

PIMCO CALIFORNIA MUNICIPAL INCOME FUND II
Form N-CSR
August 03, 2012
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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)

1633 Broadway, New York,
(Address of principal executive offices)

New York 10019
(Zip code)

Lawrence G. Altadonna - 1633 Broadway, New York, New York 10019
(Name and address of agent for service)

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

Date of fiscal year end: May 31, 2012

Date of reporting period: May 31, 2012

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Item 1. REPORT TO SHAREHOLDERS

Annual Report

May 31, 2012

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

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Hans W. Kertess

Chairman

Brian S. Shlissel

President & CEO

Dear Shareholder:

Municipal bonds recorded solid gains during the fiscal twelve-month reporting period ended May 31, 2012. These gains occurred despite significant market volatility, political uncertainty, and an increased supply of municipal securities brought to market. During the reporting period, the strengthening U.S. economy encouraged investors to shift out of cash and move into municipal bonds.

For the fiscal twelve-month period ended May 31, 2012:

PIMCO Municipal Income Fund II rose 26.37% on net asset value (NAV) and 28.70% on market price.

PIMCO California Municipal Income Fund II rose 28.85% on NAV and 19.59% on market price.

PIMCO New York Municipal Income Fund II rose 21.30% on NAV and 20.97% on market price.

The Fiscal Twelve-Month Period in Review

The fiscal twelve-month reporting period began with gross domestic product (GDP), the value of goods and services produced in the country, the broadest measure of economic activity and the principal indicator of economic performance, expanding at an annual rate of 1.3%. GDP growth accelerated to an annual rate of 1.8% between July and September 2011, and to a 3.0% rate between October and December 2011. This momentum reversed during the first quarter of 2012, as GDP growth declined to a 1.9% annual rate.

Throughout the twelve-month fiscal reporting period, the Federal Reserve (the Fed) kept its closely watched Fed Funds rate in the 0.0% to 0.25% range, where it has remained since December 2008. This held short-term U.S. Treasury yields and municipal bond yields (which tend to track Treasuries) quite low. Fed Chairman Ben Bernanke revealed that the Fed would maintain short-term interest rates in this range through late 2014. He also indicated that the Fed has not ruled out further attempts to stimulate the economy.

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After bouncing up and down for much of the fiscal twelve-month reporting period, Treasury yields moved dramatically lower as the reporting period drew to a close. The benchmark 10-year U.S. Treasury bond, which began the fiscal period yielding 2.96%, fell to a record low 1.59% on the last day of the twelve-month period. The drop was likely a reflection of considerable market uncertainty and the extraordinary volatility that characterized much of the twelve-month period. This volatility was present both overseas, where Europe's sovereign debt crisis seemed to wax and wane repeatedly, and in Washington, where a hyperpartisan political standoff over taxes and spending led to a downgrade of the U.S. government's long-term credit rating by Standard & Poor's.

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Levels of new municipal issuance were low as the twelve-month fiscal reporting period began; however, as interest rates declined, new issuance accelerated as suppliers moved to lock in low interest rates. At the end of May 2012, new issuance reached \$33.38 billion, a 56% increase from May 2011, according to *The Bond Buyer*. Issuance was particularly strong in the education, utilities, and transportation sectors.

Outlook

As the fiscal twelve-month period ended, Europe's sovereign debt crisis took a turn for the worse as austerity measures appeared to waver in several countries. The President of France, an austerity advocate, was voted out of office.

In the U.S., future levels of federal taxes and spending remain unclear. A series of tax cuts are scheduled to

expire on December 31, 2012, and major spending reductions are planned to begin in January 2013. The prospect of higher taxes, reduced spending, or both, could have a negative impact on the economy during 2013. Consequently, there are many reasons for caution going forward.

For specific information on the Funds and their performance, 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) 254-5197. In addition, a wide range of information and resources is available on our website, 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 & CEO

Receive this report electronically and eliminate paper mailings. To enroll, go to www.allianzinvestors.com/edelivery.

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PIMCO Municipal Income Funds II Fund Insights

May 31, 2012 (unaudited)

For the fiscal year ended May 31, 2012, PIMCO Municipal Income Fund II returned 26.37% on NAV and 28.70% on market price.

For the fiscal year ended May 31, 2012, PIMCO California Municipal Income Fund II returned 28.85% on NAV and 19.59% on market price.

For the fiscal year ended May 31, 2012, PIMCO New York Municipal Income Fund II returned 21.30% on NAV and 20.97% on market price.

The municipal bond market generated solid results during the twelve-month reporting period. The overall municipal market (as measured by the Barclays Municipal Bond Index-the Index) posted positive returns during 10 of the 12 months of the period. Modestly improving fundamentals, including rising state tax revenues, as well as relatively modest new municipal issuance drove performance. In addition, investor demand was generally strong as investors looked to generate incremental yield in the low interest rate environment. While the municipal market declined in both October 2011 and March 2012, these setbacks proved to be only modest and temporary. The Index returned 10.40% during the twelve-month reporting period.

