

PIMCO MUNICIPAL INCOME FUND III
Form N-CSRS
August 26, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT
INVESTMENT COMPANIES**

Investment Company Act file number: 811-21187

PIMCO Municipal Income Fund III

(Exact name of registrant as specified in charter)

1633 Broadway, New York, NY 10019

(Address of principal executive offices)

William G. Galipeau

Treasurer (Principal Financial & Accounting Officer)

650 Newport Center Drive

Newport Beach, CA 92660

(Name and address of agent for service)

Copies to:

David C. Sullivan

Ropes & Gray LLP

Prudential Tower

800 Boylston Street

Boston, MA 02199

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

Date of fiscal year end: December 31

Date of reporting period: June 30, 2016

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

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

Item 1. Reports to Shareholders.

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

PIMCO Closed-End Funds

Semiannual Report

June 30, 2016

PIMCO Municipal Income Fund

PIMCO Municipal Income Fund II

PIMCO Municipal Income Fund III

PIMCO California Municipal Income Fund

PIMCO California Municipal Income Fund II

PIMCO California Municipal Income Fund III

PIMCO New York Municipal Income Fund

PIMCO New York Municipal Income Fund II

PIMCO New York Municipal Income Fund III

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Letter from the Chairman of the Board & President

Dear Shareholder,

The financial markets generated mixed results during the reporting period. Investor sentiment fluctuated as investors reacted to incoming economic data, shifting monetary policy, volatile commodity prices and numerous geopolitical issues.

Outside of the reporting period, PIMCO announced on July 19, 2016 that the firm's Managing Directors have appointed Emmanuel (Manny) Roman as PIMCO's next Chief Executive Officer. PIMCO's current CEO Douglas Hodge will assume a new role as Managing Director and Senior Advisor when Mr. Roman joins PIMCO on November 1st. The announcement of Mr. Roman as PIMCO's CEO is the culmination of a process undertaken by the firm to hire a senior executive who would add leadership and strategic insights combined with a deep appreciation of PIMCO's diversified global businesses, investment process and focus on superior investment performance and client service. Mr. Roman's appointment has the full support of the firm's leadership including Mr. Hodge, PIMCO's President Jay Jacobs, the firm's Executive Committee and its Managing Directors. Mr. Roman has nearly 30 years of experience in the investment industry, with expertise in fixed income and proven executive leadership, most recently as CEO of Man Group PLC, one of the world's largest publicly traded alternative asset managers and leader in liquid, high-alpha investment strategies.

For the six-month reporting period ended June 30, 2016

Despite a number of headwinds, the U.S. economy was resilient and continued to expand during the reporting period. That being said, the pace was far from robust. Looking back, U.S. gross domestic product (GDP), which represents the value of goods and services produced in the country, the broadest measure of economic activity and the principal indicator of economic performance, expanded at a revised 0.9% annual pace during the fourth quarter of 2015. Economic activity then decelerated, as GDP grew at a 0.8% annual pace during the first quarter of 2016. Finally, the Commerce Department's initial reading released after the reporting period had ended showed that second quarter 2016 GDP grew at an annual pace of 1.2%.

At its meeting in December 2015, the Federal Reserve (Fed) took its initial step toward normalizing monetary policy. In particular, the Fed raised interest rates from a range between 0% and 0.25% to a range between 0.25% and 0.50%. However, since that time the Fed has remained on hold. In its official statement following the Fed's June 2016 meeting it said, "The Committee expects that economic conditions will evolve in a manner that will warrant only gradual increases in the federal funds rate; the federal funds rate is likely to remain, for some time, below levels that are expected to prevail in the longer run."

The municipal bond market generated solid results during the six months ended June 30, 2016. Despite negative headlines from the likes of Puerto Rico and within Illinois, the overall municipal market, as measured by the Barclays Municipal Bond Index, posted positive returns during all six months of the reporting period. The municipal market was supported by overall solid fundamentals, attractive valuations and generally strong investor demand. All told, the Barclays Municipal Bond Index gained 4.33% during the reporting period. In comparison, the overall taxable fixed income market, as measured by the Barclays U.S. Aggregate Bond Index, returned 5.31%.

Outlook

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PIMCO's baseline view is for a version of today's status quo to continue and evolve gradually for the next three to five years. More specifically, PIMCO foresees U.S. GDP growth at or slightly above trend of 1.5% to 2% per year, inflation fluctuating around the 2% Fed's target, the Fed gradually lifting the federal funds rate to the New Neutral range of 2% to 3% nominal and fiscal policy providing modest positive support to aggregate demand.

PIMCO's outlook for the municipal market remains positive due to improving overall credit fundamentals and the attractiveness of consistent tax-efficient income in a low rate and volatile environment. However, PIMCO acknowledges the potential for periods of volatility given negative credit headlines and the uncertainties surrounding the upcoming November elections. As it pertains to the PIMCO Municipal Closed-End Funds, in the current

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environment the potential exists for continued downward pressure on net income of the Funds. This is due to issuers exercising the call option on our higher yielding investments, or additional upward pressure on financing costs from further Fed policy rate increases.

In the following pages of this PIMCO Closed-End Funds Semiannual Report, please find specific details regarding investment performance and a discussion of factors that most affected the Funds' performance over the six months ended June 30, 2016.

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

Sincerely,

Hans W. Kertess
Chairman of the Board of Trustees

Peter G. Strelow
President

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Important Information About the Funds

We believe that bond funds have an important role to play in a well-diversified investment portfolio. It is important to note, however, that in an environment where interest rates trend upward, rising rates would negatively impact the performance of most bond funds, and fixed-income securities held by a Fund are likely to decrease in value. A number of factors can cause interest rates to rise (e.g., central bank monetary policies, inflation rates, general economic conditions, etc.). Accordingly, changes in interest rates can be sudden, and there is no guarantee that Fund Management will anticipate such movement. As of the date of this report, interest rates in the U.S. are at or near historically low levels. As such, bond funds may currently face an increased exposure to the risks associated with rising interest rates. This is especially true since the Federal Reserve Board has concluded its quantitative easing program and, at its meeting on December 16, 2015, raised interest rates for the first time since 2006 from a target range of 0% to 0.25% to a target range of 0.25% to 0.50%. Further, while the U.S. bond market has steadily grown over the past three decades, dealer inventories of corporate bonds have remained relatively stagnant. As a result, there has been a significant reduction in the ability of dealers to make markets in corporate bonds. All of the factors mentioned above, individually or collectively, could lead to increased volatility and/or lower liquidity in the fixed income markets, which could result in increased losses to a Fund. Bond funds and individual bonds with a longer duration (a measure of the sensitivity of a security's price to changes in interest rates) tend to be more sensitive to changes in interest rates, usually making them more volatile than securities or funds with shorter durations. In addition, in the current low interest rate environment, the market price of the Funds' common shares may be particularly sensitive to changes in interest rates or the perception that there will be a change in interest rates.

A Fund that invests in the municipal bond market is subject to certain risks. The amount of public information available about the municipal bonds held by a Fund is generally less than that for corporate equities or bonds, and the investment performance of the Fund may therefore be more dependent on the analytical abilities of PIMCO than would be a stock fund or taxable bond fund. The secondary market for municipal bonds also tends to be less well-developed or liquid than many other securities markets, which may adversely affect a Fund's ability to sell its bonds at attractive prices. The ability of municipal issuers to make timely payments of interest and principal may be diminished during general economic downturns and as governmental cost burdens are reallocated among federal, state and local governments. In addition, laws enacted in the future by Congress or state legislatures or referenda could extend the time for payment of principal and/or interest, or impose other constraints on enforcement of such obligations, or on the ability of municipal issuers to levy taxes. Issuers of municipal securities might seek protection under the bankruptcy

laws. In the event of bankruptcy of such an issuer, a Fund investing in the issuer's securities could experience delays in collecting principal and interest and the Fund may not, in all circumstances, be able to collect all principal and interest to which it is entitled. To enforce its rights in the event of a default in the payment of interest or repayment of principal, or both, a Fund may, in some instances, take possession of, and manage, the assets securing the issuer's obligations on such securities, which may increase the Fund's operating expenses. Any income derived from the Fund's ownership or operation of such assets may not be tax-exempt.

A Fund that concentrates its investments in California municipal bonds may be affected significantly by economic, regulatory or political developments affecting the ability of California issuers to pay interest or repay principal. Certain issuers of California municipal bonds have experienced serious financial difficulties in the past and reoccurrence of these difficulties may impair the ability of certain California issuers to pay principal or interest on their obligations. Provisions of the California Constitution and State statutes that limit the taxing and spending authority of California governmental entities may impair the ability of California issuers to pay principal and/or interest on their obligations. While California's economy is broad, it does have major concentrations in high technology, aerospace and defense-related manufacturing, trade, entertainment, real estate and financial services, and may be sensitive to economic problems affecting those industries. Future California political and economic developments, constitutional amendments, legislative measures, executive orders, administrative regulations, litigation and voter initiatives could have an adverse effect on the debt obligations of California issuers.

