 554,290 |
| 1,500 | Univ. of Colorado Rev., 5.375%, 6/1/38, Ser. A | Aa2/AA- | 1,612,725 |
| | | | 2,968,177 |
| | Connecticut 0.2% | | |
| 1,000 | State Dev. Auth. Rev., Connecticut Light & Power Co., 5.85%, 9/1/28, Ser. A | Baa1/BBB | 1,017,910 |
| | Delaware 0.1% | | |
| 650 | State Economic Dev. Auth. Rev., Delmarva Power & Light Co., 5.40%, 2/1/31 | Baa2/BBB+ | 672,314 |
| | District of Columbia 1.3% | | |
| 2,500 | Dist. of Columbia Rev., Brookings Institution, 5.75%, 10/1/39 | Aa3/A+ | 2,780,600 |
| 3,895 | Tobacco Settlement Financing Corp. Rev., 6.25%, 5/15/24 | Baa3/BBB | 3,943,493 |
| | | | 6,724,093 |
| | Florida 4.0% | | |
| 895 | Beacon Lakes Community Dev. Dist., Special Assessment, 6.00%, 5/1/38, Ser. A | NR/NR | 777,200 |
| 4,000 | Broward Cnty. Water & Sewer Rev., 5.25%, 10/1/34, Ser. A (i) | Aa2/AA | 4,208,280 |
| 500 | Lee Cnty. Industrial Dev. Auth. Rev., Sara Lee Charter Foundation, 5.375%, 6/15/37, Ser. A | NR/BB | 410,445 |
| 3,000 | Miami-Dade Cnty. Airport Rev., 5.50%, 10/1/36, Ser. A | A2/A- | 3,077,880 |
| 1,250 | Miami-Dade Cnty. School Board, CP, 5.375%, 2/1/34, Ser. A (AGC) | Aa3/AAA | 1,301,412 |
| 3,900 | State Board of Education, GO, 5.00%, 6/1/38, Ser. D (i) | Aa1/AAA | 4,089,735 |

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|--------|--|---------|------------|
| 5,685 | State Board of Governors Rev., Florida Univ., 6.50%, 7/1/33 | Aa2/AA | 6,515,124 |
| | | | 20,380,076 |
| | Georgia 0.4% | | |
| 2,300 | Medical Center Hospital Auth. Rev., Spring Harbor Green Island Project, 5.25%, 7/1/37 | NR/NR | 1,881,699 |
| | Illinois 4.9% | | |
| 5,000 | Chicago, GO, 5.00%, 1/1/34, Ser. C (i) | Aa2/AA- | 5,092,550 |
| 10,115 | Chicago Board of Education School Reform, GO, zero coupon, 12/1/31, Ser. A (FGIC-NPFGC) | Aa2/AA- | 2,957,626 |
| 1,250 | Chicago Motor Fuel Tax Rev., 5.00%, 1/1/38, Ser. A (AGC) Finance Auth. Rev., | Aa3/AAA | 1,273,963 |
| 1,000 | Memorial Health Systems, 5.50%, 4/1/39 | A1/A+ | 1,009,520 |
| 400 | OSF Healthcare System, 7.125%, 11/15/37, Ser. A Univ. of Chicago, | A3/A | 440,644 |
| 190 | 5.25%, 7/1/41, Ser. 05-A | Aa1/AA | 193,230 |
| 10,000 | 5.50%, 7/1/37, Ser. B (i) | Aa1/AA | 10,972,500 |
| 1,900 | Springfield Electric Rev., 5.00%, 3/1/36 | Aa3/AA- | 1,917,822 |
| 1,495 | Univ. of Illinois Rev., 5.25%, 4/1/32, Ser. B (FGIC-NPFGC) | Aa2/AA- | 1,500,561 |
| | | | 25,358,416 |

