

PIMCO MUNICIPAL INCOME FUND  
Form N-CSR  
July 07, 2011

**OMB APPROVAL**

OMB Number: 3235-0570  
Expires: January 31, 2014  
Estimated average burden  
hours per response... 20.6

**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 811-10377**

**PIMCO Municipal Income Fund**

**(Exact name of registrant as specified in charter)**

**1633 Broadway, New York, NY**

**10019**

**(Address of principal executive offices)**

**(Zip code)**

**Lawrence G. Altadonna 1633 Broadway, New York, NY 10019**

**(Name and address of agent for service)**

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

Date of fiscal year end: April 30, 2011

Date of reporting period: April 30, 2011

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

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

ITEM 1. REPORT TO SHAREHOLDERS

April 30, 2011

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

**PMF**

**PCQ**

**PNF**

---

## Contents

Letter to Shareholders	2-3
Fund Insights/Fund Performance & Statistics	4-6
Schedules of Investments	7-25
Statements of Assets and Liabilities	26
Statements of Operations	27
Statements of Changes in Net Assets	28-29
Statement of Cash Flows	30
Notes to Financial Statements	31-44
Financial Highlights	45-47
Report of Independent Registered Public Accounting Firm	48
Tax Information/Annual Shareholder Meeting Results/Changes to Board of Trustees	49
Privacy Policy/Proxy Voting Policies & Procedures	50
Dividend Reinvestment Plan	51
Board of Trustees	52-53
Fund Officers	54

Dear Shareholder:

Municipal bonds encountered significant volatility during the fiscal year ended April 30, 2011. On an annual basis, municipal prices declined but a rally in the latter months of the reporting period suggested that the municipal market had stabilized.

**The Year in Review**

For the fiscal year ended April 30, 2011:

PIMCO Municipal Income Fund declined 0.65% on net asset value ( NAV ) and advanced 1.54% on market price.

PIMCO California Municipal Income Fund declined 4.89% on NAV and 2.79% on market price.

PIMCO New York Municipal Income Fund declined 0.70% on NAV and 5.57% on market price.

The U.S. economy, as measured by Gross Domestic Product ( GDP ) grew steadily throughout the fiscal year. Between April and June of 2010, GDP expanded at an annual rate of 1.7%. This accelerated to a rate of 2.6% and 3.1%, respectively, in the succeeding two quarters before easing to a rate of 1.8% between January and March of 2011.

The disappointing returns for municipal bonds were largely the result of events that occurred in the last few months of calendar year 2010. Notably, the federal government's Build America Bonds ( BAB ) program ended on December 31, 2010. The BAB program, part of the Obama administration's stimulus program, was designed to help cash-strapped states and cities cope with the economic downturn by subsidizing borrowing costs for municipal projects. After the Republicans won the House of Representatives and made large gains in the Senate, it became clear that the BAB program would not be extended. Realizing this, many state and city governments flooded the municipal market with a final push of BABs. Investors were unable to absorb this sudden oversupply, which triggered municipal bond prices to fall.

Certain municipal bonds were adversely affected by the second round of quantitative easing by the Federal Reserve ( the Fed ). In an attempt to lower

Hans W. Kertess  
*Chairman*

Brian S. Shlissel  
*President & CEO*

interest rates, the Fed said it would purchase approximately \$600 billion worth of U.S. Treasury securities. The Fed excluded Treasury bonds with longer maturities from this program, causing their prices to fall. Consequently, since longer term municipal bonds often closely correlate with such Treasury bonds, they fell as well.

The oversupply of new municipal bonds that weighed down prices in late 2010 was followed by the lightest three-month period, January to March 2011, for the issuance of new municipal securities in 11 years. This sparked a rally in the municipal market that lasted for the remainder of the fiscal year.

### **The Road Ahead**

Although Bush-era tax cuts have been extended through December 31, 2012, the severe fiscal situation at all levels of government (federal, state and local) implies higher taxes in the years ahead. We believe, municipal bonds are, and will continue to be, compelling investment vehicles.

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 are available on our Web site, [www.allianzinvestors.com/closedendfunds](http://www.allianzinvestors.com/closedendfunds).

Together with Allianz Global Investors Fund Management LLC, the Funds' investment manager, and Pacific Investment Management Company LLC, the Funds' sub-adviser, we thank you for investing with us.

We remain dedicated to serving your investment needs.

Sincerely,

Hans W. Kertess  
Chairman

Brian S. Shlissel  
President & Chief Executive Officer

### **PIMCO Municipal Income Funds Fund Insights**

April 30, 2011 (unaudited)

For the fiscal year ended April 30, 2011, PIMCO Municipal Income Fund returned 0.65% on net asset value ( NAV ) and 1.54% on market price.

For the fiscal year ended April 30, 2011, PIMCO California Municipal Income Fund returned 4.89% on net asset value ( NAV ) and 2.79% on market price.

For the fiscal year ended April 30, 2011, PIMCO New York Municipal Income Fund returned 0.70% on net asset value ( NAV ) and 5.57% on market price.

It was a challenging period for the municipal bond market during the fiscal year ended April 30, 2011. The overall municipal market (as measured by the Barclays Capital Municipal Bond Index) posted a positive return during the first half of the fiscal year, aided by overall solid demand from investors seeking tax-free income. A decline in new issuance of tax-free bonds was also beneficial. The municipal market then produced poor results over much of the second half of the reporting period. A confluence of events dragged down municipal bonds, including the rising interest rate environment, concerns regarding increased municipal defaults, a large increase in issuance of Build America Bonds at the end of 2010, and substantial redemptions from mutual fund shareholders. However, the municipal market rallied in April 2011, as tax revenues increased, new issuance fell sharply and a number of states took meaningful steps to improve their balance sheets.

