PIMCO CALIFORNIA MUNICIPAL INCOME FUND II
Form N-CSRS
January 27, 2015
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT

INVESTMENT COMPANIES

Investment Company Act file number: 811-21077

PIMCO California Municipal Income Fund II

(Exact name of registrant as specified in charter)

1633 Broadway, New York, NY 10019

(Address of principal executive offices)

William G. Galipeau

Treasurer, Principal Financial & Accounting Officer

650 Newport Center Drive

Newport Beach, CA 92660

(Name and address of agent for service)

Copies to:

David C. Sullivan

Ropes & Gray LLP

Prudential Tower

800 Boylston Street

Boston, MA 02199

Registrant s telephone number, including area code: (844) 337-4626

Date of fiscal year end: May 31, 2015

Date of reporting period: November 30, 2014

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, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

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Item 1. Reports to Shareholders.

The following is a copy of the report transmitted to shareholders pursuant to Rule 30e-1 under the Investment Company Act of 1940, as amended (the 1940 Act) (17 CFR 270.30e-1).

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Your Global Investment Authority

PIMCO Closed-End Funds

Semiannual Report

November 30, 2014

PIMCO Municipal Income Fund II

PIMCO California Municipal Income Fund II

PIMCO New York Municipal Income Fund II

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Letter from the Chairman of the Board & the President

Dear Shareholder:

As previously announced on September 26, 2014, prior to the close of the reporting period, William Bill Gross, PIMCO s former chief investment officer (CIO) and co-founder, resigned from the firm. PIMCO s managing directors elected Daniel Ivascyn to serve as group chief investment officer (Group CIO). In addition, PIMCO appointed Andrew Balls, CIO Global; Mark Kiesel, CIO Global Credit; Virginie Maisonneuve, CIO Global Equities; Scott Mather, CIO U.S. Core Strategies; and Mihir Worah, CIO Real Return and Asset Allocation. As announced by PIMCO on November 3, 2014, Marc Seidner returned to the firm effective November 12, 2014, in a new role as CIO Non-Traditional Strategies and head of Portfolio Management in PIMCO s New York office. Under this leadership structure, Andrew and Mihir have additional managerial responsibility for PIMCO s Portfolio Management group and trade floor activities globally. Andrew oversees portfolio management and trade floor activities in Europe and Asia-Pacific, and Mihir oversees portfolio management and trade floor activities in the U.S. There have not been any changes to the portfolio management of PIMCO Municipal Income Fund II, PIMCO California Municipal Income Fund II or PIMCO New York Municipal Income Fund II (collectively, the Funds).

Douglas Hodge, PIMCO s chief executive officer, and Jay Jacobs, PIMCO s president, continue to serve as the firm s senior executive leadership team, spearheading PIMCO s business strategy, client service and the firm s operations.

These appointments are a further evolution of the structure that PIMCO established earlier in 2014, reflecting our belief that the best approach for PIMCO s clients and our firm is an investment leadership team of seasoned, highly-skilled investors overseeing all areas of PIMCO s investment activities.

During his 43 years at PIMCO, Mr. Gross made great contributions to building the firm and delivering value to PIMCO s clients. Over this period, PIMCO developed into a global asset manager, expanding beyond core fixed income, and now encompasses over 2,400 employees across 13 offices, including more than 250 portfolio managers. Mr. Gross was also responsible for starting PIMCO s robust investment process, with a focus on long-term macroeconomic views and bottom-up security selection a process that is well institutionalized and will continue into PIMCO s future.

For the six-month reporting period ended November 30, 2014:

Municipal bonds rallied and produced positive returns during the fiscal six months ended November 30, 2014. Longer-term U.S. Treasury yields declined, whereas shorter-term yields (between two- and seven-year maturities) generally moved higher during the reporting period. Despite a number of potential headwinds, including uncertainties regarding future monetary policy and a host of geopolitical issues, investor demand for municipal securities was strong overall given improving fundamentals.

