

PIMCO MUNICIPAL INCOME FUND II  
Form N-Q  
October 16, 2009

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549**

**OMB  
APPROVAL**  
OMB Number:  
3235-0578  
Expires: April 30, 2010  
Estimated average burden  
hours per response: 10.5

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

Investment Company Act File Number: 811-21076

Registrant Name: PIMCO Municipal Income Fund II

Address of Principal Executive Offices: 1345 Avenue of the Americas  
New York, New York 10105

Name and Address of Agent for  
Service: Lawrence G. Altadonna  
1345 Avenue of the Americas  
New York, New York 10105

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

Date of Fiscal Year End: May 31, 2010

Date of Reporting Period: August 31, 2009

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (§§ 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b 1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

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

---

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

Item 1. Schedule of Investments

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

August 31, 2009 (unaudited)

Principal Amount (000)		Credit Rating (Moody s/S&P)	Value*
<b>MUNICIPAL BONDS &amp; NOTES 97.8%</b>			
<b>Alabama 1.1%</b>			
\$10,000	Birmingham Baptist Medical Centers Special Care Facs. Financing Auth. Rev., Baptist Health Systems, Inc., 5.00%, 11/15/30, Ser. A	Baa2/NR	\$7,797,100
1,235	Montgomery BMC Special Care Facs. Financing Auth. Rev., 5.00%, 11/15/29, Ser. B (NPFGC)	A3/A	1,086,207
2,650	Tuscaloosa Educational Building Auth. Rev., Stillman College Project, 5.00%, 6/1/26, Ser. A	NR/BBB-	2,096,415
			10,979,722
<b>Alaska 0.7%</b>			
5,900	Northern Tobacco Securitization Corp. Rev., 5.00%, 6/1/46, Ser. A	Baa3/NR	3,810,692
3,550	State Housing Finance Corp. Rev., 5.25%, 6/1/32, Ser. C (NPFGC)	Aa2/AA	3,557,029
			7,367,721
<b>Arizona 9.3%</b>			
	Health Facs. Auth. Rev., Banner Health, 5.00%, 1/1/35, Ser. A	NR/A+	3,236,205
2,860	5.50%, 1/1/38, Ser. D	NR/A+	2,820,303
29,700	Pima Cnty. Industrial Dev. Auth. Rev., 5.00%, 9/1/39 Salt River Project Agricultural Improvement & Power Dist. Rev., Ser. A (k), 5.00%, 1/1/37	Aa2/AA	28,978,884
41,100	5.00%, 1/1/37	Aa1/AA	41,698,005
10,000	5.00%, 1/1/39	Aa1/AA	10,155,800
10,500	Salt Verde Financial Corp. Rev., 5.00%, 12/1/37	A3/A	8,740,935
			95,630,132
<b>Arkansas 0.2%</b>			
13,000	Dev. Finance Auth. Rev., Arkansas Cancer Research Center Project, zero coupon, 7/1/46 (AMBAC)	Aa3/NR	1,807,780
<b>California 5.5%</b>			
6,000	Golden State Tobacco Securitization Corp. Rev., 5.00%, 6/1/33, Ser. A-1	Baa3/BBB	4,706,340
2,500	Los Angeles Department of Water & Power Rev., 5.00%, 7/1/39, Ser. A-1 (AMBAC)	Aa3/AA-	2,522,400
1,365	Lynwood Utility Auth. Rev., 5.00%, 6/1/29, Ser. A	Aa2/AAA	1,341,358

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

2,000	Montebello Unified School Dist., GO, 5.00%, 8/1/33 (FSA)	Aa3/AAA	1,977,900
2,000	San Diego Cnty. Water Auth., CP, 5.00%, 5/1/38, Ser. A (FSA)	Aa3/AAA	1,999,860
2,000	Santa Clara Cnty. Financing Auth. Rev., 5.75%, 2/1/41, Ser. A (AMBAC)	A1/A+	2,024,740
10,500	State, GO, 6.00%, 4/1/38	Baa1/A	11,126,850
4,700	Statewide Communities Dev. Auth. Rev., Baptist Univ., 9.00%, 11/1/17, Ser. B (a)(d) Methodist Hospital Project (FHA), 6.625%, 8/1/29	NR/NR	3,966,847
5,500		Aa2/AA	6,042,575
19,500	6.75%, 2/1/38	Aa2/AA	21,279,765
			56,988,635
	<b>Colorado 4.1%</b>		
11,250	Denver City & Cnty. Rev., 5.00%, 11/15/25, Ser. B (FSA) Health Facs. Auth. Rev., Ser. A,	Aa3/AAA	11,319,075
1,000	American Baptist Homes, 5.90%, 8/1/37	NR/NR	695,540
9,500	Catholic Health Initiatives, 5.50%, 3/1/32	NR/AA	9,895,390
500	Evangelical Lutheran, 6.125%, 6/1/38	A3/A-	496,265
18,305	Exempla, Inc., 5.625%, 1/1/33	A1/A-	17,099,433
2,000	Housing & Finance Auth. Rev., Evergreen Country Day School, Inc. Project, 5.875%, 6/1/37 (a)(d)	NR/BB	1,320,840
1,430	Public Auth. for Colorado Energy Rev., 6.50%, 11/15/38	A2/A	1,450,520
			42,277,063

