

PIMCO MUNICIPAL INCOME FUND II  
Form N-Q  
April 18, 2011

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

OMB  
APPROVAL  
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FORM N-Q  
QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY

Investment Company Act File Number: 811-21076

PIMCO Municipal Income Fund II

(Registrant Name)

1345 Avenue of the Americas New York, New  
York

10105

(Address of Principal Executive Offices)

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, 2011

Date of Reporting Period: February 28, 2011

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 30b 1-5 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

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20549-2001. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

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Item 1. Schedule of Investments

**PIMCO Municipal Income Fund II Schedule of Investments**

February 28, 2011 (unaudited)

| Principal<br>Amount<br>(000s)            |   | Credit Rating<br>(Moody s/S&P) | Value*      |
|--|---|--------------------------------|-------------|
| <b>MUNICIPAL BONDS &amp; NOTES 97.1%</b> |   |                                |             |
| <b>Alabama 1.4%</b>                      |   |                                |             |
| \$10,000                                 | Birmingham-Baptist Medical Centers Special Care Facs. Financing Auth.<br>Financing Auth. Rev., Baptist Health Systems, Inc.,<br>5.00%, 11/15/30, Ser. A | Baa2/NR                        | \$8,583,900 |
| 1,235                                    | Montgomery BMC Special Care Facs. Financing Auth. Rev.,<br>5.00%, 11/15/29, Ser. B (NPFGC)  | A3/BBB+                        | 1,063,582   |
| 2,000                                    | State Docks Department Rev., 6.00%, 10/1/40   | NR/BBB+                        | 1,964,580   |
| 2,650                                    | Tuscaloosa Public Educational Building Auth. Rev.,<br>Stillman College Project, 5.00%, 6/1/26, Ser. A   | NR/BBB-                        | 2,223,562   |
|  |   |                                | 13,835,624  |
| <b>Alaska 0.7%</b>                       |   |                                |             |
| 3,550                                    | Housing Finance Corp. Rev., 5.25%, 6/1/32, Ser. C (NPFGC)   | Aa2/AA+                        | 3,552,627   |
| 5,900                                    | Northern Tobacco Securitization Corp. Rev., 5.00%, 6/1/46, Ser. A   | Baa3/NR                        | 3,453,860   |
|  |   |                                | 7,006,487   |
| <b>Arizona 9.6%</b>                      |   |                                |             |
|  | Health Facs. Auth. Rev., Banner Health,<br>5.00%, 1/1/35, Ser. A  | NR/A+                          | 3,149,965   |
| 2,860                                    | 5.50%, 1/1/38, Ser. D   | NR/A+                          | 2,758,785   |
| 5,000                                    | Maricopa Cnty. Pollution Control Corp. Rev.,<br>5.00%, 6/1/35, Ser. A   | A1/A                           | 4,809,400   |
| 29,700                                   | Pima Cnty. Industrial Dev. Auth. Rev.,<br>5.00%, 9/1/39   | Aa2/AA                         | 26,648,622  |
| 1,500                                    | Tuscon Electric Power Co., 5.25%, 10/1/40, Ser. A<br>Salt River Project Agricultural Improvement &<br>Power Dist. Rev., Ser. A (g),                     | Baa3/BBB-                      | 1,326,255   |
| 41,100                                   | 5.00%, 1/1/37   | Aa1/AA                         | 41,149,320  |
| 10,000                                   | 5.00%, 1/1/39   | Aa1/AA                         | 9,954,600   |
| 10,500                                   | Salt Verde Financial Corp. Rev., 5.00%, 12/1/37   | A3/A                           | 8,843,730   |
|  |   |                                | 98,640,677  |

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**California 13.5%**

|       |   |          |           |
|-------|---|----------|-----------|
|       | Bay Area Toll Auth. Rev., San Francisco Bay Area,   |          |           |
| 6,000 | 5.00%, 10/1/29  | A1/A+    | 5,921,160 |
| 1,430 | 5.00%, 4/1/34, Ser. F-1   | Aa3/AA   | 1,375,045 |
| 1,565 | Foothill-Eastern Transportation Corridor Agcy. Rev.,<br>5.875%, 1/15/26 (IBC-NPFGC)             | Baa1/BBB | 1,423,931 |
| 8,750 | Golden State Tobacco Securitization Corp. Rev.,<br>5.00%, 6/1/33, Ser. A-1                      | Baa3/BB+ | 5,648,912 |
| 2,000 | Hayward Unified School Dist., GO, 5.00%, 8/1/33<br>Health Facs. Financing Auth. Rev., Ser. A,   | NR/A+    | 1,764,200 |
| 1,500 | Scripps Health, 5.00%, 11/15/36,  | Aa3/AA-  | 1,306,155 |
| 6,300 | Sutter Health, 5.00%, 11/15/42 (IBC-NPFGC)  | Aa3/AA-  | 5,303,277 |
| 1,500 | Indian Wells Redev. Agcy., Tax Allocation, Whitewater Project,<br>4.75%, 9/1/34, Ser. A (AMBAC) | A2/A     | 1,147,530 |
| 2,000 | Los Angeles Community College Dist., GO,<br>5.00%, 8/1/32, Ser. A (FGIC-NPFGC)                  | Aa1/AA   | 1,946,100 |
| 4,000 | Los Angeles Department of Water & Power Rev.,<br>5.00%, 7/1/39, Ser. A-1 (AMBAC)                | Aa3/AA-  | 3,807,840 |
|       | Los Angeles Unified School Dist., GO,   |          |           |
| 5,000 | 5.00%, 7/1/30, Ser. E (AMBAC)   | Aa2/AA-  | 4,920,550 |
| 5,000 | 5.00%, 7/1/32, Ser. C (AGM)   | Aa2/AA+  | 4,865,400 |

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**PIMCO Municipal Income Fund II Schedule of Investments**