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The Barclays Municipal Bond Index gained 2.45% while the broad taxable bond market, as represented by the Barclays U.S. Aggregate Bond Index, returned 1.92% during the reporting period.

Following a period of weakness early in 2014, the U.S. economy was highly resilient and expanded at a solid pace as the year progressed. Looking back, gross domestic product (GDP), the value of goods and services produced in the country, the broadest measure of economic activity and the principal indicator of economic performance, contracted at an annual pace of 2.1% during the first quarter of 2014. However, this was a temporary setback, as the U.S. Commerce Department reported that GDP expanded at a 4.6% annual pace during the second quarter of 2014. This represented the strongest growth rate since the fourth quarter of 2011. According to the Commerce Department s estimate released on December 23, 2014, GDP expanded at an annual pace of 5.0% during the third quarter of 2014.

The Federal Reserve (the Fed) began tapering its monthly asset purchase program in January 2014. At each of its next seven meetings, the Fed announced that it would further taper its asset purchases. Following its meeting in October 2014, the Fed announced that it had concluded its asset purchases. However, the Fed again indicated that it would not raise interest rates in the near future. Finally, at its meeting in December 2014, the Fed said, Based on its current assessment, the Committee judges that it can be patient in beginning to normalize the stance of monetary policy. The Committee sees this guidance as consistent with its previous statement that it likely will be appropriate to maintain the 0% $^1/_4$% target range for the federal funds rate for a considerable time following the end of its asset purchase program in October, especially if projected inflation continues to run below the Committee s 2% longer-run goal, and provided that longer-term inflation expectations remain well anchored.

Outlook

PIMCO s 2015 forecast for the U.S. is for a continuation of the economic recovery. With the ongoing assistance of easy monetary policy, combined with healthy private financial sector balance sheets, we believe the U.S. economy is poised to grow between 2.5% and 3.0% in the coming calendar year. We anticipate corporate capital expenditures to accelerate on the back of rising pricing power and the expected returns on newly invested capital. We expect very gradually rising wages and product prices, which will allow the Fed to maintain its accommodative monetary policy for 2015. Potential wildcards for the economy in both the U.S. and abroad are geopolitical issues in Ukraine, the Middle East and elsewhere.

On the following pages of this PIMCO Closed-End Funds Semiannual Report, please find specific details regarding investment performance and a discussion of factors that most affected each Fund s performance over the six-month reporting period ended November 30, 2014.

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Letter from the Chairman of the Board & the President (Cont.)

Thank you for investing with us. We value your trust and will continue to work diligently to meet your investment needs. If you have questions regarding any of your PIMCO Closed-End Funds investments, please contact your financial advisor or call the Funds shareholder servicing agent at (844) 33-PIMCO (844-337-4626). We also invite you to visit our website at pimco.com/investments to learn more about our views and global thought leadership.

We remain dedicated to serving your investment needs.

Sincerely,

Hans W. Kertess Chairman of the Board of Trustees	Peter G. Strelow President; Principal Executive Officer

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Important Information About the Funds

We believe that bond funds have an important role to play in a well-diversified investment portfolio. It is important to note, however, that in an environment where interest rates trend upward, rising rates would negatively impact the performance of most bond funds, and fixed-income securities held by a Fund are likely to decrease in value. A number of factors can cause interest rates to rise (e.g., central bank monetary policies, inflation rates, general economic conditions, etc.). Accordingly, changes in interest rates can be sudden, and there is no guarantee that Fund Management will anticipate such movement.

As of the date of this report, interest rates in the U.S. are at or near historically low levels. As such, bond funds may currently face an increased exposure to the risks associated with rising interest rates. This is especially true since the Federal Reserve Board has concluded its quantitative easing program. Further, while the U.S. bond market has steadily grown over the past three decades, dealer inventories of corporate bonds have remained relatively stagnant. As a result, there has been a significant reduction in the ability of dealers to make markets in corporate bonds. All of the factors mentioned above, individually or collectively, could lead to increased volatility and/or lower liquidity in the fixed income markets, which could result in increased losses to a Fund. Bond funds and individual bonds with a longer duration (a measure of the sensitivity of a security s price to changes in interest rates) tend to be more sensitive to changes in interest rates, usually making them more volatile than securities or funds with shorter durations. In addition, in the current low interest rate environment, the market price of the Funds common shares may be particularly sensitive to changes in interest rates or the perception that there will be a change in interest rates.