Each of the Funds benefited from having a preference for revenue bonds versus general obligation bonds. This contributed to results as revenue bonds outperformed general obligation bonds during the reporting period.

All three Funds had overweight positions to the tobacco and industrial development sectors, which positively impacted performance as both sectors outperformed the benchmark. Municipal Income II and New York Municipal Income II were also rewarded from their overweighting to the strong performing healthcare sector; California Municipal Income II s overweighting to the special tax sector enhanced results.

Lower duration relative to the benchmark detracted from all three Funds performance, as municipal yields declined during the twelve-month period. Municipal Income II and New York Municipal Income II were adversely impacted for having an overweight to the transportation sector, as the sector lagged the benchmark. Municipal Income II s overweighting to the weak performing education sector also detracted from results. New York Municipal Income II s overweight positioning to the electric utility sector was not rewarded as it underperformed the benchmark. California Municipal Income II s overweighting to the housing and water/sewer sectors detracted from results as both sectors lagged the broader market.

All three Funds utilized payer interest rate swaps to manage duration which detracted from performance during the period due to the falling interest rate environment. All swaps were unwound by the end of October 2011.

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PIMCO Municipal Income Funds II Performance & Statistics

May 31, 2012 (unaudited)

Municipal II:

Total Return⁽¹⁾:	Market Price	NAV
1 Year	28.70%	26.37%
5 Year	3.12%	2.57%
Commencement of Operations (6/28/02) to 5/31/12	5.19%	5.14%

Market Price/NAV Performance:

Commencement of Operations (6/28/02) to 5/31/12

Market Price/NAV:

Market Price	\$12.54
NAV	\$11.91
Premium to NAV	5.29%
Market Price Yield ⁽²⁾	6.22%
Leverage Ratio ⁽³⁾	36.57%

Moody's Ratings

(as a % of total investments)

California Municipal II:

Total Return⁽¹⁾:	Market Price	NAV
1 Year	19.59%	28.85%
5 Year	0.77%	1.84%
Commencement of Operations (6/28/02) to 5/31/12	3.42%	2.63%

Market Price/NAV Performance:

Commencement of Operations (6/28/02) to 5/31/12

Market Price/NAV:

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Market Price	\$10.15
NAV	\$8.65
Premium to NAV	17.34%
Market Price Yield ⁽²⁾	6.91%
Leverage Ratio ⁽³⁾	42.85%

Moody's Ratings

(as a % of total investments)

Table of Contents**PIMCO Municipal Income Funds II Performance & Statistics**

May 31, 2012 (unaudited) (continued)

New York Municipal II:

Total Return⁽¹⁾:	Market Price	NAV
1 Year	20.97%	21.30%
5 Year	2.56%	2.05%
Commencement of Operations (6/28/02) to 5/31/12	4.79%	4.54%

Market Price/NAV Performance:

Commencement of Operations (6/28/02) to 5/31/12

Market Price/NAV:

Market Price	\$12.29
NAV	\$11.37
Premium to NAV	8.09%
Market Price Yield ⁽²⁾	6.47%
Leverage Ratio ⁽³⁾	42.88%

Moody's Ratings

(as a % of total investments)

(1) **Past performance is no guarantee of future results.** Total return is calculated by determining the percentage change in NAV or market price (as applicable) in the specified period. The calculation assumes that all income dividends, capital gain and return of capital distributions, if any, have been reinvested. Total return does not reflect broker commissions or sales charges in connection with the purchase or sale of Fund shares. Total return for a period of more than one year represents the average annual total return.

Performance at market price will differ from 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 Funds, market conditions, supply and demand for the Funds' shares, or changes in Funds' dividends.

An investment in the Funds involves risk, including the loss of principal. Total return, market price, market price yield and NAV will fluctuate with changes in market conditions. This data is provided for information purposes 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 traded in the open market through a stock exchange. NAV 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.

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(2) Market Price Yield is determined by dividing the annualized current monthly dividend per common share (comprised of net investment income) by the market price per common share at May 31, 2012.

(3) Represents Floating Rate Notes Issued in tender option bond transactions and Preferred Shares that are outstanding (collectively Leverage), as a percentage of total managed assets. Total managed assets refer to the total assets (including assets attributable to Leverage) minus accrued liabilities (other than liabilities representing Leverage).