February 28, 2011 (unaudited)

| Principal<br>Amount<br>(000s) |  | Credit Rating<br>(Moody s/S&P) | Value*      |
|-------------------------------|--|--------------------------------|-------------|
| <b>California (continued)</b> |  |                                |             |
| \$1,365                       | Lynwood Utility Auth. Rev., 5.00%, 6/1/29, Ser. A (AGC)  | Aa3/AA+                        | \$1,317,375 |
| 2,000                         | Montebello Unified School Dist., GO, 5.00%, 8/1/33 (AGM)   | Aa3/AA+                        | 1,957,700   |
| 1,750                         | M-S-R Energy Auth. Rev., 6.50%, 11/1/39, Ser. B  | NR/A                           | 1,814,978   |
| 650                           | Murrieta Valley Unified School Dist. Public Financing Auth.,<br>Special Tax, 4.75%, 9/1/36, Ser. A | Aa3/AA+                        | 525,213     |
| 3,000                         | Newport Beach Rev., Hoag Memorial Hospital Presbyterian,<br>5.875%, 12/1/30                        | Aa3/AA                         | 3,082,710   |
| 500                           | Peralta Community College Dist., GO, 5.00%, 8/1/39, Ser. C   | NR/AA-                         | 455,580     |
| 2,000                         | San Diego Cnty. Water Auth., CP, 5.00%, 5/1/38, Ser. 2008-A (AGM)                                  | Aa2/AA+                        | 1,886,560   |
| 2,000                         | Santa Clara Cnty. Financing Auth. Rev., 5.75%, 2/1/41, Ser. A (AMBAC)<br>State, GO,                | A1/A+                          | 1,901,500   |
| 3,300                         | 4.50%, 8/1/27  | A1/A-                          | 3,034,020   |
| 1,000                         | 4.50%, 8/1/30  | A1/A-                          | 884,920     |
| 1,100                         | 4.50%, 10/1/36   | A1/A-                          | 921,250     |
| 7,000                         | 5.00%, 12/1/31 (NPFGC)   | A1/A-                          | 6,797,070   |
| 2,925                         | 5.00%, 11/1/32   | A1/A-                          | 2,801,653   |
| 1,590                         | 5.00%, 6/1/37  | A1/A-                          | 1,454,405   |
| 5,200                         | 5.125%, 8/1/36   | A1/A-                          | 4,900,584   |
| 2,500                         | 5.25%, 3/1/38  | A1/A-                          | 2,382,250   |
| 5,945                         | 5.25%, 11/1/40   | A1/A-                          | 5,645,194   |
| 5,750                         | 5.50%, 3/1/40  | A1/A-                          | 5,668,005   |
| 10,500                        | 6.00%, 4/1/38  | A1/A-                          | 10,776,255  |
| 2,300                         | State Univ. Rev., 5.00%, 11/1/30, Ser. A (AMBAC)<br>Statewide Communities Dev. Auth. Rev.,         | Aa2/A+                         | 2,213,474   |
| 3,820                         | California Baptist Univ., 9.00%, 11/1/17, Ser. B (a)(b)  | NR/NR                          | 3,331,651   |
| 1,000                         | Cottage Health, 5.00%, 11/1/40<br>Methodist Hospital Project (FHA),                                | NR/A+                          | 846,830     |
| 5,500                         | 6.625%, 8/1/29   | Aa2/NR                         | 6,163,410   |
| 19,500                        | 6.75%, 2/1/38  | Aa2/NR                         | 21,273,330  |
| 4,000                         | Sutter Health, 6.00%, 8/15/42, Ser. A  | Aa3/AA-                        | 3,977,440   |
| 4,725                         | Torrance Rev., Memorial Medical Center, 5.00%, 9/1/40, Ser. A                                      | A2/A+                          | 3,919,009   |
|                               |  |                                | 139,362,466 |

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| <b>Colorado 1.3%</b>    |  |         |            |
|-------------------------|--|---------|------------|
| 5,800                   | Aurora Rev., Children s Hospital Assoc., 5.00%, 12/1/40  | A1/A+   | 5,266,980  |
| 2,750                   | City & Cnty. of Denver Airport Rev., 5.00%, 11/15/25, Ser. B (AGM)                                 | Aa3/AA+ | 2,750,385  |
| 1,000                   | Denver Health & Hospital Auth. Rev., 5.625%, 12/1/40   | NR/BBB  | 905,960    |
|                         | Health Facs. Auth. Rev., Ser. A,   |         |            |
| 1,000                   | American Baptist Homes, 5.90%, 8/1/37  | NR/NR   | 798,870    |
| 500                     | Evangelical Lutheran, 6.125%, 6/1/38   | A3/A-   | 501,035    |
| 2,000                   | Housing & Finance Auth. Rev., Evergreen Country Day School,<br>Inc. Project, 5.875%, 6/1/37 (a)(b) | NR/CCC  | 1,290,120  |
| 1,430                   | Public Auth. for Colorado Energy Rev., 6.50%, 11/15/38   | A2/A    | 1,486,271  |
| 600                     | Regional Transportation Dist., CP, 5.375%, 6/1/31, Ser. A  | Aa3/A-  | 605,562    |
|                         |  |         | 13,605,183 |
| <b>Connecticut 0.1%</b> |  |         |            |
| 1,250                   | Harbor Point Infrastructure Improvement Dist., Tax Allocation,<br>7.875%, 4/1/39, Ser. A           | NR/NR   | 1,268,862  |

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February 28, 2011 (unaudited)

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|-------------------------------|---|--------------------------------|------------|
| <b>Delaware 0.1%</b>          |   |                                |            |
| \$1,000                       | State Economic Dev. Auth. Rev., Delmarva Power & Light Co.,<br>5.40%, 2/1/31                  | Baa2/BBB+                      | \$939,600  |
| <b>Florida 5.4%</b>           |   |                                |            |
| 1,000                         | Brevard Cnty. Health Facs. Auth. Rev., Health First, Inc. Project,<br>7.00%, 4/1/39           | A3/A-                          | 1,063,870  |
| 600                           | Broward Cnty. Airport Rev., 5.375%, 10/1/29, Ser. O   | A1/A+                          | 605,100    |
| 8,500                         | Broward Cnty. Water & Sewer Rev., 5.25%, 10/1/34, Ser. A (g)                                  | Aa2/AA                         | 8,594,945  |
| 1,000                         | Clearwater Rev., 5.25%, 12/1/39, Ser. A   | Aa3/AA-                        | 1,002,700  |
| 6,205                         | Governmental Utility Auth. Rev., Barefoot Bay Utilities System,<br>5.00%, 10/1/29 (AMBAC)     | WR/NR                          | 6,130,788  |
| 3,000                         | Highlands Cnty. Health Facs. Auth. Rev., Adventist Health System,<br>5.625%, 11/15/37, Ser. B | Aa3/AA-                        | 2,932,830  |
| 7,135                         | Jacksonville Health Facs. Auth. Rev., Ascension Health,<br>5.25%, 11/15/32, Ser. A            | Aa1/AA                         | 7,043,458  |
| 3,000                         | Leesburg Hospital Rev., Leesburg Regional Medical Center Project,<br>5.50%, 7/1/32            | Baa1/BBB+                      | 2,710,470  |
| 3,490                         | Miami-Dade Cnty. Airport Rev., 5.50%, 10/1/36, Ser. A   | A2/A-                          | 3,369,141  |
| 500                           | Sarasota Cnty. Health Facs. Auth. Rev.,<br>5.75%, 7/1/37                                      | NR/NR                          | 388,335    |
| 7,900                         | State Board of Education, GO, 5.00%, 6/1/38, Ser. D (g)                                       | Aa1/AAA                        | 7,806,701  |
| 5,000                         | Sumter Landing Community Dev. Dist. Rev.,<br>4.75%, 10/1/35, Ser. A (NPFGC)                   | Baa1/BBB                       | 4,085,750  |
| 10,000                        | Tallahassee Rev., 5.00%, 10/1/37 (g)  | Aa1/AA+                        | 9,898,000  |
|                               |   |                                | 55,632,088 |
| <b>Georgia 0.4%</b>           |   |                                |            |
| 1,500                         | Atlanta Airport Rev., 5.00%, 1/1/40, Ser. A   | A1/NR                          | 1,414,785  |
| 2,775                         | Medical Center Hospital Auth. Rev., Spring Harbor Green Island Project,<br>5.25%, 7/1/37      | NR/NR                          | 2,084,913  |
|                               |   |                                | 3,499,698  |