A Fund that concentrates its investments in New York municipal bonds may be affected significantly by economic, regulatory or political developments affecting the ability of New York issuers to pay interest or repay principal. While New York's economy is broad, it does have concentrations in the financial services industry, and may be sensitive to economic problems affecting that industry. Certain issuers of New York municipal bonds have experienced serious financial difficulties in the past and a reoccurrence of these difficulties may impair the ability of certain New York issuers to pay principal or interest on their obligations. The financial health of New York City affects that of the State, and when New York City experiences financial difficulty it may have an adverse effect on New York municipal bonds held by a Fund. The growth rate of New York has at times been somewhat slower than the nation overall. The economic and financial condition of New York also may be

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affected by various financial, social, economic and political factors.

The use of derivatives may subject the Funds to greater volatility than investments in traditional securities. The Funds may use derivative instruments for hedging purposes or as part of an investment strategy.

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Use of these instruments may involve certain costs and risks such as liquidity risk, interest rate risk, market risk, call risk, credit risk, management risk and the risk that a Fund could not close out a position when it would be most advantageous to do so. Certain derivative transactions may have a leveraging effect on a Fund. For example, a small investment in a derivative instrument may have a significant impact on a Fund's exposure to interest rates, currency exchange rates or other investments. As a result, a relatively small price movement in a derivative instrument may cause an immediate and substantial loss or gain, which translates into heightened volatility in a Fund's net asset value (NAV). A Fund may engage in such transactions regardless of whether the Fund owns the asset, instrument or components of the index underlying a derivative instrument. A Fund may invest a significant portion of its assets in these types of instruments. If it does, a Fund's investment exposure could far exceed the value of its portfolio securities and its investment performance could be primarily dependent upon securities it does not directly own. Changes in regulation relating to a registered investment company's use of derivatives and related instruments could potentially limit or impact a Fund's ability to invest in derivatives, limit a Fund's ability to employ certain strategies that use derivatives and adversely affect the value or performance of derivatives and a Fund. For instance, in December 2015, the SEC proposed new regulations applicable to a mutual fund's use of derivatives and related instruments. If adopted as proposed, these regulations could significantly limit or impact a Fund's ability to invest in derivatives and other instruments, limit a Fund's ability to employ certain strategies that use derivatives and adversely affect a Fund's performance, efficiency in implementing its strategy, liquidity and ability to pursue its investment objectives.

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

share dividends will fall if the interest and other costs of leverage rise, or that dividends paid on the Fund's common shares will fluctuate because such costs vary over time; and (3) the effects of leverage in a declining market or a rising interest rate environment, as leverage is likely to cause a greater decline in the net asset value of the Fund's common shares than if the Fund were not leveraged and may result in a greater decline in the market value of the Fund's common shares.

There is a risk that a Fund investing in a tender option bond program will not be considered the owner of a tender option bond for federal income tax purposes, and thus will not be entitled to treat such interest as exempt from federal income tax. Certain tender option bonds may be illiquid or may become illiquid as a result of, among other things, a credit rating downgrade, a payment default or a disqualification from tax-exempt status. A Fund's investment in the securities issued by a tender option bond trust may involve greater risk and volatility than an investment in a fixed rate bond, and the value of such securities may decrease significantly when market interest rates increase. Tender option bond trusts could be terminated due to market, credit or other events beyond the Funds' control, which could require the Funds to reduce leverage and dispose of portfolio investments at inopportune times and prices. A Fund may use a tender option bond program as a way of achieving leverage in its portfolio, in which case the Fund will be subject to leverage risk.

High-yield bonds (commonly referred to as "junk bonds") typically have a lower credit rating than other bonds. Lower-rated bonds generally involve a greater risk to principal than higher-rated bonds. Further, markets for lower-rated bonds are typically less liquid than for higher rated bonds, and public information is usually less abundant in such markets. Thus, high yield investments increase the chance that a Fund will lose money on its investment. The Funds may also invest in bonds and other instruments that are not rated, but which PIMCO considers to be equivalent to high-yield investments. The Funds may hold defaulted securities that may involve special considerations including bankruptcy proceedings, other regulatory and legal restrictions affecting the Funds' ability to trade, and the availability of prices from independent pricing services or dealer quotations. Defaulted securities are often illiquid and may not be actively traded. Sale of securities in bankrupt companies at an acceptable price may be difficult and differences compared to the value of the securities used by the Funds could be material.

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Variable and floating rate securities generally are less sensitive to interest rate changes but may decline in value if their interest rates do not rise as much, or as quickly, as interest rates in general. Conversely floating rate securities will not generally increase in value if interest rates decline. Inverse floating rate securities may decrease in value if interest rates increase. Inverse floating rate securities may also exhibit

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Important Information About the Funds (Cont.)

greater price volatility than a fixed rate obligation with similar credit quality. When a Fund holds variable or floating rate securities, a decrease (or, in the case of inverse floating rate securities, an increase) in market interest rates will adversely affect the income received from such securities and the NAV of the Funds' shares.

As the use of technology has become more prevalent in the course of business, the Funds have become potentially more susceptible to operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional cyber events that may cause a Fund to lose proprietary information, suffer data corruption, or lose operational capacity. Cyber security breaches may involve unauthorized access to a Fund's digital information systems (e.g., through hacking or malicious software coding), but may also result from outside attacks such as denial-of-service attacks (i.e., efforts to make network services unavailable to intended users). In addition, cyber security breaches of a Fund's third party service providers (including but not limited to advisers, sub-advisers, administrators, transfer agents, custodians, distributors and other third parties) or issuers that a Fund invests in can also subject a Fund to many of the same risks associated with direct cyber security breaches. Cyber security failures or breaches may result in financial losses to a Fund and its shareholders. These failures or breaches may also result in disruptions to business operations, potentially resulting in financial losses; interference with a Fund's ability to calculate its net asset value, process shareholder transactions or otherwise transact business with shareholders; impediments to trading; violations of applicable privacy and other laws; regulatory fines; penalties; reputational damage; reimbursement or other compensation costs; or additional compliance costs. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future. Like with operational risk in general, the Funds have established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially since the Funds do not directly control the cyber security systems of issuers or third party service providers. The Funds and their shareholders could be negatively impacted as a result.

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

if a Fund's shares trade at a price that is more than the initial offering price and/or the net asset value of such shares, including at a substantial premium and/or for an extended period of time, there is no assurance that any such premium will be sustained for any period of time and will not decrease, or that the shares will not trade at a discount to net asset value thereafter.

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

On each Fund Summary page in this Shareholder Report, the Average Annual Total Return table measures performance assuming that all dividend and capital gain distributions were reinvested. Total return is calculated by determining the percentage change in NAV or market price (as applicable) in the specified period. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions. Total return for a period of more than one year represents the average annual total return. Performance at market price will differ from results at NAV. Although market price returns tend to reflect investment results over time, during shorter periods returns at market price can also be influenced

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by factors such as changing views about a Fund, market conditions, supply and demand for the Fund's shares, or changes in the Fund's dividends. Performance shown is net of fees and expenses.

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The following table discloses the commencement of operations and diversification status of each Fund:

Fund Name	Commencement of Operations	Diversification Status
PIMCO Municipal Income Fund	06/29/01	Diversified
PIMCO Municipal Income Fund II	06/28/02	Diversified
PIMCO Municipal Income Fund III	10/31/02	Diversified
PIMCO California Municipal Income Fund	06/29/01	Diversified
PIMCO California Municipal Income Fund II	06/28/02	Diversified
PIMCO California Municipal Income Fund III	10/31/02	Diversified
PIMCO New York Municipal Income Fund	06/29/01	Non-diversified
PIMCO New York Municipal Income Fund II	06/28/02	Non-diversified
PIMCO New York Municipal Income Fund III	10/31/02	Non-diversified

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

The Trustees are responsible generally for overseeing the management of the Funds. The Trustees authorize the Funds to enter into service agreements with the Investment Manager and other service providers in order to provide, and in some cases authorize service providers to procure through other parties, necessary or desirable services on behalf of the Funds. Shareholders are not parties to or third-party beneficiaries of such service agreements. Neither a Fund's original or any subsequent prospectus or Statement of Additional Information (SAI), any press release or shareholder report, any contracts filed as exhibits to a Fund's registration statement, nor any other communications, disclosure documents or regulatory filings from or on behalf of a Fund creates a contract between or among any shareholder of a Fund, on the one hand, and the Fund, a service provider to the Fund, and/or the Trustees or officers of the Fund, on the other hand. The Trustees (or the Funds and their officers, service providers or other delegates acting under authority of the Trustees) may amend the most recent or use a new prospectus or SAI with respect to a Fund, adopt and disclose new or amended policies and other changes in press releases and shareholder reports and/or amend, file and/or issue any other communications, disclosure documents or regulatory filings, and may

amend or enter into any contracts to which a Fund is a party, and interpret the investment objective(s), policies, restrictions and contractual provisions applicable to any Fund, without shareholder input or approval, except in circumstances in which shareholder approval is specifically required by law (such as changes to fundamental investment policies) or where a shareholder approval requirement was specifically disclosed in a Fund's prospectus, SAI or shareholder report and is otherwise still in effect.