#### **Municipal:**

During the fiscal year, exposure to the housing and power sectors was positive for performance as these sectors held up relatively well during periods of weakness in the municipal market. A higher credit quality bias was also rewarded, as lower rated credits underperformed their higher quality counterparts given concerns for an increase in municipal defaults. Finally, a shorter duration than that of the benchmark was beneficial, as municipal yields generally rose across the curve during the reporting period.

In contrast, exposure to the tobacco sector detracted from performance. During the fourth quarter of 2010, a number of municipal tobacco settlement trusts were downgraded to below investment grade status. This led to a sharp sell-off, which was exacerbated by forced selling into an illiquid market by mutual funds that are not permitted to hold non-investment grade securities. Exposure to the corporate-backed sector adversely impacted performance as it lagged the benchmark.

#### **California Municipal:**

During the fiscal year, exposure to the tobacco sector detracted from performance. During the fourth quarter of 2010, a number of municipal tobacco settlement trusts were downgraded to below investment grade status. This led to a sharp sell-off, which was exacerbated by forced selling into an illiquid market by mutual funds that are not allowed to hold non-investment grade securities. Exposure to the corporate-backed sector was also negative for performance as it lagged the benchmark. Finally, having a slightly longer duration than that of the benchmark was detrimental, as municipal yields generally rose across the curve during the reporting period.

In contrast, exposure to the housing and power sectors was positive for performance as they held up relatively well during periods of weakness in the municipal market. A higher credit quality bias was also rewarded, as lower rated credits underperformed their higher quality counterpart given concerns for an increase in municipal defaults.

**New York Municipal:**

During the fiscal year, exposure to the housing and power sectors was positive for performance as they held up relatively well during periods of weakness in the municipal market. A higher credit quality bias was also rewarded, as lower rated credits underperformed their higher quality counterpart given concerns for an increase in municipal defaults. Finally, having a shorter duration than that of the benchmark was beneficial, as municipal yields generally rose across the curve during the reporting period.

In contrast, the Fund's exposure to the tobacco sector detracted from performance. During the fourth quarter of 2010, a number of municipal tobacco settlement trusts were downgraded to below investment grade status. This led to a sharp sell-off, which was exacerbated by forced selling into an illiquid market by mutual funds that are not allowed to hold non-investment grade securities. Exposure to the corporate-backed sector was also negative for performance as it lagged the benchmark.

**PIMCO Municipal Income Funds Fund Performance & Statistics**

April 30, 2011 (unaudited)

**Municipal:**

<b>Total Return<sup>(1)</sup>:</b>	<b>Market Price</b>	<b>NAV</b>
1 Year	1.54%	0.65%
5 Year	2.77%	2.07%
Commencement of Operations (6/29/01) to 4/30/11	5.61%	4.58%

**Market Price/NAV Performance:**

Commencement of Operations (6/29/01) to 4/30/11

**Market Price/NAV:**

Market Price	\$12.92
NAV	\$10.72
Premium to NAV	20.52%
Market Price Yield <sup>(2)</sup>	7.55%

**Moody's Rating**  
(as a % of total investments)

**California Municipal:**

<b>Total Return<sup>(1)</sup>:</b>	<b>Market Price</b>	<b>NAV</b>
------------------------------------	---------------------	------------



1 Year	2.79%	4.89%
5 Year	1.39%	2.36%
Commencement of Operations (6/29/01) to 4/30/11	4.51%	4.50%

**Market Price/NAV Performance:**

Commencement of Operations (6/29/01) to 4/30/11

**Market Price/NAV:**

Market Price	\$11.99
NAV	\$11.32
Premium to NAV	5.92%
Market Price Yield <sup>(2)</sup>	7.71%

**Moody's Rating**  
(as a % of total investments)

**PIMCO Municipal Income Funds Fund Performance & Statistics**

April 30, 2011 (unaudited) (continued)

**New York Municipal:**

<b>Total Return<sup>(1)</sup>:</b>	<b>Market Price</b>	<b>NAV</b>
1 Year	5.57%	0.70%
5 Year	1.56%	0.08%
Commencement of Operations (6/29/01) to 4/30/11	2.10%	2.63%

**Market Price/NAV Performance:**Commencement of Operations (6/29/01)  
to 4/30/11**Market Price/NAV:**

Market Price	\$9.89
NAV	\$9.92
Discount to NAV	0.30%
Market Price Yield <sup>(2)</sup>	6.92%

**Moody's Rating**  
(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 and capital gain 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 onetime 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.

(2) Market Price Yield is determined by dividing the annualized current monthly per share dividend (comprised of net investment income) payable to common shareholders by the market price per common share at April 30, 2011.