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| <b>Illinois 10.3%</b> |   |           |             |
|-----------------------|---|-----------|-------------|
|                       | Chicago, GO, Ser. C,  |           |             |
| 10,000                | 5.00%, 1/1/34 (g)   | Aa3/A+    | 8,974,500   |
| 4,065                 | 5.50%, 1/1/40 (FGIC-NPFGC)                                    | Aa3/A+    | 3,782,239   |
|                       | Chicago, Special Assessment, Lake Shore East,                 |           |             |
| 3,161                 | 6.625%, 12/1/22   | NR/NR     | 2,942,385   |
| 6,697                 | 6.75%, 12/1/32  | NR/NR     | 5,984,372   |
| 1,250                 | Chicago Motor Fuel Tax Rev., 5.00%, 1/1/38, Ser. A (AGC)      | Aa3/AA+   | 1,176,113   |
| 5,000                 | Cicero, GO, 5.25%, 12/1/31 (NPFGC)                            | Baa1/BBB  | 4,870,150   |
|                       | Finance Auth. Rev.,   |           |             |
| 2,500                 | Christian Homes, Inc., 5.75%, 5/15/31, Ser. A                 | NR/NR     | 2,159,650   |
| 20,100                | Elmhurst Memorial Healthcare, 5.625%, 1/1/28                  | Baa1/NR   | 17,825,685  |
| 250                   | Leafs Hockey Club Project, 6.00%, 3/1/37, Ser. A (d)          | NR/NR     | 62,345      |
| 1,000                 | Memorial Health Systems, 5.50%, 4/1/39                        | A1/A+     | 917,280     |
| 700                   | OSF Healthcare System, 7.125%, 11/15/37, Ser. A               | A3/A      | 728,280     |
| 2,000                 | Provena Health, 6.00%, 5/1/28, Ser. A                         | Baa1/BBB+ | 1,911,180   |
| 5,000                 | Univ. of Chicago, 5.50%, 7/1/37, Ser. B (g)                   | Aa1/AA    | 5,154,550   |
| 42,970                | Sports Facs. Auth. Rev., 5.50%, 6/15/30 (AMBAC)               | WR/A      | 43,220,085  |
|                       | Village of Hillside, Tax Allocation, Mannheim Redev. Project, |           |             |
| 4,500                 | 6.55%, 1/1/20   | NR/NR     | 4,139,820   |
| 2,900                 | 7.00%, 1/1/28   | NR/NR     | 2,461,259   |
|                       |   |           | 106,309,893 |



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**PIMCO Municipal Income Fund II Schedule of Investments**

February 28, 2011 (unaudited)

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|-------------------------------|---|--------------------------------|-------------|
| <b>Indiana 0.7%</b>           |   |                                |             |
|                               | Finance Auth. Rev.,   |                                |             |
| \$1,500                       | Duke Energy Indiana, Inc., 6.00%, 8/1/39, Ser. B                    | NR/A                           | \$1,537,695 |
| 2,500                         | United States Steel Corp., 6.00%, 12/1/26                           | Ba2/BB                         | 2,452,375   |
|                               | Vigo Cnty. Hospital Auth. Rev., Union Hospital, Inc.,               |                                |             |
| 990                           | 5.80%, 9/1/47 (a)(b)  | NR/NR                          | 721,750     |
| 1,900                         | 7.50%, 9/1/22 (c)   | NR/NR                          | 1,917,822   |
|                               |   |                                | 6,629,642   |
| <b>Iowa 4.0%</b>              |   |                                |             |
|                               | Finance Auth. Rev.,   |                                |             |
|                               | Deerfield Retirement Community, Inc., Ser. A,                       |                                |             |
| 250                           | 5.50%, 11/15/27   | NR/NR                          | 175,258     |
| 1,075                         | 5.50%, 11/15/37   | NR/NR                          | 681,367     |
| 4,500                         | Edgewater LLC Project, 6.75%, 11/15/42                              | NR/NR                          | 3,886,605   |
| 850                           | Wedum Walnut Ridge LLC Project, 5.625%, 12/1/45, Ser. A             | NR/NR                          | 493,297     |
| 46,000                        | Tobacco Settlement Auth. Rev., 5.60%, 6/1/34, Ser. B                | Baa3/BBB                       | 36,361,160  |
|                               |   |                                | 41,597,687  |
| <b>Kansas 0.1%</b>            |   |                                |             |
| 500                           | Dev. Finance Auth. Rev., Adventist Health, 5.75%, 11/15/38          | Aa3/AA-                        | 514,075     |
| 850                           | Manhattan Rev., Meadowlark Hills Retirement, 5.00%, 5/15/36, Ser. A | NR/NR                          | 623,756     |
|                               |   |                                | 1,137,831   |
| <b>Kentucky 0.3%</b>          |   |                                |             |
| 2,500                         | Economic Dev. Finance Auth. Rev.,                                   |                                |             |
|                               | Catholic Healthcare Partners, 5.25%, 10/1/30                        | A1/AA-                         | 2,405,250   |
| 1,000                         | Owensboro Medical Healthcare Systems, 6.375%, 6/1/40, Ser. A        | Baa2/NR                        | 937,810     |
|                               |   |                                | 3,343,060   |
| <b>Louisiana 4.3%</b>         |   |                                |             |