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

Each Fund files a complete schedule of its portfolio holdings with the SEC for the first and third quarters of its fiscal year on Form N-Q. A copy of each Fund's Form N-Q is available on the SEC's website at <http://www.sec.gov> and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C., and is available without charge, upon request by calling the Funds at (844) 33-PIMCO (844-337-4626) and on the Funds' website at www.pimco.com.

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Updated portfolio holdings information about a Fund will be available at www.pimco.com approximately 15 calendar days after such Fund's most recent fiscal quarter end, and will remain accessible until such Fund files a Form N-Q or a shareholder report for the period which includes the date of the information. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

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PIMCO Municipal Income Fund

Symbol on NYSE - **PMF**

Allocation Breakdown

Municipal Bonds & Notes	
Health, Hospital & Nursing Home Revenue	19.9%
Highway Revenue Tolls	10.2%
Tobacco Settlement Funded	8.7%
Ad Valorem Property Tax	8.3%
Natural Gas Revenue	6.5%
Miscellaneous Revenue	5.5%
Industrial Revenue	4.8%
Electric Power & Light Revenue	4.7%
College & University Revenue	4.3%
Port, Airport & Marina Revenue	3.9%
Special Assessment	3.6%
Water Revenue	3.4%
Miscellaneous Taxes	3.2%
Sewer Revenue	2.6%
General Fund	2.3%
Nuclear Revenue	2.2%
Transit Revenue	1.1%
Other	2.8%
Short-Term Instruments	2.0%

% of Investments, at value as of 06/30/2016. Financial derivative instruments, if any, are excluded.

Fund Information (as of June 30, 2016)⁽¹⁾

Market Price	\$17.23
NAV	\$13.91
Premium/(Discount) to NAV	23.87%
Market Price Distribution Yield ⁽²⁾	5.66%
NAV Distribution Yield ⁽²⁾	7.01%
Total Effective Leverage ⁽³⁾	36%

Average Annual Total Return⁽¹⁾ for the period ended June 30, 2016

	6 Month*	1 Year	5 Year	10 Year	Commencement of Operations (06/29/01)
Market Price	15.09%	33.80%	13.04%	7.70%	8.20%
NAV	8.75%	16.98%	12.38%	7.91%	7.60%

All Fund returns are net of fees and expenses.

* Cumulative return

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

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visit www.pimco.com or call (844) 33-PIMCO.

- (2) Distribution yields are not performance and are calculated by annualizing the most recent distribution per share and dividing by the NAV or Market Price, as applicable, as of the reported date. Distributions may be comprised of ordinary income, net capital gains, and/or a return of capital (ROC) of your investment in the Fund. Because the distribution rate may include a ROC, it should not be confused with yield or income. If the Fund estimates that a portion of its distribution may be comprised of amounts from sources other than net investment income, the Fund will notify shareholders of the estimated composition of such distribution through a Section 19 Notice. Please refer to the most recent Section 19 Notice, if applicable, for additional information regarding the composition of distributions. Please visit www.pimco.com for most recent Section 19 Notice, if applicable. Final determination of a distribution's tax character will be made on Form 1099 DIV sent to shareholders each January.
- (3) Represents total effective leverage outstanding, as a percentage of total managed assets. Total effective leverage consists of preferred shares, reverse repurchase agreements and other borrowings, credit default swap notional and floating rate notes issued in tender option bond transactions, as applicable (collectively "Total Effective Leverage"). The Fund may engage in other transactions not included in Total Effective Leverage disclosed above that may give rise to a form of leverage, including certain derivative transactions. For the purpose of calculating Total Effective Leverage outstanding as a percentage of total managed assets, total managed assets refer to total assets (including assets attributable to Total Effective Leverage that may be outstanding) minus accrued liabilities (other than liabilities representing Total Effective Leverage).

Investment Objective and Strategy Overview

- » PIMCO Municipal Income Fund's primary investment objective is to seek current income exempt from federal income tax.

Fund Insights at NAV

Following are key factors impacting the Fund's performance during the reporting period:

- » The Fund's long-duration positioning contributed to absolute performance, as municipal bond yields moved lower.
- » An overweight to revenue-backed municipal bond securities contributed to performance, as the segment outperformed the general municipal bond market.
- » Exposure to the municipal tobacco sector contributed to performance, as the segment outperformed the general municipal bond market.
- » An overweight to the industrial revenue sector contributed to performance, as the higher-beta segment outperformed the general municipal bond market.
- » Underweights to the education and health care sectors detracted from performance, as they both outperformed the general municipal bond market.

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PIMCO Municipal Income Fund II

Symbol on NYSE - **PML**

Allocation Breakdown

Municipal Bonds & Notes	
Health, Hospital & Nursing Home Revenue	20.7%
Tobacco Settlement Funded	11.6%
Highway Revenue Tolls	8.1%
Industrial Revenue	7.9%
Natural Gas Revenue	7.6%
Miscellaneous Taxes	6.1%
Ad Valorem Property Tax	5.9%
Electric Power & Light Revenue	5.5%
Water Revenue	3.6%
Sewer Revenue	3.5%
College & University Revenue	2.7%
Lease (Appropriation)	2.7%
General Fund	2.6%
Port, Airport & Marina Revenue	2.2%
Miscellaneous Revenue	2.0%
Transit Revenue	1.5%
Nuclear Revenue	1.0%
Special Assessment	1.0%
Other	3.2%
Short-Term Instruments	0.6%

¹ % of Investments, at value as of 06/30/2016. Financial derivative instruments, if any, are excluded.

Fund Information (as of June 30, 2016)⁽¹⁾

Market Price	\$13.96
NAV	\$13.02
Premium/(Discount) to NAV	7.22%
Market Price Distribution Yield ⁽²⁾	5.59%
NAV Distribution Yield ⁽²⁾	5.99%
Total Effective Leverage ⁽³⁾	33%

Average Annual Total Return⁽¹⁾ for the period ended June 30, 2016

	6 Month*	1 Year	5 Year	10 Year	Commencement of Operations (06/28/02)
Market Price	15.05%	29.45%	12.98%	6.46%	6.44%
NAV	8.38%	15.95%	11.82%	5.91%	6.28%

All Fund returns are net of fees and expenses.

* Cumulative return

(1)

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

- (2) Distribution yields are not performance and are calculated by annualizing the most recent distribution per share and dividing by the NAV or Market Price, as applicable, as of the reported date. Distributions may be comprised of ordinary income, net capital gains, and/or a return of capital (ROC) of your investment in the Fund. Because the distribution rate may include a ROC, it should not be confused with yield or income. If the Fund estimates that a portion of its distribution may be comprised of amounts from sources other than net investment income, the Fund will notify shareholders of the estimated composition of such distribution through a Section 19 Notice. Please refer to the most recent Section 19 Notice, if applicable, for additional information regarding the composition of distributions. Please visit www.pimco.com for most recent Section 19 Notice, if applicable. Final determination of a distribution's tax character will be made on Form 1099 DIV sent to shareholders each January.
- (3) Represents total effective leverage outstanding, as a percentage of total managed assets. Total effective leverage consists of preferred shares, reverse repurchase agreements and other borrowings, credit default swap notional and floating rate notes issued in tender option bond transactions, as applicable (collectively "Total Effective Leverage"). The Fund may engage in other transactions not included in Total Effective Leverage disclosed above that may give rise to a form of leverage, including certain derivative transactions. For the purpose of calculating Total Effective Leverage outstanding as a percentage of total managed assets, total managed assets refer to total assets (including assets attributable to Total Effective Leverage that may be outstanding) minus accrued liabilities (other than liabilities representing Total Effective Leverage).