**PIMCO Municipal Income Fund Schedule of Investments**

April 30, 2011

Principal Amount (000s)		Credit Rating (Moody's/S&P)*	Value
<b>MUNICIPAL BONDS &amp; NOTES 97.5%</b>			
<b>Alabama 0.9%</b>			
\$ 2,500	Birmingham-Baptist Medical Centers Special Care Facs. Financing Auth. Rev., Baptist Health Systems, Inc., 5.875%, 11/15/24, Ser. A	Baa2/NR	\$ 2,428,475
	Huntsville-Redstone Village Special Care Facs. Financing Auth. Rev., Redstone Village Project,		
250	5.50%, 1/1/28	NR/NR	205,537
885	5.50%, 1/1/43	NR/NR	646,289
1,350	Montgomery Medical Clinic Board Rev., Jackson Hospital & Clinic, 5.25%, 3/1/31	Baa2/BBB	1,153,926
			4,434,227
<b>Alaska 1.1%</b>			
3,280	Borough of Matanuska-Susitna Rev., Goose Creek Correctional Center, 6.00%, 9/1/32 (AGC)	Aa1/AA+	3,566,016
900	Industrial Dev. & Export Auth. Rev., Boys & Girls Home, 6.00%, 12/1/36	NR/NR	495,000
2,400	Northern Tobacco Securitization Corp. Rev., 5.00%, 6/1/46, Ser. A	Baa3/NR	1,407,456
			5,468,472
<b>Arizona 5.0%</b>			
5,000	Apache Cnty. Industrial Dev. Auth. Rev., Tucson Electric Power Co. Project, 5.875%, 3/1/33, Ser. B	Baa3/BBB-	4,999,650
	Health Facs. Auth. Rev.,		
2,050	Banner Health, 5.50%, 1/1/38, Ser. D	NR/A+	1,983,068
2,750	Beatitudes Campus Project, 5.20%, 10/1/37	NR/NR	1,952,308
1,500	Maricopa Cnty. Pollution Control Corp. Rev., Southern California Edison Co., 5.00%, 6/1/35, Ser. A	A1/A	1,455,000
	Pima Cnty. Industrial Dev. Auth. Rev., Tucson Electric Power Co., Ser. A,		
750	5.25%, 10/1/40	Baa3/BBB-	685,192
4,150	6.375%, 9/1/29	Baa3/BBB-	4,198,928
5,000	Salt River Project Agricultural Improvement & Power Dist. Rev., 5.00%, 1/1/39, Ser. A (k)	Aa1/AA	5,044,000
4,200	Salt Verde Financial Corp. Rev., 5.00%, 12/1/37	A3/A	3,463,026

23,781,172

**Arkansas 0.5%**

8,500	Dev. Finance Auth. Rev., Arkansas Cancer Research Center Project, zero coupon, 7/1/36 (AMBAC)	Aa2/NR	2,181,865
-------	--	--------	-----------

**California 15.3%**

2,875	Bay Area Toll Auth. Rev., 5.00%, 10/1/34	A1/A+	2,658,541
3,255	San Francisco Bay Area, 5.00%, 10/1/42	A1/A+	2,953,392

**PIMCO Municipal Income Fund Schedule of Investments**

April 30, 2011 (continued)

Principal Amount (000s)		Credit Rating (Moody s/S&P)*	Value
<b>California (continued)</b>			
\$ 3,000	Chula Vista Rev., San Diego Gas & Electric, 5.875%, 2/15/34, Ser. B	Aa3/A+	\$ 3,132,000
6,000	Golden State Tobacco Securitization Corp. Rev., Ser. A-1, 5.00%, 6/1/33	Baa3/BB+	3,944,040
1,500	5.75%, 6/1/47	Baa3/BB+	1,017,165
2,000	Health Facs. Financing Auth. Rev., Catholic Healthcare West, 6.00%, 7/1/39, Ser. A	A2/A	2,016,480
1,500	Sutter Health, 6.00%, 8/15/42, Ser. B	Aa3/AA-	1,522,215
5,300	Los Angeles Community College Dist., GO, 5.00%, 8/1/32, Ser. A (FGIC-NPFGC)	Aa1/AA	5,278,959
2,000	Los Angeles Unified School Dist., GO, 5.00%, 7/1/30, Ser. E (AMBAC)	Aa2/AA-	2,002,100
4,175	Montebello Unified School Dist., GO, 5.00%, 8/1/33 (AGM)	Aa3/AA+	4,163,560
1,600	Municipal Finance Auth. Rev., Azusa Pacific Univ. Project, 7.75%, 4/1/31, Ser. B	NR/NR	1,630,240
5,000	Orange Cnty. Airport Rev., 5.25%, 7/1/39, Ser. A	Aa3/AA-	4,941,650
500	San Diego Cnty. Regional Airport Auth. Rev., 5.00%, 7/1/24, Ser. A	A2/A	514,405
2,500	State, GO, 4.50%, 8/1/27	A1/A-	2,351,900
5,000	4.50%, 8/1/30	A1/A-	4,483,150
2,400	4.50%, 10/1/36	A1/A-	2,035,608
700	5.00%, 11/1/32	A1/A-	680,239
1,200	5.00%, 6/1/37	A1/A-	1,113,084
2,300	5.125%, 8/1/36	A1/A-	2,210,139
1,250	5.25%, 3/1/38	A1/A-	1,206,338
1,900	5.25%, 11/1/40	A1/A-	1,828,389
500	5.50%, 3/1/40	A1/A-	504,130
4,200	6.00%, 4/1/38	A1/A-	4,395,972
1,000	Statewide Communities Dev. Auth. Rev., Catholic Healthcare West, 5.50%, 7/1/31, Ser. E	A2/A	974,960
2,600	Methodist Hospital Project (FHA), 6.625%, 8/1/29	Aa2/NR	2,929,030
9,500	6.75%, 2/1/38	Aa2/NR	10,402,595
1,500	Torrance Rev., Memorial Medical Center, 5.00%, 9/1/40, Ser. A	A2/A+	1,240,725
500	Univ. Rev., 5.00%, 5/15/41, Ser. D (FGIC-NPFGC)	Aa2/AA-	470,430
2,000	Whittier Union High School Dist., GO, zero coupon, 8/1/25	NR/AA-	844,080