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

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

August 31, 2009 (unaudited)

Principal Amount (000)		Credit Rating (Moody s/S&P)	Value*
	<b>Florida 5.3%</b>		
\$1,000	Brevard Cnty. Health Facs. Auth. Rev., Health First, Inc. Project, 7.00%, 4/1/39	A3/A-	\$1,037,330
600	Broward Cnty. Airport Rev., 5.375%, 10/1/29, Ser. O (e)	A1/A+	603,450
8,500	Broward Cnty. Water & Sewer Utility Rev., 5.25%, 10/1/34, Ser. A (k)	Aa3/AA	8,728,055
1,000	Clearwater Water Rev., 5.25%, 12/1/39, Ser. A	A2/AA-	1,010,180
2,335	Hillsborough Cnty. Industrial Dev. Auth. Pollution Control Rev., Tampa Electric Co. Project, 5.50%, 10/1/23, Ser. E	Baa1/BBB	2,371,823
7,135	Jacksonville Health Facs. Auth. Rev., Ascension Health, 5.25%, 11/15/32, Ser. A	Aa1/AA	7,171,745
3,000	Leesburg Hospital Rev., Leesburg Regional Medical Center Project, 5.50%, 7/1/32	Baa1/BBB+	2,569,290
3,490	Miami-Dade Cnty. Rev., 5.50%, 10/1/36, Ser. A	A2/A-	3,497,853
500	Sarasota Cnty. Health Fac. Auth. Rev., 5.75%, 7/1/37	NR/NR	364,815
7,900	State Board of Education, GO, 5.00%, 6/1/38, Ser. D (k)	Aa1/AAA	8,033,589
6,205	State Governmental Utility Auth. Rev., Barefoot Bay Utilities System, 5.00%, 10/1/29 (AMBAC)	NR/NR	6,104,355
5,000	Sumter Landing Community Dev. Dist. Rev., 4.75%, 10/1/35, Ser. A (NPFGC)	Baa1/A	2,857,000
10,000	Tallahassee Rev., 5.00%, 10/1/37 (k)	Aa2/AA	10,059,000
1,500	Winter Springs Water & Sewer Rev., zero coupon, 10/1/29 (FGIC-NPFGC)	NR/A+	557,595
			54,966,080
	<b>Georgia 0.2%</b>		
2,775	Medical Center Hospital Auth. Rev., Spring Harbor Green Island Project, 5.25%, 7/1/37	NR/NR	1,980,157
	<b>Illinois 12.9%</b>		
2,935	Central Lake Cnty. JT Action Water Agcy. Rev., 5.125%, 5/1/28, Ser. A (AMBAC)	Aa3/NR	3,028,450
1,250	Chicago Motor Fuel Tax Rev., 5.00%, 1/1/38, Ser. A Chicago, GO,	Aa2/AAA	1,260,937
10,000	5.00%, 1/1/34, Ser. C (k)	Aa3/AA-	10,080,900
1,635	5.125%, 1/1/29, Ser. A (FGIC-NPFGC)	Aa3/NR	1,637,551
4,065	5.50%, 1/1/40, Ser. C (FGIC-NPFGC) Chicago, Lake Shore East, Special Assessment,	Aa3/AA-	4,092,032
3,162	6.625%, 12/1/22	NR/NR	2,627,559
6,700	6.75%, 12/1/32	NR/NR	5,245,564
5,000	Cicero, GO, 5.25%, 12/1/31 (NPFGC)	Baa1/A	5,067,850
6,440	Cook Cnty., GO, 5.00%, 11/15/28, Ser. A (FGIC-NPFGC) Finance Auth. Rev., Ser. A,	Aa3/AA	6,465,567
2,500	Christian Homes, Inc., 5.75%, 5/15/31	NR/NR	1,774,275
250	Leafs Hockey Club Project, 6.00%, 3/1/37 (b)	NR/NR	75,128
700	OSF Healthcare Systems, 7.125%, 11/15/37	A2/A	736,680
1,500	Sedgebrook, Inc., 6.00%, 11/15/42	NR/NR	760,485
20,100	Health Facs. Auth. Rev., Elmhurst Memorial Healthcare, 5.625%, 1/1/28	Baa1/NR	18,091,005
68,470	State Sports Facs. Auth. Rev., zero coupon, 6/15/30, (converts to 5.50% on 6/15/10) (AMBAC)	NR/A	65,850,338
4,500	Village of Hillside, Mannheim Redev. Project, Tax Allocation, 6.55%, 1/1/20	NR/NR	3,837,780
2,900	7.00%, 1/1/28	NR/NR	2,302,919