The use of derivatives may subject the Funds to greater volatility than investments in traditional securities. The Funds may use derivative instruments for hedging purposes or as part of an investment strategy. Use of these instruments may involve certain costs and risks such as liquidity risk, interest rate risk, market risk, credit risk, management risk and the risk that a Fund could not close out a position when it would be most advantageous to do so. Certain derivative transactions may have a leveraging effect on a Fund. For example, a small investment in a derivative instrument may have a significant impact on a Fund s exposure to interest rates, currency exchange rates or other investments. As a result, a relatively small price movement in a derivative instrument may cause an immediate and substantial loss or gain, which translates into heightened volatility in a Fund s net asset value. A Fund may engage in such transactions regardless of whether the Fund owns the asset, instrument or components of the index underlying a derivative instrument. A Fund may invest a significant portion of its assets in these types of instruments. If it does, a Fund s investment exposure could far exceed the value of its portfolio securities and its investment performance could be primarily dependent upon securities it does not directly own.

A Fund s use of leverage creates the opportunity for increased income for the Fund s common shareholders, but also creates special risks. Leverage is a speculative technique that may expose a Fund to greater risk and increased costs. If shorter-term interest rates rise relative to the rate of return on a Fund s portfolio, the interest and other costs to the Fund of leverage could exceed the rate of return on the debt obligations and other investments held by the Fund, thereby reducing return to the Fund s common shareholders. In addition, fees and expenses of any form of leverage used by a Fund will be borne entirely by its common shareholders (and not by preferred shareholders, if any) and will reduce the investment return of the Fund s common shares. There can be no assurance that a Fund s use of leverage will result in a higher yield on its common shares, and it may result in losses. Leverage creates several major types of risks for a Fund s common shareholders, including: (1) the likelihood of greater volatility of net asset value and market price of the Fund s common shares, and of the investment return to the Fund s common shareholders, than a comparable portfolio without leverage; (2) the possibility either that the Fund s common share dividends will fall if the interest and other costs of leverage rise, or that dividends paid on the Fund s common shares will fluctuate because such costs vary over time; and (3) the effects of leverage in a

Important Information About the Funds (Cont.)

declining market or a rising interest rate environment, as leverage is likely to cause a greater decline in the net asset value of the Fund s common shares than if the Fund were not leveraged and may result in a greater decline in the market value of the Fund s common shares.

There is a risk that a Fund investing in a tender option bond program will not be considered the owner of a tender option bond for federal income tax purposes, and thus will not be entitled to treat such interest as exempt from federal income tax. Certain tender option bonds may be illiquid or may become illiquid as a result of, among other things, a credit rating downgrade, a payment default or a disqualification from tax-exempt status. Regulators recently finalized rules implementing Section 619 (the Volcker Rule) and Section 941 (the Risk Retention Rules) of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Both the Volcker Rule and the Risk Retention Rules apply to tender option bond programs and may require that such programs be restructured. The results of these rules are not certain, and there can be no assurance that appropriate restructuring of existing trusts will be possible or that the creation of new trusts will continue. Because of the role that tender option bond programs play in the municipal bond market, it is possible that implementation of these rules may adversely impact the municipal bond market. For example, as a result of the implementation of these rules, the municipal bond market may experience reduced demand or liquidity and increased financing costs. A Fund s investment in the securities issued by a tender option bond trust may involve greater risk and volatility than an investment in a fixed rate bond, and the value of such securities may decrease significantly when market interest rates increase. Tender option bond trusts could be terminated due to market, credit or other events beyond the Funds control, which could require the Funds to reduce leverage and dispose of portfolio investments at inopportune times and prices. A Fund may use a tender option bond program as a way of achieving leverage in its portfolio, in which case the Fund will be subject to leverage risk.