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|----------------------------|---|--------------------------------|--------------|
| Indiana 0.7% | | | |
| | Finance Auth. Rev., | | |
| \$ 1,500 | Duke Energy Indiana, Inc., 6.00%, 8/1/39, Ser. B | NR/A | \$ 1,630,200 |
| 1,000 | United States Steel Corp., 6.00%, 12/1/26 | Ba2/BB | 1,032,110 |
| 1,000 | Municipal Power Agcy. Rev., 6.00%, 1/1/39, Ser. B | A1/A+ | 1,077,870 |
| | | | 3,740,180 |
| Iowa 1.7% | | | |
| | Finance Auth. Rev., | | |
| 4,890 | Deerfield Retirement Community, Inc., 5.50%, 11/15/37, Ser. A | NR/NR | 3,283,782 |
| | Edgewater LLC Project, | | |
| 3,500 | 6.75%, 11/15/37 | NR/NR | 3,344,565 |
| 1,500 | 6.75%, 11/15/42 | NR/NR | 1,408,485 |
| 1,600 | Wedum Walnut Ridge LLC Project, 5.625%, 12/1/45, Ser. A (b) | NR/NR | 969,440 |
| | | | 9,006,272 |
| Kansas 1.5% | | | |
| 1,000 | Dev. Finance Auth. Rev., Adventist Health, 5.75%, 11/15/38 | Aa3/AA- | 1,101,880 |
| 1,000 | Lenexa City, Tax Allocation, Center East Project, 6.00%, 4/1/27 | NR/NR | 815,970 |
| 650 | Manhattan Rev., Meadowlark Hills Retirement, 5.125%, 5/15/42, Ser. B | NR/NR | 513,130 |
| 5,000 | Wichita Hospital Rev., Facs. Improvements, 5.625%, 11/15/31, Ser. III | NR/A+ | 5,108,300 |
| | | | 7,539,280 |
| Kentucky 1.0% | | | |
| | Economic Dev. Finance Auth. Rev., | | |
| | Baptist Healthcare Systems, Ser. A, | | |
| 1,000 | 5.375%, 8/15/24 | Aa3/NR | 1,097,780 |
| 1,200 | 5.625%, 8/15/27 | Aa3/NR | 1,314,180 |
| 1,000 | Owensboro Medical Healthcare Systems, 6.375%, 6/1/40, Ser. A | Baa2/NR | 1,042,500 |
| 760 | St. Luke s Hospital, 6.00%, 10/1/19, Ser. B | A3/A | 762,789 |
| 1,000 | Ohio Cnty. Pollution Control Rev., Big Rivers Electric Corp., 6.00%, 7/15/31, Ser. A | Baa1/BBB- | 1,023,570 |
| | | | 5,240,819 |

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|---------------------------|---|----------|------------|
| Louisiana 6.2% | | | |
| 3,930 | Local Gov t Environmental Facs. & Community Dev. Auth. Rev., Capital Projects & Equipment Acquisition, 6.55%, 9/1/25 (ACA) | NR/NR | 3,612,535 |
| 750 | Woman s Hospital Foundation, 5.875%, 10/1/40, Ser. A | A3/BBB+ | 751,350 |
| 27,895 | Tobacco Settlement Financing Corp. Rev., 5.875%, 5/15/39, Ser. 2001-B | Baa3/BBB | 27,379,500 |
| | | | 31,743,385 |
| Maryland 0.3% | | | |
| 1,500 | Economic Dev. Corp. Rev., 5.75%, 6/1/35, Ser. B | Baa3/NR | 1,540,650 |
| Massachusetts 0.4% | | | |
| 550 | Dev. Finance Agcy. Rev., Linden Ponds, Inc. Fac., 5.75%, 11/15/35, Ser. A | NR/NR | 399,867 |
| 1,500 | State College Building Auth. Rev., 5.50%, 5/1/39, Ser. A | Aa2/AA- | 1,647,090 |
| | | | 2,046,957 |