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

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

August 31, 2009 (unaudited)

Principal Amount (000)		Credit Rating (Moody s/S&P)	Value*
	<b>Indiana 0.3%</b>		
\$1,500	Finance Auth. Rev., Duke Energy Indiana, Inc., 6.00%, 8/1/39, Ser. B	A3/A	\$1,535,910
4,125	Fort Wayne Pollution Control Rev.,		
	General Motors Corp. Project, 6.20%, 10/15/25 (f)	NR/NR	556,875
990	Vigo Cnty. Hospital Auth. Rev., Union Hospital, Inc., 5.80%, 9/1/47 (a)(d)	NR/NR	732,471
			2,825,256
	<b>Iowa 4.0%</b>		
	Finance Auth. Rev.,		
250	Deerfield Retirement Community, Inc., Ser. A,		
	5.50%, 11/15/27	NR/NR	159,042
1,075	5.50%, 11/15/37	NR/NR	615,008
4,500	Edgewater LLC Project, 6.75%, 11/15/42	NR/NR	3,554,235
850	Wedum Walnut Ridge LLC Project, 5.625%, 12/1/45, Ser. A (b)	NR/NR	342,048
46,000	Tobacco Settlement Auth. Rev., 5.60%, 6/1/34, Ser. B	Baa3/BBB	36,440,740
			41,111,073
	<b>Kansas 0.0%</b>		
500	Dev. Finance Auth. Rev., Adventist Health, 5.75%, 11/15/38	A1/A+	512,755
	<b>Kentucky 0.7%</b>		
	Economic Dev. Finance Auth. Hospital Facs. Rev.,		
	Baptist Healthcare System, Ser. A,		
2,000	5.375%, 8/15/24	Aa3/NR	2,144,040
2,500	5.625%, 8/15/27	Aa3/NR	2,635,275
2,500	Catholic Healthcare Partners, 5.25%, 10/1/30	A1/AA-	2,377,525
			7,156,840
	<b>Louisiana 4.1%</b>		
3,300	Public Facs. Auth. Rev., Ochsner Clinic Foundation Project,		
	5.50%, 5/15/47, Ser. B	A3/NR	2,527,701
44,395	Tobacco Settlement Financing Corp. Rev., 5.875%, 5/15/39, Ser. 2001-B	Baa3/BBB	39,436,079
			41,963,780
	<b>Maryland 0.5%</b>		
	Health & Higher Educational Facs. Auth. Rev.,		
1,000	Adventist Healthcare, 5.75%, 1/1/25, Ser. A	Baa2/NR	970,210
1,010	King Farm Presbyterian Community, 5.30%, 1/1/37, Ser. A	NR/NR	607,727
4,050	Washington Cnty. Hospital, 6.00%, 1/1/43	NR/BBB-	3,930,485
			5,508,422

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

<b>Massachusetts 8.4%</b>			
7,000	Boston Water Rev., 5.00%, 11/1/28, Ser. D (FGIC-NPFGC)	Aa2/AA+	7,009,450
4,610	Dev. Finance Agcy. Rev., Adventcare Project, 6.75%, 10/15/37, Ser. A	NR/NR	3,527,572
2,900	State College Building Auth. Rev., 5.50%, 5/1/39, Ser. A	A1/A+	2,978,503
4,295	State Turnpike Auth. Rev., Ser. A, 4.75%, 1/1/34 (AMBAC)	A1/AA	3,962,825
51,830	5.00%, 1/1/37 (NPFGC)	Baa1/A	47,908,542
10,325	5.00%, 1/1/39 (AMBAC)	A1/AA	9,777,775
12,050	State Water Res. Auth. Rev., 4.75%, 8/1/37, Ser. A (FSA)(k)	Aa2/AAA	11,920,824
			87,085,491