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May 31, 2012

Principal Amount (000s)		Value
MUNICIPAL BONDS & NOTES 97.9%		
Alabama 1.4%		
\$10,000	Birmingham-Baptist Medical Centers Special Care Facs. Financing Auth. Rev., Baptist Health Systems, Inc., 5.00%, 11/15/30, Ser. A	\$ 10,072,000
1,235	Montgomery BMC Special Care Facs. Financing Auth. Rev., 5.00%, 11/15/29, Ser. B (NPFGC)	1,235,309
2,000	State Docks Department Rev., 6.00%, 10/1/40	2,271,560
2,650	Tuscaloosa Public Educational Building Auth. Rev., Stillman College Project, 5.00%, 6/1/26, Ser. A	2,179,969
		15,758,838
Arizona 7.1%		
3,500	Health Facs. Auth. Rev., Banner Health, 5.00%, 1/1/35, Ser. A	3,701,845
2,860	5.50%, 1/1/38, Ser. D	3,118,487
29,700	Pima Cnty. Industrial Dev. Auth. Rev., 5.00%, 9/1/39	30,822,066
1,750	Pinal Cnty. Electric Dist. No. 3 Rev., 5.25%, 7/1/36	1,894,235
3,700	5.25%, 7/1/41	3,976,020
10,000	Salt River Project Agricultural Improvement & Power Dist. Rev., 5.00%, 1/1/39, Ser. A (h)	11,027,900
22,400	Salt Verde Financial Corp. Rev., 5.00%, 12/1/37	22,855,392
1,500	Tucson Electric Power Co., 5.25%, 10/1/40, Ser. A	1,576,215
		78,972,160
California 13.9%		
6,000	Bay Area Toll Auth. Rev., San Francisco Bay Area, 5.00%, 10/1/29	6,736,740
1,430	5.00%, 4/1/34, Ser. F-1	1,578,463
1,565	Foothill-Eastern Transportation Corridor Agcy. Rev., 5.875%, 1/15/26 (IBC-NPFGC)	1,597,615
8,750	Golden State Tobacco Securitization Corp. Rev., Ser. A-1, 5.00%, 6/1/33	6,721,050
7,000	5.75%, 6/1/47	5,605,320
2,000	Hayward Unified School Dist., GO, 5.00%, 8/1/33	2,060,320
1,500	Health Facs. Financing Auth. Rev., Scripps Health, 5.00%, 11/15/36, Ser. A	1,637,070
6,300	Sutter Health, 5.00%, 11/15/42, Ser. A (IBC-NPFGC)	6,587,973
3,000	6.00%, 8/15/42, Ser. B	3,544,200
1,500	Indian Wells Redev. Agcy., Tax Allocation, Whitewater Project, 4.75%, 9/1/34, Ser. A (AMBAC)	1,430,535
2,000	Los Angeles Community College Dist., GO, 5.00%, 8/1/32, Ser. A (FGIC-NPFGC)	2,202,720
4,000	Los Angeles Department of Water & Power Rev., 5.00%, 7/1/39, Ser. A-1 (AMBAC)	4,270,800
5,000	Los Angeles Unified School Dist., GO, 5.00%, 7/1/30, Ser. E (AMBAC)	5,379,650

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May 31, 2012 (continued)

Principal Amount (000s)		Value
	California (continued)	
\$ 2,000	Montebello Unified School Dist., GO, 5.00%, 8/1/33 (AGM)	\$ 2,168,200
1,750	M-S-R Energy Auth. Rev., 6.50%, 11/1/39, Ser. B	2,175,862
3,145	Municipal Finance Auth. Rev., Azusa Pacific Univ. Project, 7.75%, 4/1/31, Ser. B	3,598,540
650	Murrieta Valley Unified School Dist. Public Financing Auth., Special Tax, 4.75%, 9/1/36, Ser. A (AGC)	662,448
3,000	Newport Beach Rev., Hoag Memorial Hospital Presbyterian, 5.875%, 12/1/30	3,605,970
500	Peralta Community College Dist., GO, 5.00%, 8/1/39, Ser. C	524,790
2,000	San Diego Cnty. Water Auth., CP, 5.00%, 5/1/38, Ser. 2008-A (AGM)	2,147,700
3,300	San Marcos Unified School Dist., GO, 5.00%, 8/1/38, Ser. A	3,616,998
2,000	Santa Clara Cnty. Financing Auth. Rev., El Camino Hospital, 5.75%, 2/1/41, Ser. A (AMBAC)	2,179,960
2,925	State, GO, 5.00%, 11/1/32	3,167,746
1,590	5.00%, 6/1/37	1,684,112
5,200	5.125%, 8/1/36	5,640,076
2,500	5.25%, 3/1/38	2,683,850
5,945	5.25%, 11/1/40	6,551,093
5,750	5.50%, 3/1/40	6,461,217
9,500	6.00%, 4/1/38	11,111,865
3,390	Statewide Communities Dev. Auth. Rev., California Baptist Univ., 5.75%, 11/1/17, Ser. B (a)(d)	3,864,600
850	6.50%, 11/1/21	1,018,130
1,000	Cottage Health, 5.00%, 11/1/40	1,057,580
5,500	Methodist Hospital Project (FHA), 6.625%, 8/1/29	6,920,320
19,500	6.75%, 2/1/38	23,922,795
5,690	Sutter Health, 6.00%, 8/15/42, Ser. A	6,713,233
4,725	Torrance Rev., Memorial Medical Center, 5.00%, 9/1/40, Ser. A	4,982,323
		155,811,864
	Colorado 1.8%	
5,800	Aurora Rev., Children s Hospital Assoc., 5.00%, 12/1/40	6,213,714
1,000	Denver Health & Hospital Auth. Rev., 5.625%, 12/1/40	1,088,950
1,000	Health Facs. Auth. Rev., Ser. A, American Baptist Homes, 5.90%, 8/1/37	929,560
2,500	Catholic Health Initiatives, 5.00%, 2/1/41	2,702,150
500	Evangelical Lutheran, 6.125%, 6/1/38, (Pre-refunded @ \$100, 6/1/14) (c)	556,755
6,045	Sisters of Charity of Leavenworth Health System, 5.00%, 1/1/40, Ser. A	6,489,489
1,430	Public Auth. for Colorado Energy Rev., 6.50%, 11/15/38	1,807,091
		19,787,709