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|----------------------------|---|--------------------------------|------------|
| | Michigan 2.2% | | |
| \$ 1,000 | Detroit, GO, 5.375%, 4/1/17, Ser. A-1 (NPFGC) | Baa1/A | \$ 988,380 |
| 4,550 | Garden City Hospital Finance Auth. Rev., 5.00%, 8/15/38, Ser. A | NR/NR | 3,055,052 |
| | Royal Oak Hospital Finance Auth. Rev., William Beaumont Hospital, | | |
| 50 | 5.25%, 11/15/35, Ser. M (NPFGC) | A1/A | 47,321 |
| 1,500 | 8.25%, 9/1/39 | A1/A | 1,800,660 |
| 3,260 | State Hospital Finance Auth. Rev., Detroit Medical Center, 6.25%, 8/15/13, Ser. A | Ba3/BB- | 3,270,562 |
| 2,000 | Strategic Fund Rev., Detroit Edison Co. Pollution Control, 5.45%, 9/1/29, Ser. C | A2/A- | 2,014,840 |
| | | | 11,176,815 |
| | Minnesota 0.4% | | |
| 95 | Agricultural & Economic Dev. Board Rev., Health Care Systems, 6.375%, 11/15/29, Ser. A | A2/A | 96,320 |
| 1,500 | St. Louis Park Rev., Nicollett Health Services, 5.75%, 7/1/39 | NR/A | 1,509,255 |
| 500 | Washington Cnty. Housing & Redev. Auth. Rev., Birchwood & Woodbury Projects, 5.625%, 6/1/37, Ser. A | NR/NR | 459,545 |
| | | | 2,065,120 |
| | Missouri 0.2% | | |
| 1,000 | Joplin Industrial Dev. Auth. Rev., Christian Homes, Inc., 5.75%, 5/15/26, Ser. F | NR/NR | 949,220 |
| | Montana 0.2% | | |
| 1,000 | Forsyth Pollution Control Rev., 5.00%, 5/1/33, Ser. A | A3/A- | 1,042,930 |
| | Nevada 3.1% | | |
| 5,000 | Clark Cnty., GO, 4.75%, 6/1/30 (AGM) | Aaa/AAA | 4,999,700 |
| | Washoe Cnty., Water & Sewer, GO (NPFGC), | | |
| 9,755 | 5.00%, 1/1/35 | Aa1/AA | 9,916,153 |
| 1,030 | 5.00%, 1/1/35 (Pre-refunded @ \$100, 1/1/16) (c) | Aa1/AA | 1,214,236 |
| | | | 16,130,089 |

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|---------------------------|---|-----------|------------|
| New Hampshire 0.6% | | | |
| 3,000 | Business Finance Auth. Pollution Control Rev., Connecticut Light & Power Co., 5.85%, 12/1/22, Ser. A | Baa1/BBB | 3,053,820 |
| New Jersey 5.4% | | | |
| 2,000 | Economic Dev. Auth. Rev., School Facs. Construction, 5.50%, 12/15/34, Ser. Z (AGC) | Aa3/AAA | 2,212,880 |
| 16,550 | Economic Dev. Auth., Special Assessment, Kapkowski Road Landfill Project, 5.75%, 4/1/31 | Baa3/NR | 16,829,860 |
| 1,000 | Health Care Facs. Financing Auth. Rev., Trinitas Hospital, 5.25%, 7/1/30, Ser. A | Baa3/BBB- | 913,470 |
| 2,000 | State Turnpike Auth. Rev., 5.25%, 1/1/40, Ser. E | A3/A+ | 2,115,440 |
| 9,100 | Tobacco Settlement Financing Corp. Rev., 5.00%, 6/1/41, Ser. 1-A | Baa3/BBB | 5,990,530 |
| | | | 28,062,180 |
| New Mexico 1.5% | | | |
| 1,000 | Farmington Pollution Control Rev., 5.90%, 6/1/40, Ser. D | Baa3/BB+ | 1,006,570 |
| 6,400 | Hospital Equipment Loan Council Rev., Presbyterian Healthcare, 5.00%, 8/1/39 | Aa3/AA- | 6,544,192 |
| | | | 7,550,762 |