---

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

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

August 31, 2009 (unaudited)

Principal Amount (000)		Credit Rating (Moody s/S&P)	Value*
<b>Michigan 2.9%</b>			
\$4,545	Garden City Hospital Finance Auth. Rev., 5.00%, 8/15/38, Ser. A	NR/NR	\$2,317,223
800	Public Educational Facs. Auth. Rev., 6.50%, 9/1/37 (a)(d)	NR/BBB-	630,064
3,000	Royal Oak Hospital Finance Auth. Rev., William Beaumont Hospital, 8.25%, 9/1/39	A1/A	3,454,920
5,000	State Hospital Finance Auth. Rev., Ascension Health, 5.25%, 11/15/26, Ser. B Oakwood Group, Ser. A,	Aa1/AA	5,040,800
13,500	5.75%, 4/1/32	A2/A	11,742,030
1,925	6.00%, 4/1/22	A2/A	1,835,295
6,000	Tobacco Settlement Finance Auth. Rev., 6.00%, 6/1/48, Ser. A	NR/BBB	4,554,120
			29,574,452
<b>Minnesota 0.5%</b>			
1,500	Minneapolis Rev., Providence Project, 5.75%, 10/1/37, Ser. A	NR/NR	1,040,130
280	Minneapolis, Grant Park Project, Tax Allocation, 5.35%, 2/1/30 North Oaks Rev., Presbyterian Homes North Oaks,	NR/NR	187,760
2,640	6.00%, 10/1/33	NR/NR	2,234,971
1,530	6.125%, 10/1/39	NR/NR	1,291,106
500	Oronoco Multifamily Housing Rev., Wedum Shorewood Campus Project, 5.40%, 6/1/41	NR/NR	338,850
			5,092,817
<b>Mississippi 0.4%</b>			
3,605	Business Finance Corp. Pollution Control Rev., System Energy Res., Inc. Project, 5.875%, 4/1/22	Ba1/BBB	3,404,309
740	Dev. Bank Special Obligation Projects & Equipment Acquisitions Rev., 5.00%, 7/1/24, Ser. A2 (AMBAC)	NR/NR	730,802
			4,135,111
<b>Missouri 0.1%</b>			
690	Hanley Road & North of Folk Ave. Transportation Dist. Rev.,		



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

	5.00%, 10/1/25 (Pre-refunded @ \$100, 10/1/12) (c)	NR/NR	765,886
<b>Nevada 0.3%</b>			
1,450	Clark Cnty., GO, 5.00%, 6/1/31 (FGIC-NPFGC)	Aa1/AA+	1,460,237
1,620	State, GO, 5.00%, 5/15/28, Ser. A (FGIC-NPFGC)	Aa1/AAA	1,583,323
			3,043,560
<b>New Hampshire 0.0%</b>			
360	Health & Education Facs. Auth. Rev., Catholic Medical Center, 6.125%, 7/1/32, Ser. A	Baa1/BBB+	328,500
<b>New Jersey 3.0%</b>			
950	Burlington Cnty. Bridge Commission Rev., The Evergreens Project, 5.625%, 1/1/38 Economic Dev. Auth. Rev.,	NR/NR	653,714
525	Arbor Glen, 6.00%, 5/15/28, Ser. A Kapkowski Road Landfill Project, Special Assessment,	NR/NR	414,991
4,000	5.75%, 10/1/21	Baa3/NR	3,399,040
11,405	5.75%, 4/1/31	Baa3/NR	8,854,386
1,500	Health Care Facs. Financing Auth. Rev., St. Peters Univ. Hospital, 5.75%, 7/1/37	Baa2/BBB-	1,258,695
1,830	Trinitas Hospital, 5.25%, 7/1/30, Ser. A	Baa3/BBB-	1,444,456
3,300	State Educational Facs. Auth. Rev., Fairfield Dickinson Univ., 6.00%, 7/1/25, Ser. D	NR/NR	3,316,995
2,000	State Turnpike Auth. Rev., 5.25%, 1/1/40, Ser. E	A3/A+	2,065,380
13,150	Tobacco Settlement Financing Corp. Rev., 5.00%, 6/1/41, Ser. 1A	Baa3/BBB	9,071,264
			30,478,921

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

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

August 31, 2009 (unaudited)

