

PIMCO CALIFORNIA MUNICIPAL INCOME FUND  
Form N-30D  
January 02, 2002

OCTOBER 31, 2001

SEMI-ANNUAL REPORT

[NYSE LOGO]

CLOSED-END NYSE-TRADED MUNICIPAL BOND FUNDS  
PIMCO Municipal Income Fund (PMF)  
PIMCO California Municipal Income Fund (PCQ)  
PIMCO New York Municipal Income Fund (PNF)

PIMCO FUNDS

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This report, including the financial information herein, is transmitted to the

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shareholders of PIMCO Municipal Income Fund, PIMCO California Municipal Fund and PIMCO New York Municipal Income Fund for their information. It is not a prospectus, circular or representation intended for use in the purchase of shares of any of the Funds or any securities mentioned in this report.

In accordance with Section 23(c) of the Investment Company Act of 1940, each Fund hereby gives notice that it may from time to time repurchase its shares in the open market at the option of the Board of Trustees and on such terms as the Trustees shall determine.

[PICTURE]

Dear Shareholder:

PIMCO Funds is pleased to provide you with the initial semi-annual report for PIMCO Municipal Income Fund, PIMCO California Municipal Income Fund and PIMCO New York Municipal Income Fund (the "Municipal Income Funds"), for the period June 29, 2001 (commencement of operations) through October 31, 2001.

I am pleased to report that each of the Municipal Income Funds has consistently met its respective objectives since they were launched, delivering a steady stream of current, tax-exempt income. In fact, at October 31, 2001, all three Funds were yielding approximately 6%. Of course, the Funds' use of leverage--which entails additional risks, including enhanced interest rate risk--contributed to these strong results. Bear in mind that leverage can also amplify negative performance during adverse market conditions.

We believe that the launch of the Municipal Income Funds came at an opportune time in the municipal bond market. With interest rates currently near 40-year lows, PIMCO believes that municipal securities offer some of the most attractive tax-adjusted values in the fixed income marketplace today. In addition, because each Fund focuses primarily on investment-grade quality municipal bonds, we believe these Funds provide a prudent investment option for the long-term taxable investor--especially when part of a well-diversified portfolio.

PIMCO Funds is committed to delivering the highest standard of service to shareholders. For ongoing information about your investment, please contact your financial advisor, or call our shareholder services area at 1-800-331-1710. You can also access a wide range of information and resources through our Web site--[www.pimcofunds.com](http://www.pimcofunds.com).

Thank you for the trust you have placed in PIMCO Funds. We look forward to working with you and your financial advisor for many years to come.

Sincerely,

/s/ Stephen Treadway

Stephen Treadway  
President  
November 30, 2001

The opinions expressed in this letter are those of the author and no forecasts can be guaranteed.

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A NYSE TRADED MUNICIPAL BOND FUND

PIMCO MUNICIPAL INCOME FUND

SYMBOL:

PMF

INVESTMENT OBJECTIVE:

PIMCO Municipal Income Fund seeks to provide income exempt from federal income tax.

MAIN INVESTMENTS:

Municipal fixed-income securities the interest from which is exempt from federal income taxes.

FUND INCEPTION DATE:

June 29, 2001

NET ASSETS:

\$552.5 million (as of 10/31/01)

PORTFOLIO MANAGER:

Mark McCray

[PICTURE]

Mark McCray  
Fund Manager

Mr. McCray is responsible for municipal bond portfolios at PIMCO. Previously Co-Head of Municipal Bond Trading at Goldman Sachs & Co., he has over 10 years of investment experience.

"In the current market environment, municipal bonds continue to make sense for investors given their attractive yields and strong credit profile."

The Lehman General Municipal Bond Index is an unmanaged index representative of the tax-exempt bond market. The index is made up of all investment grade municipal bonds issued after 12/31/90 having a remaining maturity of at least one-year. It is not possible to invest directly in the index.

The opinions expressed above are those of the Fund's portfolio manager and are current only through October 31, 2001. They should not be considered investment advice. The portfolio manager's views are subject to change at any time based on market and other conditions, and no forecasts are guaranteed.

PIMCO Municipal Income Fund began trading on the New York Stock Exchange on June 27, 2001 and calculated its first net asset value ("NAV") on June 29, 2001. Since the Fund's inception through October 31, 2001, the Fund's common shares provided a total return based on NAV of 5.25%, compared to 3.88% for the Lehman General Municipal Bond Index over the same time period. (For share price information, see opposite page.)

MILITARY UNCERTAINTY AND HISTORIC TREASURY ANNOUNCEMENT DRIVE BOND RETURNS.

The U.S. economy slowed significantly over the four months ended October 21, 2001 as corporate profits continued to deteriorate, capital investment dried up, and unemployment surged. The attacks of September 11 magnified these trends, and caused further risk aversion among investors. In addition, the economy faced deeper economic uncertainty as military action began in Afghanistan, the U.S. faced further security threats and the Treasury Department announced that it

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would no longer issue 30-year debt. High quality fixed-income assets performed well during the period, as investors sought safety amid the turmoil. However, municipal bonds underperformed taxable debt during the period due to increased investor preference for high quality, very liquid Treasury and agency securities.

### HIGH QUALITY BIAS AND DEFENSIVE FOCUS CONTRIBUTED TO PERFORMANCE.

The Fund's focus on high-quality municipal bonds enhanced returns as it enabled it to withstand the financial shock that occurred in the wake of the September 11 attacks. The Fund's exposure to the healthcare industry was positive as those bonds performed well due to their strong cash flow and defensive characteristics. Extended duration also helped returns as municipal yields fell across all maturities. The Fund's use of leverage through the issuance of preferred shares increased portfolio yield--the municipal yield curve steepened in response to the Fed's easing campaign. Transportation-related securities negatively impacted performance, especially airport bonds, as revenues and prospective debt servicing coverages were adversely affected by the attack. The negative impact on the Fund was limited by holdings of insured issues and minimal overall exposure.

### SOME MORE PAIN AHEAD, BUT THEN A POSSIBLE RECOVERY.

After assessing the impact of the September 11 attacks, our secular outlook for weaker global growth remains intact. In the short term, we expect that the U.S. economy will initially experience further contraction, but then recover with the benefit of fiscal and monetary stimulus. On the down side, heightened political and economic uncertainty will reinforce trends already in existence prior to the attacks. We believe that municipal bonds should continue to provide strong relative values even under recessionary conditions as they offer high credit quality and attractive tax-adjusted yields.

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### PIMCO MUNICIPAL INCOME FUND PERFORMANCE & STATISTICS

All information as of October 31, 2001

CUMULATIVE TOTAL RETURN	On Common Share Price	On NAV
Since Commencement of Operations (6/29/01)	(0.12)%	5.25%

### CREDIT QUALITY (S&P Ratings)\*

AAA	47%
-----	
AA	21%
-----	
A	22%
-----	
BBB	4%
-----	
BB	5%
-----	
BB	1%
-----	
Weighted Average Quality	AA

### PORTFOLIO STATISTICS\*

Share Price	\$14.75
-----	

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Net Asset Value	\$14.85
-----	
Market Yield(1)	6.26%
-----	
Taxable Equivalent Yield(2)	10.28%
-----	
(Federal Income Tax Rate)	
Fund Net Assets (millions)	\$552.5
-----	
Average Effective Maturity (years)	17.42
-----	
Average Duration(3)	12.41

PORTFOLIO  
COMPOSITION\* (as a % of net assets)

Healthcare Revenue	27%
-----	
Transportation Revenue	17%
-----	
Local General Obligations	15%
-----	
Other Revenue	8%
-----	
State General Obligations	7%

TOP FIVE STATES  
(as a % of total investments)

Illinois	15.6%
-----	
Texas	15.2%
-----	
Pennsylvania	8.5%
-----	
Michigan	7.5%
-----	
South Carolina	4.8%

COMMON SHARE PRICE PERFORMANCE

[LINE CHART]

2001 MONTHLY DIVIDENDS PER  
COMMON SHARE

[BAR GRAPH]

Past performance is no guarantee of future results.

- (1) Market yield is the annualized dividend yield on the market price for the last day of the period.
- (2) Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Fund on an after-tax basis. It is calculated using the current market yield and a federal tax rate of 39.1%.
- (3) Duration is a measure of a portfolio's NAV volatility in reaction to interest rate movements.

\* The Fund's portfolio is actively managed, and its current and future credit

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quality breakdown, portfolio statistics and portfolio composition are likely to vary from those listed above as of the date of this report.

### INVESTMENT PROCESS

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The top-down investment process begins with our annual secular forum at which PIMCO develops a 3-5 year outlook for the global economy and interest rates. This helps set the basic portfolio parameters, including duration, yield-curve positioning, sector weightings and credit quality. Our municipal bond team seeks to add value in a number of ways. They believe that investments should be made from the point of view of maximizing after-tax total return as opposed to simply reaching for maximum yield. So the portfolio is scrutinized using a process that models the potential changes in yield and price as the underlying variables of the marketplace change. Yield-to-worst measures are carefully examined, as are the impact of a shifting municipal yield curve and the influence of yield volatility and credit shifts on the portfolio.

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### A NYSE TRADED MUNICIPAL BOND FUND

#### PIMCO CALIFORNIA MUNICIPAL INCOME FUND

##### SYMBOL:

PCQ

##### INVESTMENT OBJECTIVE:

PIMCO California Municipal Income Fund seeks to provide current income exempt from federal and California income tax.

##### MAIN INVESTMENTS:

Municipal fixed-income securities the interest from which is exempt from federal and California income taxes.