Investment Objective and Strategy Overview

- » PIMCO Municipal Income Fund II's primary investment objective is to seek current income exempt from federal income tax.

Fund Insights at NAV

Following are key factors impacting the Fund's performance during the reporting period:

- » The Fund's long-duration positioning contributed to absolute performance, as municipal bond yields moved lower.
- » An overweight to revenue-backed municipal bond securities contributed to performance, as the segment outperformed the general municipal bond market.
- » Exposure to the municipal tobacco sector contributed to performance, as the segment outperformed the general municipal bond market.
- » An overweight to the industrial revenue sector contributed to performance, as the higher-beta segment outperformed the general municipal bond market.
- » Underweights to the health care and education sectors detracted from performance, as they both outperformed the general municipal bond market.

PIMCO Municipal Income Fund III

Symbol on NYSE - **PMX**

Allocation Breakdown

Municipal Bonds & Notes	
Health, Hospital & Nursing Home Revenue	17.0%
Sewer Revenue	11.3%
Tobacco Settlement Funded	10.4%
Highway Revenue Tolls	9.1%
Natural Gas Revenue	5.8%
Electric Power & Light Revenue	4.9%
Water Revenue	4.4%
Industrial Revenue	4.3%
Nuclear Revenue	4.0%
Recreational Revenue	4.0%
General Fund	3.9%
Ad Valorem Property Tax	3.8%
Lease (Appropriation)	3.5%
Port, Airport & Marina Revenue	2.3%
Miscellaneous Revenue	2.2%
College & University Revenue	2.2%
Miscellaneous Taxes	1.8%
Tax Increment/Allocation Revenue	1.2%
Local or Guaranteed Housing	1.0%
Special Assessment	1.0%
Other	1.2%
Short-Term Instruments	0.7%

% of Investments, at value as of 06/30/2016. Financial derivative instruments, if any, are excluded.

Fund Information (as of June 30, 2016)⁽¹⁾

Market Price	\$12.88
NAV	\$11.80
Premium/(Discount) to NAV	9.15%
Market Price Distribution Yield ⁽²⁾	5.80%
NAV Distribution Yield ⁽²⁾	6.34%
Total Effective Leverage ⁽³⁾	36%

Average Annual Total Return⁽¹⁾ for the period ended June 30, 2016

	6 Month*	1 Year	5 Year	10 Year	Commencement of Operations (10/31/02)
Market Price	15.52%	29.17%	11.70%	6.25%	6.18%
NAV	9.55%	17.84%	12.81%	5.78%	6.10%

All Fund returns are net of fees and expenses.

* Cumulative return

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Investment Objective and Strategy Overview

- » PIMCO Municipal Income Fund III's primary investment objective is to seek current income exempt from federal income tax.

Fund Insights at NAV

Following are key factors impacting the Fund's performance during the reporting period:

- » The Fund's long-duration positioning contributed to absolute performance, as municipal bond yields moved lower.
- » An overweight to revenue-backed municipal bond securities contributed to performance, as the segment outperformed the general municipal bond market.
- » Exposure to the municipal tobacco sector contributed to performance, as the segment outperformed the general municipal bond market.
- » An overweight to the industrial revenue sector contributed to performance, as the higher-beta segment outperformed the general municipal bond market.
- » Underweights to the education and health care sectors detracted from performance, as they both outperformed the general municipal bond market.

10 PIMCO CLOSED-END FUNDS

PIMCO California Municipal Income Fund

Symbol on NYSE - **PCQ**

Allocation Breakdown

Municipal Bonds & Notes	
Health, Hospital & Nursing Home Revenue	24.3%
Ad Valorem Property Tax	14.5%
Tobacco Settlement Funded	10.0%
College & University Revenue	10.0%
Lease (Abatement)	8.8%
Natural Gas Revenue	7.8%
Water Revenue	7.2%
Electric Power & Light Revenue	5.1%
General Fund	3.6%
Local or Guaranteed Housing	2.4%
Highway Revenue Tolls	2.4%
Tax Increment/Allocation Revenue	1.5%
Port, Airport & Marina Revenue	1.2%
Other	0.4%
Short-Term Instruments	0.8%
% of Investments, at value as of 06/30/2016. Financial derivative instruments, if any, are excluded.	
Fund Information (as of June 30, 2016) ⁽¹⁾	

Market Price	\$16.93
NAV	\$15.27
Premium/(Discount) to NAV	10.87%
Market Price Distribution Yield ⁽²⁾	5.46%
NAV Distribution Yield ⁽²⁾	6.05%
Total Effective Leverage ⁽³⁾	39%

Average Annual Total Return⁽¹⁾ for the period ended June 30, 2016

	6 Month*	1 Year	5 Year	10 Year	Commencement of Operations (06/29/01)
Market Price	11.05%	26.00%	12.82%	7.96%	7.69%
NAV	7.83%	16.08%	12.28%	7.95%	7.49%

All Fund returns are net of fees and expenses.

* Cumulative return

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

- » PIMCO California Municipal Income Fund's primary investment objective is to seek current income exempt from federal and California income tax.

Fund Insights at NAV

Following are key factors impacting the Fund's performance during the reporting period:

- » The Fund's long-duration positioning contributed to absolute performance, as municipal bond yields moved lower.
- » An overweight to revenue-backed municipal bond securities contributed to performance, as the segment outperformed the general municipal bond market.
- » Exposure to the municipal tobacco sector contributed to performance, as the segment outperformed the general municipal bond market.
- » An overweight to the industrial revenue sector contributed to performance, as the higher-beta segment outperformed the general municipal bond market.
- » Underweights to the transportation and education sectors detracted from performance, as they both outperformed the general municipal bond market.

PIMCO California Municipal Income Fund II

Symbol on NYSE - **PCK**

Allocation Breakdown

Municipal Bonds & Notes	
Health, Hospital & Nursing Home Revenue	25.1%
Ad Valorem Property Tax	22.7%
Tobacco Settlement Funded	11.0%
Natural Gas Revenue	7.8%
College & University Revenue	6.9%
Electric Power & Light Revenue	5.3%
Tax Increment/Allocation Revenue	5.3%
General Fund	3.1%
Lease (Abatement)	3.0%
Port, Airport & Marina Revenue	2.1%
Special Tax	1.4%
Highway Revenue Tolls	1.3%
Water Revenue	1.2%
Local or Guaranteed Housing	1.1%
Private Schools	1.0%
Other	1.4%
Short-Term Instruments	0.3%

% of Investments, at value as of 06/30/2016. Financial derivative instruments, if any, are excluded.

Fund Information (as of June 30, 2016)⁽¹⁾

Market Price	\$11.05
NAV	\$9.45
Premium/(Discount) to NAV	16.93%
Market Price Distribution Yield ⁽²⁾	5.84%
NAV Distribution Yield ⁽²⁾	6.83%
Total Effective Leverage ⁽³⁾	39%

Average Annual Total Return⁽¹⁾ for the period ended June 30, 2016

	6 Month*	1 Year	5 Year	10 Year	Commencement of Operations (06/28/02)
Market Price	14.74%	26.29%	11.78%	4.88%	5.24%
NAV	9.39%	18.55%	13.69%	4.25%	4.94%

All Fund returns are net of fees and expenses.

* Cumulative return

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price distribution yield, and NAV distribution yield will fluctuate with changes in market conditions. For performance current to the most recent month-end, visit www.pimco.com or call (844) 33-PIMCO.

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Investment Objective and Strategy Overview

- » PIMCO California Municipal Income Fund II's primary investment objective is to seek current income exempt from federal and California income tax.

Fund Insights at NAV

Following are key factors impacting the Fund's performance during the reporting period:

- » The Fund's long-duration positioning contributed to absolute performance, as municipal bond yields moved lower.
- » An overweight to revenue-backed municipal bond securities contributed to performance, as the segment outperformed the general municipal bond market.
- » Exposure to the municipal tobacco sector contributed to performance, as the segment outperformed the general municipal bond market.
- » An overweight to the industrial revenue sector contributed to performance, as the higher-beta segment outperformed the general municipal bond market.
- » Underweights to the transportation and education sectors detracted from performance, as they both outperformed the general municipal bond market.

12 PIMCO CLOSED-END FUNDS

PIMCO California Municipal Income Fund III

Symbol on NYSE - **PZC**

Allocation Breakdown

Municipal Bonds & Notes	
Health, Hospital & Nursing Home Revenue	26.4%
Ad Valorem Property Tax	16.7%
College & University Revenue	13.8%
Tobacco Settlement Funded	9.3%
Electric Power & Light Revenue	8.4%
Natural Gas Revenue	5.8%
Water Revenue	4.7%
Highway Revenue Tolls	3.4%
Lease (Abatement)	2.3%
General Fund	2.1%
Special Tax	1.9%
Tax Increment/Allocation Revenue	1.6%
Sewer Revenue	1.5%
Port, Airport & Marina Revenue	1.0%
Other	1.2%

¹ % of Investments, at value as of 06/30/2016. Financial derivative instruments, if any, are excluded.