73,445,516

**Colorado 0.7%**

500	Confluence Metropolitan Dist. Rev., 5.45%, 12/1/34	NR/NR	346,145
450	Denver Health & Hospital Auth. Rev., 5.625%, 12/1/40	NR/BBB	409,459

8 PIMCO Municipal Income Funds Annual Report i 4.30.11

---

**PIMCO Municipal Income Fund Schedule of Investments**

April 30, 2011 (continued)

Principal Amount (000s)		Credit Rating (Moody s/S&P)*	Value
<b>Colorado (continued)</b>			
\$ 500	Public Auth. for Colorado Energy Rev., 6.50%, 11/15/38	A2/A	\$ 502,545
400	Regional Transportation Dist., CP, 5.375%, 6/1/31, Ser. A	Aa3/A-	407,024
1,500	Univ. of Colorado Rev., 5.375%, 6/1/38, Ser. A	Aa2/AA-	1,536,930
			3,202,103
<b>Connecticut 0.2%</b>			
1,000	State Dev. Auth. Rev., Connecticut Light & Power Co., 5.85%, 9/1/28, Ser. A	Baa1/BBB	1,010,460
<b>District of Columbia 1.4%</b>			
2,500	Dist. of Columbia Rev., Brookings Institution, 5.75%, 10/1/39	Aa3/A+	2,581,550
3,895	Tobacco Settlement Financing Corp. Rev., 6.25%, 5/15/24	Baa3/BBB	3,902,946
			6,484,496
<b>Florida 2.8%</b>			
850	Beacon Lakes Community Dev. Dist., Special Assessment, 6.00%, 5/1/38, Ser. A	NR/NR	697,433
4,000	Broward Cnty. Water & Sewer Rev., 5.25%, 10/1/34, Ser. A (k)	Aa2/AA	4,083,440
500	Lee Cnty. Industrial Dev. Auth. Rev., Sara Lee Charter Foundation, 5.375%, 6/15/37, Ser. A	NR/BB+	375,805
3,000	Miami-Dade Cnty. Airport Rev., 5.50%, 10/1/36, Ser. A	A2/A-	2,931,600
1,250	Miami-Dade Cnty. School Board, CP, 5.375%, 2/1/34, Ser. A (AGC)	Aa3/AA+	1,229,750
3,900	State Board of Education, GO, 5.00%, 6/1/38, Ser. D (k)	Aa1/AAA	3,933,384
			13,251,412
<b>Georgia 0.4%</b>			
2,300	Medical Center Hospital Auth. Rev., Spring Harbor Green Island Project, 5.25%, 7/1/37	NR/NR	1,735,649
<b>Illinois 5.4%</b>			
5,000	Chicago, GO, 5.00%, 1/1/34, Ser. C (k)	Aa3/A+	4,579,800
1,250	Chicago Motor Fuel Tax Rev., 5.00%, 1/1/38, Ser. A (AGC) Finance Auth. Rev.,	Aa3/AA+	1,203,600
1,000	Memorial Health Systems, 5.50%, 4/1/39	A1/A+	931,340



Edgar Filing: PIMCO MUNICIPAL INCOME FUND - Form N-CSR

400	OSF Healthcare System, 7.125%, 11/15/37, Ser. A	A3/A	418,232
	Univ. of Chicago,		
190	5.25%, 7/1/41, Ser. 05-A	Aa1/AA	187,718
15,000	5.50%, 7/1/37, Ser. B (k)	Aa1/AA	15,273,900
1,900	Springfield Electric Rev., 5.00%, 3/1/36	A1/AA-	1,745,568
1,495	Univ. of Illinois Rev., 5.25%, 4/1/32, Ser. B (FGIC-NPFGC)	Aa2/AA-	1,463,366
			25,803,524

**PIMCO Municipal Income Fund Schedule of Investments**

April 30, 2011 (continued)

Principal Amount (000s)		Credit Rating (Moody s/S&P)*	Value
<b>Indiana 1.2%</b>			
	Finance Auth. Rev.,		
\$ 1,500	Duke Energy Indiana, Inc., 6.00%, 8/1/39, Ser. B	NR/A	\$ 1,560,090
1,000	U.S. Steel Corp., 6.00%, 12/1/26	Ba2/BB	1,010,390
1,000	Municipal Power Agcy. Rev., 6.00%, 1/1/39, Ser. B	A1/A+	1,030,820
1,900	Vigo Cnty. Hospital Auth. Rev., Union Hospital, Inc., 7.50%, 9/1/22	NR/NR	1,935,207
			5,536,507
<b>Iowa 1.8%</b>			
	Finance Auth. Rev.,		
4,890	Deerfield Retirement Community, Inc., 5.50%, 11/15/37, Ser. A	NR/NR	3,112,778
	Edgewater LLC Project,		
3,500	6.75%, 11/15/37	NR/NR	3,097,675
1,500	6.75%, 11/15/42	NR/NR	1,300,560
1,600	Wedum Walnut Ridge LLC Project, 5.625%, 12/1/45, Ser. A	NR/NR	930,048
			8,441,061
<b>Kansas 1.5%</b>			
1,000	Dev. Finance Auth. Rev., Adventist Health, 5.75%, 11/15/38	Aa3/AA-	1,044,490
1,000	Lenexa City, Tax Allocation, Center East Project, 6.00%, 4/1/27	NR/NR	716,470
650	Manhattan Rev., Meadowlark Hills Retirement, 5.125%, 5/15/42, Ser. B	NR/NR	477,250
5,000	Wichita Hospital Rev., Facs. Improvements, 5.625%, 11/15/31, Ser. III	NR/A+	5,003,150
			7,241,360
<b>Kentucky 0.5%</b>			
700	Dev. Finance Auth. Rev., St. Luke s Hospital, 6.00%, 10/1/19, Ser. B	A3/A	702,534
1,000	Economic Dev. Finance Auth. Rev., Owensboro Medical Healthcare Systems, 6.375%, 6/1/40, Ser. A	Baa2/NR	947,580
1,000	Ohio Cnty. Pollution Control Rev., Big Rivers Electric Corp., 6.00%, 7/15/31, Ser. A	Baa1/BBB-	964,110

