

PIMCO CALIFORNIA MUNICIPAL INCOME FUND II
Form N-Q
April 19, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY

Investment Company Act File Number:	811-21077
Registrant Name:	PIMCO California Municipal Income Fund II
Address of Principal Executive Offices:	1633 Broadway New York, NY 10019
Name and Address of Agent for Service:	Lawrence G. Altadonna 1633 Broadway New York, NY 10019
Registrant's telephone number, including area code:	212-739-3371
Date of Fiscal Year End:	May 31, 2013
Date of Reporting Period:	February 28, 2013

Item 1. Schedule of Investments

PIMCO California Municipal Income Fund II Schedule of Investments

February 28, 2013 (unaudited)

Principal Amount (000s)		Value*
CALIFORNIA MUNICIPAL BONDS & NOTES 86.8%		
\$ 2,000	Alhambra Rev., Atherton Baptist Homes, 7.625%, 1/1/40, Ser. A	\$ 2,228,000
20,000	Bay Area Toll Auth. Rev., San Francisco Bay Area, 5.00%, 4/1/39 (g)	22,479,200
	Chabot-Las Positas Community College Dist., GO, Ser. C,	
17,305	zero coupon, 8/1/36 (AMBAC)	5,364,377
5,000	zero coupon, 8/1/37 (AMBAC)	1,470,750
15,000	zero coupon, 8/1/43 (AMBAC)	3,139,950
1,000	Chula Vista Rev., San Diego Gas & Electric, 5.875%, 2/15/34, Ser. B	1,167,380
300	City & Cnty. of San Francisco, Capital Improvement Projects, CP, 5.25%, 4/1/31, Ser. A	332,991
	Corona-Norco Unified School Dist. Public Financing Auth., Special Tax, Ser. A,	
1,000	6.00%, 9/1/25	1,000,000
4,150	6.10%, 9/1/32	4,150,000
9,145	Coronado Community Dev. Agcy., Tax Allocation, 4.875%, 9/1/35 (AMBAC)	9,285,101
25,000	Desert Community College Dist., GO, zero coupon, 8/1/46, Ser. C (AGM)	4,278,750
8,300	El Dorado Irrigation Dist. & El Dorado Water Agcy., CP, 5.75%, 8/1/39, Ser. A (AGC)	8,828,295
1,500	Foothill-Eastern Transportation Corridor Agcy. Rev., 5.875%, 1/15/27 (IBC-NPFGC)	1,543,800
1,440	Fremont Community Facs. Dist. No. 1, Special Tax, Pacific Commons, 5.30%, 9/1/30	1,464,120
	Golden State Tobacco Securitization Corp. Rev.,	
13,885	5.00%, 6/1/45 (AMBAC-TCRS)	14,466,087
3,500	5.00%, 6/1/45, Ser. A	3,646,475
6,000	5.00%, 6/1/45, Ser. A (FGIC-TCRS)	6,251,100
8,500	5.125%, 6/1/47, Ser. A-1	7,197,035
29,415	5.75%, 6/1/47, Ser. A-1	27,540,676
	Health Facs. Financing Auth. Rev.,	
500	Adventist Health System, 5.00%, 3/1/33, Ser. A	500,000
250	Adventist Health System, 5.75%, 9/1/39, Ser. A	291,545
3,000	Catholic Healthcare West, 6.00%, 7/1/39, Ser. A	3,558,300
1,000	Children s Hospital of Los Angeles, 5.00%, 11/15/34, Ser. A	1,101,610
1,200	Children s Hospital of Los Angeles, 5.25%, 7/1/38 (AGM)	1,266,252
500	Children s Hospital of Orange Cnty., 6.50%, 11/1/38, Ser. A	610,585
3,700	Stanford Hospital, 5.25%, 11/15/40, Ser. A-2	4,235,279
1,000	Sutter Health, 5.00%, 8/15/35, Ser. D	1,123,600
4,220	Sutter Health, 5.00%, 11/15/42, Ser. A (IBC-NPFGC)	4,506,791
12,195	Sutter Health, 5.25%, 11/15/46, Ser. A (g)	13,267,550
4,500	Imperial Irrigation Dist. Rev., 5.00%, 11/1/41, Ser. B	4,911,795
175	Infrastructure & Economic Dev. Bank Rev., 5.25%, 2/1/38	185,449
515	Irvine Unified School Dist., Special Tax, 6.70%, 9/1/35	578,010
1,000	Lancaster Redev. Agcy., Tax Allocation, 6.875%, 8/1/39	1,129,660
500	Lancaster Redev. Agcy. Rev., Capital Improvements Projects, 5.90%, 12/1/35	545,960
2,000	Long Beach Airport Rev., 5.00%, 6/1/40, Ser. A	2,153,160
7,500	Long Beach Bond Finance Auth. Rev., Long Beach Natural Gas, 5.50%, 11/15/37, Ser. A	9,213,900
10,000	Long Beach Unified School Dist., GO, 5.25%, 8/1/33, Ser. A (g)	11,458,800
2,000	Los Angeles Department of Airports Rev., 5.00%, 5/15/40, Ser. D	2,263,940
	Los Angeles Department of Water & Power Rev.,	
15,000	4.75%, 7/1/30, Ser. A-2 (AGM) (g)	15,860,850
500	5.00%, 7/1/43, Ser. B	574,200
11,000	Los Angeles Unified School Dist., GO, 5.00%, 1/1/34, Ser. I	12,426,920
3,200	M-S-R Energy Auth. Rev., 6.50%, 11/1/39, Ser. B	4,490,592
10,000	Manteca Redev. Agcy., Tax Allocation, 5.00%, 10/1/36 (AMBAC)	9,972,200