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|        |   |          |            |
|--------|---|----------|------------|
| 450    | Local Gov t Environmental Facs. & Community Dev. Auth. Rev.,<br>Westlake Chemical Corp., 6.50%, 11/1/35, Ser. A-2<br>Woman s Hospital Foundation, Ser. A, | Ba2/BBB- | 453,478    |
| 750    | 5.875%, 10/1/40   | A3/BBB+  | 707,438    |
| 1,000  | 6.00%, 10/1/44  | A3/BBB+  | 951,580    |
| 3,300  | Public Facs. Auth. Rev., Ochsner Clinic Foundation Project,<br>5.50%, 5/15/47, Ser. B   | Baa1/NR  | 2,713,524  |
| 43,395 | Tobacco Settlement Financing Corp. Rev., 5.875%, 5/15/39, Ser. 2001-B   | Baa3/A-  | 39,387,038 |
|        |   |          | 44,213,058 |

**Maryland 0.7%**

|       |  |         |           |
|-------|--|---------|-----------|
| 1,000 | Health & Higher Educational Facs. Auth. Rev.,<br>Adventist Healthcare, 5.75%, 1/1/25, Ser. A | Baa2/NR | 1,000,420 |
| 1,400 | Charlestown Community, 6.25%, 1/1/41   | NR/NR   | 1,343,328 |
| 1,010 | King Farm Presbyterian Community, 5.30%, 1/1/37, Ser. A                                      | NR/NR   | 702,617   |
| 4,050 | Washington Cnty. Hospital, 6.00%, 1/1/43   | NR/BBB- | 3,748,153 |
|       |  |         | 6,794,518 |

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February 28, 2011 (unaudited)

| Principal<br>Amount<br>(000s) |  | Credit Rating<br>(Moody s/S&P) | Value*      |
|-------------------------------|--|--------------------------------|-------------|
| <b>Massachusetts 0.8%</b>     |  |                                |             |
|                               | Dev. Finance Agcy. Rev.,<br>Adventcare Project,                                    |                                |             |
| \$4,610                       | 6.75%, 10/15/37, Ser. A  | NR/NR                          | \$3,982,902 |
| 580                           | 7.625%, 10/15/37   | NR/NR                          | 556,719     |
| 1,000                         | Foxborough Regional Charter School, 7.00%, 7/1/42, Ser. A                          | NR/BBB                         | 1,005,300   |
| 2,900                         | State College Building Auth. Rev., 5.50%, 5/1/39, Ser. A                           | Aa2/AA-                        | 2,957,043   |
|                               |  |                                | 8,501,964   |
| <b>Michigan 3.1%</b>          |  |                                |             |
| 1,000                         | Detroit, GO, 5.25%, 11/1/35  | Aa3/AA                         | 971,650     |
| 4,545                         | Garden City Hospital Finance Auth. Rev., 5.00%, 8/15/38, Ser. A                    | NR/NR                          | 2,904,164   |
| 800                           | Public Educational Facs. Auth. Rev., Bradford Academy,<br>6.50%, 9/1/37 (a)(b)     | NR/BBB-                        | 739,016     |
| 3,000                         | Royal Oak Hospital Finance Auth. Rev., William Beaumont Hospital,<br>8.25%, 9/1/39 | A1/A                           | 3,402,660   |
| 5,000                         | State Hospital Finance Auth. Rev.,<br>Ascension Health, 5.25%, 11/15/26, Ser. B    | Aa1/AA                         | 5,025,800   |
| 13,500                        | Oakwood Group, Ser. A,<br>5.75%, 4/1/32  | A2/A                           | 12,942,990  |
| 1,925                         | 6.00%, 4/1/22  | A2/A                           | 1,949,582   |
| 6,000                         | Tobacco Settlement Finance Auth. Rev., 6.00%, 6/1/48, Ser. A                       | NR/BB                          | 4,051,740   |
|                               |  |                                | 31,987,602  |
| <b>Minnesota 0.6%</b>         |  |                                |             |
| 150                           | Duluth Housing & Redev. Auth. Rev., 5.875%, 11/1/40, Ser. A                        | NR/BBB-                        | 129,009     |
| 280                           | Minneapolis, Tax Allocation, Grant Park Project, 5.35%, 2/1/30                     | NR/NR                          | 225,932     |
| 1,500                         | Minneapolis Rev., Providence Project, 5.75%, 10/1/37, Ser. A                       | NR/NR                          | 1,262,460   |
| 2,640                         | North Oaks Rev., Presbyterian Homes North Oaks,<br>6.00%, 10/1/33                  | NR/NR                          | 2,345,165   |
| 1,530                         | 6.125%, 10/1/39  | NR/NR                          | 1,356,865   |
| 500                           | Oronoco Rev., Wedum Shorewood Campus Project, 5.40%, 6/1/41                        | NR/NR                          | 402,025     |
| 400                           | St. Louis Park Rev., Nicollett Health Services, 5.75%, 7/1/39                      | NR/A                           | 376,076     |

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|        |   |         |            |
|--------|---|---------|------------|
|        |   |         | 6,097,532  |
|        | <b>Mississippi 0.4%</b>   |         |            |
| 3,605  | Business Finance Corp. Rev., System Energy Res., Inc. Project,<br>5.875%, 4/1/22                                  | Ba1/BBB | 3,525,978  |
| 740    | Dev. Bank Special Obligation Rev., Capital Projects and<br>Equipment Acquisition, 5.00%, 7/1/24, Ser. A-2 (AMBAC) | WR/NR   | 716,853    |
|        |   |         | 4,242,831  |
|        | <b>Missouri 1.8%</b>  |         |            |
| 20,000 | JT Municipal Electric Utility Commission Rev.,<br>5.00%, 1/1/42, Ser. A (AMBAC)                                   | A3/NR   | 18,069,200 |
|        | <b>Nevada 1.0%</b>  |         |            |
| 10,000 | Clark Cnty., GO (FGIC-NPFGC),<br>4.75%, 11/1/35   | Aa1/AA+ | 9,181,100  |
| 1,450  | 5.00%, 6/1/31   | Aa1/AA+ | 1,444,403  |
|        |   |         | 10,625,503 |

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**PIMCO Municipal Income Fund II Schedule of Investments**