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PIMCO Municipal Income Fund II Schedule of Investments

May 31, 2012 (continued)

Principal Amount (000s)		Value
Connecticut 0.3%		
\$ 1,250	Harbor Point Infrastructure Improvement Dist., Tax Allocation, 7.875%, 4/1/39, Ser. A	\$ 1,411,100
2,000	State Health & Educational Fac. Auth. Rev., Hartford Healthcare, 5.00%, 7/1/41, Ser. A	2,139,860
		3,550,960
Florida 3.7%		
1,000	Brevard Cnty. Health Facs. Auth. Rev., Health First, Inc. Project, 7.00%, 4/1/39	1,225,680
600	Broward Cnty. Airport System Rev., 5.375%, 10/1/29, Ser. O	681,204
8,500	Broward Cnty. Water & Sewer Utility Rev., 5.25%, 10/1/34, Ser. A (h)	9,703,940
1,000	Clearwater Water & Sewer Rev., 5.25%, 12/1/39, Ser. A	1,124,220
340	Dev. Finance Corp. Rev., Renaissance Charter School, 6.50%, 6/15/21, Ser. A	378,774
3,000	Highlands Cnty. Health Facs. Auth. Rev., Adventist Health System, 5.625%, 11/15/37, Ser. B	3,337,650
7,135	Jacksonville Health Facs. Auth. Rev., Ascension Health, 5.25%, 11/15/32, Ser. A	7,313,161
3,000	Leesburg Hospital Rev., Leesburg Regional Medical Center Project, 5.50%, 7/1/32	3,001,590
500	Sarasota Cnty. Health Facs. Auth. Rev., 5.75%, 7/1/37	384,720
7,900	State Board of Education, GO, 5.00%, 6/1/38, Ser. D (h)	8,707,459
5,000	Sumter Landing Community Dev. Dist. Rev., 4.75%, 10/1/35, Ser. A (NPFGC)	4,978,750
		40,837,148
Georgia 0.4%		
1,500	Atlanta Airport Rev., 5.00%, 1/1/40, Ser. A	1,626,690
2,775	Medical Center Hospital Auth. Rev., Spring Harbor Green Island Project, 5.25%, 7/1/37	2,571,038
		4,197,728
Illinois 7.6%		
10,000	Chicago, GO, 5.00%, 1/1/34, Ser. C (h)	10,776,200
2,849	Chicago, Special Assessment, Lake Shore East, 6.625%, 12/1/22	2,981,194
6,019	6.75%, 12/1/32	6,293,948
1,250	Chicago Motor Fuel Tax Rev., 5.00%, 1/1/38, Ser. A (AGC)	1,311,212
5,000	Cicero, GO, 5.25%, 12/1/31 (NPFGC)	5,078,200
	Finance Auth. Rev.,	
2,500	Christian Homes, Inc., 5.75%, 5/15/31, Ser. A	2,578,950
250	Leafs Hockey Club Project, 6.00%, 3/1/37, Ser. A (b)(e)	83,090
700	OSF Healthcare System, 7.125%, 11/15/37, Ser. A	840,875
2,000	Provena Health, 6.00%, 5/1/28, Ser. A	2,271,640
5,000	Univ. of Chicago, 5.50%, 7/1/37, Ser. B (h)	5,751,950
37,000	Sports Facs. Auth. Rev., 5.50%, 6/15/30 (AMBAC)	40,389,940
4,240	Village of Hillside, Tax Allocation, Mannheim Redev. Project, 6.55%, 1/1/20	4,204,893
2,900	7.00%, 1/1/28	2,742,472
		85,304,564