2,614,224

**Louisiana 5.7%**

	Local Gov t Environmental Facs. & Community Dev. Auth. Rev.,		
3,930	Capital Projects & Equipment Acquisition, 6.55%, 9/1/25 (ACA)	NR/NR	3,959,357
400	Westlake Chemical Corp., 6.50%, 11/1/35, Ser. A-2	Ba2/BBB-	402,244
750	Woman s Hospital Foundation, 5.875%, 10/1/40, Ser. A	A3/BBB+	694,350
24,395	Tobacco Settlement Financing Corp. Rev., 5.875%, 5/15/39, Ser. 2001-B	Baa3/A-	22,148,708
			27,204,659

**PIMCO Municipal Income Fund Schedule of Investments**

April 30, 2011 (continued)

Principal Amount (000s)		Credit Rating (Moody s/S&P)*	Value
<b>Maryland 0.4%</b>			
\$ 1,500	Economic Dev. Corp. Rev., 5.75%, 6/1/35, Ser. B	Baa3/NR	\$ 1,379,280
650	Health & Higher Educational Facs. Auth. Rev., Charlestown Community, 6.25%, 1/1/41	NR/NR	626,204
			2,005,484
<b>Massachusetts 0.6%</b>			
	Dev. Finance Agcy. Rev.,		
750	Foxborough Regional Charter School, 7.00%, 7/1/42, Ser. A	NR/BBB	755,948
550	Linden Ponds, Inc. Fac., 5.75%, 11/15/35, Ser. A	NR/NR	336,253
1,500	State College Building Auth. Rev., 5.50%, 5/1/39, Ser. A	Aa2/AA-	1,526,175
			2,618,376
<b>Michigan 1.6%</b>			
1,000	Detroit, GO, 5.375%, 4/1/17, Ser. A-1 (NPFGC)	Baa1/BBB	970,870
4,550	Garden City Hospital Finance Auth. Rev., 5.00%, 8/15/38, Ser. A	NR/NR	2,919,963
	Royal Oak Hospital Finance Auth. Rev., William Beaumont Hospital,		
50	5.25%, 11/15/35, Ser. M (NPFGC)	A1/A	42,738
1,500	8.25%, 9/1/39	A1/A	1,705,110
2,000	Strategic Fund Rev., Detroit Edison Co. Pollution Control, 5.45%, 9/1/29, Ser. C	A2/A	2,001,280
			7,639,961
<b>Minnesota 0.4%</b>			
95	Agricultural & Economic Dev. Board Rev., Health Care Systems, 6.375%, 11/15/29, Ser. A	A2/A	95,431
100	Duluth Housing & Redev. Auth. Rev., 5.875%, 11/1/40, Ser. A	NR/BBB-	86,483
1,500	St. Louis Park Rev., Nicollet Health Services, 5.75%, 7/1/39	NR/A	1,406,715
500	Washington Cnty. Housing & Redev. Auth. Rev., Birchwood & Woodbury Projects, 5.625%, 6/1/37, Ser. A	NR/NR	427,605
			2,016,234
<b>Missouri 0.2%</b>			
1,000		NR/NR	933,240

Edgar Filing: PIMCO MUNICIPAL INCOME FUND - Form N-CSR

Joplin Industrial Dev. Auth. Rev., Christian Homes, Inc.,  
5.75%, 5/15/26, Ser. F

**Nevada 4.0%**

	Clark Cnty., GO,		
5,230	4.75%, 11/1/35 (FGIC-NPFGC) (k)	Aa1/AA+	4,862,749
5,000	4.75%, 6/1/30 (AGM)	Aa1/AA+	4,907,550
9,755	Washoe Cnty., Water & Sewer, GO, 5.00%, 1/1/35 (NPFGC)	Aa1/AA	9,477,568
			19,247,867

**PIMCO Municipal Income Fund Schedule of Investments**

April 30, 2011 (continued)