February 28, 2011 (unaudited)

| Principal<br>Amount<br>(000s) |   | Credit Rating<br>(Moody s/S&P) | Value*      |
|-------------------------------|---|--------------------------------|-------------|
| <b>New Hampshire 0.2%</b>     |   |                                |             |
| \$2,000                       | Business Finance Auth. Rev., Elliot Hospital, 6.125%, 10/1/39, Ser. A                         | Baa1/BBB+                      | \$1,923,080 |
| 360                           | Health & Education Facs. Auth. Rev., Catholic Medical Center,<br>6.125%, 7/1/32, Ser. A       | Baa1/BBB+                      | 348,527     |
|                               |   |                                | 2,271,607   |
| <b>New Jersey 3.5%</b>        |   |                                |             |
| 950                           | Burlington Cnty. Bridge Commission Rev., The Evergreens Project,<br>5.625%, 1/1/38            | NR/NR                          | 760,950     |
|                               | Economic Dev. Auth., Special Assessment,<br>Kapkowski Road Landfill Project,                  |                                |             |
| 4,000                         | 5.75%, 10/1/21  | Ba2/NR                         | 3,940,720   |
| 11,405                        | 5.75%, 4/1/31   | Ba2/NR                         | 10,488,608  |
|                               | Economic Dev. Auth. Rev.,   |                                |             |
| 525                           | Arbor Glen, 6.00%, 5/15/28, Ser. A  | NR/NR                          | 436,265     |
| 2,000                         | MSU Student Housing Project, 5.875%, 6/1/42   | Baa3/NR                        | 1,821,180   |
| 3,300                         | Educational Facs. Auth. Rev., Fairleigh Dickinson Univ.,<br>6.00%, 7/1/25, Ser. D             | NR/NR                          | 3,283,995   |
|                               | Health Care Facs. Financing Auth. Rev.,   |                                |             |
| 1,500                         | St. Peters Univ. Hospital, 5.75%, 7/1/37  | Baa3/BBB-                      | 1,249,245   |
| 1,830                         | Trinitas Hospital, 5.25%, 7/1/30, Ser. A  | Baa3/BBB-                      | 1,589,190   |
| 2,000                         | State Turnpike Auth. Rev., 5.25%, 1/1/40, Ser. E  | A3/A+                          | 1,991,020   |
|                               | Tobacco Settlement Financing Corp. Rev., Ser. 1-A,  |                                |             |
| 3,300                         | 4.75%, 6/1/34   | Baa3/BB+                       | 2,019,567   |
| 13,150                        | 5.00%, 6/1/41   | Baa3/BB-                       | 7,907,884   |
|                               |   |                                | 35,488,624  |
| <b>New Mexico 0.2%</b>        |   |                                |             |
| 2,000                         | Farmington Pollution Control Rev., 5.90%, 6/1/40, Ser. D                                      | Baa3/BB+                       | 1,927,060   |
| <b>New York 2.8%</b>          |   |                                |             |
| 1,200                         | Erie Cnty. Industrial Dev. Agcy. Rev., Orchard Park, Inc. Project,<br>6.00%, 11/15/36, Ser. A | NR/NR                          | 841,452     |

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|        |   |           |            |
|--------|---|-----------|------------|
|        | Liberty Dev. Corp. Rev.,  |           |            |
| 1,000  | 5.125%, 1/15/44   | NR/AA     | 933,170    |
| 2,500  | 5.625%, 7/15/47   | NR/A      | 2,411,825  |
| 1,250  | 6.375%, 7/15/49   | NR/BBB-   | 1,248,987  |
|        | Goldman Sachs Headquarters,   |           |            |
| 1,505  | 5.25%, 10/1/35  | A1/A      | 1,472,402  |
| 10,000 | 5.25%, 10/1/35 (g)  | A1/A      | 9,783,400  |
| 1,100  | Nassau Cnty. Industrial Dev. Agcy. Rev., Amsterdam at Harborside,<br>6.70%, 1/1/43, Ser. A    | NR/NR     | 991,342    |
| 2,830  | New York City Municipal Water Finance Auth. Water & Sewer Rev.,<br>5.00%, 6/15/37, Ser. D (g) | Aa1/AAA   | 2,801,191  |
|        | Second Generation Resolutions,  |           |            |
| 4,000  | 4.75%, 6/15/35, Ser. DD (g)   | Aa2/AA+   | 3,827,480  |
| 2,000  | 5.00%, 6/15/39, Ser. GG-1   | Aa2/AA+   | 1,961,260  |
| 1,750  | State Dormitory Auth. Rev., The New School, 5.50%, 7/1/40                                     | A3/A-     | 1,749,860  |
| 705    | State Environmental Facs. Corp. Rev., 5.25%, 12/15/23, Ser. A                                 | NR/AAA    | 776,275    |
| 250    | Suffolk Cnty. Industrial Dev. Agcy. Rev.,<br>New York Institute of Technology, 5.00%, 3/1/26  | Baa2/BBB+ | 239,315    |
|        |   |           | 29,037,959 |

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**PIMCO Municipal Income Fund II Schedule of Investments**

February 28, 2011 (unaudited)

| Principal<br>Amount<br>(000s) |  | Credit Rating<br>(Moody s/S&P) | Value*      |
|-------------------------------|--|--------------------------------|-------------|
| <b>North Carolina 0.5%</b>    |  |                                |             |
| \$5,000                       | Capital Facs. Finance Agcy. Rev., Duke Energy,<br>4.625%, 11/1/40, Ser. A                              | A1/A                           | \$4,416,400 |
| 550                           | Medical Care Commission Rev.,<br>Salem towne, 5.10%, 10/1/30   | NR/NR                          | 466,988     |
| 1,000                         | Village at Brookwood, 5.25%, 1/1/32  | NR/NR                          | 747,660     |
|                               |  |                                | 5,631,048   |
| <b>North Dakota 0.3%</b>      |  |                                |             |
| 3,710                         | Stark Cnty. Healthcare Rev., Benedictine Living Communities,<br>6.75%, 1/1/33                          | NR/NR                          | 3,350,538   |
| <b>Ohio 1.3%</b>              |  |                                |             |
| 1,000                         | Higher Educational Fac. Commission Rev.,<br>Univ. Hospital Health Systems, 6.75%, 1/15/39, Ser. 2009-A | A2/A                           | 1,033,090   |
| 7,500                         | Lorain Cnty. Hospital Rev., Catholic Healthcare, 5.375%, 10/1/30                                       | A1/AA-                         | 7,502,475   |
| 500                           | Lorain Cnty. Port Auth. Rev.,<br>6.75%, 12/1/40  | Ba2/BB                         | 505,975     |
| 1,000                         | Montgomery Cnty. Rev., Miami Valley Hospital, 6.25%, 11/15/39, Ser. A<br>State Rev.,                   | Aa3/NR                         | 1,020,350   |
| 550                           | Ashland Univ. Project, 6.25%, 9/1/24   | Ba1/NR                         | 540,425     |
| 3,000                         | Cleveland Clinic Health System, 5.50%, 1/1/39, Ser. B  | Aa2/AA-                        | 2,966,040   |
|                               |  |                                | 13,568,355  |
| <b>Oregon 0.2%</b>            |  |                                |             |
| 1,000                         | Clackamas Cnty. Hospital Fac. Auth. Rev., Legacy Health System,<br>5.50%, 7/15/35, Ser. A              | A2/A+                          | 999,930     |
| 1,155                         | State Department of Administrative Services, CP,<br>5.25%, 5/1/39, Ser. A                              | Aa2/AA-                        | 1,149,860   |
|                               |  |                                | 2,149,790   |
| <b>Pennsylvania 5.1%</b>      |  |                                |             |