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May 31, 2012 (continued)

Principal Amount (000s)		Value
	Indiana 0.5%	
\$ 1,500	Finance Auth. Rev., Duke Energy Indiana, Inc., 6.00%, 8/1/39, Ser. B	\$ 1,696,950
	Vigo Cnty. Hospital Auth. Rev., Union Hospital, Inc.,	
990	5.80%, 9/1/47 (a)(d)	999,227
1,900	7.50%, 9/1/22	2,443,267
		5,139,444
	Iowa 4.2%	
	Finance Auth. Rev., Deerfield Retirement Community, Inc., Ser. A,	
250	5.50%, 11/15/27	211,582
1,075	5.50%, 11/15/37	846,466
4,500	Edgewater LLC Project, 6.75%, 11/15/42	4,358,835
46,000	Tobacco Settlement Auth. Rev., 5.60%, 6/1/34, Ser. B	41,739,020
		47,155,903
	Kansas 0.1%	
500	Dev. Finance Auth. Rev., Adventist Health, 5.75%, 11/15/38	570,345
850	Manhattan Rev., Meadowlark Hills Retirement, 5.00%, 5/15/36, Ser. A	811,172
		1,381,517
	Kentucky 0.3%	
	Economic Dev. Finance Auth. Rev.,	
2,500	Catholic Healthcare Partners, 5.25%, 10/1/30	2,527,100
1,000	Owensboro Medical Healthcare Systems, 6.375%, 6/1/40, Ser. A	1,158,820
		3,685,920
	Louisiana 3.8%	
	Local Gov t Environmental Facs. & Community Dev. Auth. Rev.,	
450	Westlake Chemical Corp., 6.50%, 11/1/35, Ser. A-2	509,360
	Woman s Hospital Foundation, Ser. A,	
750	5.875%, 10/1/40	834,630
1,000	6.00%, 10/1/44	1,117,810
	Public Facs. Auth. Rev., Ochsner Clinic Foundation Project,	
3,300	5.50%, 5/15/47, Ser. B	3,415,170
2,000	6.50%, 5/15/37	2,288,640
33,395	Tobacco Settlement Financing Corp. Rev., 5.875%, 5/15/39, Ser. 2001-B	34,202,157
		42,367,767
	Maryland 0.9%	
	Health & Higher Educational Facs. Auth. Rev.,	
1,000	Adventist Healthcare, 5.75%, 1/1/25, Ser. A	1,022,350
1,400	Charlestown Community, 6.25%, 1/1/41	1,573,670
1,010	King Farm Presbyterian Community, 5.30%, 1/1/37, Ser. A	866,610
2,380	Medstar Health, 5.00%, 8/15/41	2,574,779
4,050	Washington Cnty. Hospital, 6.00%, 1/1/43	4,319,609

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May 31, 2012 (continued)

Principal Amount (000s)		Value
	Massachusetts 0.9%	
	Dev. Finance Agcy. Rev., Adventcare Project, \$ 4,610 6.75%, 10/15/37, Ser. A	\$ 4,721,562
580	7.625%, 10/15/37	632,838
1,000	Foxborough Regional Charter School, 7.00%, 7/1/42, Ser. A	1,097,350
2,900	State College Building Auth. Rev., 5.50%, 5/1/39, Ser. A	3,287,179
		9,738,929
	Michigan 2.2%	
1,000	Detroit, GO, 5.25%, 11/1/35	1,068,560
5,000	Detroit Water Supply System Rev., 5.25%, 7/1/41, Ser. A	5,212,300
800	Public Educational Facs. Auth. Rev., Bradford Academy, 6.50%, 9/1/37 (a)(d)	519,576
3,000	Royal Oak Hospital Finance Auth. Rev., William Beaumont Hospital, 8.25%, 9/1/39 State Hospital Finance Auth. Rev., Oakwood Group, Ser. A (Pre-refunded @ \$100, 9/1/39) (c),	3,862,230
3,000	5.75%, 4/1/32	3,136,200
1,925	6.00%, 4/1/22	2,016,341
11,510	Tobacco Settlement Finance Auth. Rev., 6.00%, 6/1/48, Ser. A	9,067,923
		24,883,130
	Minnesota 0.6%	
150	Duluth Housing & Redev. Auth. Rev., 5.875%, 11/1/40, Ser. A	150,829
1,500	Minneapolis Rev., Providence Project, 5.75%, 10/1/37, Ser. A North Oaks Rev., Presbyterian Homes North Oaks, 2,640 6.00%, 10/1/33	1,499,865
1,530	6.125%, 10/1/39	2,773,135
500	Oronoco Rev., Wedum Shorewood Campus Project, 5.40%, 6/1/41	1,611,626
400	St. Louis Park Rev., Nicollet Health Services, 5.75%, 7/1/39	480,895
		444,036
		6,960,386
	Mississippi 0.0%	
270	Dev. Bank Special Obligation Rev., Capital Projects and Equipment Acquisition, 5.00%, 7/1/24, Ser. A-2 (AMBAC)	270,232
	Missouri 0.1%	
715	Lee s Summit, Tax Allocation, Summit Fair Project, 5.625%, 10/1/23	751,465
	Nevada 0.9%	
10,000	Clark Cnty., GO, 4.75%, 11/1/35 (FGIC-NPFGC) (h)	10,433,700
	New Hampshire 0.2%	
2,000	Business Finance Auth. Rev., Elliot Hospital, 6.125%, 10/1/39, Ser. A	2,154,160
360	Health & Education Facs. Auth. Rev., Catholic Medical Center, 6.125%, 7/1/32, Ser. A	363,989
		2,518,149
	New Jersey 5.6%	