##### FUND INCEPTION DATE:

June 29, 2001

##### NET ASSETS:

\$410.0 million (as of 10/31/01)

##### PORTFOLIO MANAGER:

Mark McCray

[PICTURE]

Mark McCray  
Fund Manager

Mr. McCray is responsible for municipal bond portfolios at PIMCO. Previously Co-Head of Municipal Bond Trading at Goldman Sachs & Co., he has over 10 years of investment experience.

"California municipal bonds are an attractive alternative given the current volatility affecting the financial markets."

Mark McCray

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The Lehman Insured California Municipal Debt Index is an unmanaged index comprised of insured California Municipal Bond Issues. It is not possible to invest directly in the index.

The opinions expressed above are those of the Fund's portfolio manager and are current only through October 31, 2001. They should not be considered investment advice. The portfolio manager's views are subject to change at any time based on market and other conditions, and no forecasts are guaranteed.

PIMCO California Municipal Income Fund began trading on the New York Stock Exchange on June 27, 2001 and calculated its first net asset value ("NAV") on June 29, 2001. Since the Fund's inception through October 31, 2001, the Fund's common shares provided a total return based on NAV of 5.17%, compared to 5.09% for the Lehman Insured California Municipal Debt Index over the same time period. (For share price information, see opposite page.)

### POLITICAL AND ECONOMIC UNCERTAINTY DRAG DOWN THE ECONOMY.

The U.S economy slowed significantly over the four months ended October 31, 2001, despite a supportive Federal Reserve, which lowered short-term rates by four percentage points since the beginning of the 2001 calendar year. Eroding profits, mounting layoffs and lower consumer confidence all contributed to the weakening of the economy and were exacerbated by the terrorist attacks of September 11. In addition, the economy faced deeper economic uncertainty as military action began in Afghanistan, the U.S. faced further security threats and the Treasury Department announced that it would no longer issue 30-year debt. High quality assets outperformed as investors sought safety amid the turmoil. While municipal debt underperformed taxable debt, the California municipal market outperformed the national municipal market amid modest new issuance and stabilized energy costs.

### REVENUE BONDS PROVIDE ANCHOR AMID VOLATILITY

The Fund's exposure to revenue bonds enhanced returns as the Fund benefited from the strong cash flow generated by these issues. Extended duration was also positive for returns as California municipal yields fell across all maturities. Due to its high quality focus, the Fund was also well positioned to withstand the effects of September 11 on the financial markets. While transportation holdings, especially airport bonds, were negative for performance, the Fund benefited from limited exposure to these issues. The Fund's use of leverage through the issuance of preferred shares increased portfolio yield--the California municipal yield curve steepened in response to the Fed's easing campaign.

### ECONOMY LIKELY TO WEAKEN IN THE SHORT TERM, BUT IS POISED FOR A REBOUND.

While our secular outlook for weaker global growth remains intact, we do anticipate that sometime in 2002 economic growth could rebound sharply due to the convergence of aggressive monetary easing and increased fiscal stimulus. In the near term, however, the risks remain weighted towards continued economic weakness. As a result, we intend to maintain our focus on high-quality issues. We believe that long-term California municipal bonds offer attractive tax-adjusted yields relative to Treasury and agency issues, despite the higher probability of a state recession after the September 11 attacks.

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### PIMCO CALIFORNIA MUNICIPAL INCOME FUND PERFORMANCE & STATISTICS

All information as of October 31, 2001

CUMULATIVE TOTAL RETURN

On Common Share Price      On NAV

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Since Commencement of Operations (6/29/01) 3.46% 5.17%

### CREDIT QUALITY (S&P Ratings) \*

AAA	47%
-----	
AA	14%
-----	
A	9%
-----	
BBB	13%
-----	
BB	17%
-----	
Weighted Average Quality	AA-

### PORTFOLIO STATISTICS\*

Share Price	\$15.28
-----	
Net Asset Value	\$14.84
-----	
Market Yield(1)	5.89%
-----	
Taxable Equivalent Yield(2)	10.66%

(Combined Federal & State Income Tax Rate)

Net Assets (millions)	\$410.0
-----	
Average Effective Maturity (years)	19.34
-----	
Average Duration(3)	13.06

### PORTFOLIO COMPOSITION\* (as a % of net assets)

Other Revenue	22%
-----	
Healthcare Revenue	21%
-----	
Local General Obligations	16%
-----	
Water & Sewer Revenue	14%
-----	
State General Obligations	11%

### COMMON SHARE PRICE PERFORMANCE

[LINE CHART]

2001 MONTHLY DIVIDENDS PER COMMON SHARE

[BAR GRAPH]

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

- (1) Market yield is the annualized dividend yield on the market price for the last day of the period.
- (2) Taxable-equivalent yield represents the yield on a taxable investment

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necessary to equal the yield of the Fund on an after-tax basis. It is calculated using the current market yield and a combined federal and state tax rate of 44.76%.

(3) Duration is a measure of a portfolio's NAV volatility in reaction to interest rate movements.

\* The Fund's portfolio is actively managed, and its current and future credit quality breakdown, portfolio statistics and portfolio composition are likely to vary from those listed above as of the date of this report.

### INVESTMENT PROCESS

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The top-down investment process begins with our annual secular forum at which PIMCO develops a 3-5 year outlook for the global economy and interest rates. This helps set the basic portfolio parameters, including duration, yield-curve positioning, sector weightings and credit quality. Our municipal bond team seeks to add value in a number of ways. They believe that investments should be made from the point of view of maximizing after-tax total return as opposed to simply reaching for maximum yield. So the portfolio is scrutinized using a process that models the potential changes in yield and price as the underlying variables of the marketplace change. Yield-to-worst measures are carefully examined, as are the impact of a shifting municipal yield curve and the influence of yield volatility and credit shifts on the portfolio.

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### A NYSE TRADED MUNICIPAL BOND FUND

#### PIMCO NEW YORK MUNICIPAL INCOME FUND

#### SYMBOL:

PNF

#### OBJECTIVE:

PIMCO New York Municipal Income Fund seeks to provide current income exempt from federal, New York and New York City income tax.

#### MAIN INVESTMENT:

Municipal fixed-income securities the interest from which is exempt from federal, New York State and New York City taxes.

#### FUND INCEPTION DATE:

June 29, 2001

#### NET ASSETS:

\$166.5 million (as of 10/31/01)

#### PORTFOLIO MANAGER:

Mark McCray

[PICTURE]

Mark McCray  
Fund Manager

Mr. McCray is responsible for municipal bond portfolios at PIMCO. Previously Co-Head of Municipal Bond Trading at Goldman Sachs & Co., he has over 10

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years of investment experience.

"While the outlook for New York remains uncertain, municipal bonds offer refuge amid the turbulence."

Mark McCray

The Lehman Insured NY Municipal Debt Index is an unmanaged index comprised of insured New York Municipal Bond issues. It is not possible to invest directly in the index.

The opinions expressed above are those of the Fund's portfolio manager and are current only through October 31, 2001. They should not be considered investment advice. The portfolio manager's views are subject to change at any time based on market and other conditions, and no forecasts are guaranteed.

PIMCO New York Municipal Income Fund began trading on the New York Stock Exchange on June 27, 2001 and calculated its first net asset value ("NAV") on June 29, 2001. Since the Fund's inception through October 31, 2001, the Fund's common shares provided a total return based on NAV of 2.58%, compared to 3.69% for the Lehman Insured New York Municipal Debt Index over the same time period. (For share price information, see opposite page.)

### CORPORATE SLOWDOWN AND ATTACKS CONTRIBUTE TO AILING ECONOMY.

The U.S economy continued to slow drastically over the four months ended October 31, 2001 as corporate profits deteriorated, layoffs mounted and consumer confidence weakened. The September 11 attacks amplified these trends and caused further risk aversion among investors. In addition, the economy faced deeper economic uncertainty as military action began in Afghanistan, the U.S. faced further security threats and the Treasury Department announced that it would no longer issue 30-year debt. High quality assets outperformed as investors sought safety amid the turmoil. Municipal debt underperformed taxable debt, and the New York municipal market underperformed the national municipal market due to weaker financial conditions in the state.

### HIGH QUALITY FOCUS AND REVENUE BONDS BOLSTER PORTFOLIO.

The Fund's revenue bond holdings were positive for performance as these bonds generated strong cash flow in an uncertain environment. The Fund's extended duration also contributed to returns as New York municipal yields fell across all maturities. The Fund was also well positioned to withstand the effects of the September 11 attacks on the financial markets due to its high quality focus. The Fund's use of leverage through the issuance of preferred shares increased portfolio yield--the New York municipal yield curve steepened in response to the Fed's easing campaign. Transportation issues, especially airport bonds, experienced negative price returns amid fears that revenues and debt servicing would be impacted by the attacks, but their impact on the Fund was lessened due to limited exposure.

### FURTHER SLOWING AHEAD, BUT HELP IS ON THE WAY.

While our secular outlook for weaker global growth remains intact, we do anticipate that sometime in 2002 economic growth could rebound sharply due to the convergence of aggressive monetary easing and increased fiscal stimulus. In the near term, however, the risks remain weighted towards continued economic weakness. As a result, we intend to maintain our focus on high-quality issues. We believe that long-term New York municipal bonds offer attractive tax-adjusted yields relative to Treasuries and agency issues, despite the higher probability of a state recession after the attacks.