High-yield bonds (commonly referred to as junk bonds) typically have a lower credit rating than other bonds. Lower-rated bonds generally involve a greater risk to principal than higher-rated bonds. Further, markets for lower-rated bonds are typically less liquid than for higher-rated bonds, and public information is usually less abundant in such markets. Thus, high-yield investments increase the chance that a Fund will lose money. Mortgage-Related and Asset-Backed Securities represent ownership interests in pools of mortgages or other assets such as consumer loans or receivables. As a general matter, Mortgage-Related and Asset-Backed Securities are subject to interest rate risk, extension risk, prepayment risk, and credit risk. These risks largely stem from the fact that returns on Mortgage-Related and Asset-Backed Securities depend on the ability of the underlying assets to generate cash flow.

The common shares of the Funds trade on the New York Stock Exchange. As with any stock, the price of a Fund s common shares will fluctuate with market conditions and other factors. If you sell your common shares of a Fund, the price received may be more or less than your original investment. Shares of closed-end management investment companies frequently trade at a discount from their net asset value. The common shares of a Fund may trade at a price that is less than the initial offering price and/or the net asset value of such shares.

The Funds may be subject to various risks in addition to those described above. Some of these risks may include, but are not limited to, the following: asset allocation risk, credit risk, stressed securities risk, distressed and defaulted securities risk, corporate bond risk, market risk, issuer risk, liquidity risk, equity securities and related market risk, mortgage-related and other asset-backed securities risk, extension risk, prepayment risk, privately issued mortgage-related securities risk, mortgage market/subprime risk, foreign (non-U.S.) investment risk, emerging markets risk, currency risk, redenomination risk, non-diversification risk, management risk, municipal bond risk, tender option bond risk, inflation-indexed security risk, senior debt risk, loans, participations and assignments risk, reinvestment risk, real estate risk, U.S. Government securities risk, foreign (non-U.S.) government securities risk, valuation risk, segregation and cover risk, focused investment risk, credit default swaps risk, event-linked securities risk, counterparty risk, preferred securities risk, confidential information access risk, other investment companies risk, private placements risk, inflation/deflation risk, regulatory risk, tax risk, recent economic conditions risk, market disruptions and geopolitical risk, potential conflicts of interest involving allocation of investment opportunities, repurchase agreements risk, securities lending risk, zero-coupon bond and payment-in-kind securities risk, portfolio turnover risk, smaller company risk, short sale risk and convertible securities risk. A description of certain of these risks is available in the Notes to Financial Statements of this Report.

On each individual Fund Summary page in this Shareholder Report the Common Share Average Annual Total Return table and Common Share Cumulative Return (if applicable) measure performance assuming that all dividend and capital gain distributions were reinvested. Total return is calculated by determining the percentage change in NAV or market price (as applicable) in the specified period. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions. 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 tend to reflect investment results over time, during shorter periods returns at market price can also be influenced by factors such as changing views about the Fund, market conditions, supply and demand for the Fund s shares, or changes in the Fund s dividends. Performance shown is net of fees and expenses.

The following table discloses the commencement of operations of each Fund:

Fund Name	Commencement of Operations
PIMCO Municipal Income Fund II	06/28/02
PIMCO California Municipal Income Fund II	06/28/02
PIMCO New York Municipal Income Fund II	06/28/02

An investment in a Fund is not a deposit of a bank and is not guaranteed or insured by the Federal Deposit Insurance Corporation or any other government agency. It is possible to lose money on investments in the Funds.

PIMCO has adopted written proxy voting policies and procedures (Proxy Policy) as required by Rule 206(4)-6 under the Investment Advisers Act of 1940. The Proxy Policy has been adopted by the Funds as the policies and procedures that PIMCO will use when voting proxies on behalf of the Funds. A description of the policies and procedures that PIMCO uses to vote proxies relating to portfolio securities of each Fund, and information about how each Fund voted proxies relating to portfolio securities held during the most recent twelve-month period ended June 30, are available without charge, upon request, by calling the Funds at (844) 33-PIMCO (844-337-4626), on the Funds website at www.pimco.com/investments, and on the Securities and Exchange Commission s (SEC) website at http://www.sec.gov.