Edgar Filing: PIMCO CALIFORNIA MUNICIPAL INCOME FUND II - Form N-Q

5,330	Manteca Unified School Dist. No. 89-2, Special Tax, 5.00%, 9/1/29, Ser. C (NPFGC)	5,330,000
4,000	Merced Cnty., Juvenile Justice Correctional Fac., CP, 5.00%, 6/1/32 (AMBAC)	4,005,920
5,000	Metropolitan Water Dist. of Southern California Rev., 5.00%, 7/1/37, Ser. A (g)	5,569,700
1,240	Municipal Finance Auth. Rev., Azusa Pacific Univ. Project, 7.75%, 4/1/31, Ser. B	1,469,586
5,000	Oakland Unified School Dist., Alameda Cnty., GO, 6.125%, 8/1/29, Ser. A	5,625,000
4,750	Palomar Pomerado Health, CP, 6.75%, 11/1/39	5,455,518
10,000	Placentia-Yorba Linda Unified School Dist., CP, 5.00%, 10/1/32 (FGIC-NPFGC)	10,509,100
1,500	Pollution Control Financing Auth. Rev., American Water Capital Corp. Project, 5.25%, 8/1/40 (a)(d)	1,619,100
	Poway Unified School Dist., GO,	
27,000	zero coupon, 8/1/40	7,164,720
16,000	zero coupon, 8/1/46	3,134,240
1,950	Riverside, CP, 5.00%, 9/1/33 (AMBAC) (Pre-refunded @ \$100, 9/1/13) (c)	1,995,806
2,000	Roseville Redev. Agcy., Tax Allocation, 5.00%, 9/1/32, Ser. B (NPFGC)	2,012,860
1,375	Ross Valley School Dist., GO, 5.00%, 8/1/42, Ser. B	1,585,471
1,000	San Diego Public Facs. Financing Auth. Sewer Rev., 5.25%, 5/15/39, Ser. A	1,125,080
4,000	San Diego Public Facs. Financing Auth. Water Rev., 5.25%, 8/1/38, Ser. A	4,656,160
2,800	San Diego Regional Building Auth. Rev., Cnty. Operations Center & Annex, 5.375%, 2/1/36, Ser. A	3,191,496
2,800	San Diego Unified School Dist., GO, 4.75%, 7/1/27, Ser. D-2 (AGM)	2,976,792
1,000	San Jose Hotel Tax Rev., Convention Center Expansion, 6.50%, 5/1/36	1,215,150
1,300	San Marcos Unified School Dist., GO, 5.00%, 8/1/38, Ser. A	1,454,960
1,260	Santa Cruz Cnty., CP, 5.25%, 8/1/32	1,284,557
1,500	Santa Cruz Cnty. Redev. Agcy., Tax Allocation, Live Oak/Soquel Community, 7.00%, 9/1/36, Ser. A	1,774,680
	State, GO,	
2,500	5.00%, 9/1/31	2,761,300
10,000	6.00%, 4/1/38	11,991,400