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### PIMCO NEW YORK MUNICIPAL INCOME FUND PERFORMANCE & STATISTICS

All information as of October 31, 2001

CUMULATIVE TOTAL RETURN	On Common Share Price	On NAV
Since Commencement of Operations (6/29/01)	(0.91)%	2.58%

#### CREDIT QUALITY (S&P Ratings) \*

AAA	48%
-----	-----
AA	19%
-----	-----
A	25%
-----	-----
BBB	7%
-----	-----
BB	1%
-----	-----
Weighted Average Quality	AA

#### PORTFOLIO STATISTICS\*

Share Price	\$14.63
-----	-----
Net Asset Value	\$14.47
-----	-----
Market Yield(1)	6.15%
-----	-----
Taxable Equivalent Yield(2)	10.84%
-----	-----
(Combined Federal & State Income Tax Rate)	
Net Assets (millions)	\$166.5
-----	-----
Average Effective Maturity (years)	21.47
-----	-----
Average Duration(3)	12.58

#### PORTFOLIO

COMPOSITION\* (as a % of net assets)

Higher Education Revenue	43%
-----	-----
Water & Sewer Revenue	15%
-----	-----
Other Revenue	11%
-----	-----
Transportation Revenue	9%
-----	-----
State General Obligations	8%

#### COMMON SHARE PRICE PERFORMANCE

[LINE CHART]

2001 MONTHLY DIVIDENDS PER  
COMMON SHARE

[BAR GRAPH]

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PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

- (1) Market yield is the annualized dividend yield on the market price for the last day of the period.
  - (2) Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Fund on an after-tax basis. It is calculated using the current market yield and a combined federal and state tax rate of 43.27%.
  - (3) Duration is a measure of a portfolio's NAV volatility in reaction to interest rate movements.
- \* The Fund's portfolio is actively managed, and its current and future credit quality breakdown, portfolio statistics and portfolio composition are likely to vary from those listed above as of the date of this report.

### INVESTMENT PROCESS

The top-down investment process begins with our annual secular forum at which PIMCO develops a 3-5 year outlook for the global economy and interest rates. This helps set the basic portfolio parameters, including duration, yield-curve positioning, sector weightings and credit quality. Our municipal bond team seeks to add value in a number of ways. They believe that investments should be made from the point of view of maximizing after-tax total return as opposed to simply reaching for maximum yield. So the portfolio is scrutinized using a process that models the potential changes in yield and price as the underlying variables of the marketplace change. Yield-to-worst measures are carefully examined, as are the impact of a shifting municipal yield curve and the influence of yield volatility and credit shifts on the portfolio.

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### SCHEDULE OF INVESTMENTS

PIMCO MUNICIPAL INCOME FUND  
October 31, 2001 (unaudited)

Principal Amount (000)	Credit Rating (Moody's/S&P)	Value*
-----		
MUNICIPAL BONDS & NOTES -- 92.5%		
	ALABAMA -- 2.9%	
\$ 2,500	Birmingham Baptist Med. Ctr., Baptist Health Syst., Ser. A, 5.875%, 11/15/24	\$ 2,542,575
8,000	Huntsville Health Care Auth., Ser. A, 5.75%, 6/1/31	8,228,240
5,000	Jefferson Cnty. Sewer Rev., Ser. A, 5.375%, 2/1/36 (FGIC)	5,130,750
		-----
		15,901,565
		=====

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6,000	ALASKA -- 1.1% Northern Tobacco Securitization Corp., 5.50%, 6/1/29	Aa3/A+	6,012,960 =====
2,000	ARIZONA -- 0.3% Apache Cnty. Pollution Control Rev., Tucson Elec. Power Co., 5.875%, 3/1/33	Ba3/B+	1,878,500 =====
3,000	COLORADO -- 2.4% Denver Health & Hosp. Auth. Healthcare Rev., Ser. A, 5.375%-6.00%, 12/1/23-12/1/28	Baa2/BBB+	2,879,690
5,000	Northwest Pkwy. Pub. Hwy. Auth., 5.25%, 6/15/41, Ser. A (FSA)	Aaa/AAA	5,056,100
4,965	7.125%, 6/15/41, Ser. D	Ba1/BB+	5,096,672 ----- 13,032,462 =====
1,000	CONNECTICUT -- 0.2% State Dev. Auth. Pollution Control Rev., Conn. Light & Power, 5.85%, 9/1/28	Baa2/BBB	1,020,980 =====
6,970	DISTRICT OF COLUMBIA -- 1.4% Tobacco Settlement Fin. Corp., 6.25%, 5/15/24	A1/A	7,470,167 =====
9,000	FLORIDA -- 1.7% Highlands Cnty. Health Fac. Auth. Rev., Adventist Health Syst., Ser. A, 6.00%, 11/15/31	Baa1/A-	9,253,170 =====
10,000	GEORGIA -- 2.0% Muni. Elec. Auth. Power Rev., Ser. Z, 5.50%, 1/1/20 (MBIA)	Aaa/AAA	11,003,900 =====
5,645	ILLINOIS -- 14.1% Chicago GO, Ser. A, 5.00%, 1/1/41 (MBIA)	Aaa/AAA	5,530,576
9,080	5.375%, 1/1/34 (FGIC)	Aaa/AAA	9,311,449
12,565	Chicago Midway Airport Rev., Ser. B, 5.00%, 1/1/35 (MBIA)	Aaa/AAA	12,279,523
2,000	Chicago Water Rev., 5.25%, 11/1/27 (FGIC)	Aaa/AAA	2,022,920
6,260	Dev. Fin. Auth. Hosp. Rev., Adventist Health Syst., 5.50%-5.65%, 11/15/24-11/15/29	Baa1/A-	6,025,898
Principal Amount (000)		Credit Rating (Moody's/S&P)	Value*

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\$ 1,115	Educational Fac. Auth. Rev., Midwestern Univ., Ser. B, 5.50%, 5/15/18	NR/BBB+	\$ 1,095,967
6,900	Educational Fac. Auth. Rev., 7.85%, 7/1/38++	NR/AA	6,732,468
5,425	Health Fac. Auth. Rev., Silver Cross Hosp., 5.50%, 8/15/25	NR/A-	5,229,429
3,000	Health Fac. Auth. Rev., Decatur Memorial Hosp., 5.75%, 10/1/24	A2/A	3,047,400
1,215	Northern Univ. Rev., Auxiliary Fac. Syst., 5.00%, 4/1/16 (FGIC)	Aaa/NR	1,242,434
7,345	Regional Transportation Auth., Ser. B, 5.50%, 6/1/23 (FGIC)	Aaa/AAA	8,031,023
2,400	State GO, 5.125%, 5/1/19 (FSA)	Aaa/AAA	2,438,976
2,500	5.375%, 8/1/14 (MBIA)	Aaa/AAA	2,697,550
3,000	State Sales Tax Rev., 5.125%, 6/15/20	Aa2/AAA	3,037,800
5,000	Univ. Rev., Auxiliary Fac. Syst., Ser. B, 5.25%, 4/1/32 (FGIC)	Aaa/AAA	5,060,150
4,000	Winnebago Boone ETC Cntys., Rock Valley Community College, 5.30%, 10/1/18 (FGIC)	Aaa/NR	4,128,280
			----- 77,911,843 =====
8,125	INDIANA -- 1.9% Indianapolis Gas Util. Rev., Distribution Syst., Ser. A, 5.00%, 8/15/24 (AMBAC)	Aaa/AAA	8,004,831
2,725	Richland Beanblossom School Bldg. Corp., 5.00%, 1/15/22 (FGIC)	Aaa/AAA	2,700,857
			----- 10,705,688 =====
5,000	KANSAS -- 3.7% Wichita Hosp. Rev., 5.625%, 11/15/31, Ser. III	NR/A+	5,086,700
14,370	6.25%, 11/15/24, Ser. XI	NR/A+	15,367,709
			----- 20,454,409 =====
10,000	LOUISIANA -- 2.0% Local Gov't Environmental Fac., Community Dev. Auth. Rev., 6.55%, 9/1/25	NR/A	11,186,700
			----- =====
	MASSACHUSETTS -- 4.7%		

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15,240	Massachusetts Bay Trans. Auth., Ser. A, 4.50%, 3/1/26 (MBIA)	Aaa/AAA	13,952,677
5,000	State Health & Educational Fac. Auth. Rev., 7.46%, 7/1/32	NR/NR	5,278,500
7,000	State Turnpike Auth., Met. Hwy. Syst. Rev., Ser. A, 4.75%, 1/1/34 (AMBAC)	Aaa/AAA	6,551,370
			-----
			25,782,547
			=====

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SCHEDULE OF INVESTMENTS (CONT.)

PIMCO MUNICIPAL INCOME FUND  
October 31, 2001 (unaudited)

Principal Amount (000)		Credit Rating (Moody's/S&P)	Value*
\$ 2,000	MICHIGAN -- 7.4% Detroit GO, Ser. A-1, 5.375%, 4/1/15-4/1/17 (MBIA)	Aaa/AAA	\$ 2,117,430
5,650	Forest Hills Pub. School GO, 5.25%, 5/1/18	Aa2/NR	5,845,660
2,000	Muni. Board Auth. Rev., Clean Water Revolving Fund, 5.25%, 10/1/19	Aaa/AAA	2,060,720
14,300	Royal Oak Hosp. Fin. Auth., William Beaumont Hosp., Ser. M, 5.25%, 11/15/31-11/15/35 (MBIA)	Aaa/AAA	14,401,205
5,000	State Health Fac. Auth. Rev., Detroit Med. Ctr., 6.25%, 8/15/13	Baa3/BBB-	5,041,250
3,000	State Strategic Oblig. Rev., Detroit Edison Co., 5.45%, 9/1/29	A3/A-	3,033,900
3,000	Taylor Tax Increment Fin. Auth., 5.375%, 5/1/17 (FSA)	Aaa/AAA	3,139,680
6,270	Wayne Charter Cnty. Airport Fac. Rev., Northwest Airlines, Inc., 6.75%, 12/1/15	NR/NR	5,065,846