Principal Amount (000)		Credit Rating (Moody s/S&P)	Value*
<b>New Mexico 0.5%</b>			
	Farmington Pollution Control Rev.,		
\$2,000	5.80%, 4/1/22, Ser. A	Baa3/BB+	\$1,900,580
3,000	5.80%, 4/1/22, Ser. C	Baa3/BB+	2,850,870
			4,751,450
<b>New York 2.1%</b>			
1,200	Erie Cnty. Industrial Dev. Agcy. Rev., Orchard Park, Inc. Project, 6.00%, 11/15/36, Ser. A	NR/NR	815,952
	Liberty Dev. Corp. Rev.,		
10,000	5.25%, 10/1/35 (k)	A1/A	9,777,300
1,505	5.25%, 10/1/35	A1/A	1,471,483
1,100	Nassau Cnty. Industrial Dev. Agcy. Rev., Amsterdam at Harborside, 6.70%, 1/1/43, Ser. A	NR/NR	858,869
	New York City Municipal Water Finance Auth. Rev.,		
2,830	5.00%, 6/15/37, Ser. D (k) Second Gen. Resolution,	Aa2/AAA	2,858,074
4,000	4.75%, 6/15/35, Ser. DD (k)	Aa3/AA+	3,964,480
2,000	5.00%, 6/15/39, Ser. GG-1	Aa3/AA+	2,027,680
			21,773,838
<b>North Carolina 0.1%</b>			
	Medical Care Commission Rev.,		
550	Salemtowne, 5.10%, 10/1/30	NR/NR	381,090
1,000	Village at Brookwood, 5.25%, 1/1/32	NR/NR	651,230
			1,032,320
<b>North Dakota 0.3%</b>			
3,710	Stark Cnty. Healthcare Rev., Benedictine Living Communities, 6.75%, 1/1/33	NR/NR	3,297,448

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

<b>Ohio 1.2%</b>			
7,500	Lorain Cnty. Hospital Rev., Catholic Healthcare, 5.375%, 10/1/30	A1/AA-	7,155,900
1,000	Montgomery Cnty. Rev., Miami Valley Hospital, 6.25%, 11/15/39, Ser. A	Aa3/AA-	1,024,800
1,000	State Higher Educational Fac. Commission Rev., Univ. Hospital Health Systems, 6.75%, 1/15/39, Ser. A	A2/A	1,027,440
3,000	State Rev., Cleveland Clinic, 5.50%, 1/1/39, Ser. B	Aa2/AA-	3,036,870
			12,245,010
<b>Oregon 0.2%</b>			
1,000	Clackamas Cnty. Hospital Fac. Auth. Rev., Legacy Health Systems, 5.50%, 7/15/35, Ser. A	A2/A+	1,019,580
1,155	State Department of Administrative Services, CP, 5.25%, 5/1/39, Ser. A	Aa3/AA-	1,195,633
			2,215,213

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

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

August 31, 2009 (unaudited)