950	Burlington Cnty. Bridge Commission Rev., The Evergreens Project, 5.625%, 1/1/38	964,231
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May 31, 2012 (continued)

Principal Amount (000s)		Value
	New Jersey (continued)	
	Economic Dev. Auth., Special Assessment, Kapkowski Road Landfill Project,	
\$ 4,000	5.75%, 10/1/21	\$ 4,304,400
11,405	5.75%, 4/1/31	12,323,103
	Economic Dev. Auth. Rev.,	
525	Arbor Glen, 6.00%, 5/15/28, Ser. A	503,170
2,000	MSU Student Housing Project, 5.875%, 6/1/42	2,209,640
	Health Care Facs. Financing Auth. Rev.,	
1,500	AHS Hospital Corp., 6.00%, 7/1/37	1,779,030
1,500	St. Peters Univ. Hospital, 5.75%, 7/1/37	1,594,515
2,000	State Turnpike Auth. Rev., 5.25%, 1/1/40, Ser. E	2,255,120
	Tobacco Settlement Financing Corp. Rev., Ser. 1-A,	
3,300	4.75%, 6/1/34	2,549,316
22,805	5.00%, 6/1/41	17,755,289
15,000	Transportation Trust Fund Auth. Rev., 5.00%, 6/15/42, Ser. B	16,569,750
		62,807,564
	New Mexico 0.2%	
2,000	Farmington Pollution Control Rev., 5.90%, 6/1/40, Ser. D	2,179,140
	New York 12.6%	
1,200	Erie Cnty. Industrial Dev. Agcy. Rev., Orchard Park, Inc. Project, 6.00%, 11/15/36, Ser. A	1,200,408
29,500	Hudson Yards Infrastructure Corp. Rev., 5.25%, 2/15/47, Ser. A	32,342,620
	Liberty Dev. Corp. Rev.,	
1,000	5.125%, 1/15/44	1,095,120
2,500	5.625%, 7/15/47	2,762,475
1,250	Bank of America Tower at One Bryant Park Project, 6.375%, 7/15/49	1,409,862
	Goldman Sachs Headquarters,	
1,505	5.25%, 10/1/35	1,678,526
10,000	5.25%, 10/1/35 (h)	11,153,000
3,880	Metropolitan Transportation Auth. Rev., 5.00%, 11/15/36, Ser. D	4,291,940
1,100	Nassau Cnty. Industrial Dev. Agcy. Rev., Amsterdam at Harborside, 6.70%, 1/1/43, Ser. A	776,259
2,830	New York City Municipal Water Finance Auth. Water & Sewer Rev.,	
	5.00%, 6/15/37, Ser. D (h)	3,110,623
	Second Generation Resolutions,	
4,000	4.75%, 6/15/35, Ser. DD (h)	4,314,720
2,000	5.00%, 6/15/39, Ser. GG-1	2,191,980
	New York Liberty Dev. Corp. Rev.,	
10,000	1 World Trade Center Project, 5.00%, 12/15/41	11,103,600
54,000	4 World Trade Center Project, 5.75%, 11/15/51	61,827,840
1,750	State Dormitory Auth. Rev., The New School, 5.50%, 7/1/40	1,940,978
		141,199,951

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May 31, 2012 (continued)