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Principal Amount (000)		Credit Rating (Moody's/S&P)	Value*
			40,705,691
	MINNESOTA -- 1.2%		=====
3,395	Anoka-Hennepin Indpt., School Dist. No. 11, GO, 5.00%, 2/1/17	Aa1/AA+	3,467,891
3,000	Agricultural & Econ. Dev. Board Rev., Health Care Syst., Ser. A, 6.375%, 11/15/29	A2/A	3,200,340
			-----
			6,668,231
			=====
	MISSOURI -- 1.8%		
2,500	Interstate 470 & 350 Trans. Dev., Motranson Rev., 6.35%, 5/1/22	NR/NR	2,524,075
7,410	State Health & Educational Fac. Rev., Washington Univ., Ser. A, 5.125%, 6/15/41	Aa1/AA+	7,363,465
			-----
			9,887,540
			=====
	NEVADA -- 1.8%		
3,000	Clark Cnty. Airport Rev., Ser. B, 5.25%, 7/1/34 (FGIC)	Aaa/AAA	3,028,770
6,250	Truckee Meadows Water Auth. Rev., Ser. A, 5.25%, 7/1/34 (FSA)	Aaa/AAA	6,348,062
845	Washoe Cnty. Improvement Dist. No. 23, 6.50%, 11/1/17	NR/NR	866,404
			-----
			10,243,236
			=====
	NEW HAMPSHIRE -- 0.5%		
3,000	State Bus. Fin. Auth. Pollution Control Rev., Conn. Light & Power Co., 5.85%, 12/1/22	Baa3/BBB	3,028,740
			=====
	NEW JERSEY -- 0.8%		
\$ 2,105	Camden Cnty. Improvement Auth. Rev., Cooper, Health Syst., 5.60%-6.00% 2/15/07-2/15/27	B1/NR	\$ 1,744,117
3,000	Economic Dev. Auth. Rev., Arbor Glen, Ser. A, 5.875%, 5/15/16	NR/NR	2,650,140
			-----
			4,394,257
			=====
	NEW MEXICO -- 0.5%		

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2,500	Farmington Pollution Control Rev., Public Service Co., 5.80%, 4/1/22	Baa3/NR	2,467,500
250	State Hosp. Equip., Presbyterian Healthcare, Ser. A, 5.50%, 8/1/30	A1/A	252,810
			-----
			2,720,310
			=====
6,500	NEW YORK -- 1.7% City Muni. Water Auth. Rev., 8.08%, 6/15/26++	NR/AA	6,336,070
2,875	Westchester Cnty. Health Care Corp. Rev., Ser. A, 5.875%, 11/1/25	A3/A	3,004,663
			-----
			9,340,733
			=====
5,065	OHIO -- 3.6% Lorain Cnty. Hosp. Rev., Catholic Healthcare Partners, 5.625%-5.75%, 10/1/17-10/1/18	A1/AA-	5,284,155
12,515	State School Facs., GO, Ser. B, 5.25%, 9/15/17	Aa1/AA+	13,133,742
1,235	State Turnpike Rev., 5.50%, 2/15/15	Aa3/AA	1,337,579
			-----
			19,755,476
			=====
3,250	OKLAHOMA -- 0.6% Oklahoma City Airport Trust, Ser. A, 5.00%, 7/1/18 (FSA)	Aaa/AAA	3,252,048
			=====
3,240	PENNSYLVANIA -- 8.4% Allegheny Cnty. Hosp. Dev. Auth. Rev., Ser. B, 9.25%, 11/15/30	B1/B+	3,413,988
1,000	Allegheny Cnty. Indl. Dev. Auth. Rev., USX Corp., 5.60%, 9/1/30	Baa1/BBB+	947,980
1,095	Allegheny Cnty. Port Auth. Rev., 5.25%, 3/1/20 (FGIC)	Aaa/AAA	1,125,704
2,575	Delaware Cnty. Auth. College Rev., Neumann College, 5.80%, 10/1/17	NR/BBB-	2,611,694
1,000	Philadelphia Auth. Indl. Rev., Franklin Institute, 5.20%, 6/15/26	Baa2/NR	892,990
4,610	Philadelphia Hosp. & Higher Education Fac. Hosp. Rev., Temple Univ. Hosp., Ser. A, 6.625%, 11/15/23	Baa2/BBB	4,618,713

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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SCHEDULE OF INVESTMENTS (CONT.)

PIMCO MUNICIPAL INCOME FUND  
October 31, 2001 (unaudited)

Principal Amount (000)		Credit Rating (Moody's/S&P)	Value*
\$ 6,905	Ridley School Dist., 5.00%, 11/15/29 (FGIC)	Aaa/AAA	\$ 6,863,639
6,200	State Higher Educational Fac. Auth. Rev., UPMC Health Syst., Ser. A, 6.00%, 1/15/31	NR/A+	6,513,162
8,225	State Turnpike, Oil Franchise Tax Rev., Ser. A, 4.75%, 12/1/27 (AMBAC)	Aaa/AAA	7,840,481
11,600	State Turnpike, 5.00%, 7/15/41 (AMBAC)	Aaa/AAA	11,439,456
			----- 46,267,807 =====
5,500	SOUTH CAROLINA -- 4.7% Greenwood Cnty. Hosp. Rev., Self Memorial Hosp., 5.50%, 10/1/21-10/1/26	A2/A+	5,510,270
3,000	Jobs Economic Dev. Auth., Hosp. Facs. Rev., Georgetown Memorial Hosp., 5.375%, 2/1/30	NR/AA	3,021,240
15,600	Tobacco Settlement Rev., Ser. B, 6.375%, 5/15/30	A1/A	17,408,196
			----- 25,939,706 =====
10,000	TENNESSEE -- 3.5% Memphis GO, 5.25%, 4/1/19	Aa2/AA	10,266,400
9,320	Memphis Health Educational & Housing Fac., Wesley Housing Corp., 6.95%, 1/1/20++	NR/NR	9,340,597
			----- 19,606,997 =====
5,000	TEXAS -- 13.1% Austin Convention Enterprises Inc., Ser. B, 5.75%, 1/1/32	Aa3/AA	5,119,350
4,000	Austin Water & Wastewater		

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		Syst. Rev., Ser. A & B, 5.25%, 5/15/31 (FSA)	Aaa/AAA	4,053,840
2,935		Bell Cnty. Health Fac. Dev. Corp., Buckner Retirement Fac., 5.25%, 11/15/19	NR/A-	2,825,671
5,000		Carrollton Emrs. Indpt. School Dist. GO, 4.625%, 2/15/19	Aaa/AAA	4,737,200
2,865		Corpus Christi Refin. & Improvement, GO, 5.375%, 3/1/18 (FSA)	Aaa/AAA	2,978,826
7,000		Harris Cnty. Health Fac. Dev. Corp., Memorial Hermann Healthcare, 6.375%, 6/1/29	A3/A-	7,445,620
4,250		Harris Cnty. Health Fac. Dev. Corp., 5.375%, 2/15/26++	NR/AA	4,209,285
4,000		Mansfield Indpt. School Dist. GO, 5.25%, 2/15/23	Aaa/AAA	4,049,520
3,150		San Antonio Elec. & Gas, Ser. A, 5.25%, 2/1/16	Aa1/AA	3,260,565
	Principal Amount (000)		Credit Rating (Moody's/S&P)	Value*
\$ 4,380		Southlake Parks Dev. Corp., Sales Tax Rev., 5.60%, 8/15/31 (AMBAC)	Aaa/AAA	\$ 4,557,828
21,330		State Water Financial Assistance, Ser. A, 5.25%-5.30%, 8/1/18-8/1/23	Aa1/AA	21,786,090
7,450		Water Dev. Board Rev., 5.125%, 7/15/18	Aaa/AAA	7,532,770
				----- 72,556,565 =====
7,000		UTAH -- 1.2% Salt Lake Cnty. Hosp. Rev., IHC Health Services Inc., 5.125%, 2/15/33 (AMBAC)	Aaa/AAA	6,929,440 =====
3,120		WASHINGTON -- 2.7% Cowlitz Cnty. School Dist. GO, 5.625%, 12/1/14-12/1/16 (FSA)	Aaa/NR	3,430,144
5,000		Kent GO, 5.375%, 12/1/20 (MBIA)	Aaa/AAA	5,182,950
6,420		King Cnty. School Dist. GO, Ser. A, 5.25%, 12/1/21 (MBIA)	Aaa/AAA	6,560,919

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			----- 15,174,013 =====
1,070	WISCONSIN -- 0.6% Hortonville School Dist. Tax Rev. Anticipation Notes, 2.36%, 11/1/02	NR/NR	1,091,539
2,230	State Health & Educational Fac. Auth. Rev., Kenosha Hosp. & Med. Ctr., 5.625%, 5/15/29	NR/A	2,219,118
			----- 3,310,657 =====
	Total Municipal Bonds & Notes (cost - \$500,323,385)		511,396,338 =====

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SCHEDULE OF INVESTMENTS (CONT.)