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July 31, 2010 (unaudited)

| Principal Amount (000s) | | Credit Rating (Moody s/S&P) | Value* |
|----------------------------|--|--------------------------------|--------------|
| New York 6.8% | | | |
| \$ 7,500 | Liberty Dev. Corp. Rev., Goldman Sachs Headquarters, 5.25%, 10/1/35 | A1/A | \$ 7,690,200 |
| 3,000 | 5.50%, 10/1/37 | A1/A | 3,175,140 |
| 4,200 | Nassau Cnty. Industrial Dev. Agcy. Rev., Amsterdam at Harborside, 6.70%, 1/1/43, Ser. A | NR/NR | 4,206,930 |
| 13,000 | New York City Municipal Water Finance Auth. Water & Sewer Rev., 5.00%, 6/15/26, Ser. E (i) | Aa1/AAA | 13,297,050 |
| 670 | 5.00%, 6/15/37, Ser. D (i) | Aa1/AAA | 698,113 |
| 3,000 | Second Generation Resolutions, 5.00%, 6/15/39, Ser. GG-1 | Aa2/AA+ | 3,162,330 |
| 1,000 | State Dormitory Auth. Rev., 5.00%, 3/15/38, Ser. A | NR/AAA | 1,060,990 |
| 1,625 | Westchester Cnty. Healthcare Corp. Rev., 5.875%, 11/1/25, Ser. A | Baa1/BBB | 1,625,618 |
| | | | 34,916,371 |
| North Carolina 0.3% | | | |
| 570 | Capital Facs. Finance Agcy. Rev., Duke Univ. Project, 5.125%, 10/1/41, Ser. A | Aa1/AA+ | 581,508 |
| 1,500 | Medical Care Commission Rev., Village at Brookwood, 5.25%, 1/1/32 | NR/NR | 1,098,630 |
| | | | 1,680,138 |
| Ohio 2.8% | | | |
| 11,000 | Buckeye Tobacco Settlement Financing Auth. Rev., 5.875%, 6/1/47, Ser. A-2 | Baa3/BBB | 7,851,690 |
| 500 | Higher Educational Fac. Commission Rev., Univ. Hospital Health Systems, 6.75%, 1/15/39, Ser. 2009-A | A2/A | 536,340 |
| 2,500 | Lorain Cnty. Hospital Rev., Catholic Healthcare, Ser. A, 5.625%, 10/1/17 | A1/AA- | 2,582,800 |
| 2,565 | 5.75%, 10/1/18 | A1/AA- | 2,650,594 |
| 500 | Montgomery Cnty. Rev., Miami Valley Hospital, 6.25%, 11/15/39, Ser. A | Aa3/NR | 526,525 |
| 250 | State Rev., Ashland Univ. Project, 6.25%, 9/1/24 | Ba1/NR | 256,847 |
| | | | 14,404,796 |

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| Oregon 0.5% | | | |
| 2,000 | Oregon Health & Science Univ. Rev., 5.75%, 7/1/39, Ser. A | A2/BBB+ | 2,125,880 |
| 600 | State Department of Administrative Services, CP, 5.25%, 5/1/39, Ser. A | Aa2/AA- | 634,404 |
| | | | 2,760,284 |
| Pennsylvania 6.1% | | | |
| 5,000 | Geisinger Auth. Rev., 5.25%, 6/1/39, Ser. A | Aa2/AA | 5,222,150 |
| 2,000 | Harrisburg Auth. Rev., Harrisburg Univ. of Science, 6.00%, 9/1/36, Ser. B | NR/NR | 1,796,780 |
| 500 | Higher Educational Facs. Auth. Rev., Edinboro Univ. Foundation, 6.00%, 7/1/43 | Baa3/BBB- | 508,935 |
| 750 | Thomas Jefferson Univ., 5.00%, 3/1/40 | A1/AA- | 772,410 |
| 6,200 | UPMC Health System, 6.00%, 1/15/31, Ser. A (Pre-refunded @ \$101, 1/15/11) (c) | Aa3/A+ | 6,421,154 |
| | Lancaster Cnty. Hospital Auth. Rev., Brethren Village Project, Ser. A, | | |
| 750 | 6.25%, 7/1/26 | NR/NR | 741,765 |
| 85 | 6.375%, 7/1/30 | NR/NR | 82,617 |