Principal Amount (000s)		Value
North Carolina 0.1%		
	Medical Care Commission Rev.,	
\$ 550	Salemtowne, 5.10%, 10/1/30	\$ 555,907
1,000	Village at Brookwood, 5.25%, 1/1/32	963,260
		1,519,167
North Dakota 0.4%		
3,710	Stark Cnty. Healthcare Rev., Benedictine Living Communities, 6.75%, 1/1/33	4,013,033
Ohio 2.0%		
	Buckeye Tobacco Settlement Financing Auth. Rev., Ser. A-2,	
1,865	5.75%, 6/1/34	1,426,072
3,570	5.875%, 6/1/30	2,832,902
500	5.875%, 6/1/47	380,350
3,900	Hamilton Cnty. Sales Tax Rev., 5.00%, 12/1/30, Ser. A	4,189,458
1,000	Higher Educational Fac. Commission Rev., Univ. Hospital Health Systems, 6.75%, 1/15/39, Ser. 2009-A	1,094,780
7,500	Lorain Cnty. Hospital Rev., Catholic Healthcare, 5.375%, 10/1/30 (Pre-refunded @ \$100, 10/1/12) (c)	7,625,700
1,000	Montgomery Cnty. Rev., Miami Valley Hospital, 6.25%, 11/15/39, Ser. A	1,074,560
3,000	State Rev., Cleveland Clinic Health System, 5.50%, 1/1/39, Ser. B	3,355,080
		21,978,902
Oregon 0.2%		
1,000	Clackamas Cnty. Hospital Fac. Auth. Rev., Legacy Health System, 5.50%, 7/15/35, Ser. A	1,108,310
1,155	State Department of Administrative Services, CP, 5.25%, 5/1/39, Ser. A	1,274,277
		2,382,587
Pennsylvania 4.6%		
	Cumberland Cnty. Municipal Auth. Rev., Messiah Village Project, Ser. A,	
750	5.625%, 7/1/28	781,027
670	6.00%, 7/1/35	701,832
3,250	Harrisburg Auth. Rev., Harrisburg Univ. of Science, 6.00%, 9/1/36, Ser. B	2,674,457
	Higher Educational Facs. Auth. Rev.,	
850	Edinboro Univ. Foundation, 6.00%, 7/1/43	939,709
400	Thomas Jefferson Univ., 5.00%, 3/1/40	432,176
500	Luzerne Cnty. Industrial Dev. Auth. Rev., Pennsylvania American Water Co., 5.50%, 12/1/39	552,205
3,750	Montgomery Cnty. Higher Education & Health Auth. Rev., Abington Memorial Hospital, 5.125%, 6/1/32, Ser. A	3,793,875
8,500	Montgomery Cnty. Industrial Dev. Auth. Rev., New Regional Medical Center, 5.375%, 8/1/38 (FHA)	9,544,905
17,000	Philadelphia, GO, 5.25%, 12/15/32, Ser. A (AGM)	18,743,350
11,015	Philadelphia Hospitals & Higher Education Facs. Auth. Rev., Temple Univ. Hospital, 6.625%, 11/15/23, Ser. A	11,036,149
500	Philadelphia Water & Sewer Rev., 5.25%, 1/1/36, Ser. A	542,105
1,000	Westmoreland Cnty. Industrial Dev. Auth. Rev., Excelsa Health Project, 5.125%, 7/1/30	1,059,230
		50,801,020

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May 31, 2012 (continued)

Principal Amount (000s)		Value
	Puerto Rico 0.5%	
\$ 5,000	Sales Tax Financing Corp. Rev., 5.25%, 8/1/41, Ser. C	\$ 5,337,750
	Rhode Island 5.1%	
56,200	Tobacco Settlement Financing Corp. Rev., 6.25%, 6/1/42, Ser. A	57,446,516
	South Carolina 1.4%	
1,000	Greenwood Cnty. Rev., Self Regional Healthcare, 5.375%, 10/1/39	1,080,540
13,850	Jobs-Economic Dev. Auth. Rev., Bon Secours Health System, 5.625%, 11/15/30, Ser. B	14,098,884
		15,179,424
	Tennessee 1.2%	
1,750	Claiborne Cnty. Industrial Dev. Board Rev., Lincoln Memorial Univ. Project, 6.625%, 10/1/39	1,950,778
1,000	Johnson City Health & Educational Facs. Board Rev., Mountain States Health Alliance, 6.00%, 7/1/38, Ser. A	1,130,890
500	Sullivan Cnty. Health Educational & Housing Facs. Board Rev., Wellmont Health Systems Project, 5.25%, 9/1/36, Ser. C	518,390
	Tennessee Energy Acquisition Corp. Rev., Ser. C, 5.00%, 2/1/23	3,239,130
3,000	5.00%, 2/1/23	3,239,130
6,000	5.00%, 2/1/27	6,325,620
		13,164,808
	Texas 11.0%	
130	Aubrey Independent School Dist., GO, 5.50%, 2/15/33 (PSF-GTD)	137,929
6,500	Brazos Cnty. Health Facs. Dev. Corp. Rev., 5.375%, 1/1/32	6,605,235
2,500	Dallas Rev., Dallas Civic Center, 5.25%, 8/15/38 (AGC)	2,749,300
	Harris Cnty. Cultural Education Facs. Finance Corp. Rev., Texas Children's Hospital Project, 5.25%, 10/1/29	4,292,850
3,750	5.25%, 10/1/29	4,292,850
12,700	5.50%, 10/1/39	14,371,320
700	HFDC of Central Texas, Inc. Rev., Village at Gleannloch Farms, 5.50%, 2/15/37, Ser. A	572,432
	North Harris Cnty. Regional Water Auth. Rev., 5.25%, 12/15/33	11,343,699
10,300	5.25%, 12/15/33	11,343,699
10,300	5.50%, 12/15/38	11,391,491
	North Texas Tollway Auth. Rev., 5.00%, 1/1/38	6,211,322
5,750	5.00%, 1/1/38	6,211,322
1,300	5.50%, 9/1/41, Ser. A	1,521,572
5,000	5.625%, 1/1/33, Ser. B	5,496,350
1,200	5.75%, 1/1/33, Ser. F	1,313,952
2,000	Sabine River Auth. Pollution Control Rev., TXU Energy, 5.20%, 5/1/28, Ser. C (b)	202,700
250	San Juan Higher Education Finance Auth. Rev., 6.70%, 8/15/40, Ser. A	289,180
	State, Mobility Fund, GO, (h), 4.75%, 4/1/35, Ser. A	10,766,148
10,025	4.75%, 4/1/35, Ser. A	10,766,148
17,500	4.75%, 4/1/36 (b)	18,946,200
1,000	State Public Finance Auth. Rev., Charter School Finance Corp., 5.875%, 12/1/36, Ser. A	1,071,230