PIMCO MUNICIPAL INCOME FUND  
October 31, 2001 (unaudited)

Principal Amount (000)		Credit Rating (Moody's/S&P)	Value*
-----			
	SHORT-TERM VARIABLE RATE DEMAND NOTES** -- 5.8%		
	GEORGIA -- 0.1%		
\$ 200	Muni. Elec. Auth. Power Rev., Ser. C, 1.85%, 11/7/01 (MBIA)	Aaa/AAA	\$ 200,000 =====
	HAWAII -- 0.6%		
3,468	Honolulu City & Cnty. Wastewater Syst. Rev., Ser. 400, 7.49%, 11/1/01 (FGIC)++	Aaa/NR	3,430,675 =====
	ILLINOIS -- 1.3%		
7,253	Cook Cnty. GO, Ser. 458, 7.61%, 11/1/01 (FGIC)++	Aaa/NR	7,063,645 =====
	NEVADA -- 1.2%		
7,500	Clark Cnty. Passenger Fac. Change Rev., Ser. 343, 6.99%, 11/1/01 (MBIA)++	Aaa/NR	6,777,900 =====
	TEXAS -- 1.8%		
8,988	Harris Cnty. Health Fac. Dev. Corp., Ser. 357, 8.34%, 11/1/01 (MBIA)++	Aaa/NR	8,870,842
1,000	Houston Water & Sewer Syst. Rev., Ser. 495,		

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	8.11%, 11/1/01 (FGIC)++	NR/AAA	1,025,860
			-----
			9,896,702
			=====
4,500	WASHINGTON -- 0.8% Seattle GO, Ser. 348, 7.74%, 11/1/01++	VMIGI/NR	4,534,650
			=====
	Total Short-Term Variable Rate Demand Notes (cost - \$29,130,411)		31,903,572
			=====
	TOTAL INVESTMENTS -- 98.3% (cost - \$529,453,796+)		\$543,299,910
	OTHER ASSETS LESS LIABILITIES -- 1.7%		9,165,726
			-----
	NET ASSETS -- 100.0%		\$552,465,636
			=====

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+ Aggregate gross unrealized appreciation for securities in which there is an excess of value over tax cost is \$15,186,089, aggregate gross unrealized depreciation for securities in which there is an excess of tax cost over value is \$1,339,975 and net unrealized appreciation for federal income tax purposes is \$13,846,114. The cost basis of portfolio securities for federal income tax purposes is \$529,453,796.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
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SCHEDULE OF INVESTMENTS

PIMCO CALIFORNIA MUNICIPAL INCOME FUND  
October 31, 2001 (unaudited)

Principal Amount (000)		Credit Rating (Moody's/S&P)	Value*
-----			
CALIFORNIA MUNICIPAL BONDS & NOTES -- 93.3%			
\$ 1,000	ABAG Fin. Auth. for Nonprofit Corps., CP, 5.375%, 2/15/19	NR/BBB+	\$ 999,350
1,000	ABAG Fin. Auth. for Nonprofit Corps., Ser. A, Rev., 5.375%, 11/15/25	NR/A+	1,029,180
2,745	ABC Univ. School Dist., GO, Zero coupon, 8/1/26-8/1/27 (FGIC)	Aaa/AAA	731,625
4,475	Alameda Corridor Transportation Auth. Rev., Ser. A, 4.75%, 10/1/25 (MBIA)	Aaa/AAA	4,424,388

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1,385	Alvord Univ. School Dist., GO, Ser. C, 5.375%, 8/1/29 (FSA)	Aaa/NR	1,447,283
1,650	Apple Valley, CP, 5.375%, 6/1/21	NR/A+	1,723,755
400	Beverly Hills Public Fin. Auth. Lease, Rev., 5.508%, 6/1/15 (MBIA)	Aaa/AAA	421,736
6,405	Campbell Union High School Dist., GO, 5.50%, 8/1/30 (FSA)	Aaa/NR	6,817,098
2,250	Capistrano Univ. School Dist., Community Fac. Dist., Special Tax, 5.75%, 9/1/29	NR/NR	2,249,797
8,250	Carson Improvement Board Act 1915, Special Assessment, 6.35%-6.375%, 9/2/23-9/2/31	NR/NR	8,331,055
5,250	Central JT Powers Health Fin. Auth., CP, 5.75%, 2/1/31	Baa1/BBB+	5,351,272
2,750	Contra Costa Cnty., Public Fin. Auth., Tax Allocation Rev., 5.125%, 8/1/19	NR/BBB	2,674,815
2,750	CSUCI Fin. Auth. Rev., Ser. A, 5.00%, 9/1/31 (MBIA)	Aaa/AAA	2,773,210
3,635	Cucamonga Cnty. Water Dist., CP, 5.125%, 9/1/35 (FGIC)	Aaa/AAA	3,710,826
10,940	East Bay Muni. Util. Dist. Water Syst. Rev., 4.75%, 6/1/28 (MBIA)	Aaa/AAA	10,777,103
1,000	Educational Fac. Auth. Rev., 5.75%, 12/1/30	Baa3/NR	1,037,900
26,215	El Monte, CP, 4.75%-5.25%, 6/1/30-1/1/34 (AMBAC)	Aaa/AAA	26,478,675
10,000	Foothill Eastern Corridor Agcy., Special Tax, Toll Road Rev., Zero coupon, 1/15/33-1/15/34	Baa3/BBB-	1,518,850
9,170	Fremont Community Fac. Dist., Special Tax., 6.00%-6.30%, 9/1/18-9/1/31	NR/NR	9,328,914
4,000	Health Fac. Fin. Auth. Rev., 5.00%, 7/1/18-7/1/28 Ser. A	Baa2/BBB	3,645,150
6,315	5.125%, 7/1/18	NR/A-	6,344,617
3,000	5.25%, 10/1/14 Ser. B	A3/A	3,136,200

Principal

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Amount (000)		Credit Rating (Moody's/S&P)	Value*
\$ 9,025	Irvine Improvement Board Act 1915, Special Assessment, 5.80%-5.90%, 9/2/18-9/2/23	NR/NR	\$9,116,749
13,000	LA Quinta Redev. Agcy., Tax Allocation, 5.00%-5.10%, 9/1/21-9/2/31 (AMBAC)	Aaa/AAA	13,275,110
1,620	Lincoln Public Fin. Auth., Rev., 6.125%, 9/2/27	NR/NR	1,630,530
7,250	Los Angeles Cnty. Metropolitan Transportation Auth. Rev., Sales Tax Rev., Ser. B, 4.75%, 7/1/28	Aaa/AAA	7,141,685
845	Los Angeles Community Redev. Agcy., Ser. B, Tax Allocation, 5.875%-6.00%, 9/1/26-9/1/31	NR/NR	859,269
13,000	Los Angeles Water & Power Rev., Ser. A-A-1, 5.25%, 7/1/21 (FSA)	Aaa/AAA	13,549,510
10,000	Los Angeles Dept. of Water & Power Waterworks Rev., 5.125%, 7/1/41 (FGIC)	NR/AAA	10,170,100
1,000	Menifee Univ. School Dist., Special Tax, 6.40%, 9/1/31	NR/NR	1,020,460
2,665	Merced Irrigation Dist. Elec. Syst. Rev., 6.50%, 9/1/22	NR/NR	2,677,499
2,395	Metropolitan Water Dist., GO, Ser. H, 4.75%, 3/1/37	Aaa/AAA	2,339,508
3,500	Metropolitan Water Dist., Waterworks Rev., 5.00%, 7/1/26 Ser. A	Aa2/AA	3,527,790
5,820	Montclair Redev. Agcy., Tax Allocation, 5.30%, 10/1/30 (MBIA)	Aaa/AAA	5,951,008
5,910	Murrieta Valley Yuma Univ. School Dist., Special Tax, 6.30%-6.50%, 9/1/18-9/1/31	NR/NR	6,042,665
1,080	Palm Springs Community Redev. Agcy., Tax Allocation, 5.50%, 8/1/21	NR/A-	1,120,748
1,010	Pomona Univ. School Dist., GO, Ser. A, 6.10%, 2/1/19 (MBIA)	Aaa/AAA	1,191,628
1,690	Rancho Etiwanda Public Fac., Special Tax, 6.375%, 9/1/24	NR/NR	1,736,796
2,770	Rancho Mirage Redev. Agcy.,		

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	Tax Allocation, 5.50%-5.625%, 4/1/24-4/1/33	Baa1/BBB+	2,846,019
8,305	Riverside Cnty., CP, 5.125%, 11/1/30 (MBIA)	Aaa/AAA	8,503,323
1,000	Riverside Cnty. Pub Financing., Tax Allocation, Ser. A, 5.625%, 10/1/33	Baa2/BBB-	1,008,370
1,850	Riverside Improvement Board Act 1915, Special Assessment, 6.15%-6.375%, 9/2/19-9/2/26	NR/NR	1,881,872

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SCHEDULE OF INVESTMENTS (CONT.)

PIMCO CALIFORNIA MUNICIPAL INCOME FUND  
October 31, 2001 (unaudited)

Principal Amount (000)		Credit Rating (Moody's/S&P)	Value*
\$ 575	Roseville, Woodcreek Community Fac. Dist., Spec. Tax, 6.375%, 9/1/27	NR/NR	\$ 597,046
2,000	Sacramento Health Fac. Rev., Ser. A, 5.30%, 1/1/24	NR/A+	2,038,960
6,910	Sacramento, Special Tax, 5.70%-6.15%, 9/1/21-9/1/26	NR/NR	6,952,361
545	San Diego Cnty., CP, 5.25%, 10/1/28	A3/NR	555,529
6,500	San Diego Cnty. Water Auth. Rev., CP, Ser. A, 4.75%, 5/1/28	Aaa/AAA	6,403,605
3,330	San Francisco Bay Area Rapid Transit Dist. Rev., 5.125%, 7/1/36 (AMBAC)	Aaa/AAA	3,393,070
4,500	San Francisco City & Cnty. Airport., Community Int'l Airport Rev., 4.50%, 5/1/26 (MBIA)	Aaa/AAA	4,226,535
1,500	San Francisco City & Cnty. Redev. Agcy. Rev., Special Tax, 6.125%, 8/1/31, Ser. A	NR/NR	1,522,920
3,500	6.125%, 8/1/31, Ser. B	NR/NR	3,553,480