Principal Amount (000s)		Credit Rating (Moody s/S&P)*	Value
<b>New Jersey 6.3%</b>			
\$ 16,550	Economic Dev. Auth., Special Assessment, Kapkowski Road Landfill Project, 5.75%, 4/1/31	Ba2/NR	\$ 15,277,636
2,000	Economic Dev. Auth. Rev., School Facs. Construction, 5.50%, 12/15/34, Ser. Z (AGC)	Aa3/AA+	2,047,300
500	Health Care Facs. Financing Auth. Rev., AHS Hospital Corp., 6.00%, 7/1/37 (e)	A1/A	503,355
1,000	Trinitas Hospital, 5.25%, 7/1/30, Ser. A	Baa3/BBB-	872,970
2,000	State Turnpike Auth. Rev., 5.25%, 1/1/40, Ser. E	A3/A+	1,999,860
6,600	Tobacco Settlement Financing Corp. Rev., Ser. 1-A, 4.75%, 6/1/34	Baa3/BB+	4,091,208
9,100	5.00%, 6/1/41	Baa3/BB-	5,658,835
			30,451,164
<b>New Mexico 1.4%</b>			
1,000	Farmington Pollution Control Rev., 5.90%, 6/1/40, Ser. D	Baa3/BB+	933,080
6,400	Hospital Equipment Loan Council Rev., Presbyterian Healthcare, 5.00%, 8/1/39	Aa3/AA-	5,908,928
			6,842,008
<b>New York 6.7%</b>			
7,500	Liberty Dev. Corp. Rev., Goldman Sachs Headquarters, 5.25%, 10/1/35	A1/A	7,328,175
3,000	5.50%, 10/1/37	A1/A	3,067,380
4,200	Nassau Cnty. Industrial Dev. Agcy. Rev., Amsterdam at Harborside, 6.70%, 1/1/43, Ser. A	NR/NR	3,799,656
9,150	New York City Municipal Water Finance Auth. Water & Sewer Rev., 5.00%, 6/15/26, Ser. E (k)	Aa1/AAA	9,166,012
670	5.00%, 6/15/37, Ser. D (k)	Aa1/AAA	673,920
3,000	Second Generation Resolutions, 5.00%, 6/15/39, Ser. GG-1	Aa2/AA+	3,005,790
3,500	State Dormitory Auth. Rev., The New School, 5.50%, 7/1/40	A3/A-	3,529,785
1,625	Westchester Cnty. Healthcare Corp. Rev., 5.875%, 11/1/25, Ser. A	A3/BBB	1,603,957
			32,174,675
<b>North Carolina 0.8%</b>			

Edgar Filing: PIMCO MUNICIPAL INCOME FUND - Form N-CSR

570	Capital Facs. Finance Agcy. Rev., Duke Univ. Project, 5.125%, 10/1/41, Ser. A	Aa1/AA+	570,872
	Medical Care Commission Rev.,		
2,500	Novant Health, 5.00%, 11/1/43, Ser. A	A1/A+	2,138,250
1,500	Village at Brookwood, 5.25%, 1/1/32	NR/NR	1,075,575
			3,784,697

12 PIMCO Municipal Income Funds Annual Report ĩ 4.30.11

---

**PIMCO Municipal Income Fund Schedule of Investments**

April 30, 2011 (continued)

Principal Amount (000s)		Credit Rating (Moody's/S&P)*	Value
<b>Ohio 1.9%</b>			
\$ 11,000	Buckeye Tobacco Settlement Financing Auth. Rev., 5.875%, 6/1/47, Ser. A-2	Baa3/BB-	\$ 7,380,340
500	Higher Educational Fac. Commission Rev., Univ. Hospital Health Systems, 6.75%, 1/15/39, Ser. 2009-A	A2/A	517,225
500	Lorain Cnty. Port Auth. Rev., U.S. Steel Corp. Project, 6.75%, 12/1/40	Ba2/BB	514,150
500	Montgomery Cnty. Rev., Miami Valley Hospital, 6.25%, 11/15/39, Ser. A	Aa3/NR	511,070
250	State Rev., Ashland Univ. Project, 6.25%, 9/1/24	Ba1/NR	245,548
			9,168,333
<b>Oregon 0.5%</b>			
2,000	Oregon Health & Science Univ. Rev., 5.75%, 7/1/39, Ser. A	A1/A	2,024,480
600	State Department of Administrative Services, CP, 5.25%, 5/1/39, Ser. A	Aa2/AA	603,498
			2,627,978
<b>Pennsylvania 4.8%</b>			
5,000	Geisinger Auth. Rev., 5.25%, 6/1/39, Ser. A	Aa2/AA	4,949,050
2,000	Harrisburg Auth. Rev., Harrisburg Univ. of Science, 6.00%, 9/1/36, Ser. B	NR/NR	1,689,440
	Higher Educational Facs. Auth. Rev.,		
500	Edinboro Univ. Foundation, 6.00%, 7/1/43	Baa3/BBB-	482,045
350	Thomas Jefferson Univ., 5.00%, 3/1/40	A1/AA-	336,546
	Lancaster Cnty. Hospital Auth. Rev., Brethren Village Project, Ser. A,		
750	6.25%, 7/1/26	NR/NR	725,708
85	6.375%, 7/1/30	NR/NR	81,768
1,100	Luzerne Cnty. Industrial Dev. Auth. Rev., Pennsylvania American Water Co., 5.50%, 12/1/39	A2/A	1,099,945
7,000	Philadelphia, GO, 5.25%, 12/15/32, Ser. A (AGM)	Aa3/AA+	6,937,070
4,700	Philadelphia Hospitals & Higher Education Facs. Auth. Rev., Temple Univ. Hospital, 6.625%, 11/15/23, Ser. A	Baa3/BBB	4,700,282
500	Philadelphia Water Rev., 5.25%, 1/1/36, Ser. A	A1/A	487,145
2,000	Turnpike Commission Rev., 5.125%, 12/1/40, Ser. D	A3/A-	1,888,160
			23,377,159



**Puerto Rico 0.6%**

135	Commonwealth of Puerto Rico, Public Improvements, GO, 5.00%, 7/1/35, Ser. B	A3/BBB	116,805
3,000	Sales Tax Financing Corp. Rev., 5.375%, 8/1/38, Ser. C	A1/A+	2,806,770
			2,923,575