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|        |  |           |            |
|--------|--|-----------|------------|
|        | Cumberland Cnty. Municipal Auth. Rev.,<br>Messiah Village Project, Ser. A,                                     |           |            |
| 750    | 5.625%, 7/1/28   | NR/BBB-   | 654,795    |
| 670    | 6.00%, 7/1/35, Ser. A  | NR/BBB-   | 578,920    |
| 3,250  | Harrisburg Auth. Rev., Harrisburg Univ. of Science,<br>6.00%, 9/1/36, Ser. B                                   | NR/NR     | 2,731,560  |
| 850    | Higher Educational Facs. Auth. Rev.,<br>Edinboro Univ. Foundation, 6.00%, 7/1/43                               | Baa3/BBB- | 816,017    |
| 400    | Thomas Jefferson Univ., 5.00%, 3/1/40  | A1/AA-    | 372,268    |
| 500    | Luzerne Cnty. Industrial Dev. Auth. Rev.,<br>Pennsylvania American Water Co., 5.50%, 12/1/39                   | A2/A      | 491,445    |
|        | Montgomery Cnty. Higher Education & Health Auth. Rev.,<br>Abington Memorial Hospital, Ser. A,                  |           |            |
| 5,000  | 5.125%, 6/1/27   | NR/A      | 4,805,050  |
| 3,750  | 5.125%, 6/1/32   | NR/A      | 3,494,738  |
| 8,500  | Montgomery Cnty. Industrial Dev. Auth. Rev., 5.375%, 8/1/38 (FHA)  | Aa2/AA    | 8,338,245  |
| 17,000 | Philadelphia, GO, 5.25%, 12/15/32, Ser. A (AGM)  | Aa3/AA+   | 17,020,060 |
| 11,600 | Philadelphia Hospitals & Higher Education Facs. Auth. Rev.,<br>Temple Univ. Hospital, 6.625%, 11/15/23, Ser. A | Baa3/BBB  | 11,600,464 |
| 500    | Philadelphia Water Rev., 5.25%, 1/1/36, Ser. A   | A1/A      | 488,435    |
| 1,000  | Westmoreland Cnty. Industrial Dev. Auth. Rev.,<br>Excelsa Health Project, 5.125%, 7/1/30                       | A3/NR     | 916,910    |
|        |  |           | 52,308,907 |



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**PIMCO Municipal Income Fund II Schedule of Investments**

February 28, 2011 (unaudited)

| Principal<br>Amount<br>(000s) |   | Credit Rating<br>(Moody s/S&P) | Value*      |
|-------------------------------|---|--------------------------------|-------------|
| <b>Puerto Rico 0.9%</b>       |   |                                |             |
| \$10,000                      | Sales Tax Financing Corp. Rev., 5.25%, 8/1/41, Ser. C   | A1/A+                          | \$8,995,000 |
| <b>Rhode Island 5.5%</b>      |   |                                |             |
| 65,200                        | Tobacco Settlement Financing Corp. Rev., 6.25%, 6/1/42, Ser. A  | Baa3/BBB                       | 56,668,580  |
| <b>South Carolina 1.5%</b>    |   |                                |             |
| 1,000                         | Greenwood Cnty. Rev., Self Regional Healthcare, 5.375%, 10/1/39<br>Jobs-Economic Dev. Auth. Rev., Ser. B,   | A2/A+                          | 930,460     |
| 500                           | Anmed Health, 5.50%, 2/1/38 (AGC)   | NR/AA+                         | 495,810     |
| 13,850                        | Bon Secours Health System, 5.625%, 11/15/30   | A3/A-                          | 13,283,951  |
| 1,000                         | State Public Service Auth. Rev., 5.25%, 1/1/39, Ser. B  | Aa2/AA-                        | 1,020,500   |
|                               |   |                                | 15,730,721  |
| <b>Tennessee 0.7%</b>         |   |                                |             |
| 1,750                         | Claiborne Cnty. Industrial Dev. Board Rev.,<br>Lincoln Memorial Univ. Project, 6.625%, 10/1/39  | NR/NR                          | 1,751,575   |
| 1,000                         | Johnson City Health & Educational Facs. Board Rev.,<br>Mountain States Health Alliance, 6.00%, 7/1/38   | Baa1/BBB+                      | 927,960     |
| 500                           | Sullivan Cnty. Health Educational & Housing Facs. Board Rev.,<br>Wellmont Health Systems Project, 5.25%, 9/1/36, Ser. C                                   | NR/BBB+                        | 412,480     |
| 3,000                         | Tennessee Energy Acquisition Corp. Rev.,<br>5.00%, 2/1/23, Ser. C   | Baa3/BBB                       | 2,896,590   |
| 700                           | 5.25%, 9/1/21, Ser. A   | Ba3/B                          | 687,274     |
| 700                           | 5.25%, 9/1/22, Ser. A   | Ba3/B                          | 685,818     |
|                               |   |                                | 7,361,697   |
| <b>Texas 12.0%</b>            |   |                                |             |
| 130                           | Aubrey Independent School Dist., GO, 5.50%, 2/15/33 (PSF-GTD)   | Aaa/NR                         | 134,360     |
| 6,500                         | Brazos Cnty. Health Facs. Dev. Corp. Rev., 5.375%, 1/1/32   | NR/A-                          | 5,867,095   |
| 2,500                         | Dallas Rev., Dallas Civic Center, 5.25%, 8/15/38 (AGC)<br>Harris Cnty. Cultural Education Facs. Finance Corp. Rev.,<br>Texas Children s Hospital Project, | Aa3/AA+                        | 2,481,950   |