PIMCO California Municipal Income Fund II Schedule of Investments

February 28, 2013 (unaudited) (continued)

Principal Amount (000s)		Value*
	State Public Works Board Rev.,	
\$ 3,000	5.75%, 10/1/30, Ser. G-1	\$ 3,541,650
2,000	California State Univ., 6.00%, 11/1/34, Ser. J	2,400,860
2,000	Judicial Council Projects, 5.00%, 12/1/29, Ser. D	2,288,860
7,915	Regents Univ., 5.00%, 3/1/33, Ser. A	8,743,780
	Statewide Communities Dev. Auth. Rev.,	
9,100	Bentley School, zero coupon, 7/1/50 (b)	455,000
3,760	Bentley School, 7.00%, 7/1/40, Ser. A	4,090,278
1,520	Catholic Healthcare West, 5.50%, 7/1/31, Ser. D	1,677,442
1,520	Catholic Healthcare West, 5.50%, 7/1/31, Ser. E	1,677,442
250	Huntington Park Charter School Project, 5.15%, 7/1/30, Ser. A	238,675
1,250	Huntington Park Charter School Project, 5.25%, 7/1/42, Ser. A	1,161,825
500	International School of the Peninsula Project, 5.00%, 11/1/29	494,400
1,000	Lancer Student Housing Project, 7.50%, 6/1/42	1,146,300
9,700	Los Angeles Jewish Home, 5.50%, 11/15/33 (CA Mtg. Ins.)	9,799,425
2,135	Methodist Hospital Project, 6.625%, 8/1/29 (FHA)	2,657,520
7,860	Methodist Hospital Project, 6.75%, 2/1/38 (FHA)	9,586,292
3,700	St. Joseph Health System, 5.75%, 7/1/47, Ser. A (FGIC)	4,208,602
5,600	Sutter Health, 6.00%, 8/15/42, Ser. A	6,826,008
4,500	Univ. of California Irvine E. Campus, 5.375%, 5/15/38	4,964,805
1,800	Tobacco Securitization Agcy. Rev., Stanislaus Cnty., 5.875%, 6/1/43, Ser. A	1,802,214
3,100	Torrance Rev., Torrance Memorial Medical Center, 5.00%, 9/1/40, Ser. A	3,416,882
1,900	TSASC, Inc. Rev., 5.00%, 6/1/34, Ser. 1	1,715,567
1,000	Tustin Unified School Dist., Special Tax, 6.00%, 9/1/40, Ser. 2006-1	1,055,440
	Univ. of California Rev.,	
5,000	4.75%, 5/15/35, Ser. G (FGIC-NPFGC) (g)	5,082,350
5,650	4.75%, 5/15/38, Ser. B	5,754,582
15,000	5.00%, 5/15/42, Ser. G	17,160,900
	Total California Municipal Bonds & Notes (cost \$362,826,511)	421,916,730

CALIFORNIA VARIABLE RATE NOTES (a)(d)(e)(f) 7.0%

6,035	Desert Community College Dist., GO, 12.346%, 8/1/32, Ser. 3016-1 (AGC)	7,701,022
	JPMorgan Chase Putters/Drivers Trust Rev.,	
7,500	12.374%, 5/15/40, Ser. 3838	9,453,450
3,000	18.253%, 11/15/19, Ser. 4039 (b)(h) (acquisition cost \$3,572,400; purchased 1/19/12)	4,205,100
4,000	Los Angeles Community College Dist., GO, 18.284%, 8/1/33, Ser. 3096	5,697,440
5,000	San Diego Community College Dist., GO, 9.994%, 2/1/17	6,797,550
	Total California Variable Rate Notes (cost \$25,830,964)	33,854,562