Principal Amount (000)		Credit Rating (Moody s/S&P)	Value*
<b>Pennsylvania 4.0%</b>			
	Cumberland Cnty. Auth. Retirement Community Rev., Messiah Village Project, Ser. A,		
\$750	5.625%, 7/1/28	NR/BBB-	\$595,905
670	6.00%, 7/1/35	NR/BBB-	535,484
3,250	Harrisburg Auth. Rev., Harrisburg Univ. of Science, 6.00%, 9/1/36, Ser. B	NR/NR	2,689,050
	Montgomery Cnty. Higher Education & Health Auth. Hospital Rev., Abington Memorial Hospital, Ser. A,		
5,000	5.125%, 6/1/27	NR/A	4,471,900
3,750	5.125%, 6/1/32	NR/A	3,227,550
11,600	Philadelphia Hospitals & Higher Education Facs. Auth. Rev., Temple Univ. Hospital, 6.625%, 11/15/23, Ser. A	Baa3/BBB	11,599,188
500	Philadelphia Water Rev., 5.25%, 1/1/36, Ser. A	A3/A	502,160
17,000	Philadelphia, GO, 5.25%, 12/15/32, Ser. A (FSA)	Aa3/AAA	17,248,200
500	Pittsburgh & Allegheny Cntys. Public Auditorium Auth. Rev., 5.00%, 2/1/29 (AMBAC)	NR/NR	485,465
			41,354,902
<b>Rhode Island 6.2%</b>			
76,200	Tobacco Settlement Financing Corp. Rev., 6.25%, 6/1/42, Ser. A	Baa3/BBB	63,830,454
<b>South Carolina 1.4%</b>			
	Jobs-Economic Dev. Auth. Rev., Ser. B,		
500	Anmed Health, 5.50%, 2/1/38	NR/AAA	509,535
13,850	Bon Secours, 5.625%, 11/15/30	A3/A-	12,946,980
1,000	State Public Service Auth. Rev., 5.25%, 1/1/39, Ser. B	Aa2/AA-	1,049,560
			14,506,075
<b>Tennessee 0.4%</b>			
	State Energy Acquisition Corp. Rev.,		
3,000	5.00%, 2/1/23, Ser. C	Baa1/A	2,823,660
700	5.25%, 9/1/21, Ser. A	Ba3/BBB	682,381
700	5.25%, 9/1/22, Ser. A	Ba3/BBB	678,846
500	Sullivan Cnty. Health Educational & Housing Facs. Rev., Wellmont Health Systems Project, 5.25%, 9/1/36, Ser. C	NR/BBB+	355,110
			4,539,997
<b>Texas 13.5%</b>			
130	Aubrey Independent School Dist., GO, 5.50%, 2/15/33 (PSF-GTD)	Aaa/NR	137,123
6,500	Brazos Cnty. Health Facs. Dev. Corp. Rev., 5.375%, 1/1/32	NR/A-	5,496,660
2,500	Dallas Water Rev., 5.25%, 8/15/38	Aa2/AAA	2,548,450
	Harris Cnty. Cultural Education Facs. Finance Corp. Rev., Texas Children s Hospital Project,		
3,750	5.25%, 10/1/29	Aa2/AA	3,811,388
12,700	5.50%, 10/1/39	Aa2/AA	12,915,646
700	HFDC of Central Texas, Inc. Rev., Village at Gleannloch Farms, 5.50%, 2/15/37, Ser. A	NR/NR	489,153
5,500	Houston Rev., 5.00%, 7/1/25, Ser. C (FGIC-NPFGC)	A2/A	5,500,330
770	Keller Independent School Dist., GO, 4.875%, 8/15/31 (PSF-GTD)	Aaa/AAA	770,023

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

3,170	Little Elm Independent School Dist., GO, 5.30%, 8/15/29, Ser. A (PSF-GTD)	NR/AAA	3,328,563
450	Municipal Gas Acquisition & Supply Corp. I Rev., 5.25%, 12/15/25, Ser. A	A2/A	405,864
15,300	6.25%, 12/15/26, Ser. D	A2/A	15,459,732
6,250	North Dallas Thruway Auth. Rev., 4.75%, 1/1/29 (FGIC-NPFGC)	A2/A	6,249,625
10,300	North Harris Cnty. Regional Water Auth. Rev., 5.25%, 12/15/33	A3/A+	10,229,239
10,300	5.50%, 12/15/38	A3/A+	10,351,088
5,000	North Texas Tollway Auth. Rev., 5.625%, 1/1/33, Ser. B	A2/A-	5,007,800
1,200	5.75%, 1/1/33, Ser. F	A3/BBB+	1,207,776
1,250	6.25%, 1/1/39, Ser. A	A2/A-	1,309,212
2,000	Sabine River Auth. Rev., 5.20%, 5/1/28, Ser. C	Caa3/CCC	992,700
10,000	San Antonio Electric & Gas Sys Rev., 5.00%, 2/1/32 (k)	Aa1/AA	10,297,100
1,000	State Public Finance Auth. Rev., 5.875%, 12/1/36, Ser. A	Baa3/BBB-	737,030
8,880	State Turnpike Auth. Rev., 5.00%, 8/15/42, Ser. A (AMBAC)	Baa1/BBB+	7,625,345
3,250	State Water Financial Assistance, GO, 5.00%, 8/1/36	Aa1/AA+	3,286,660
10,025	State, Mobility Fund, GO (k), 4.75%, 4/1/35, Ser. A	Aa1/AA+	9,936,680
17,500	4.75%, 4/1/36	Aa1/AA+	17,518,900
3,000	Tarrant Cnty. Cultural Education Facs. Finance Corp. Rev., Baylor Health Care Systems Project, 6.25%, 11/15/29	Aa2/AA-	3,127,470
			138,739,557

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

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

August 31, 2009 (unaudited)