**Rhode Island 4.3%**

23,800	Tobacco Settlement Financing Corp. Rev., 6.25%, 6/1/42, Ser. A	Baa3/BBB	20,717,900
--------	---	----------	------------

**PIMCO Municipal Income Fund Schedule of Investments**

April 30, 2011 (continued)

Principal Amount (000s)		Credit Rating (Moody s/S&P)*	Value
<b>South Carolina 1.7%</b>			
\$ 3,500	Greenwood Cnty. Hospital Rev., Self Memorial Hospital, 5.50%, 10/1/21	A2/A+	\$ 3,512,425
2,000	5.50%, 10/1/26	A2/A+	2,001,780
450	Jobs-Economic Dev. Auth. Rev., Lutheran Homes, 5.50%, 5/1/28	NR/NR	375,300
2,200	State Ports Auth. Rev., 5.25%, 7/1/40	A1/A+	2,177,142
			8,066,647
<b>Tennessee 4.7%</b>			
940	Memphis Health Educational & Housing Fac. Board Rev., Wesley Housing Corp. Project, 6.95%, 1/1/20 (a)(b)(f)(m) (acquisition cost \$935,300; purchased 6/29/01)	NR/NR	472,350
5,000	Metropolitan Gov t Nashville & Davidson Cnty. Health & Educational Facs. Board Rev., Vanderbilt Univ., 5.00%, 10/1/39, Ser. B (k)	Aa2/AA	5,082,150
370	Tennessee Energy Acquisition Corp. Rev., 5.00%, 2/1/21, Ser. C	Baa3/BBB	359,166
5,000	5.00%, 2/1/27, Ser. C	Baa3/BBB	4,643,450
6,460	5.25%, 9/1/17, Ser. A	Ba3/B	6,518,269
600	5.25%, 9/1/21, Ser. A	Ba3/B	585,486
300	5.25%, 9/1/22, Ser. A	Ba3/B	293,715
5,000	5.25%, 9/1/24, Ser. A	Ba3/B	4,782,300
			22,736,886
<b>Texas 8.1%</b>			
1,200	Dallas Rev., Dallas Civic Center, 5.25%, 8/15/38 (AGC)	Aa3/AA+	1,205,496
20	Duncanville Independent School Dist., GO, 5.25%, 2/15/32, Ser. B (PSF-GTD)	Aaa/AAA	20,172
4,200	North Harris Cnty. Regional Water Auth. Rev., 5.25%, 12/15/33	A1/A+	4,254,978
4,200	5.50%, 12/15/38	A1/A+	4,251,786
3,000	North Texas Tollway Auth. Rev., 5.25%, 1/1/44, Ser. C	A2/A-	2,667,450
600	5.50%, 9/1/41, Ser. A	NR/AA	611,790
6,050	5.625%, 1/1/33, Ser. A	A2/A-	6,061,132
600	5.75%, 1/1/33, Ser. F	A3/BBB+	597,006
250		NR/BBB	251,510

Edgar Filing: PIMCO MUNICIPAL INCOME FUND - Form N-CSR

	San Juan Higher Education Finance Auth. Rev., 6.70%, 8/15/40, Ser. A		
400	State Public Finance Auth. Rev., Charter School Finance Corp., 5.875%, 12/1/36, Ser. A	Baa3/BBB-	339,240

**14** PIMCO Municipal Income Funds Annual Report i 4.30.11

---

**PIMCO Municipal Income Fund Schedule of Investments**

April 30, 2011 (continued)

Principal Amount (000s)		Credit Rating (Moody s/S&P)*	Value
<b>Texas (continued)</b>			
\$ 4,000	Tarrant Cnty. Cultural Education Facs. Finance Corp. Rev., Baylor Health Care Systems Project, 6.25%, 11/15/29	Aa2/AA-	\$ 4,297,520
6,500	Texas Municipal Gas Acquisition & Supply Corp. I Rev., 5.25%, 12/15/23, Ser. A	A2/A	6,211,725
150	5.25%, 12/15/25, Ser. A	A2/A	140,162
6,500	6.25%, 12/15/26, Ser. D	A2/A	6,642,805
1,000	Uptown Dev. Auth., Tax Allocation, Infrastructure Improvement Facs., 5.50%, 9/1/29	NR/BBB	981,810
500	Wise Cnty. Rev., Parker Cnty Junior College Dist., 8.00%, 8/15/34	NR/NR	502,680
			39,037,262
<b>U. S. Virgin Islands 0.1%</b>			
500	Virgin Islands Public Finance Auth. Rev., 5.00%, 10/1/39, Ser. A-1	Baa2/BBB	423,205
<b>Utah 1.5%</b>			
7,000	Salt Lake Cnty. Rev., IHC Health Services, 5.125%, 2/15/33 (AMBAC)	WR/AA+	7,085,260
<b>Virginia 0.6%</b>			
1,000	Fairfax Cnty. Industrial Dev. Auth. Rev., Inova Health Systems, 5.50%, 5/15/35, Ser. A	Aa2/AA+	1,009,020
1,985	Peninsula Town Center Community Dev. Auth. Rev., 6.45%, 9/1/37	NR/NR	1,797,160
			2,806,180
<b>Washington 1.1%</b>			
	Health Care Facs. Auth. Rev.,		
700	Multicare Health Systems, 6.00%, 8/15/39, Ser. B (AGC)	Aa3/AA+	720,146
250	Seattle Cancer Care Alliance, 7.375%, 3/1/38	A3/NR	268,605
2,000	Virginia Mason Medical Center, 6.125%, 8/15/37, Ser. A	Baa2/BBB	1,877,220
	State Housing Finance Commission Rev., Skyline at First Hill Project, Ser. A,		
275	5.25%, 1/1/17	NR/NR	240,064
3,600	5.625%, 1/1/38	NR/NR	2,240,604