Each Fund files a complete schedule of its portfolio holdings with the SEC for the first and third quarters of its fiscal year on Form N-Q. A copy of each Fund s Form N-Q is available on the SEC s website at http://www.sec.gov and may be reviewed and copied at the SEC s Public Reference Room in Washington, D.C., and is available without charge, upon request by calling the Funds at (844) 33-PIMCO (844-337-4626) and on the Funds website at www.pimco.com/investments. Updated portfolio holdings information about a Fund will be available at www.pimco.com/closedendfunds approximately 15 calendar days after such Fund s most recent fiscal quarter end, and will remain accessible until such Fund files a Form N-Q or a shareholder report for the period which includes the date of the information. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

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PIMCO Municipal Income Fund II

Symbol on NYSE - **PML**

Allocation Breakdown

Texas	13.4%
New York	13.3%
California	13.1%
Arizona	8.1%
Illinois	5.7%
Pennsylvania	5.5%
Ohio	5.3%
Florida	5.2%
Other	30.4%

% of Investments, at value as of 11/30/14

Fund Information (as of November 30, 2014)[1]

Market Price	$11.90
NAV	$12.23
Premium/(Discount) to NAV	(2.70%)
Market Price Distribution Yield [2]	6.55%
NAV Distribution Yield [2]	6.38%
Regulatory Leverage Ratio [3]	35.48%

Average Annual Total Return for the period ended November 30, 2014

	6 Month*	1 Year	5 Year	10 Year	Commencement of Operations (06/28/02)
Market Price	0.40%	20.50%	9.97%	5.21%	5.07%
NAV	5.82%	19.67%	11.44%	5.30%	5.71%

All Fund returns are net of fees and expenses.

* Cumulative return

(1) Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Current performance may be lower or higher than performance shown. Investment return and the principal value of an investment will fluctuate. Total return, market price, NAV, market price distribution yield, and NAV distribution yield will fluctuate with changes in market conditions. For performance current to the most recent month-end, visit www.pimco.com or call (844) 33-PIMCO.

(2) Distribution yields are not performance and are calculated by annualizing the most recent distribution per share and dividing by the NAV or Market Price, as applicable, as of the reported date. Distributions may be comprised of ordinary income, net capital gains, and/or a return of capital (ROC) of your investment in the Fund. Because the distribution rate may include a ROC, it should not be confused with yield or income. If the Fund estimates that a portion of its distribution may be comprised of amounts from sources other than net investment income, the Fund will notify shareholders of the estimated composition of such distribution through a Section 19 Notice. Please refer to the most recent Section 19 Notice, if applicable, for additional information regarding the composition of distributions. Please visit www.pimco.com for most recent Section 19 Notice, if applicable. Final determination of a distribution s tax character will be made on Form 1099 DIV sent to shareholders each January.

(3) Represents regulatory leverage outstanding, as a percentage of total managed assets. Regulatory leverage may include preferred shares, tender option bond transactions, reverse repurchase agreements, and other borrowings (collectively Leverage). Total managed assets refer to total assets (including assets attributable to Leverage that may be outstanding) minus accrued liabilities (other than liabilities representing Leverage).

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Portfolio Insights

» The municipal bond market generally generated positive results during the six-month reporting period ended November 30, 2014. The municipal bond market, as measured by Barclays Municipal Bond Index, posted positive returns during all six months of the reporting period. Supporting the municipal market were generally improving fundamentals, attractive valuations and falling longer-term interest rates. In addition, investor demand for municipal securities was largely solid. All told, the municipal market gained 2.45% during the six months ended November 30, 2014. In comparison, the overall taxable fixed income market, as measured by Barclays U.S. Aggregate Bond Index, gained 1.91% during the same period, while Barclays Municipal Long Bond Index (the Index) returned 3.94%.