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July 31, 2010 (unaudited)

| Principal Amount (000s) | | Credit Rating (Moody s/S&P) | Value* |
|----------------------------|---|--------------------------------|--------------|
| | Pennsylvania (continued) | | |
| \$ 1,100 | Luzerne Cnty. Industrial Dev. Auth. Rev., Pennsylvania American Water Co., 5.50%, 12/1/39 | A2/A | \$ 1,135,541 |
| 7,000 | Philadelphia, GO, 5.25%, 12/15/32, Ser. A (AGM) | Aa3/AAA | 7,268,240 |
| 4,700 | Philadelphia Hospitals & Higher Education Facs. Auth. Rev., Temple Univ. Hospital, 6.625%, 11/15/23, Ser. A | Baa3/BBB | 4,701,739 |
| 500 | Philadelphia Water Rev., 5.25%, 1/1/36, Ser. A | A1/A | 521,720 |
| 2,000 | Turnpike Commission Rev., 5.125%, 12/1/40, Ser. D | A3/A- | 2,030,220 |
| | | | 31,203,271 |
| | Puerto Rico 1.3% | | |
| 135 | Commonwealth of Puerto Rico, Public Improvements, GO, 5.00%, 7/1/35, Ser. B | A3/BBB- | 132,542 |
| 32,550 | Sales Tax Financing Corp. Rev., zero coupon, 8/1/54, Ser. A (AMBAC) | Aa2/AA- | 2,045,442 |
| 29,200 | zero coupon, 8/1/56, Ser. A | Aa2/AA- | 1,589,648 |
| 3,000 | 5.375%, 8/1/38, Ser. C | A1/A+ | 3,040,500 |
| | | | 6,808,132 |
| | Rhode Island 4.4% | | |
| 23,800 | Tobacco Settlement Financing Corp. Rev., 6.25%, 6/1/42, Ser. A | Baa3/BBB | 22,634,514 |
| | South Carolina 1.4% | | |
| 3,500 | Greenwood Cnty. Hospital Rev., Self Memorial Hospital, 5.50%, 10/1/21 | A2/A | 3,543,575 |
| 2,000 | 5.50%, 10/1/26 | A2/A | 2,015,780 |
| 450 | Jobs-Economic Dev. Auth. Rev., Lutheran Homes, 5.50%, 5/1/28 | NR/NR | 400,374 |
| 1,000 | State Public Service Auth. Rev., 5.25%, 1/1/39, Ser. B | Aa2/AA- | 1,081,790 |
| | | | 7,041,519 |
| | Tennessee 4.7% | | |
| 940 | Memphis Health Educational & Housing Fac. Board Rev., Wesley Housing Corp. Project, 6.95%, 1/1/20 (a)(b)(e)(j) | NR/NR | 942,331 |