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May 31, 2012 (continued)

Principal Amount (000s)		Value
	Texas (continued)	
\$ 3,000	Tarrant Cnty. Cultural Education Facs. Finance Corp. Rev., Baylor Health Care Systems Project, 6.25%, 11/15/29	\$ 3,618,150
15,300	Texas Municipal Gas Acquisition & Supply Corp. I Rev., 6.25%, 12/15/26, Ser. D	18,666,153
1,920	Texas Private Activity Bond Surface Transportation Corp. Rev., 7.00%, 6/30/40	2,287,546
1,000	Wise Cnty. Rev., Parker Cnty. Junior College Dist., 8.00%, 8/15/34	1,134,330
		122,989,089
	Virginia 0.3%	
1,000	Fairfax Cnty. Industrial Dev. Auth. Rev., Inova Health Systems, 5.50%, 5/15/35, Ser. A	1,134,860
2,050	James City Cnty. Economic Dev. Auth. Rev., United Methodist Homes, 5.50%, 7/1/37, Ser. A	1,656,051
		2,790,911
	Washington 1.5%	
	Health Care Facs. Auth. Rev.,	
1,300	Multicare Health Systems, 6.00%, 8/15/39, Ser. B (AGC)	1,454,180
1,000	Seattle Cancer Care Alliance, 7.375%, 3/1/38	1,231,430
13,000	Virginia Mason Medical Center, 6.125%, 8/15/37, Ser. A	13,893,360
		16,578,970
	West Virginia 0.2%	
2,000	Hospital Finance Auth. Rev., Highland Hospital, 9.125%, 10/1/41	2,372,120
	Wisconsin 0.1%	
	Health & Educational Facs. Auth. Rev.,	
90	Froedert & Community Health, 5.375%, 10/1/30	90,820
1,000	Prohealth Care, Inc., 6.625%, 2/15/39	1,179,770
		1,270,590
	Total Municipal Bonds & Notes (cost-\$1,003,224,941)	1,093,876,073
	VARIABLE RATE NOTES (g) 2.1%	
	California 0.5%	
5,000	Health Facs. Financing Auth. Rev., 9.40%, 11/15/36, Ser. 3193 (a)(d)(f)	6,103,500
	Florida 0.2%	
1,830	Highlands Cnty. Health Facs. Auth. Rev., Adventist Health System, 5.00%, 11/15/31, Ser. C	1,923,165
	Illinois 0.6%	
6,000	Chicago, GO, 11.56%, 1/1/34, Ser. 3190 (a)(d)(f)	7,148,700
	Texas 0.6%	
5,365	State, GO, 8.88%, 4/1/37, Ser. 3197 (a)(d)(f)	6,394,544

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PIMCO Municipal Income Fund II Schedule of Investments

May 31, 2012 (continued)

Principal Amount (000s)		Value
	West Virginia 0.2%	
\$2,000	Economic Dev. Auth. Rev., Appalachian Power, 5.375%, 12/1/38, Ser. A	\$ 2,175,280
	Total Variable Rate Notes (cost-\$20,296,307)	23,745,189
	Total Investments (cost-\$1,023,521,248) 100.0%	\$ 1,117,621,262

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PIMCO California Municipal Income Fund II Schedule of Investments

May 31, 2012

Principal
Amount
(000s)