» The fund s overweight duration position relative to the Index contributed to performance as municipal yields moved lower across most portions of the curve. The fund s overweight exposures to the Revenue-Backed and Health Care sectors were beneficial for results as both sectors outperformed the municipal bond market.

» The fund s underweight exposures to the Transportation, Education, and Water and Sewer sectors detracted from results, as all sectors outperformed the municipal bond market.

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PIMCO California Municipal Income Fund II Symbol on NYSE - **PCK**

Allocation Breakdown

California	93.3%
Rhode Island	2.3%
Short-Term Instruments	3.0%
New Jersey	0.7%
New York	0.7%

% of Investments, at value as of 11/30/14

Fund Information (as of November 30, 2014)[1]

Market Price	$9.61
NAV	$8.83
Premium/(Discount) to NAV	8.83%
Market Price Distribution Yield [2]	6.71%
NAV Distribution Yield [2]	7.30%
Regulatory Leverage Ratio [3]	41.84%

Average Annual Total Return for the period ended November 30, 2014

	6 Month*	1 Year	5 Year	10 Year	Commencement of Operations (06/28/02)
Market Price	4.61%	13.20%	10.57%	3.91%	3.85%
NAV	6.46%	23.99%	12.63%	3.58%	4.04%

All Fund returns are net of fees and expenses.

* Cumulative return

(1) Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Current performance may be lower or higher than performance shown. Investment return and the principal value of an investment will fluctuate. Total return, market price, NAV, market price distribution yield, and NAV distribution yield will fluctuate with changes in market conditions. For performance current to the most recent month-end, visit www.pimco.com or call (844) 33-PIMCO.

(2) Distribution yields are not performance and are calculated by annualizing the most recent distribution per share and dividing by the NAV or Market Price, as applicable, as of the reported date. Distributions may be comprised of ordinary income, net capital gains, and/or a return of capital (ROC) of your investment in the Fund. Because the distribution rate may include a ROC, it should not be confused with yield or income. If the Fund estimates that a portion of its distribution may be comprised of amounts from sources other than net investment income, the Fund will notify shareholders of the estimated composition of such distribution through a Section 19 Notice. Please refer to the most recent Section 19 Notice, if applicable, for additional information regarding the composition of distributions. Please visit www.pimco.com for most recent Section 19 Notice, if applicable. Final determination of a distribution s tax character will be made on Form 1099 DIV sent to shareholders each January.

(3) Represents regulatory leverage outstanding, as a percentage of total managed assets. Regulatory leverage may include preferred shares, tender option bond transactions, reverse repurchase agreements, and other borrowings (collectively Leverage). Total managed assets refer to total assets (including assets attributable to Leverage that may be outstanding) minus accrued liabilities (other than liabilities representing Leverage).

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Portfolio Insights

» The municipal bond market generally generated positive results during the six-month reporting period ended November 30, 2014. The municipal bond market, as measured by Barclays Municipal Bond Index, posted positive returns during all six months of the reporting period. Supporting the municipal market were generally improving fundamentals, attractive valuations and falling longer-term interest rates. In addition, investor demand for municipal securities was largely solid. All told, the municipal market gained 2.45% during the six months ended November 30, 2014. In comparison, the overall taxable fixed income market, as measured by Barclays U.S. Aggregate Bond Index, gained 1.91% during the same period, while Barclays AMT-Free California Long Municipal Index (the Index) returned 4.43%.

» The fund s overweight duration position relative to the Index contributed to performance as municipal yields moved lower across most portions of the curve. The fund s overweight exposures to the Revenue-Backed and Health Care sectors were beneficial for results as both sectors outperformed the municipal bond market.

» The fund s underweight exposures to the Water and Sewer and Education sectors detracted from results, as both sectors outperformed the municipal bond market. Select exposure to the Lease-Backed sector detracted from results versus the Index.