Fund Information (as of June 30, 2016)⁽¹⁾

Market Price	\$12.30
NAV	\$10.75
Premium/(Discount) to NAV	14.42%
Market Price Distribution Yield ⁽²⁾	5.85%
NAV Distribution Yield ⁽²⁾	6.70%
Total Effective Leverage ⁽³⁾	39%

Average Annual Total Return⁽¹⁾ for the period ended June 30, 2016

	6 Month*	1 Year	5 Year	10 Year	Commencement of Operations (10/31/02)
Market Price	6.47%	27.58%	13.71%	4.58%	5.63%
NAV	7.92%	16.51%	12.29%	4.43%	5.08%

All Fund returns are net of fees and expenses.

* Cumulative return

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Investment Objective and Strategy Overview

- » PIMCO California Municipal Income Fund III's primary investment objective is to seek current income exempt from federal and California income tax.

Fund Insights at NAV

Following are key factors impacting the Fund's performance during the reporting period:

- » The Fund's long-duration positioning contributed to absolute performance, as municipal bond yields moved lower.
- » An overweight to revenue-backed municipal bond securities contributed to performance, as the segment outperformed the general municipal bond market.
- » Exposure to the municipal tobacco sector contributed to performance, as the segment outperformed the general municipal bond market.
- » Overweights to the health care and industrial revenue sectors contributed to performance, as both of these higher-beta segments outperformed the general municipal bond market.
- » Underweights to the transportation and water and sewer utility sectors detracted from performance, as they both outperformed the general municipal bond market.

PIMCO New York Municipal Income Fund

Symbol on NYSE - **PNF**

Allocation Breakdown

Municipal Bonds & Notes	
College & University Revenue	14.6%
Miscellaneous Revenue	14.3%
Industrial Revenue	13.5%
Tobacco Settlement Funded	11.7%
Health, Hospital & Nursing Home Revenue	9.1%
Highway Revenue Tolls	7.2%
Miscellaneous Taxes	5.3%
Water Revenue	5.2%
Electric Power & Light Revenue	3.3%
Ad Valorem Property Tax	3.2%
Income Tax Revenue	2.8%
Recreational Revenue	2.4%
Transit Revenue	2.3%
Port, Airport & Marina Revenue	2.3%
Hotel Occupancy Tax	2.0%
Other	0.1%
Short-Term Instruments	0.7%

% of Investments, at value as of 06/30/2016. Financial derivative instruments, if any, are excluded.

Fund Information (as of June 30, 2016)⁽¹⁾

Market Price	\$14.17
NAV	\$12.81
Premium/(Discount) to NAV	10.62%
Market Price Distribution Yield ⁽²⁾	4.83%
NAV Distribution Yield ⁽²⁾	5.34%
Total Effective Leverage ⁽³⁾	37%

Average Annual Total Return⁽¹⁾ for the period ended June 30, 2016

	6 Month*	1 Year	5 Year	10 Year	Commencement of Operations (06/29/01)
Market Price	22.35%	34.44%	13.41%	5.84%	5.99%
NAV	8.83%	15.44%	10.91%	5.91%	5.64%

All Fund returns are net of fees and expenses.

* Cumulative return

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Investment Objective and Strategy Overview

- » PIMCO New York Municipal Income Fund's primary investment objective is to seek current income exempt from federal, New York State and New York City income tax.

Fund Insights at NAV

Following are key factors impacting the Fund's performance during the reporting period:

- » The Fund's long-duration positioning contributed to absolute performance, as municipal bond yields moved lower.
- » An overweight to revenue-backed municipal bond securities contributed to performance, as the segment outperformed the general municipal bond market.
- » An overweight to the industrial revenue sector contributed to performance, as the higher-beta segment outperformed the general municipal bond market.
- » Exposure to the municipal tobacco sector contributed to performance, as the segment outperformed the general municipal bond market.
- » Underweights to the transportation and lease-backed sectors detracted from performance, as they both outperformed the general municipal bond market.

14 PIMCO CLOSED-END FUNDS

PIMCO New York Municipal Income Fund II

Symbol on NYSE - PNI

Allocation Breakdown

Municipal Bonds & Notes	
College & University Revenue	14.7%
Tobacco Settlement Funded	12.6%
Industrial Revenue	10.9%
Health, Hospital & Nursing Home Revenue	9.9%
Miscellaneous Revenue	7.7%
Transit Revenue	6.7%
Income Tax Revenue	5.6%
Miscellaneous Taxes	4.9%
Lease (Abatement)	4.8%
Highway Revenue Tolls	4.5%
Water Revenue	3.8%
Recreational Revenue	3.8%
Port, Airport & Marina Revenue	2.4%
Hotel Occupancy Tax	2.2%
Ad Valorem Property Tax	2.2%
Electric Power & Light Revenue	1.9%
Other	1.0%
Short-Term Instruments	0.4%

% of Investments, at value as of 06/30/2016. Financial derivative instruments, if any, are excluded.

Fund Information (as of June 30, 2016)⁽¹⁾

Market Price	\$14.39
NAV	\$11.97
Premium/(Discount) to NAV	20.22%
Market Price Distribution Yield ⁽²⁾	5.52%
NAV Distribution Yield ⁽²⁾	6.64%
Total Effective Leverage ⁽³⁾	40%

Average Annual Total Return⁽¹⁾ for the period ended June 30, 2016

	6 Month*	1 Year	5 Year	10 Year	Commencement of Operations (06/28/02)
Market Price	20.14%	30.48%	12.95%	7.06%	6.65%
NAV	8.55%	14.88%	11.06%	5.35%	5.76%

All Fund returns are net of fees and expenses.

* Cumulative return

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Investment Objective and Strategy Overview

- » PIMCO New York Municipal Income Fund II's primary investment objective is to seek current income exempt from federal, New York State and New York City income tax.

Fund Insights at NAV

Following are key factors impacting the Fund's performance during the reporting period:

- » The Fund's long-duration positioning contributed to absolute performance, as municipal bond yields moved lower.
- » An overweight to revenue-backed municipal bond securities contributed to performance, as the segment outperformed the general municipal bond market.
- » An overweight to the industrial revenue sector contributed to performance, as the higher-beta segment outperformed the general municipal bond market.
- » Exposure to the municipal tobacco sector contributed to performance, as the segment outperformed the general municipal bond market.
- » Underweights to the water and sewer utility and transportation sectors detracted from performance, as they both outperformed the general municipal bond market.

PIMCO New York Municipal Income Fund III

Symbol on NYSE - **PYN**

Allocation Breakdown

Municipal Bonds & Notes	
Industrial Revenue	14.9%
Tobacco Settlement Funded	14.6%
Water Revenue	11.4%
Income Tax Revenue	10.0%
Transit Revenue	8.2%
College & University Revenue	6.5%
Ad Valorem Property Tax	5.5%
Miscellaneous Revenue	5.2%
Miscellaneous Taxes	5.1%
Health, Hospital & Nursing Home Revenue	4.8%
Highway Revenue Tolls	4.4%
Recreational Revenue	4.0%
Hotel Occupancy Tax	2.6%
Electric Power & Light Revenue	1.8%
Other	0.9%
Short-Term Instruments	0.1%

% of Investments, at value as of 06/30/2016. Financial derivative instruments, if any, are excluded.

Fund Information (as of June 30, 2016)⁽¹⁾

Market Price	\$11.56
NAV	\$9.96
Premium/(Discount) to NAV	16.06%
Market Price Distribution Yield ⁽²⁾	5.45%
NAV Distribution Yield ⁽²⁾	6.33%
Total Effective Leverage ⁽³⁾	39%

Average Annual Total Return⁽¹⁾ for the period ended June 30, 2016

	6 Month*	1 Year	5 Year	10 Year	Commencement of Operations (10/31/02)
Market Price	16.02%	32.55%	12.74%	3.81%	4.65%
NAV	7.73%	14.29%	10.29%	2.71%	3.88%

All Fund returns are net of fees and expenses.