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|        |   |           |            |
|--------|---|-----------|------------|
| 3,750  | 5.25%, 10/1/29  | Aa2/AA    | 3,745,425  |
| 12,700 | 5.50%, 10/1/39  | Aa2/AA    | 12,466,066 |
| 700    | HFDC of Central Texas, Inc. Rev., Village at Gleannloch Farms,<br>5.50%, 2/15/37, Ser. A  | NR/NR     | 469,693    |
| 450    | Municipal Gas Acquisition & Supply Corp. I Rev.,<br>5.25%, 12/15/25, Ser. A               | A2/A      | 420,799    |
| 15,300 | 6.25%, 12/15/26, Ser. D   | A2/A      | 15,843,456 |
| 10,300 | North Harris Cnty. Regional Water Auth. Rev.,<br>5.25%, 12/15/33                          | A1/A+     | 10,244,998 |
| 10,300 | 5.50%, 12/15/38   | A1/A+     | 10,324,926 |
| 5,250  | North Texas Tollway Auth. Rev.,<br>4.75%, 1/1/29 (FGIC-NPFGC)                             | A2/A-     | 4,896,255  |
| 5,000  | 5.625%, 1/1/33, Ser. B  | A2/A-     | 4,928,500  |
| 1,200  | 5.75%, 1/1/33, Ser. F   | A3/BBB+   | 1,172,196  |
| 1,250  | 6.25%, 1/1/39, Ser. A   | A2/A-     | 1,277,775  |
| 2,000  | Sabine River Auth. Pollution Control Rev., 5.20%, 5/1/28, Ser. C                          | Ca/NR     | 683,180    |
| 10,000 | San Antonio Electric & Gas Systems Rev., 5.00%, 2/1/32 (g)                                | Aa1/AA    | 10,198,500 |
| 250    | San Juan Higher Education Finance Auth. Rev., 6.70%, 8/15/40, Ser. A                      | NR/BBB    | 250,855    |
| 10,025 | State, Mobility Fund, GO (g),<br>4.75%, 4/1/35, Ser. A                                    | Aaa/AA+   | 9,799,538  |
| 17,500 | 4.75%, 4/1/36   | Aaa/AA+   | 16,926,525 |
| 1,000  | State Public Finance Auth. Rev., Charter School Finance Corp.,<br>5.875%, 12/1/36, Ser. A | Baa3/BBB- | 914,130    |
| 8,880  | State Turnpike Auth. Rev., 5.00%, 8/15/42, Ser. A (AMBAC)                                 | Baa1/BBB+ | 7,318,186  |

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**PIMCO Municipal Income Fund II Schedule of Investments**

February 28, 2011 (unaudited)

| Principal<br>Amount<br>(000s) |   | Credit Rating<br>(Moody s/S&P) | Value*        |
|-------------------------------|---|--------------------------------|---------------|
| <b>Texas (continued)</b>      |   |                                |               |
| \$3,000                       | Tarrant Cnty. Cultural Education Facs. Finance Corp. Rev.,<br>Baylor Health Care Systems Project, 6.25%, 11/15/29 | Aa2/AA-                        | \$3,205,350   |
|                               |   |                                | 123,569,758   |
| <b>Virginia 0.3%</b>          |   |                                |               |
| 1,000                         | Fairfax Cnty. Industrial Dev. Auth. Rev., Inova Health Systems,<br>5.50%, 5/15/35, Ser. A                         | Aa2/AA+                        | 1,005,810     |
| 1,000                         | Henrico Cnty. Economic Dev. Auth. Rev., Bon Secours Health System,<br>4.50%, 11/1/42, Ser. B-1 (AGC)              | Aa3/AA+                        | 838,380       |
| 2,050                         | James City Cnty. Economic Dev. Auth. Rev., United Methodist Homes,<br>5.50%, 7/1/37, Ser. A                       | NR/NR                          | 1,175,080     |
|                               |   |                                | 3,019,270     |
| <b>Washington 1.4%</b>        |   |                                |               |
|                               | Health Care Facs. Auth. Rev.,   |                                |               |
| 1,300                         | Multicare Health Systems, 6.00%, 8/15/39, Ser. B (AGC)  | Aa3/AA+                        | 1,340,755     |
| 1,000                         | Seattle Cancer Care Alliance, 7.375%, 3/1/38  | A3/NR                          | 1,070,590     |
| 13,000                        | Virginia Mason Medical Center, 6.125%, 8/15/37, Ser. A  | Baa2/BBB                       | 12,139,790    |
|                               |   |                                | 14,551,135    |
| <b>Wisconsin 0.1%</b>         |   |                                |               |
|                               | Health & Educational Facs. Auth. Rev.,  |                                |               |
| 90                            | Froedert & Community Health, 5.375%, 10/1/30  | NR/AA-                         | 89,618        |
| 1,000                         | Prohealth Care, Inc., 6.625%, 2/15/39   | A1/A+                          | 1,040,300     |
|                               |   |                                | 1,129,918     |
|                               | Total Municipal Bonds & Notes (cost \$1,039,174,713)  |                                | 1,000,100,973 |

**VARIABLE RATE NOTES (f) 2.8%**

**California 0.4%**

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|                           |  |          |            |
|---------------------------|--|----------|------------|
| 5,000                     | Health Facs. Financing Auth. Rev., 12.25%, 11/15/36, Ser. 3193 (a)(b)(e)                     | NR/NR    | 4,070,100  |
| <b>Florida 0.2%</b>       |  |          |            |
| 1,830                     | Highlands Cnty. Health Facs. Auth. Rev.,<br>Adventist Health System, 5.00%, 11/15/31, Ser. C | Aa3/AA-  | 1,710,373  |
| <b>Illinois 1.2%</b>      |  |          |            |
| 6,000                     | Chicago, GO, 15.13%, 1/1/34, Ser. 3190 (a)(b)(e)   | NR/NR    | 4,461,780  |
| 4,500                     | Metropolitan Pier & Exposition Auth. Rev.,<br>12.78%, 6/15/50, Ser. 3217 (a)(b)(e)           | NR/AAA   | 3,442,680  |
| 5,000                     | State, GO, 12.62%, 4/1/27, Ser. 783 (AGC) (a)(b)(e)  | Aa3/NR   | 4,766,200  |
|                           |  |          | 12,670,660 |
| <b>Texas 0.8%</b>         |  |          |            |
| 3,335                     | JPMorgan Chase Putters/Drivers Trust Rev.,<br>17.859%, 5/15/18, Ser. 3709 (a)(b)(e)          | NR/AAA   | 3,459,395  |
| 5,365                     | State, GO, 11.59%, 4/1/37, Ser. 3197 (a)(b)(e)   | NR/NR    | 4,915,950  |
|                           |  |          | 8,375,345  |
| <b>West Virginia 0.2%</b> |  |          |            |
| 2,000                     | Economic Dev. Auth. Rev., Appalachia Power,<br>5.375%, 12/1/38, Ser. A                       | Baa2/BBB | 1,841,980  |
|                           | Total Variable Rate Notes (cost \$33,661,263)  |          | 28,668,458 |

**PIMCO Municipal Income Fund II Schedule of Investments**

February 28, 2011 (unaudited)

| Principal<br>Amount<br>(000s)         |   | Value*                 |
|---------------------------------------|---|------------------------|
| <b>SHORT-TERM INVESTMENT 0.1%</b>     |   |                        |
| <b>U.S. Treasury Obligations 0.1%</b> |   |                        |
|                                       | U.S. Treasury Bills,  |                        |
| \$1,170                               | 0.159%, 8/25/11 (h)(i) (cost \$1,169,099)                         | \$1,169,099            |
|                                       | <b>Total Investments</b> (cost \$1,074,005,075) (j) <b>100.0%</b> | <b>\$1,029,938,530</b> |