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|-------|--|---------|------------|
| | (acquisition cost-\$935,300; purchased 6/29/01) | | |
| 5,000 | Metropolitan Gov t Nashville & Davidson Cnty. Health & Educational Facs. Board Rev., Vanderbilt Univ., 5.00%, 10/1/39, Ser. 3012 (i) | Aa2/AA | 5,364,150 |
| | Tennessee Energy Acquisition Corp. Rev., | | |
| 370 | 5.00%, 2/1/21, Ser. C | Baa1/A | 373,308 |
| 5,000 | 5.00%, 2/1/27, Ser. C | Baa1/A | 4,895,550 |
| 6,460 | 5.25%, 9/1/17, Ser. A | Ba3/BB+ | 6,752,573 |
| 600 | 5.25%, 9/1/21, Ser. A | Ba3/BB+ | 613,128 |
| 300 | 5.25%, 9/1/22, Ser. A | Ba3/BB+ | 305,634 |
| 5,000 | 5.25%, 9/1/24, Ser. A | Ba3/BB+ | 5,059,400 |
| | | | 24,306,074 |

Texas 8.6%

| | | | |
|--------|--|---------|-----------|
| 10,000 | Coppell Independent School Dist., GO, zero coupon, 8/15/29 (PSF-GTD) | Aaa/AAA | 4,295,500 |
| 1,200 | Dallas Rev., Dallas Civic Center, 5.25%, 8/15/38 (AGC) | Aa3/AAA | 1,240,956 |
| 20 | Duncanville Independent School Dist., GO, 5.25%, 2/15/32, Ser. B (PSF-GTD) | Aaa/AAA | 20,457 |
| 285 | Mansfield Independent School Dist., GO, 5.25%, 2/15/23 (PSF-GTD) | Aaa/AAA | 289,574 |
| 6,500 | Municipal Gas Acquisition & Supply Corp. I Rev., 5.25%, 12/15/23, Ser. A | A2/A | 6,438,055 |

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| Principal Amount (000s) | | Credit Rating (Moody s/S&P) | Value* |
|----------------------------|--|--------------------------------|------------|
| | Texas (continued) | | |
| \$ 150 | 5.25%, 12/15/25, Ser. A | A2/A | \$ 147,969 |
| 6,500 | 6.25%, 12/15/26, Ser. D | A2/A | 7,072,585 |
| | North Harris Cnty. Regional Water Auth. Rev., | | |
| 4,200 | 5.25%, 12/15/33 | A1/A+ | 4,328,688 |
| 4,200 | 5.50%, 12/15/38 | A1/A+ | 4,362,204 |
| | North Texas Tollway Auth. Rev., | | |
| 3,000 | 5.25%, 1/1/44, Ser. C | A2/A- | 3,040,560 |
| 6,050 | 5.625%, 1/1/33, Ser. A | A2/A- | 6,338,585 |
| 600 | 5.75%, 1/1/33, Ser. F | A3/BBB+ | 629,436 |
| 400 | State Public Finance Auth. Rev., 5.875%, 12/1/36, Ser. A | Baa3/BBB- | 397,576 |
| 4,000 | Tarrant Cnty. Cultural Education Facs. Finance Corp. Rev., | | |
| | Baylor Health Care Systems Project, 6.25%, 11/15/29 | Aa2/AA- | 4,490,880 |
| 1,000 | Uptown Dev. Auth., Tax Allocation, Infrastructure | | |
| | Improvement Facs., 5.50%, 9/1/29 | NR/BBB+ | 1,014,860 |
| | | | 44,107,885 |
| | U. S. Virgin Islands 0.1% | | |
| 500 | Virgin Islands Public Finance Auth. Rev., 5.00%, 10/1/39, Ser. A-1 | Baa2/BBB | 478,535 |
| | Utah 1.4% | | |
| 7,000 | Salt Lake Cnty. Rev., IHC Health Services, 5.125%, 2/15/33 (AMBAC) | WR/AA+ | 7,190,890 |
| | Virginia 0.6% | | |
| 1,000 | Fairfax Cnty. Industrial Dev. Auth. Rev., Inova Health Systems, 5.50%, 5/15/35, Ser. A | Aa2/AA+ | 1,083,880 |
| 2,000 | Peninsula Town Center Community Dev. Auth. Rev., 6.45%, 9/1/37 | NR/NR | 1,967,200 |
| | | | 3,051,080 |
| | Washington 1.1% | | |
| | Health Care Facs. Auth. Rev., | | |
| 700 | Multicare Health Systems, 6.00%, 8/15/39, Ser. B (AGC) | Aa3/AAA | 752,990 |
| 250 | Seattle Cancer Care Alliance, 7.375%, 3/1/38 | A3/NR | 281,690 |