* Cumulative return

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

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- (2) Distribution yields are not performance and are calculated by annualizing the most recent distribution per share and dividing by the NAV or Market Price, as applicable, as of the reported date. Distributions may be comprised of ordinary income, net capital gains, and/or a return of capital (ROC) of your investment in the Fund. Because the distribution rate may include a ROC, it should not be confused with yield or income. If the Fund estimates that a portion of its distribution may be comprised of amounts from sources other than net investment income, the Fund will notify shareholders of the estimated composition of such distribution through a Section 19 Notice. Please refer to the most recent Section 19 Notice, if applicable, for additional information regarding the composition of distributions. Please visit www.pimco.com for most recent Section 19 Notice, if applicable. Final determination of a distribution's tax character will be made on Form 1099 DIV sent to shareholders each January.
- (3) Represents total effective leverage outstanding, as a percentage of total managed assets. Total effective leverage consists of preferred shares, reverse repurchase agreements and other borrowings, credit default swap notional and floating rate notes issued in tender option bond transactions, as applicable (collectively Total Effective Leverage). The Fund may engage in other transactions not included in Total Effective Leverage disclosed above that may give rise to a form of leverage, including certain derivative transactions. For the purpose of calculating Total Effective Leverage outstanding as a percentage of total managed assets, total managed assets refer to total assets (including assets attributable to Total Effective Leverage that may be outstanding) minus accrued liabilities (other than liabilities representing Total Effective Leverage).

Investment Objective and Strategy Overview

- » PIMCO New York Municipal Income Fund III's primary investment objective is to seek current income exempt from federal, New York State and New York City income tax.

Fund Insights at NAV

Following are key factors impacting the Fund's performance during the reporting period:

- » The Fund's long-duration positioning contributed to absolute performance, as municipal bond yields moved lower.
- » An overweight to revenue-backed municipal bond securities contributed to performance, as the segment outperformed the general municipal bond market.
- » An overweight to the industrial revenue sector contributed to performance, as the higher-beta segment outperformed the general municipal bond market.
- » Exposure to the municipal tobacco sector contributed to performance, as the segment outperformed the general municipal bond market.
- » Underweights to the water and sewer utility and transportation sectors detracted from performance, as they both outperformed the general municipal bond market.

16 PIMCO CLOSED-END FUNDS

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Financial Highlights

	Investment Operations							Less Distributions to Common Shareholders ^(b)			
	Distributions on										
	Net Asset Value Beginning of Year or Period	Net Investment Income ^(a)	Net Realized/ Unrealized Gain (Loss)	Preferred Shares from Net Investment Income ^(b)	Distributions on Preferred Shares from Realized Gains (Loss) ^(b)	Total	From Net Investment Income	From Net Realized Capital Gain (Loss)	Tax Basis Return of Capital	Total	
				Investment Income ^(b)	Gains (Loss) ^(b)						
PIMCO Municipal Income Fund											
01/01/2016 - 06/30/2016+	\$ 13.26	\$ 0.44	\$ 0.72	\$ (0.02)	\$ 0.00	\$ 1.14	\$ (0.49)	\$ 0.00	\$ 0.00	\$ (0.49)	
05/01/2015 - 12/31/2015 ^(f)	13.15	0.65	0.12	(0.01)	0.00	0.76	(0.65)	0.00	0.00	(0.65) ⁽ⁱ⁾	
04/30/2015	12.57	0.93	0.64	(0.01)	0.00	1.56	(0.98)	0.00	0.00	(0.98)	
04/30/2014	13.75	0.94	(1.13)	(0.01)	0.00	(0.20)	(0.98)	0.00	0.00	(0.98)	
04/30/2013	12.93	0.95	0.87	(0.02)	0.00	1.80	(0.98)	0.00	0.00	(0.98)	
04/30/2012	10.72	1.01	2.20	(0.02)	0.00	3.19	(0.98)	0.00	0.00	(0.98)	
04/30/2011	11.76	1.07	(1.10)	(0.03)	0.00	(0.06)	(0.98)	0.00	0.00	(0.98)	
PIMCO Municipal Income Fund II											
01/01/2016 - 06/30/2016+	\$ 12.39	\$ 0.39	\$ 0.64	\$ (0.01)	\$ 0.00	\$ 1.02	\$ (0.39)	\$ 0.00	\$ 0.00	\$ (0.39)	
06/01/2015 - 12/31/2015 ^(g)	12.11	0.47	0.28	(0.01)	0.00	0.74	(0.46)	0.00	0.00	(0.46) ⁽ⁱ⁾	
05/31/2015	11.94	0.81	0.15	(0.01)	0.00	0.95	(0.78)	0.00	0.00	(0.78)	
05/31/2014	12.17	0.81	(0.25)	(0.01)	0.00	0.55	(0.78)	0.00	0.00	(0.78)	
05/31/2013	11.91	0.82	0.23	(0.01)	0.00	1.04	(0.78)	0.00	0.00	(0.78)	
05/31/2012	10.12	0.88	1.70	(0.01)	0.00	2.57	(0.78)	0.00	0.00	(0.78)	
05/31/2011	10.77	0.91	(0.75)	(0.03)	0.00	0.13	(0.78)	0.00	0.00	(0.78)	
PIMCO Municipal Income Fund III											
01/01/2016 - 06/30/2016+	\$ 11.13	\$ 0.38	\$ 0.67	\$ (0.01)	\$ 0.00	\$ 1.04	\$ (0.37)	\$ 0.00	\$ 0.00	\$ (0.37)	
10/01/2015 - 12/31/2015 ^(h)	10.88	0.20	0.24	(0.00) [^]	0.00	0.44	(0.19)	0.00	0.00	(0.19) ⁽ⁱ⁾	
09/30/2015	10.78	0.78	0.08	(0.01)	0.00	0.85	(0.75)	0.00	0.00	(0.75)	
09/30/2014	9.58	0.75	1.25	(0.01)	0.00	1.99	(0.79)	0.00	0.00	(0.79)	
09/30/2013	11.02	0.75	(1.34)	(0.01)	0.00	(0.60)	(0.84)	0.00	0.00	(0.84)	
09/30/2012	9.69	0.83	1.35	(0.01)	0.00	2.17	(0.84)	0.00	0.00	(0.84)	
09/30/2011	10.29	0.87	(0.61)	(0.02)	0.00	0.24	(0.84)	0.00	0.00	(0.84)	
PIMCO California Municipal Income Fund											
01/01/2016 - 06/30/2016+	\$ 14.61	\$ 0.47	\$ 0.67	\$ (0.02)	\$ 0.00	\$ 1.12	\$ (0.46)	\$ 0.00	\$ 0.00	\$ (0.46)	
05/01/2015 - 12/31/2015 ^(f)	14.33	0.65	0.26	(0.01)	0.00	0.90	(0.62)	0.00	0.00	(0.62) ⁽ⁱ⁾	
04/30/2015	13.77	0.95	0.54	(0.01)	0.00	1.48	(0.92)	0.00	0.00	(0.92)	
04/30/2014	14.71	0.99	(1.00)	(0.01)	0.00	(0.02)	(0.92)	0.00	0.00	(0.92)	
04/30/2013	13.75	1.02	0.88	(0.02)	0.00	1.88	(0.92)	0.00	0.00	(0.92)	
04/30/2012	11.32	1.08	2.29	(0.02)	0.00	3.35	(0.92)	0.00	0.00	(0.92)	
04/30/2011	12.84	1.12	(1.69)	(0.03)	0.00	(0.60)	(0.92)	0.00	0.00	(0.92)	
PIMCO California Municipal Income Fund II											
01/01/2016 - 06/30/2016+	\$ 8.95	\$ 0.30	\$ 0.53	\$ (0.01)	\$ 0.00	\$ 0.82	\$ (0.32)	\$ 0.00	\$ 0.00	\$ (0.32)	
06/01/2015 - 12/31/2015 ^(g)	8.69	0.38	0.27	(0.01)	0.00	0.64	(0.38)	0.00	0.00	(0.38) ⁽ⁱ⁾	
05/31/2015	8.61	0.66	0.08	(0.01)	0.00	0.73	(0.65)	0.00	0.00	(0.65)	
05/31/2014	8.93	0.68	(0.26)	(0.01)	0.00	0.41	(0.66)	0.00	(0.07)	(0.73)	
05/31/2013	8.65	0.69	0.35	(0.01)	0.00	1.03	(0.68)	0.00	(0.07)	(0.75)	
05/31/2012	7.38	0.71	1.32	(0.01)	0.00	2.02	(0.70)	0.00	(0.05)	(0.75)	
05/31/2011	8.11	0.74	(0.70)	(0.02)	0.00	0.02	(0.75)	0.00	0.00	(0.75)	
PIMCO California Municipal Income Fund III											
01/01/2016 - 06/30/2016+	\$ 10.31	\$ 0.32	\$ 0.49	\$ (0.01)	\$ 0.00	\$ 0.80	\$ (0.36)	\$ 0.00	\$ 0.00	\$ (0.36)	
10/01/2015 - 12/31/2015 ^(h)	10.08	0.17	0.24	(0.00) [^]	0.00	0.41	(0.18)	0.00	0.00	(0.18) ⁽ⁱ⁾	