OTHER MUNICIPAL BONDS & NOTES 6.2%

	Arizona 1.9%	
8,000	Salt Verde Financial Corp. Rev., 5.00%, 12/1/37	9,139,280
	New Jersey 0.8%	
	Tobacco Settlement Financing Corp. Rev., Ser. 1-A,	
1,300	4.75%, 6/1/34	1,128,699

Edgar Filing: PIMCO CALIFORNIA MUNICIPAL INCOME FUND II - Form N-Q

3,000	5.00%, 6/1/41	2,638,140
		3,766,839
New York 0.3%		
1,250	Liberty Dev. Corp. Rev., Goldman Sachs Headquarters, 5.25%, 10/1/35	1,493,300
Puerto Rico 0.9%		
Sales Tax Financing Corp. Rev.,		
1,600	5.00%, 8/1/40, Ser. A (AGM) (g)	1,707,584
2,500	5.25%, 8/1/43, Ser. A-1	2,646,050
		4,353,634
Rhode Island 2.3%		
11,000	Tobacco Settlement Financing Corp. Rev., 6.25%, 6/1/42, Ser. 2002-A	11,365,420
	Total Other Municipal Bonds & Notes (cost \$25,007,092)	30,118,473
	Total Investments (cost \$413,664,567) (i) 100.0%	\$ 485,889,765

Edgar Filing: PIMCO CALIFORNIA MUNICIPAL INCOME FUND II - Form N-Q

Industry classification of portfolio holdings as a percentage of total investments at February 28, 2013 was as follows:

Revenue Bonds:	
Tobacco Settlement Funded	16.0%
Health, Hospital & Nursing Home Revenue	15.8
College & University Revenue	8.1
Highway Revenue Tolls	4.9
Natural Gas Revenue	4.9
Electric Power & Light Revenue	4.3
Port, Airport & Marina Revenue	2.9
Water Revenue	2.6
Lease (Abatement)	2.5
Private Schools	1.0
Local or Guaranteed Housing	1.0
Sales Tax Revenue	0.9
Miscellaneous Revenue	0.3
Lease Revenue	0.3
Hotel Occupancy Tax	0.2
Sewer Revenue	0.2
Recreational Revenue	0.0
Total Revenue Bonds	65.9%
General Obligation	19.6
Certificates of Participation	6.7
Tax Allocation	5.0
Special Tax	2.8
Total Investments	100.0%

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. 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.

The Board of Trustees (the Board) has adopted procedures for valuing portfolio securities and other financial derivative instruments in circumstances where market quotes are not readily available, and has delegated the responsibility for applying the valuation methods to Allianz Global Investors Fund Management LLC (the Investment Manager) and Pacific Investment Management Company LLC (the Sub-Adviser), an affiliate of the Investment Manager. The Fund's Valuation Committee was established by the Board to oversee the implementation of the Fund's valuation methods and to make fair value determinations on behalf of the Board, as instructed. The Sub-Adviser monitors the continued appropriateness of methods applied and determines if adjustments should be made in light of market changes, events affecting the issuer, or other factors. If the Sub-Adviser determines that a valuation method may no longer be appropriate, another valuation method may be selected, or the Valuation Committee will be convened to consider the matter and take any appropriate action in accordance with procedures set forth by the Board. The Board shall review the appropriateness of the valuation methods and these methods may be amended or supplemented from time to time by the Valuation Committee.

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.