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PIMCO New York Municipal Income Fund II Symbol on NYSE - **PNI**

Allocation Breakdown

New York	93.9%
Ohio	3.2%
Short-Term Instruments	1.3%
Florida	0.6%
Louisiana	0.5%
Other	0.5%

% of Investments, at value as of 11/30/14

Fund Information (as of November 30, 2014)[1]

Market Price	$11.98
NAV	$11.35
Premium/(Discount) to NAV	5.55%
Market Price Distribution Yield [2]	6.64%
NAV Distribution Yield [2]	7.00%
Regulatory Leverage Ratio [3]	41.11%

Average Annual Total Return for the period ended November 30, 2014

	6 Month*	1 Year	5 Year	10 Year	Commencement of Operations (06/28/02)
Market Price	3.35%	23.72%	9.59%	5.16%	5.07%
NAV	7.16%	22.17%	9.76%	5.03%	5.13%

All Fund returns are net of fees and expenses.

* Cumulative return

(1) Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Current performance may be lower or higher than performance shown. Investment return and the principal value of an investment will fluctuate. Total return, market price, NAV, market price distribution yield, and NAV distribution yield will fluctuate with changes in market conditions. For performance current to the most recent month-end, visit www.pimco.com or call (844) 33-PIMCO.

(2) Distribution yields are not performance and are calculated by annualizing the most recent distribution per share and dividing by the NAV or Market Price, as applicable, as of the reported date. Distributions may be comprised of ordinary income, net capital gains, and/or a return of capital (ROC) of your investment in the Fund. Because the distribution rate may include a ROC, it should not be confused with yield or income. If the Fund estimates that a portion of its distribution may be comprised of amounts from sources other than net investment income, the Fund will notify shareholders of the estimated composition of such distribution through a Section 19 Notice. Please refer to the most recent Section 19 Notice, if applicable, for additional information regarding the composition of distributions. Please visit www.pimco.com for most recent Section 19 Notice, if applicable. Final determination of a distribution s tax character will be made on Form 1099 DIV sent to shareholders each January.

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Portfolio Insights

- » The municipal bond market generally generated positive results during the six-month reporting period ended November 30, 2014. The municipal bond market, as measured by Barclays Municipal Bond Index, posted positive returns during all six months of the reporting period. Supporting the municipal market were generally improving fundamentals, attractive valuations and falling longer-term interest rates. In addition, investor demand for municipal securities was largely solid. All told, the municipal market gained 2.45% during the six months ended November 30, 2014. In comparison, the overall taxable fixed income market, as measured by Barclays U.S. Aggregate Bond Index, gained 1.91% during the same period, while Barclays AMT-Free New York Long Municipal Bond Index (the Index) returned 4.23%.

- » The fund s overweight duration position relative to the Index contributed to performance as municipal yields moved lower across most portions of the curve. The fund s overweight exposures to the Revenue-Backed and Industrial Revenue sectors were beneficial for results as both sectors outperformed the municipal bond market.

- » The fund s underweight exposure to the Water and Sewer sector detracted from results, as it outperformed the municipal bond market. Select exposure to the Special Tax and Electric Utility sectors detracted from results versus the Index.