Principal Amount (000)		Credit Rating (Moody s/S&P)	Value*
	<b>Virginia 0.2%</b>		
\$1,000	Fairfax Cnty. Industrial Dev. Auth. Rev., Inova Health Systems, 5.50%, 5/15/35, Ser. A	Aa2/AA+	\$1,036,420
2,050	James City Cnty. Economic Dev. Auth. Rev., United Methodist Homes, 5.50%, 7/1/37, Ser. A	NR/NR	1,092,261
			2,128,681
	<b>Washington 2.0%</b>		
6,350	Central Puget Sound Regional Transportation Auth. Rev., 4.75%, 2/1/28 (FGIC-NPFGC)	Aa2/AAA	6,362,383
1,300	Health Care Facs. Auth. Rev., Multicare Health Systems, 6.00%, 8/15/39, Ser. B	Aa2/AAA	1,333,228
1,000	Seattle Cancer Care Alliance, 7.375%, 3/1/38	A3/NR	1,074,460
13,000	Virginia Mason Medical Center, 6.125%, 8/15/37, Ser. A	Baa2/BBB	11,684,790
			20,454,861
	<b>Wisconsin 1.2%</b>		
90	Health & Educational Facs. Auth. Rev., Froedert & Community Health, 5.375%, 10/1/30	NR/AA-	90,438
1,000	Prohealth Care, Inc., 6.625%, 2/15/39	A1/A+	1,040,880
10,000	State Rev., 6.00%, 5/1/36, Ser. A	A1/AA-	10,999,500
			12,130,818
	Total Municipal Bonds & Notes (cost \$1,042,601,762)		1,007,515,798
	<b>VARIABLE RATE NOTES (h) 0.8%</b>		
	<b>Florida 0.3%</b>		
2,830	Highlands Cnty. Health Facs. Auth. Rev., Adventist Health System, 5.00%, 11/15/31, Ser. C	A1/A+	2,594,686
	<b>Illinois 0.5%</b>		
5,000	State, GO, 7.98%, 4/1/27, Ser. 783 (FSA)(a)(d)(g)	Aa3/NR	5,327,200
	Total Variable Rate Notes (cost \$7,822,466)		7,921,886
	<b>SHORT-TERM INVESTMENTS 1.4%</b>		
	<b>Corporate Notes (j) 1.3%</b>		
900	American General Finance Corp., 3.875%, 10/1/09	Baa3/BB+	891,463
7,800	Goldman Sachs Group, Inc., 0.52%, 11/16/09, FRN International Lease Finance Corp., FRN, 0.627%, 5/24/10	A1/A	7,805,881
1,400	0.909%, 1/15/10	Baa3/BBB+	1,301,079
1,200	National City Bank, 0.763%, 9/9/09, FRN	Baa3/BBB+	1,161,695
2,000		A1/A+	2,000,060
	Total Corporate Notes (cost \$12,926,157)		13,160,178

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

**Variable Rate Demand Notes (h)(i) 0.1%**

1,300	<b>California 0.1%</b> Health Facs. Financing Auth. Rev., Adventist Health Systems, 0.10%, 9/1/09, Ser. B (cost \$1,300,000)	NR/A-1+	1,300,000
	Total Short-Term Investments (cost \$14,226,157)		14,460,178
	<b>Total Investments</b> (cost \$1,064,650,385) <b>100.0%</b>		<b>\$1,029,897,862</b>

---

**Notes to Schedule of Investments:**

\* Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. Market value is generally determined on the basis of last reported sales prices, or if no sales are reported, based on quotes obtained from a quotation reporting system, established market makers, or independent pricing services.

Portfolio securities and other financial instruments for which market quotations are not readily available or for which a development/event occurs that may significantly impact the value of a security, are fair-valued, in good faith, pursuant to procedures established by the Board of Trustees, or persons acting at their discretion pursuant to procedures established by the Board of Trustees. The Fund's investments are valued daily using prices supplied by an independent pricing service or dealer quotations, or by using the last sale price on the exchange that is the primary market for such securities, or the last quoted mean price for those securities for which the over-the-counter market is the primary market or for listed securities in which there were no sales. 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. Exchange-traded futures and options on futures are valued at the settlement price determined by the relevant exchange. Securities purchased on a when-issued or delayed-delivery basis are marked to market daily until settlement at the forward settlement value. Short-term securities maturing in 60 days or less are valued at amortized cost, if their original term to maturity was 60 days or less, or by amortizing their value on the 61st day prior to maturity, if the original term to maturity exceeded 60 days.

The prices used by the Fund to value securities may differ from the value that would be realized if the securities were sold and these differences could be material. The Fund's net asset value is normally determined as of the close of regular trading (normally, 4:00 p.m. Eastern time) on the New York Stock Exchange ( NYSE ) on each day the NYSE is open for business.