			5,346,639
	<b>West Virginia 0.2%</b>		
1,000	Hospital Finance Auth. Rev., Highland Hospital, 9.125%, 10/1/41	NR/NR	1,008,700
	<b>Wisconsin 0.6%</b>		
2,230	Health & Educational Facs. Auth. Rev., Kenosha Hospital & Medical Center Project, 5.625%, 5/15/29	NR/A	2,194,008
500	Prohealth Care, Inc., 6.625%, 2/15/39	A1/A+	522,300
			2,716,308
	Total Municipal Bonds & Notes (cost \$473,928,937)		467,592,444

**PIMCO Municipal Income Fund Schedule of Investments**

April 30, 2011 (continued)

Principal Amount (000s)		Credit Rating (Moody s/S&P)*	Value
<b>VARIABLE RATE NOTES (a)(d)(g)(h) 2.3%</b>			
	<b>Illinois 0.5%</b>		
\$ 3,000	Metropolitan Pier & Exposition Auth. Rev., 9.76%, 6/15/50, Ser. 3217	NR/AAA	\$ 2,304,240
	<b>Texas 0.4%</b>		
1,000	JPMorgan Chase Putters/Drivers Trust, GO, 9.29%, 2/1/17, Ser. 3480	NR/AA+	1,051,180
200	JPMorgan Chase Putters/Drivers Trust Rev., 9.80%, 2/1/27, Ser. 3224	Aa1/NR	226,312
600	9.899%, 10/1/31, Ser. 3227	NR/AAA	688,086
			1,965,578
	<b>Washington 1.4%</b>		
6,670	JPMorgan Chase Putters/Drivers Trust, GO, 13.525%, 8/1/28, Ser. 3388	NR/AA+	7,112,621
	Total Variable Rate Notes (cost \$11,351,952)		11,382,439
<b>SHORT-TERM INVESTMENTS 0.2%</b>			
	<b>U.S. Treasury Obligations (j)(n) 0.2%</b>		
830	U.S. Treasury Bills, 0.106%-0.132%, 9/8/11-9/15/11 (cost \$829,691)		829,691
	<b>Total Investments (cost \$486,110,580) 100.0%</b>		<b>\$ 479,804,574</b>

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

April 30, 2011

Principal Amount (000s)		Credit Rating (Moody s/S&P)*	Value
<b>CALIFORNIA MUNICIPAL BONDS &amp; NOTES 94.7%</b>			
\$ 10,000	Bay Area Toll Auth. Rev., San Francisco Bay Area, 5.00%, 4/1/34, Ser. F-1	Aa3/AA	\$ 9,799,100
5,000	Chula Vista Rev., San Diego Gas & Electric, 5.875%, 2/15/34, Ser. B	Aa3/A+	5,220,000
650	City & Cnty. of San Francisco, Capital Improvement Projects, CP, 5.25%, 4/1/31, Ser. A	A1/AA-	659,204
720	City & Cnty. of San Francisco Redev. Agcy., Special Tax, 6.125%, 8/1/31, Ser. B	NR/NR	678,953
350	Contra Costa Cnty. Public Financing Auth., Tax Allocation, 5.85%, 8/1/33, Ser. A	NR/BBB+	301,738
3,635	Cucamonga Valley Water Dist., CP, 5.125%, 9/1/35 (FGIC-NPFGC)	Aa3/AA-	3,538,636
5,000	Desert Community College Dist., GO, 5.00%, 8/1/37, Ser. C (AGM)	Aa2/AA+	4,761,100
310	Dublin Unified School Dist., GO, zero coupon, 8/1/23, Ser. E	Aa2/AA-	157,663
6,300	Eastern Municipal Water Dist., CP, 5.00%, 7/1/35, Ser. H Educational Facs. Auth. Rev. (k),	Aa2/AA	6,052,032
10,200	Claremont McKenna College, 5.00%, 1/1/39	Aa2/NR	9,843,816
10,000	Univ. of Southern California, 5.00%, 10/1/39, Ser. A	Aa1/AA+	10,073,400
2,975	El Dorado Irrigation Dist. & El Dorado Water Agcy., CP, 5.75%, 8/1/39, Ser. A (AGC)	Aa3/AA+	2,993,891
	El Monte, Department of Public Social Services Fac., CP (AMBAC),		
10,790	4.75%, 6/1/30	A2/A+	10,244,134
14,425	Phase II, 5.25%, 1/1/34	A2/NR	13,324,950
1,000	Folsom Redev. Agcy., Tax Allocation, 5.50%, 8/1/36 Fremont Community Facs. Dist. No. 1, Special Tax,	NR/A	844,060
165	6.00%, 9/1/18	NR/NR	165,441
505	6.00%, 9/1/19	NR/NR	506,202
3,500	6.30%, 9/1/31	NR/NR	3,491,670
	Golden State Tobacco Securitization Corp. Rev.,		
12,000	5.00%, 6/1/33, Ser. A-1	Baa3/BB+	7,888,080
3,000	5.00%, 6/1/35, Ser. A (FGIC)	A2/BBB+	2,567,100
6,000			