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09/30/2015	10.02	0.68	0.11	(0.01)	0.00	0.78	(0.72)	0.00	0.00	(0.72)
09/30/2014	9.09	0.69	0.97	(0.01)	0.00	1.65	(0.72)	0.00	0.00	(0.72)
09/30/2013	10.23	0.79	(1.20)	(0.01)	0.00	(0.42)	(0.72)	0.00	0.00	(0.72)
09/30/2012	9.08	0.81	1.07	(0.01)	0.00	1.87	(0.72)	0.00	0.00	(0.72)
09/30/2011	9.65	0.77	(0.60)	(0.02)	0.00	0.15	(0.72)	0.00	0.00	(0.72)

18 PIMCO CLOSED-END FUNDS

See Accompanying Notes

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Common Share			Ratios/Supplemental Data								
			Ratios to Average Net Assets								
Net Assets			Net Assets			Expenses	Expenses	Expenses	Net	Preferred	Portfolio
Value End of	Market Price	Total	Applicable	Expenses	Expenses	Excluding	Excluding	Excluding	Investment	Shares Asset	Turnover
Year or	End of Year	Investment	to Common	Excluding	Excluding	Interest	Interest	Interest	Income ^(d)	Coverage	Rate
Period	or Period	Return ^(c)	Shareholders	Waivers ^{(d)(e)}	Waivers ^{(d)(e)}	Expense ^(d)	Expense ^(d)	Expense and		Per Share	
			(000s)					Waivers ^(d)			
\$ 13.91	\$ 17.23	15.09%	\$ 355,476	1.27%*	1.27%*	1.23%*	1.23%*	6.71%*	\$ 71,770	3%	
13.26	15.45	5.27	338,342	1.22*	1.22*	1.21*	1.21*	7.42*	69,516	15	
13.15	15.38	21.47	334,775	1.25	1.25	1.22	1.22	7.12	69,049	9	
12.57	13.58	(8.45)	319,155	1.30	1.30	1.27	1.27	7.74	66,993	15	
13.75	16.05	11.96	348,162	1.22	1.23	1.19	1.20	6.99	70,809	9	
12.93	15.28	27.20	326,741	1.28	1.35	1.22	1.29	8.42	67,990	18	
10.72	12.92	1.54	269,916	1.44	1.44	1.34	1.34	9.43	60,514	15	
\$ 13.02	\$ 13.96	15.05%	\$ 800,390	1.16%*	1.16%*	1.11%*	1.11%*	6.24%*	\$ 79,519	0%	
12.39	12.51	6.56	760,212	1.11*	1.11*	1.10*	1.10*	6.57*	76,782	10	
12.11	12.19	6.15	742,133	1.16	1.16	1.11	1.11	6.65	75,553	10	
11.94	12.25	7.76	730,088	1.21	1.21	1.16	1.16	7.22	74,733	16	
12.17	12.19	3.41	741,368	1.16	1.17	1.11	1.12	6.74	75,501	16	
11.91	12.54	28.70	722,161	1.19	1.26	1.11	1.18	8.04	74,192	26	
10.12	10.45	1.30	610,800	1.37	1.37	1.24	1.24	8.80	66,606	21	
\$ 11.80	\$ 12.88	15.52%	\$ 386,114	1.26%*	1.26%*	1.17%*	1.17%*	6.76%*	\$ 76,070	1%	
11.13	11.51	6.70	363,382	1.19*	1.19*	1.17*	1.17*	7.09*	73,123	2	
10.88	10.97	9.65	355,368	1.23	1.23	1.17	1.17	7.14	72,006	5	
10.78	10.71	10.69	351,139	1.29	1.29	1.23	1.23	7.47	71,447	15	
9.58	10.45	(15.39)	311,231	1.27	1.27	1.20	1.20	7.04	66,168	20	
11.02	13.31	33.20	357,139	1.27	1.33	1.17	1.23	8.00	72,239	25	
9.69	10.75	2.01	313,021	1.44	1.46	1.28	1.30	9.39	66,404	14	
\$ 15.27	\$ 16.93	11.05%	\$ 285,057	1.33%*	1.33%*	1.22%*	1.22%*	6.45%*	\$ 72,507	1%	
14.61	15.70	4.60	272,345	1.24*	1.24*	1.21*	1.21*	6.76*	70,388	13	
14.33	15.66	16.08	266,838	1.32	1.32	1.22	1.22	6.67	69,473	11	
13.77	14.38	0.61	255,751	1.36	1.36	1.27	1.27	7.55	67,624	21	
14.71	15.33	9.96	272,398	1.30	1.31	1.21	1.22	7.17	70,398	12	
13.75	14.83	32.94	253,870	1.36	1.43	1.25	1.32	8.63	67,310	9	
11.32	11.99	(2.79)	208,147	1.48	1.48	1.34	1.34	9.21	59,689	19	
\$ 9.45	\$ 11.05	14.74%	\$ 301,197	1.34%*	1.34%*	1.24%*	1.24%*	6.77%*	\$ 71,193	7%	
8.95	9.94	6.19	285,097	1.25*	1.25*	1.23*	1.23*	7.42*	68,724	10	
8.69	9.75	9.85	276,525	1.32	1.32	1.21	1.21	7.48	67,411	12	
8.61	9.52	(1.76)	273,289	1.41	1.41	1.30	1.30	8.51	66,915	14	
8.93	10.51	11.41	282,181	1.34	1.35	1.23	1.24	7.65	68,279	13	
8.65	10.15	19.59	272,570	1.44	1.52	1.24	1.32	8.99	66,804	25	
7.38	9.21	7.53	231,486	1.55	1.55	1.37	1.37	9.73	60,503	15	
\$ 10.75	\$ 12.30	6.47%	\$ 238,195	1.35%*	1.35%*	1.21%*	1.21%*	6.25%*	\$ 72,635	3%	
10.31	11.92	10.76	228,221	1.25*	1.25*	1.21*	1.21*	6.44*	70,641	2	
10.08	10.94	12.80	223,030	1.30	1.30	1.21	1.21	6.68	69,605	24	
10.02	10.40	19.73	221,415	1.37	1.37	1.26	1.26	7.29	69,282	11	
9.09	9.36	(13.98)	200,245	1.35	1.35	1.25	1.25	7.93	65,409	25	
10.23	11.68	31.62	224,596	1.34	1.40	1.20	1.26	8.40	69,918	10	
9.08	9.53	(0.47)	198,748	1.48	1.50	1.32	1.34	9.01	64,749	11	

Financial Highlights (Cont.)