Edgar Filing: PIMCO CALIFORNIA MUNICIPAL INCOME FUND II - Form N-Q

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 (NAV) 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 \$35,473,662, representing 7.3% of total investments.
- (b) Illiquid.
- (c) Pre-refunded bonds are collateralized by U.S. Government or other eligible securities which are held in escrow and used to pay principal and interest and retire the bonds at the earliest refunding date (payment date) and/or whose interest rates vary with changes in a designated base rate (such as the prime interest rate).
- (d) 144A Exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, typically only to qualified institutional buyers. Unless otherwise indicated, these securities are not considered to be illiquid.
- (e) 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, 2013.
- (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, 2013.
- (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) Restricted. The aggregate acquisition cost of such security is \$3,572,400. The aggregate market value is \$4,205,100, representing 0.9% of total investments.
- (i) At February 28, 2013, the cost basis of portfolio securities for federal income tax purposes was \$372,526,912. Gross unrealized appreciation was \$71,879,430; gross unrealized depreciation was \$52,120; and net unrealized appreciation was \$71,827,310. The difference between book and tax cost was attributable to inverse floater transactions.

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, which may include, but are not limited to, quoted prices for similar assets or liabilities, interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates or other market corroborated inputs

Level 3 valuations based on significant unobservable inputs (including the Sub-Adviser's or Valuation Committee's own assumptions and single broker quotes in determining the fair value of investments)

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, 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.

The valuation techniques used by the Fund to measure fair value during the nine months ended February 28, 2013 were intended to maximize the use of observable inputs and to minimize the use of unobservable inputs.

The Fund's policy is to recognize transfers between levels at the end of the reporting period. An investment asset's or liability's level within the fair value hierarchy is based on the lowest level input, individually or in aggregate, that is significant to the 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 techniques used. Investments categorized as Level 1 or 2 as of period end may have been transferred between Levels 1 and 2 since the prior period due to changes in the valuation method utilized in valuing the investments.

A summary of the inputs used at February 28, 2013 in valuing the Fund's assets and liabilities is listed below (refer to the Schedule of Investments for more detailed information on Investments in Securities):

	Level 1 - Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Value at 2/28/13
Investments in Securities Assets				
California Municipal Bonds & Notes	\$	\$ 421,916,730	\$	\$ 421,916,730
California Variable Rate Notes		33,854,562		33,854,562
Other Municipal Bonds & Notes		30,118,473		30,118,473
Totals	\$	\$ 485,889,765	\$	\$ 485,889,765

At February 28, 2013, there were no transfers between Levels 1 and 2.

A roll forward of fair value measurements using significant unobservable inputs (Level 3) for the nine months ended February 28, 2013, was as follows:

Edgar Filing: PIMCO CALIFORNIA MUNICIPAL INCOME FUND II - Form N-Q

	Beginning Balance 5/31/12	Purchases	Sales	Accrued Discount (Premiums)	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation/ Depreciation	Transfers into Level 3	Transfers out of Level 3	Ending Balance 2/28/13
Investments in Securities Assets									
California Municipal Bonds & Notes	\$ 941,850	\$	\$ (532,613)	\$	\$ (832,387)	\$ 423,150	\$	\$	\$

Glossary:

AGC insured by Assured Guaranty Corp.

AGM insured by Assured Guaranty Municipal Corp.

AMBAC insured by American Municipal Bond Assurance Corp.

CA Mtg. Ins. insured by California Mortgage Insurance

CP Certificates of Participation

FGIC insured by Financial Guaranty Insurance Co.

FHA insured by Federal Housing Administration

GO General Obligation Bond

IBC Insurance Bond Certificate

NPFGC insured by National Public Finance Guarantee Corp.

T CRS Temporary Custodian Receipts

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 control over financial reporting (as defined in Rule 30a-3(d) under the Act (17 CFR 270.30a -3(d))) that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3. Exhibits

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

SIGNATURES

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

Registrant: PIMCO California Municipal Income Fund II

By /s/ Brian S. Shlissel

President & Chief Executive Officer

Date: April 19, 2013

By /s/ Lawrence G. Altadonna

Treasurer, Principal Financial & Accounting Officer

Date: April 19, 2013

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 19, 2013

By /s/ Lawrence G. Altadonna

Treasurer, Principal Financial & Accounting Officer

Date: April 19, 2013