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Financial Highlights

Selected Per Common Share Data for the Year or Period Ended:	Net Asset Value Beginning of Year or Period	Net Investment Income [(a)]	Net Realized/ Unrealized Gain (Loss)	Net Increase in Net Assets Resulting from Investment Operations	Dividends on Preferred Shares from Net Investment Income	Net Increase (Decrease) in Net Assets Applicable to Common Shareholders Resulting from Investment Operations	Distributions to Common Shareholders from Net Investment Income	Tax Basis Return of Capital
PIMCO Municipal Income Fund II								
11/30/2014+	$ 11.94	$ 0.40	$ 0.28	$ 0.68	$ (0.00)^	$ 0.68	$ (0.39)	$ 0.00
05/31/2014	12.17	0.81	(0.25)	0.56	(0.01)	0.55	(0.78)	0.00
05/31/2013	11.91	0.82	0.23	1.05	(0.01)	1.04	(0.78)	0.00
05/31/2012	10.12	0.88	1.70	2.58	(0.01)	2.57	(0.78)	0.00
05/31/2011	10.77	0.91	(0.75)	0.16	(0.03)	0.13	(0.78)	0.00
05/31/2010	8.97	0.88	1.73	2.61	(0.03)	2.58	(0.78)	0.00
PIMCO California Municipal Income Fund II								
11/30/2014+	$ 8.61	$ 0.34	$ 0.20	$ 0.54	$ (0.00)^	$ 0.54	$ (0.32)	$ 0.00
05/31/2014	8.93	0.68	(0.26)	0.42	(0.01)	0.41	(0.66)	(0.07)
05/31/2013	8.65	0.69	0.35	1.04	(0.01)	1.03	(0.68)	(0.07)
05/31/2012	7.38	0.71	1.32	2.03	(0.01)	2.02	(0.70)	(0.05)
05/31/2011	8.11	0.74	(0.70)	0.04	(0.02)	0.02	(0.75)	0.00
05/31/2010	7.48	0.76	0.67	1.43	(0.03)	1.40	(0.77)	0.00
PIMCO New York Municipal Income Fund II								
11/30/2014+	$ 10.98	$ 0.37	$ 0.40	$ 0.77	$ (0.00)^	$ 0.77	$ (0.40)	$ 0.00
05/31/2014	11.32	0.75	(0.28)	0.47	(0.01)	0.46	(0.80)	0.00
05/31/2013	11.37	0.79	(0.02)	0.77	(0.02)	0.75	(0.80)	0.00
05/31/2012	10.10	0.85	1.24	2.09	(0.02)	2.07	(0.80)	0.00
05/31/2011	10.90	0.88	(0.85)	0.03	(0.03)	0.00	(0.80)	0.00
05/31/2010	9.56	0.98	1.19	2.17	(0.03)	2.14	(0.80)	0.00

\+ Unaudited
* Annualized
^ Reflects an amount rounding to less than 0.005.
[(a)] Per share amounts based on average number of common shares outstanding during the year or period.
[(b)] Total investment return is calculated assuming a purchase of a common share at the market price on the first day and a sale of a common share at the market price on the last day of each year or period reported. Dividends and distributions, if any, are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Fund s dividend reinvestment plan. Total investment return does not reflect brokerage commissions in connection with the purchase or sale of Fund shares.
[(c)] Calculated on the basis of income and expenses applicable to both common and preferred shares relative to the average net assets of common shareholders.
[(d)] Interest expense relates to the liability for Floating Rate Notes issued in connection with Inverse Floater transactions and/or participation in reverse repurchase agreement transactions. See Note 5(b) in the Notes to Financial Statements for more information.

 See Accompanying Notes

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(Unaudited)

Total Distributions to Common Shareholders	Net Asset Value End of Year or Period	Market Price End of Year or Period	Total Investment Return (b)	Net Assets Applicable to Common Shareholders End of Year or Period (000s)	Ratio of Expenses to Average Net Assets (c)(d)	Ratio of Expenses to Average Net Assets Excluding Waivers (c)	Ratio of Expenses to Average Net assets Excluding Interest Expense (c)	Ratio of Expenses to Average Net Assets Excluding Interest Expense and Waivers (c)	Ratio of Net Investment Income to Average Net Assets (c)	Preferred Shares Asset Coverage Per Share	Portfolio Turnover Rate
$ (0.39)	$ 12.23	$ 11.90	0.40%	$ 748,107	1.16%*	1.16%*	1.12%*	1.12%*	6.64%*	$ 75,960	2%
(0.78)	11.94	12.25	7.76	730,088	1.21	1.21	1.16	1.16	7.22	74,733	16
(0.78)	12.17	12.19	3.41	741,368	1.16	1.17	1.11	1.12	6.74	75,501	16
(0.78)	11.91	12.54	28.70	722,161	1.19	1.26	1.11	1.18	8.04	74,192	26
(0.78)	10.12	10.45	1.30	610,800	1.37	1.37	1.24	1.24	8.80	66,606	21
(0.78)	10.77	11.12	25.49	645,589	1.38	1.38					