- (a) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$11,977,422, representing 1.16% of total investments.
- (b) Illiquid security.
- (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 Security 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) Delayed-delivery security. To be settled/delivered after August 31, 2009.
- (f) In default.
- (g) 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 August 31, 2009.
- (h) 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 August 31, 2009.
- (i) Maturity date shown is date of next put.
- (j) All or partial amount segregated as collateral for reverse repurchase agreements.
- (k) 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.

**Glossary:**

AMBAC insured by American Municipal Bond Assurance Corp.  
 CP Certificates of Participation  
 FGIC insured by Financial Guaranty Insurance Co.  
 FHA insured by Federal Housing Administration  
 FRN Floating Rate Note. The interest rate disclosed reflects the rate in effect on August 31, 2009.  
 FSA insured by Financial Security Assurance, Inc.  
 GO General Obligation Bond  
 GTD Guaranteed  
 NPFGC insured by National Public Finance Guarantee Corporation  
 NR Not Rated  
 PSF Public School Fund



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

### Other Investments:

(A) The weighted average daily balance of reverse repurchase agreements outstanding during the three months ended August 31, 2009 was \$16,714,109 at a weighted average interest rate of 0.80%. The total market value of underlying collateral (refer to the Schedule of Investments for positions segregated as collateral for reverse repurchase agreement) for open reverse repurchase agreements at August 31, 2009 was \$13,160,178. Open reverse repurchase agreements at August 31, 2009:

Counterparty	Rate	Trade Date	Maturity Date	Principal & Interest	Principal
Barclays Bank	0.75%	8/4/09	9/4/09	\$8,826,146	\$8,821,000
	0.75%	8/6/09	9/4/09	736,399	736,000
	1.50%	8/31/09	9/1/09	1,242,552	1,242,500
Credit Suisse First Boston	0.75%	8/17/09	9/17/09	2,118,662	2,118,000
					\$ 12,917,500

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

**Fair Value Measurements** The Fund has adopted Financial Accounting Standards Board ( FASB ) Statement of Financial Accounting Standards No. 157, Fair Value Measurements ( FAS 157 ). FAS 157 clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value and requires additional disclosures about the use of the fair value measurements. Under FAS 157, 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 under FAS 157 are described below:

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

The Fund has adopted FASB Staff Position No. 157-4, Determining Fair Value When the Volume and Level of Activity for the Asset or Liability have Significantly Decreased and Identifying Transactions that are not Orderly ( FAS-157-4 ). FAS 157-4 provides guidance on determining when there has been a significant decrease in the volume and level of activity for an asset or liability, when a transaction is not orderly, and how that information must be incorporated into a fair value measurement. FAS 157-4 emphasizes that even if there has been a significant decrease in the volume and level of activity for an asset or liability and regardless of the valuation techniques used, the objective of a fair value measurement remains the same.

An investment asset's or liability's level within the fair value hierarchy is based on the lowest level input, individually or in the aggregate, that is significant to fair value measurement.

The valuation techniques used by the Fund to measure fair value during the three months ended August 31, 2009 maximized the use of observable inputs and minimized the use of unobservable inputs.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

A summary of the inputs used as of August 31, 2009, in valuing the Fund's assets and liabilities is listed below by investment type.

	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Value at 8/31/2009
Level 1 - Quoted Prices			
<b>Investments in Securities - Assets</b>			
Municipal Bonds & Notes	\$1,007,515,798		\$1,007,515,798
Variable Rate Notes	7,921,886		7,921,886
Short-Term Investments	14,460,178		14,460,178
<b>Total Investments in Securities</b>	<b>\$1,029,897,862</b>		<b>\$1,029,897,862</b>

**Item 2. Controls and Procedures**

(a) The registrant's President & Chief Executive Officer and Treasurer, Principal Financial & Accounting Officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Act (17 CFR 270.30a-3 (c))), are effective based on their evaluation of these controls and procedures as of a date within 90 days of the filing date of this document.

(b) There were no significant changes in the registrant's internal controls over financial reporting (as defined in Rule 30a-3(d) under the Act (17 CFR 270.30a-3(d))) that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

**Item 3. Exhibits**

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

---

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

**SIGNATURES**

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

Registrant: PIMCO Municipal Income Fund II

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

Date: October 16, 2009

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

Date: October 16, 2009

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: October 16, 2009

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

Date: October 16, 2009

---