**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 a development/event occurs that may significantly impact the value of a security, are fair-valued, in good faith, pursuant to procedures established by the Board of Trustees, or persons acting at their discretion pursuant to procedures established by the Board of Trustees. The Fund's investments are valued daily using prices supplied by an independent pricing service or dealer quotations, or by using the last sale price on the exchange that is the primary market for such securities, or the mean between the last quoted bid and ask price. 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. 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 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 \$31,198,642, representing 3.0% of total investments.
- (b) 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.
- (c) When-issued. To be settled after February 28, 2011.
- (d) In default.
- (e) Inverse Floater The interest rate shown bears an inverse relationship to the interest rate on another security or the value of an index. The interest rate disclosed reflects the rate in effect on February 28, 2011.
- (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 February 28, 2011.
- (g) 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.
- (h) All or partial amount segregated for the benefit of the counterparty as collateral for derivatives.
- (i) Rates shown are the effective yields at purchase date.
- (j)

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At February 28, 2011, the cost basis of investments for federal income tax purposes was \$986,462,356. Aggregate gross unrealized appreciation for securities in which there was an excess value over tax cost was \$21,392,293; aggregate gross unrealized depreciation for securities in which there was an excess of tax cost over value was \$64,513,393; and net unrealized depreciation for federal income tax purposes was \$43,121,100. The difference between book and tax cost was attributable to inverse floater transactions.

### Glossary:

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  
 IBC Insurance Bond Certificate  
 NPFGC insured by National Public Finance Guarantee Corp.  
 NR Not Rated  
 PSF Public School Fund  
 WR Withdrawn Rating

### Other Investments:

(A) Interest rate swap agreements outstanding at February 28, 2011:

| Swap Counterparty | Notional Amount (000s) | Termination Date | Payments Made | Rate Type         | Market Value   | Upfront Premiums Paid(Received) | Unrealized Depreciation |
|-------------------|------------------------|------------------|---------------|-------------------|----------------|---------------------------------|-------------------------|
|                   |                        |                  |               | Payments Received |                |                                 |                         |
| Citigroup         | \$37,400               | 6/20/42          | (4.75)%       | 3-Month USD-LIBOR | \$ (1,036,451) | \$(635,800)                     | \$(400,651)             |
| Goldman Sachs     | 18,700                 | 6/20/42          | (4.75)%       | 3-Month USD-LIBOR | (518,226)      | 147,730                         | (665,956)               |
| Morgan Stanley    | 23,200                 | 6/20/42          | (4.75)%       | 3-Month USD-LIBOR | (642,932)      | 371,200                         | (1,014,132)             |
|                   |                        |                  |               |                   | \$ (2,197,609) | \$(116,870)                     | \$(2,080,739)           |

LIBOR - London Inter-Bank Offered Rate

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### Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the exit price) in an orderly transaction between market participants. The three levels of the fair value hierarchy are described below:

- Level 1 quoted prices in active markets for identical investments that the Fund has the ability to access
- Level 2 valuations based on other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.) or quotes from inactive exchanges
- Level 3 valuations based on significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

An investment asset's or liability's level within the fair value hierarchy is based on the lowest level input, individually or in the aggregate, that is significant to fair value measurement. The objective of fair value measurement remains the same even when there is a significant decrease in the volume and level of activity for an asset or liability and regardless of the valuation technique used.

The valuation techniques used by the Fund to measure fair value during the nine months ended February 28, 2011 maximized the use of observable inputs and minimized the use of unobservable inputs.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following are certain inputs and techniques that the Fund generally uses to evaluate how to classify each major category of assets and liabilities, for Level 2 and Level 3, in accordance with Generally Accepted Accounting Principles.

Municipal Bonds & Notes and Variable Rate Notes Municipal bonds & notes and variable rate notes are valued by independent pricing services based on pricing models that take into account, among other factors, information received from market makers and broker-dealers, current trades, bid-want lists, offerings, market movements, the callability of the bond or note, state of issuance, benchmark yield curves, and bond or note insurance. To the extent that these inputs are observable, the values of municipal bonds & notes and variable rate notes are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

U.S. Treasury Obligations U.S. Treasury obligations are valued by independent pricing services based on pricing models that evaluate the mean between the most recently quoted bid and ask price. The models also take into consideration data received from active market makers and broker-dealers, yield curves, and the spread over comparable U.S. Treasury issues. The spreads change daily in response to market conditions and are generally obtained from the new issue market and broker-dealer sources. To the extent that these inputs are observable, the values of U.S. Treasury obligations are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

Interest Rate Swaps Interest rate swaps are valued by independent pricing services using pricing models that are based on real-time intraday snapshots of relevant interest rate curves that are built using the most actively traded securities for a given maturity. The pricing models also incorporate cash and money market rates. In addition, market data pertaining to interest rate swaps is monitored regularly to ensure that interest rates are properly depicting the current market rate. To the extent that these inputs are observable, the values of interest rate swaps are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

The Fund's policy is to recognize transfers between levels at the end of the reporting period.

A summary of the inputs used at February 28, 2011 in valuing the Fund's assets and liabilities is listed below:

|   | Level 2 -<br>Other Significant<br>Observable<br>Inputs | Level 3 -<br>Significant<br>Unobservable<br>Inputs | Value at<br>2/28/11     |
|---|--|--|-------------------------|
| <b>Investments in Securities - Assets</b>       |  |  |                         |
| Municipal Bonds & Notes                         | \$ 1,000,100,973                                       |  | \$ 1,000,100,973        |
| Variable Rate Notes                             | 28,668,458   |  | 28,668,458              |
| Short-Term Investment                           | 1,169,099  |  | 1,169,099               |
| <b>Total Investments in Securities - Assets</b> | <b>\$ 1,029,938,530</b>                                |  | <b>\$ 1,029,938,530</b> |

### **Other Financial Instruments\* - Liabilities**

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|                          |                         |                         |
|--------------------------|-------------------------|-------------------------|
| Interest Rate Contracts  | \$ (2,080,739)          | \$ (2,080,739)          |
| <b>Total Investments</b> | <b>\$ 1,027,857,791</b> | <b>\$ 1,027,857,791</b> |

\*Other Financial Instruments are derivatives not reflected in the Schedule of Investments, such as swap agreements, which are valued at the unrealized appreciation (depreciation) of the instrument.

There were no significant transfers between Levels 1 and 2 during the nine months ended February 28, 2011.

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**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
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**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 II

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

Date: April 18, 2011

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

Date: April 18, 2011

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: April 18, 2011

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

Date: April 18, 2011

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