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3,750	West Kern Cnty. Water Dist., CP, 5.625%, 6/1/31	Baa2/NR	3,863,213
	Total California Municipal Bonds & Notes (cost - \$372,489,560)		382,374,855
=====			
PUERTO RICO MUNICIPAL BONDS & NOTES -- 2.1%			
3,050	Commonwealth, GO, 5.50%, 7/1/12 (FSA)	Aaa/AAA	3,475,201
5,010	Public Fin. Corp. Rev. Ser. A, 5.00%, 8/1/29 (MBIA)	Aaa/AAA	5,040,361
	Total Puerto Rico Municipal Bonds & Notes (cost - \$8,496,029)		8,515,562
=====			
CALIFORNIA SHORT-TERM VARIABLE RATE DEMAND NOTES** -- 3.3%			
900	Health Fac. Fin. Auth. Rev., Ser. A, 1.65%, 11/1/01 (MBIA)	VMIG1/A1+	900,000
1,400	Housing Fin. Agcy. Rev., (Landesbank Hessen), 1.75%, 11/1/01	VMIG1/A1+	1,400,000
663	Irvine Improvement Board Act 1915, Special Assessment, (KBC Bank, NV), 1.65%, 11/1/01	VMIG1/A1	663,000
10,003	Los Angeles Wastewater Syst. Rev., Ser. 318, 7.82%, 11/1/01 (FGIC) ++	NR/NR	10,182,345
400	Turlock Irrigation Dist., CP, (Societe Generale), 1.65%, 11/1/01	NR/A1+	400,000
	Total Short-Term Variable Rate Demand Notes (cost - \$12,382,913)		13,545,345
=====			
	TOTAL INVESTMENTS -- 98.7% (cost - \$393,368,502+)		\$404,435,762
	OTHER ASSETS LESS LIABILITIES -- 1.3%		5,538,568
	NET ASSETS -- 100.0%		\$409,974,330
=====			

+ Aggregate gross unrealized appreciation for securities in which there is an excess of value over tax cost is \$11,311,459, aggregate gross unrealized depreciation for securities in which there is an excess of tax cost over value is \$244,199, and net unrealized appreciation for federal income tax purposes is \$11,067,260. The cost basis of portfolio securities for federal income tax purposes is \$393,368,502.

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## SCHEDULE OF INVESTMENTS

PIMCO NEW YORK MUNICIPAL INCOME FUND  
October 31, 2001 (unaudited)

Principal Amount (000)		Credit Ratings (Moody's/S&P)	Value*
NEW YORK MUNICIPAL BONDS & NOTES -- 83.1%			
\$ 3,265	Albany Indl. Dev. Agcy. Civic Fac. Rev., Ser. A, 5.30%, 4/1/29	Baa1/NR	\$ 3,266,273
	Long Island Power Auth. Elec. Syst. Rev.,		
1,000	5.375%, 5/1/33, Ser. L	Baa1/A-	1,013,510
6,300	5.50%, 12/1/29, Ser. A	Baa1/A-	6,392,862
2,500	Monroe Tobacco Asset Securitization Corp. Rev., 6.375%, 6/1/35	A1/A	2,682,300
5,000	New York City, GO, Ser. J, 5.125%, 5/15/29 (MBIA)	Aaa/AAA	5,005,500
2,000	New York City Indl. Dev. Agcy. Rev., 6.00%, 11/1/28	NR/NR	1,780,920
	New York City Muni. Water Fin. Auth., Water & Sewer Syst., Rev.,		
7,605	4.75%, 6/15/31, Ser. A, (FGIC)	Aaa/AAA	7,189,006
7,000	5.125%, 6/15/21, Ser. A (AMBAC)	Aaa/AAA	7,068,040
5,000	5.125%, 6/15/33, Ser. C	Aa2/AA	5,001,750
5,000	5.25%, 6/15/25, Ser. D	Aa2/AA	5,093,500
3,250	New York City Transitional Fin. Auth. Rev., Ser. B, 4.75%, 11/15/23	Aa2/AA+	3,107,877
2,000	Port Auth. of New York & New Jersey Rev., 5.00%, 7/15/28	A1/AA-	1,934,600
6,550	State Dormitory Auth. Lease Rev., Ser. 1, 4.75%, 1/15/29 (FSA)	Aaa/AAA	6,122,940
1,535	State Dormitory Auth. Rev., FHA-Mortgage Nursing Home Rev., 5.40%-5.50%, 2/1/31-2/1/41 (MBIA)	Aaa/AAA	1,570,775
8,000	State Dormitory Auth. Rev., FHA-NY & Presbyterian Hosp., 4.75%, 8/1/27 (AMBAC)	Aaa/AAA	7,471,280
11,800	State Dormitory Auth. Rev., Lenox Hill Hosp. Oblig. Group, 5.50%, 7/1/30	A3/NR	11,989,508

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13,000	State Dormitory Auth. Rev., Mental Health Services Fac. Improvement, Ser. D, 4.75%, 2/15/25 (MBIA)	Aaa/AAA	12,298,260
8,325	State Dormitory Auth. Rev., Mount Sinai Health, Ser. A, 6.50%-6.625%, 7/1/18-7/1/25	Baa2/BBB	9,145,668
845	State Dormitory Auth. Rev., New York Univ., Ser. B, 5.50%, 7/1/20-7/1/21 (AMBAC)	Aaa/AAA	890,543
3,315	State Dormitory Auth. Rev., State Univ. Educational Fac., Ser. B, 4.75%, 5/15/28 (FSA)	Aaa/AAA	3,151,372
6,000	4.75%, 5/15/28 (MBIA)	Aaa/AAA	5,703,840
6,000	5.25%, 5/15/19	A3/AA-	6,346,860
Principal Amount (000)		Credit Ratings (Moody's/S&P)	Value*
-----			
\$ 1,275	State Dormitory Auth. Rev., Winthrop Univ. Hosp. Assoc., Ser. A, 5.25%, 7/1/31 (AMBAC)	Aaa/AAA	\$ 1,289,446
5,000	State Thruway Auth. General Rev., Ser. E, 4.75%, 1/1/19	Aa3/AA-	4,879,250
3,975	State Urban Dev. Corp. Rev., Ser. B, 4.75%, 1/1/28 (AMBAC)	Aaa/AAA	3,766,750
3,125	Tobacco Trust II Rev., 5.625%-5.75%, 6/1/35-6/1/43	A1/A	3,189,619
4,000	Tobacco Trust II Rev., RITES-PA 8.08%, 6/1/35, 886-A ++	A1/A	4,162,640
6,500	8.08%, 6/1/43, 886-B ++	A1/A	6,873,100
Total New York Municipal Bonds & Notes (cost - \$136,884,535)			----- 138,387,989 =====
PUERTO RICO MUNICIPAL BONDS & NOTES -- 12.0%			
3,480	Commonwealth, GO, 5.00%, 7/1/27 (AMBAC)	Aaa/AAA	3,502,864
5,000	Commonwealth, GO, 5.125%, 7/1/30 (FSA)	Aaa/AAA	5,090,100
5,000	Commonwealth Hwy. & Transportation Auth. Rev., Ser. A, 4.75%, 7/1/38	Baa1/A	4,790,550
1,610	Elec. Power Auth. Rev., Ser DD, 5.00%, 7/1/28 (FSA)	Aaa/AAA	1,619,451

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5,000	Public Fin. Corp. Rev., Ser. A, 5%, 8/1/31 (MBIA)	Aaa/AAA	5,030,300
			-----
	Total Puerto Rico Municipal Bonds & Notes (cost - \$20,033,026)		20,033,265
			=====

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SCHEDULE OF INVESTMENTS (CONT.)

PIMCO NEW YORK MUNICIPAL INCOME FUND  
October 31, 2001 (unaudited)

Principal Amount (000)		Credit Ratings (Moody's/S&P)	Value*
-----			
	NEW YORK SHORT-TERM VARIABLE RATE DEMAND NOTES** - 3.0%		
\$ 200	New York City, GO, Ser. A7, 2.00%, 11/1/01	VMIG1/A1+	\$ 200,000
5,173	New York City Transitional Fin. Auth., Rev., Ser. 362, 7.06%, 11/1/01++	Aa2/NR	4,723,320
			-----
	Total Short-Term Variable Rate Demand Notes (cost - \$4,823,476)		4,923,320
			=====
	TOTAL INVESTMENTS -- 98.1% (cost - \$161,741,037+)		\$163,344,574
	OTHER ASSETS LESS LIABILITIES -- 1.9%		3,115,190
			-----
	NET ASSETS -- 100.0%		\$166,459,764
			=====

+ Aggregate gross unrealized appreciation for securities in which there is an excess of value over tax cost is \$2,308,178, aggregate gross unrealized depreciation for securities in which there is an excess of tax cost over value is \$704,641, and net unrealized appreciation for federal income tax purposes is \$1,603,537. The cost basis of portfolio securities for federal income tax purposes is \$161,741,037.

\* Long-term debt securities are valued by an independent price service authorized by the Board of Trustees.

\*\* Variable Rate Demand Notes are instruments whose interest rates change on

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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). Maturity date shown is date of next rate change.

++ Security exempt from registration under Rule 144a of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, typically to qualified institutional investors. At October 31, 2001, these securities amounted to \$58,321,992 or 10.6% of net assets, \$32,832,645 or 8.0% of net assets and \$15,759,060 or 9.5% of net assets, respectively, for Municipal, California Municipal and New York Municipal.