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| | | | |
|-------|---|----------|-----------|
| 2,000 | Virginia Mason Medical Center, 6.125%, 8/15/37, Ser. A State Housing Finance Commission Rev., Skyline at First Hill Project, Ser. A | Baa2/BBB | 2,054,440 |
| 275 | 5.25%, 1/1/17 | NR/NR | 239,253 |
| 3,600 | 5.625%, 1/1/38 | NR/NR | 2,282,616 |
| | | | 5,610,989 |

Wisconsin 2.7%

| | | | |
|--------|--|---------|------------|
| | Health & Educational Facs. Auth. Rev., | | |
| 2,230 | Kenosha Hospital & Medical Center Project, 5.625%, 5/15/29 | NR/A | 2,230,557 |
| 500 | Prohealth Care, Inc., 6.625%, 2/15/39 | A1/A+ | 547,495 |
| 10,000 | State Rev., 6.00%, 5/1/36, Ser. A | Aa3/AA- | 11,027,800 |
| | | | 13,805,852 |

Total Municipal Bonds & Notes (cost \$470,909,496)

488,782,886

VARIABLE RATE NOTES (a)(d)(f)(g) 3.1%

Illinois 1.2%

| | | | |
|-------|--|--------|-----------|
| 5,950 | Cook Cnty., GO, 7.62%, 11/15/28, Ser. 458 (FGIC) | Aa3/NR | 5,972,312 |
|-------|--|--------|-----------|

PIMCO Municipal Income Fund Schedule of Investments

July 31, 2010 (unaudited)

| Principal Amount (000s) | | Credit Rating (Moody's/S&P) | Value* |
|-------------------------------|---|--------------------------------|-----------------------|
| | Texas 0.4% | | |
| \$ 1,000 | JPMorgan Chase Putters/Drivers Trust, GO, 7.824%, 2/1/17, Ser. 3480 | NR/AA+ | \$ 1,119,990 |
| 200 | JPMorgan Chase Putters/Drivers Trust Rev., 8.26%, 2/1/27, Ser. 3224 | Aa1/NR | 241,272 |
| 600 | 8.344%, 10/1/31, Ser. 3227 | NR/AAA | 726,324 |
| | | | 2,087,586 |
| | Washington 1.5% | | |
| 6,670 | JPMorgan Chase Putters/Drivers Trust, GO, 11.318%, 8/1/28, Ser. 3388 | NR/AA+ | 7,919,091 |
| | Total Variable Rate Notes (cost \$14,151,152) | | 15,978,989 |
| | SHORT-TERM INVESTMENT (h) 1.9% | | |
| | Corporate Notes 1.9% | | |
| | Financial Services 1.9% | | |
| 10,000 | American General Finance Corp., 4.625%, 9/1/10 (cost \$9,758,887) | B2/B | 9,975,000 |
| | Total Investments (cost \$494,819,535) 100.0% | | \$ 514,736,875 |

Notes to Schedule of Investments:

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

Portfolio securities and other financial instruments for which market quotations are not readily available, or for which development/event occurs that may significantly impact the value of a security, are fair-valued, in good faith, pursuant to procedures established by the Board of Trustees, or persons acting at their discretion pursuant to procedures established by the Board of Trustees. The Fund's investments are valued daily using

prices supplied by an independent pricing service or dealer quotations, or by using the last sale price on the exchange that is the primary market for such securities, or the mean between the last quoted bid and ask 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.

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

The prices used by the Fund to value securities may differ from the value that would be realized if the securities were

sold and these differences could be material. The Fund's net asset value is normally determined as of the close of regular trading (normally, 4:00 p.m. Eastern time) on the New York Stock Exchange (NYSE) on each day the NYSE is open for business.