### Glossary:

-----  
 AMBAC -- insured by American Municipal Bond Assurance Corp.  
 CP -- Certificates of Participation  
 FGIC -- insured by insured Financial Guaranty Insurance Co.  
 FHA -- insured by Federal Housing Administration  
 FSA -- insured by Financial Security Assurance, Inc.  
 GO -- General Obligation Bonds  
 MBIA -- insured by Municipal Bond Investors Assurance  
 NR -- not rated

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### STATEMENTS OF ASSETS AND LIABILITIES

October 31, 2001 (unaudited)

	MUNICIPAL	CALIFOR MUNICI
	-----	-----
ASSETS:		
Investments, at value (cost -- \$529,453,796, \$393,368,502 and \$161,741,037, respectively)	\$543,299,910	\$404,435,
-----	-----	-----
Cash	1,194,950	1,881,
-----	-----	-----
Interest receivable	10,371,669	5,335,
-----	-----	-----
Receivable for investments called	15,300	
-----	-----	-----
Prepaid expenses	31,976	21,
-----	-----	-----
Total Assets	554,913,805	411,675,
=====	=====	=====
LIABILITIES:		
Dividends payable to common and preferred shareholders	1,859,343	1,340,
-----	-----	-----
Investment management fees payable	209,778	156,
-----	-----	-----

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Preferred shares offering expenses payable	208,606	144,
-----	-----	-----
Common stock offering expenses payable	101,446	
-----	-----	-----
Accrued expenses	68,996	59,
-----	-----	-----
Total Liabilities	2,448,169	1,700,
-----	-----	-----
Net Assets	\$552,465,636	\$409,974,
=====	=====	=====
COMPOSITION OF NET ASSETS:		
Preferred shares (\$25,000 net asset and liquidation value per share applicable to 8,000, 6,000 and 2,520, shares issued and outstanding, respectively)	\$200,000,000	\$150,000,
-----	-----	-----
Common stock (no par value):		
Paid-in capital in excess of par	336,963,150	248,596,
-----	-----	-----
Undistributed net investment income	1,154,305	313,
-----	-----	-----
Net realized gain (loss) on investments	502,067	(2,
-----	-----	-----
Net unrealized appreciation of investments	13,846,114	11,067,
-----	-----	-----
Net assets applicable to common shareholders	352,465,636	259,974,
-----	-----	-----
Net Assets	\$552,465,636	\$409,974,
-----	-----	-----
Common shares outstanding	23,733,289	17,513,
-----	-----	-----
NET ASSET VALUE PER COMMON SHARE	\$14.85	\$14
=====	=====	=====

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SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

STATEMENTS OF OPERATIONS

For the period June 29, 2001\* through October 31, 2001 (unaudited)

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	MUNICIPAL	CALIFORNIA MUNICIPAL
INTEREST INCOME:		
Interest	\$ 8,303,233	\$ 5,474,75
=====	=====	=====
EXPENSES:		
Investment management fees	995,672	736,70
Auction agent fees and commissions	94,146	69,73
Trustees' fees	24,455	20,81
Custodian fees	20,057	24,93
Reports to shareholders	16,375	14,25
Audit and tax service fees	14,250	12,25
Transfer agent fees	13,875	12,50
Legal fees	13,125	11,00
Miscellaneous	16,824	15,62
Total expenses	1,208,779	917,81
Less: investment management fee waiver	(306,361)	(226,67)
expense offset	(20,057)	(24,93)
Net expenses	882,361	666,20
NET INVESTMENT INCOME	7,420,872	4,808,55
=====	=====	=====
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:		
Net realized gain (loss) on investments	\$ 502,067	\$ (2,25
Net unrealized appreciation of investments	13,846,114	11,067,26
Net realized and unrealized gain on investments	14,348,181	11,065,01
NET INCREASE IN NET ASSETS RESULTING FROM INVESTMENT OPERATIONS	\$21,769,053	\$15,873,56
=====	=====	=====

\* Commencement of operations.

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STATEMENTS OF CHANGES IN NET ASSETS

For the period June 29, 2001\* through October 31, 2001 (unaudited)

	MUNICIPAL	CALIFORNIA MUNICIPAL
INCOME (LOSS) FROM INVESTMENT OPERATIONS:		
Net investment income	\$ 7,420,872	\$ 4,000,000
Net realized gain (loss) on investments	502,067	(1,000,000)
Net unrealized appreciation of investments	13,846,114	11,000,000
Net increase in net assets resulting from investment operations	21,769,053	15,000,000
CAPITAL SHARE TRANSACTIONS:		
Net proceeds from the sale of common stock	339,359,250	250,000,000
Reinvestment of dividends	539,595	(1,000,000)
Proceeds from the sale of preferred shares	200,000,000	150,000,000
Preferred shares underwriting discount charged to paid-in capital in excess of par	(2,000,000)	(1,000,000)
Common stock and preferred shares offering costs charged to paid-in capital in excess of par	(1,035,700)	(1,000,000)
Net increase in capital share transactions	536,863,145	398,000,000
DIVIDENDS TO SHAREHOLDERS:		
To preferred shareholders from net investment income	(795,485)	(1,000,000)
To common shareholders from net investment income	(5,471,082)	(3,000,000)
Total dividends to shareholders	(6,266,567)	(4,000,000)
Total increase in net assets	552,365,631	409,000,000
NET ASSETS:		
Beginning of period	100,005	(1,000,000)
End of period (including undistributed net investment income of \$1,154,305, \$313,308 and \$25,823, respectively)	\$552,465,636	\$409,000,000
SHARES ISSUED AND REINVESTED:		
Issued	23,690,000	17,000,000

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Issued in reinvestment of dividends	36,622	
NET INCREASE	23,726,622	17,

\* Commencement of operations.

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SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

### NOTES TO FINANCIAL STATEMENTS

October 31, 2001 (unaudited)

#### 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

PIMCO Municipal Income Fund ("Municipal"), PIMCO California Municipal Income Fund ("California Municipal") and PIMCO New York Municipal Income Fund ("New York Municipal"), collectively known as the "Funds", were organized as Massachusetts business trusts on May 10, 2001. Prior to commencing operations on June 29, 2001, the Funds had no operations other than matters relating to their organization and registration as non-diversified, closed-end management investment companies registered under the Investment Company Act of 1940 and the rules and regulations thereunder, as amended; and the sale and issuance to PIMCO Advisors L.P. (the "Investment Manager"), an indirect, majority-owned subsidiary of Allianz AG, of 6,667 shares of beneficial interest of each fund at an aggregate purchase price of \$100,005 per fund.

Municipal, California Municipal and New York Municipal issued 20,600,000, 15,200,000 and 6,200,000 shares of common stock, respectively, in their initial public offerings. An additional 3,090,000, 2,280,000 and 930,000 shares of Municipal, California Municipal and New York Municipal, respectively, were issued in connection with the exercise of the underwriters over-allotment option. Offering costs of \$710,700, \$524,400 and \$213,900 (representing \$0.03 per share for each fund), for Municipal, California Municipal and New York Municipal, respectively, were offset against the proceeds of the offerings and have been charged to paid-in capital in excess of par. The Investment Manager has agreed to pay all offering costs (other than the sales load) and organizational expenses exceeding \$0.03 per share for each fund.

In addition, the underwriters discount and offering costs associated with the Funds issuance of Preferred Shares in the amounts of \$2,000,000 and \$325,000, \$1,500,000 and \$246,000 and \$630,000 and \$184,000, for Municipal, California Municipal and New York Municipal, respectively, have been charged to paid-in capital in excess of par.

The preparation of the financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The following is a summary of significant accounting policies consistently followed by the Funds:

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### (a) VALUATION OF INVESTMENTS

Debt securities are valued daily by an independent pricing service approved by the Boards of Trustees. Any security or other asset for which market quotations are not readily available is valued at fair value as determined in good faith under procedures established by the Boards of Trustees. Municipal Income invests substantially all of its assets in a portfolio of municipal bonds, the interest from which is exempt from federal income taxes. California Municipal invests substantially all of its assets in municipal bonds which pay interest that is exempt from federal and California income taxes. New York Municipal invests substantially all of its assets in municipal bonds which pay interest that is exempt from federal, New York State and New York City income taxes. The Funds will seek to avoid bonds generating interest potentially subjecting individuals to alternative minimum tax. The issuers' abilities to meet their obligations may be affected by economic and political developments in a specific state or region.

### (b) FEDERAL INCOME TAXES

The Funds intend to distribute all of their taxable income and to comply with the other requirements of the U.S. Internal Revenue Code of 1986, as amended, applicable to regulated investment companies. Accordingly, no provision for U.S. federal income taxes is required. In addition, by distributing substantially all of their ordinary income and long-term capital gains, if any, during each calendar year, the Funds intend not to be subject to U.S. federal excise tax.

### (c) INVESTMENT TRANSACTIONS AND INVESTMENT INCOME

Investment transactions are accounted for on the trade date. Realized gains and losses on investments are determined on the identified cost basis. Interest income is recorded on an accrual basis. Original issue discounts or premiums on debt securities purchased are accreted or amortized daily to non-taxable interest income. Market discounts, if any, are accreted daily to taxable income.

### (d) DIVIDENDS AND DISTRIBUTIONS -- COMMON STOCK

The Funds declare dividends from net investment income monthly to common shareholders. Distributions of net realized capital gains, if any, are paid at least annually. Each Fund records dividends and distributions to its shareholders on the ex-dividend date. The amount of dividends and distributions from net investment income and net realized capital gains are determined in accordance with federal income tax regulations, which may differ from generally accepted accounting principles. These "book-tax" differences are either considered temporary or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the capital accounts based on their federal income tax treatment; temporary differences do not require reclassification. To the extent dividends and/or distributions exceed current and accumulated earnings and profits for federal income tax purposes, they are reported as dividends and/or distributions of paid-in capital in excess of par.

### (e) EXPENSE OFFSET

The Funds benefit from an expense offset arrangement with their custodian bank whereby uninvested cash balances earn credits which reduce monthly custodian expenses. Had these cash balances been invested in income producing securities,

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they would have generated income for the Funds.

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### 2. INVESTMENT MANAGER AND SUB-ADVISER

Each Fund has entered into an Investment Management Agreement (the "Agreements") with the Investment Manager to serve as Investment Manager to each Fund. Subject to the supervision of the Fund's Board of Trustees, the Investment Manager is responsible for managing, either directly or through others selected by it, the investment activities of the Fund and the Fund's business affairs and other administrative matters. Pursuant to the Agreements, the Investment Manager will receive an annual fee, payable monthly, at the annual rate of 0.65% of each Fund's average daily net assets (including net assets attributable to any preferred shares that may be outstanding). In order to reduce Fund expenses, the Investment Manager has contractually agreed to reimburse each Fund for fees and expenses at the annual rate of 0.20% of the Fund's average daily net assets (including net assets attributable to any preferred shares that may be outstanding) from the commencement of operations through June 30, 2006, and for a declining amount thereafter through June 30, 2009.

The Investment Manager has retained its affiliate, Pacific Investment Management Company LLC (the "Sub-Adviser") to manage each Fund's investments. Subject to the supervision of the Investment Manager, the Sub-Adviser makes all determinations with respect to the investment of each Fund's assets. The Investment Manager (not the Funds) pays a portion of the fees it receives to the Sub-Adviser in return for its services, at the maximum annual rate of 0.37% of each Fund's average daily net assets (including net assets attributable to any preferred shares that may be outstanding). The Sub-Adviser has contractually agreed to waive a portion of the fees it is entitled to receive from the Investment Manager, such that the Sub-Adviser will receive 0.25% of each Fund's average daily net assets (including net assets attributable to any preferred shares that may be outstanding) from the commencement of the Funds operations through June 30, 2006, and an increasing amount thereafter through June 30, 2009. The Investment Manager informed the Funds that it paid the Sub-Adviser \$382,951, \$283,348 and \$114,674 in connection with sub-advisory services for Municipal, California Municipal and New York Municipal, respectively, for the period ended October 31, 2001.

### 3. INVESTMENTS IN SECURITIES

For the period ended October 31, 2001, purchases and sales of investments, other than short-term securities, were as follows:

	Municipal -----	California Municipal -----	New York Municipal -----
Purchases	\$626,224,922	\$524,820,981	\$225,067,092
Sales	97,271,483	131,621,400	63,731,290

### 4. CAPITAL

The Funds have an unlimited amount of no par value common stock authorized.

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### 5. AUCTION PREFERRED SHARES

Municipal has issued 1,600 shares of Preferred Shares Series A, 1,600 shares of Preferred Shares Series B, 1,600 shares of Preferred Shares Series C, 1,600 shares of Preferred Shares Series D and 1,600 shares of Preferred Shares Series E each with a net asset and liquidation value of \$25,000 per share plus accrued dividends.

California Municipal has issued 2,000 shares of Preferred Shares Series A, 2,000 shares of Preferred Shares Series B and 2,000 shares of Preferred Shares Series C each with a net asset and liquidation value of \$25,000 per share plus accrued dividends.

New York Municipal has issued 2,520 shares of Preferred Shares Series A with a net asset and liquidation value of \$25,000 per share plus accrued dividends.

Dividends are accumulated daily at an annual rate set through auction procedures. Distributions of net realized capital gains, if any, are paid annually.

For the period ended October 31, 2001, the annualized dividend rate ranged from:

	High	Low	At 10/31/01
	----	---	-----
Municipal:			
-----			
Series A	2.30%	1.65%	1.65%
Series B	2.40%	1.073%	1.625%
Series C	2.30%	1.50%	1.50%
Series D	2.25%	1.55%	1.65%
Series E	2.20%	1.625%	1.625%
California Municipal:			
-----			
Series A	2.02%	1.80%	1.70%
Series B	2.125%	1.04%	1.70%
Series C	2.05%	1.70%	1.70%
New York Municipal:			
-----			
Series A	2.20%	1.55%	1.55%

The Funds are subject to certain limitations and restrictions while Preferred Shares are outstanding. Failure to comply with these limitations and restrictions could preclude the Funds from declaring any dividends or distributions to common shareholders or repurchasing common shares and/or could trigger the mandatory redemption of Preferred Shares at their liquidation value.

Preferred Shares, which are entitled to one vote per share, generally vote with the common stock but vote separately as a class to elect two Trustees and on any matters affecting the rights of the Preferred Shares.

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### 6. SUBSEQUENT DIVIDEND DECLARATIONS

On November 1, 2001, the following dividends were declared to common shareholders payable December 3, 2001 to shareholders of record on November 16, 2001:

Municipal	\$0.0769 per common share
California Municipal	\$0.0750 per common share
New York Municipal	\$0.0750 per common share

On December 3, 2001, the following dividends were declared to common shareholders payable December 31, 2001 to shareholders of record on December 14, 2001:

Municipal	\$0.0769 per common share
California Municipal	\$0.0750 per common share
New York Municipal	\$0.0750 per common share

On December 10, 2001, the Boards of Trustees of Municipal and California Municipal announced their intention to increase the monthly per share common dividends. Municipal's dividend will increase from \$0.0769 per common share to \$0.08125 per common share and California Municipal's dividend will increase from \$0.075 per common share to \$0.077 per common share.

### 7. SUBSEQUENT CAPITAL GAIN DECLARATIONS

On December 17, 2001, the Boards of Trustees of Municipal and New York Municipal declared short-term capital gain distributions of \$0.01846 per common share and \$0.05027 per common share, respectively. The distributions are payable January 4, 2002 to shareholders of record on December 28, 2001.

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### FINANCIAL HIGHLIGHTS

For a share of common stock outstanding for the period June 29, 2001\* through October 31, 2001 (unaudited):

	MUNICIPAL
Net Asset Value, Beginning of Period**	\$14.33

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### INCOME FROM INVESTMENT OPERATIONS:

Net Investment Income	0.31
Net Realized and Unrealized Gain on Investments	0.60
Total from Investment Operations	0.91

### DIVIDENDS TO SHAREHOLDERS:

To Preferred Shareholders from Net Investment Income	(0.03)
To Common Shareholders from Net Investment Income	(0.23)
Total Dividends to Shareholders	(0.26)

### CAPITAL SHARE TRANSACTIONS:

Common Stock Offering Costs Charged to Paid-in Capital in Excess of Par	(0.03)
Preferred Shares Offering Costs/Underwriting Discount Charged to Paid-in Capital in Excess of Par	(0.10)
Total Capital Share Transactions	(0.13)

Net Asset Value, End of Period	\$14.85
Marked Price, End of Period	\$14.75
TOTAL INVESTMENT RETURN (1)	(0.1)%

### RATIOS/SUPPLEMENTAL DATA:

Net Assets Applicable to Common Shareholders, End of Period (000)	\$352,466
Ratio of Expenses to Average Net Assets (2) (3)+	0.59% (4)
Ratio of Net Investment Income to Average Net Assets (2)+	4.84% (4)
Asset Coverage Per Share of Preferred Stock	\$69,051
Portfolio Turnover	23%

\* Commencement of operations.

\*\* Initial public offering price of \$15.00 per share less underwriting discount of \$0.67 per share.

+ Annualized.

- (1) Total investment return is calculated assuming a purchase of common stock at the current market price on the first day and a sale at the current market price on the last day of the period reported. Dividends are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Funds' dividend reinvestment plan. Total investment return does not reflect brokerage commissions or sales charges. Total investment return for a period of less than one year is not annualized.
- (2) Calculated on the basis of income and expenses applicable to both common and preferred shares relative to the average net assets of common shareholders.
- (3) Inclusive of expenses offset by earning credits from custodian bank. (See note 1e in Notes to Financial Statements).

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- (4) During the period indicated above the Investment Manager waived a portion of its investment management fee. If such waiver had not been in effect, the ratio of expenses to average net assets and the ratio of net investment income to average net assets would have been 0.79% (annualized) and 4.64% (annualized), respectively.
- (5) During the period indicated above the Investment Manager waived a portion of its investment management fee. If such waiver had not been in effect, the ratio of expenses to average net assets and the ratio of net investment income to average net assets would have been 0.81% (annualized) and 4.04% (annualized), respectively.
- (6) During the period indicated above the Investment Manager waived a portion of its investment management fee. If such waiver had not been in effect, the ratio of expenses to average net assets and the ratio of net investment income to average net assets would have been 0.87% (annualized) and 3.89% (annualized), respectively.

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SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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TRUSTEES AND PRINCIPAL OFFICERS

Stephen J. Treadway  
Chairman, President,  
Principal Executive Officer & Trustee

Paul Belica  
Trustee

Robert E. Connor  
Trustee

Jack Dalessandro  
Trustee

Hans Kertess  
Trustee

Mark V. McCray  
Vice President

Newton B. Schott, Jr.  
Vice President & Secretary

Brian S. Shlissel  
Treasurer, Principal Financial & Accounting Officer

Michael B. Zuckerman  
Assistant Secretary

INVESTMENT MANAGER  
PIMCO Advisors L.P.  
888 San Clemente Drive  
Suite 100

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Newport Beach, CA 92660

SUB-ADVISER

Pacific Investment Management Company LLC  
840 Newport Center Drive  
Newport Beach, CA 92660

TRANSFER AGENT, DIVIDEND PAYING  
AGENT AND REGISTRAR  
PFPC Inc.  
P.O. Box 43027  
Providence, RI 02940-3027

INDEPENDENT ACCOUNTANTS

PricewaterhouseCoopers LLP  
1177 Avenue of the Americas  
New York, NY 10036

Quarterly information on the Funds is now available on the PIMCO Funds website ([www.pimcofunds.com](http://www.pimcofunds.com)). Information provided includes portfolio analysis, performance, yield data, and portfolio manager commentary.

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[PIMCO FUNDS LOGO]