- (a) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$16,921,320 representing 3.3% of total investments.
- (b) Illiquid.
- (c) Pre-refunded bonds are collateralized by U.S. Government or other eligible securities which are held in escrow and used to pay principal and interest and retire the bonds at the earliest refunding date (payment date) and/or whose interest rates vary with changes in a designated base rate (such as the prime interest rate).
- (d) 144A Exempt from registration under Rule 144A of the Securities Act of 1933. These

securities may be resold in transactions exempt from registration, typically only to qualified institutional buyers. Unless otherwise indicated, these securities are not considered to be illiquid.

- (e) In default.
- (f) Inverse Floater The interest rate shown bears an inverse relationship to the interest rate of another security or the value of an index. The interest rate disclosed reflects the rate in effect on July 31, 2010.
- (g) 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 July 31, 2010.
- (h) All or partial amount segregated for the benefit of the counterparty as collateral for reverse repurchase

agreement.

- (i) Residual Interest
Bonds held in
Trust Securities
represent underlying
bonds transferred to
a separate
securitization trust
established in a
tender option bond
transaction in which
the Fund acquired
the residual interest
certificates. These
securities serve as
collateral in a
financing
transaction.

- (j) Restricted. The
aggregate acquisition
cost of such
securities is
\$935,300 and the
aggregate market
value is \$942,331,
representing 0.2% of
total investments.

Glossary:

ACA insured by American Capital Access Holding Ltd.
AGC insured by Assured Guaranty Corp.
AGM insured by Assured Guaranty Municipal Corp.
AMBAC insured by American Municipal Bond Assurance Corp.
CP Certificates of Participation
FGIC insured by Financial Guaranty Insurance Co.
FHA insured by Federal Housing Administration
GO General Obligation Bond
GTD Guaranteed
NPFGC insured by National Public Finance Guarantee Corp.
NR Not Rated
PSF Public School Fund
WR Withdrawn Rating

Other Investments:**(A) Open reverse repurchase agreements at July 31, 2010:**

| Counterparty | Rate | Trade Date | Maturity Date | Principal & Interest | Principal |
|-----------------|--------|------------|---------------|-------------------------|--------------|
| Bank of America | 0.70 % | 7/9/10 | 8/10/10 | \$ 9,127,830 | \$ 9,123,750 |

The weighted average daily balance of reverse repurchase agreements outstanding during the three months ended July 31, 2010 was \$9,042,065 at a weighted average interest rate of 0.68%. The total market value of underlying collateral (refer to the Schedule of Investments for positions segregated for the benefit of the counterparty as collateral for reverse repurchase agreements) for open reverse repurchase agreements was \$9,975,000.

At July 31, 2010 the Fund held \$2,486 in principal value of U.S. Government Agency securities as collateral for open reverse repurchase agreements. Collateral held as securities will not be pledged.

Municipal Bonds &
Notes

| | | |
|--------------------------|-----------|-------------|
| Total Investments | \$470,000 | \$(470,000) |
|--------------------------|-----------|-------------|

* Transferred out
of Level 3 into
Level 2 because
sufficient
observable
inputs were
available.

There was no change in net unrealized appreciation/depreciation of Level 3 investments which the Fund held at July 31, 2010.

Item 2. Controls and Procedures

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

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

Item 3. Exhibits

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

SIGNATURES

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

Registrant: PIMCO Municipal Income Fund

By /s/ Brian S. Shlissel

President & Chief Executive Officer

Date: September 17, 2010

By /s/ Lawrence G. Altadonna

Treasurer, Principal Financial & Accounting Officer

Date: September 17, 2010

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

By /s/ Brian S. Shlissel

President & Chief Executive Officer

Date: September 17, 2010

By /s/ Lawrence G. Altadonna

Treasurer, Principal Financial & Accounting Officer

Date: September 17, 2010