	Investment Operations							Less Distributions to Common Shareholders ^(b)			
	Net Asset Value		Distributions on		Preferred Shares		Distributions on Preferred Shares	From Net Tax Basis			Total
	Beginning of	Net	Net Realized/	from Net	on Preferred	From Net		Realized	Return		
	Year or	Investment	Unrealized	Investment	Shares	Investment	Capital	of			
Period	Income ^(a)	Gain (Loss)	Income ^(b)	Gains (Loss) ^(b)	Total	Income	Gain (Loss)	Capital			
PIMCO New York Municipal Income Fund											
01/01/2016 - 06/30/2016+	\$ 12.10	\$ 0.33	\$ 0.73	\$ (0.01)	\$ 0.00	\$ 1.05	\$ (0.34)	\$ 0.00	\$ 0.00	\$ (0.34)	
05/01/2015 - 12/31/2015 ^(f)	11.92	0.47	0.18	(0.01)	0.00	0.64	(0.46)	0.00	0.00	(0.46) ⁽ⁱ⁾	
04/30/2015	11.20	0.68	0.73	(0.01)	0.00	1.40	(0.68)	0.00	0.00	(0.68)	
04/30/2014	12.04	0.67	(0.82)	(0.01)	0.00	(0.16)	(0.68)	0.00	0.00	(0.68)	
04/30/2013	11.38	0.70	0.66	(0.02)	0.00	1.34	(0.68)	0.00	0.00	(0.68)	
04/30/2012	9.92	0.74	1.41	(0.01)	0.00	2.14	(0.68)	0.00	0.00	(0.68)	
04/30/2011	10.67	0.80	(0.84)	(0.03)	0.00	(0.07)	(0.68)	0.00	0.00	(0.68)	
PIMCO New York Municipal Income Fund II											
01/01/2016 - 06/30/2016+	\$ 11.41	\$ 0.35	\$ 0.63	\$ (0.02)	\$ 0.00	\$ 0.96	\$ (0.40)	\$ 0.00	\$ 0.00	\$ (0.40)	
06/01/2015 - 12/31/2015 ^(g)	11.28	0.43	0.17	(0.01)	0.00	0.59	(0.46)	0.00	0.00	(0.46) ⁽ⁱ⁾	
05/31/2015	10.98	0.75	0.36	(0.01)	0.00	1.10	(0.80)	0.00	0.00	(0.80)	
05/31/2014	11.32	0.75	(0.28)	(0.01)	0.00	0.46	(0.80)	0.00	0.00	(0.80)	
05/31/2013	11.37	0.79	(0.02)	(0.02)	0.00	0.75	(0.80)	0.00	0.00	(0.80)	
05/31/2012	10.10	0.85	1.24	(0.02)	0.00	2.07	(0.80)	0.00	0.00	(0.80)	
05/31/2011	10.90	0.88	(0.85)	(0.03)	0.00	0.00	(0.80)	0.00	0.00	(0.80)	
PIMCO New York Municipal Income Fund III											
01/01/2016 - 06/30/2016+	\$ 9.55	\$ 0.27	\$ 0.47	\$ (0.01)	\$ 0.00	\$ 0.73	\$ (0.32)	\$ 0.00	\$ 0.00	\$ (0.32)	
10/01/2015 - 12/31/2015 ^(h)	9.42	0.14	0.15	(0.00) [^]	0.00	0.29	(0.16)	0.00	0.00	(0.16) ⁽ⁱ⁾	
09/30/2015	9.43	0.57	0.06	(0.01)	0.00	0.62	(0.63)	0.00	0.00	(0.63)	
09/30/2014	8.51	0.56	1.00	(0.01)	0.00	1.55	(0.63)	0.00	0.00	(0.63)	
09/30/2013	9.65	0.62	(1.12)	(0.01)	0.00	(0.51)	(0.63)	0.00	0.00	(0.63)	
09/30/2012	8.82	0.77	0.70	(0.01)	0.00	1.46	(0.63)	0.00	0.00	(0.63)	
09/30/2011	9.38	0.69	(0.60)	(0.02)	0.00	0.07	(0.63)	0.00	0.00	(0.63)	

+ Unaudited

* Annualized

Reflects an amount rounding to less than one percent.

[^] Reflects an amount rounding to less than one cent.

^(a) Per share amounts based on average number of common shares outstanding during the year or period.

^(b) The tax characterization of distributions is determined in accordance with federal income tax regulations. The actual tax characterization of distributions paid are determined at the end of the fiscal year. See Note 2(b) in the Notes to Financial Statements for more information.

^(c) Total investment return is calculated assuming a purchase of a common share at the market price on the first day and a sale of a common share at the market price on the last day of each year or period reported. Dividends and distributions, if any, are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Funds' dividend reinvestment plan. Total investment return does not reflect brokerage commissions in connection with the purchase or sale of Fund shares.

^(d) Calculated on the basis of income and expenses applicable to both common and preferred shares relative to the average net assets of common shareholders.

^(e) Interest expense primarily relates to participation in borrowing and financing transactions. See Note 5 in the Notes to Financial Statements for more information.

^(f) Fiscal year end changed from April 30th to December 31st.

^(g) Fiscal year end changed from May 31st to December 31st.

^(h) Fiscal year end changed from September 30th to December 31st.

⁽ⁱ⁾ Total distributions for the period ended December 31, 2015 may be lower than prior fiscal years due to fiscal year end changes resulting in a reduction of the amount of days in the period ended December 31, 2015.

Common Share			Ratios/Supplemental Data							
			Ratios to Average Net Assets							
Net Assets	Market Price	Total	Net Assets	Expenses	Expenses	Expenses	Expenses	Net	Preferred	Portfolio
Value End of	End of Year	Investment	Applicable	Excluding	Excluding	Excluding	Excluding	Investment	Shares Asset	Turnover
Year or	or Period	Return ^(c)	to Common	Waivers ^{(d)(e)}	Interest	Interest	Interest	Income ^(d)	Coverage	Rate
Period			Shareholders		Expense ^(d)	Expense and	Expense and		Per Share	
			(000s)	Expenses ^{(d)(e)}	Waivers ^{(d)(e)}	Expense ^(d)	Waivers ^(d)			
\$ 12.81	\$ 14.17	22.35%	\$ 98,889	1.40%*	1.40%*	1.30%*	1.30%*	5.51%*	\$ 77,598	3%
12.10	11.90	7.23	93,205	1.27*	1.27*	1.26*	1.26*	5.82*	74,574	5
11.92	11.54	7.72	91,832	1.39	1.39	1.31	1.31	5.78	73,847	1
11.20	11.36	(3.21)	86,211	1.46	1.46	1.40	1.40	6.28	70,857	10
12.04	12.52	12.96	92,509	1.36	1.37	1.30	1.31	5.89	74,203	16
11.38	11.73	26.36	87,126	1.37	1.44	1.31	1.38	7.00	71,341	21
9.92	9.89	(5.57)	75,728	1.51	1.51	1.42	1.42	7.70	65,279	29
\$ 11.97	\$ 14.39	20.14%	\$ 132,577	1.43%*	1.43%*	1.35%*	1.35%*	6.09%*	\$ 66,952	4%
11.41	12.35	4.36	126,085	1.35*	1.35*	1.33*	1.33*	6.48*	64,898	7
11.28	12.32	9.89	124,424	1.40	1.40	1.33	1.33	6.65	64,373	7
10.98	12.01	7.83	120,520	1.51	1.51	1.45	1.45	7.30	63,139	5
11.32	12.01	4.14	123,685	1.42	1.43	1.33	1.34	6.78	64,140	25
11.37	12.29	20.97	123,667	1.45	1.53	1.36	1.44	7.86	64,135	18
10.10	10.92	3.03	109,256	1.55	1.55	1.44	1.44	8.46	59,574	7
\$ 9.96	\$ 11.56	16.02%	\$ 56,654	1.59%*	1.59%*	1.49%*	1.49%*	5.71%*	\$ 69,258	4%
9.55	10.27	5.75	54,247	1.55*	1.55*	1.53*	1.53*	5.87*	67,378	0
9.42	9.87	11.09	53,548	1.55	1.55	1.49	1.49	6.04	66,764	13
9.43	9.49	9.47	53,369	1.66	1.66	1.60	1.60	6.31	66,695	24
8.51	9.30	(6.83)	48,007	1.65	1.65	1.56	1.56	6.72	62,505	17
9.65	10.66	26.56	54,327	1.64	1.70	1.50	1.56	8.42	67,441	16
8.82	9.00	(1.27)	49,490	1.73	1.75	1.58	1.60	8.07	63,663	9

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Statements of Assets and Liabilities

	PIMCO Municipal Income Fund	PIMCO Municipal Income Fund II	PIMCO Municipal Income Fund III	PIMCO California Municipal Income Fund
(Amounts in thousands, except per share amounts)				
Assets:				
<i>Investments, at value</i>				
Investments in securities*	\$ 553,879	\$ 1,183,303	\$ 596,419	\$ 459,170
Cash	511	476	566	96
Receivable for investments sold	0	0	961	0
Interest and/or dividends receivable	7,205	13,742	6,896	6,294
Other assets	71	16	7	8
Total Assets	561,666	1,197,537	604,849	465,568
Liabilities:				
<i>Borrowings & Other Financing Transactions</i>				
Payable for tender option bond floating rate certificates	\$ 10,485	\$ 25,026	\$ 26,140	\$ 28,553
Payable for investments purchased	3,082	0	961	0
Distributions payable to common shareholders	2,077	3,996	2,038	1,437
Distributions payable to preferred shareholders	13	25	13	8
Accrued management fees	313	650	330	249
Other liabilities	220	450	253	264
Total Liabilities	16,190	30,147	29,735	30,511
Preferred Shares (\$0.00001 par value and \$25,000 liquidation preference per share)	190,000	367,000	189,000	150,000
Net Assets Applicable to Common Shareholders	\$ 355,476	\$ 800,390	\$ 386,114	\$ 285,057
Net Assets Applicable to Common Shareholders Consist of:				
Par value (\$0.00001 per share)	0	1	0	0
Paid in capital in excess of par	330,648	805,108	434,441	244,460
Undistributed (overdistributed) net investment income	275	25,055	(93)	13,182
Accumulated undistributed net realized (loss)	(54,075)	(183,620)	(137,455)	(33,675)
Net unrealized appreciation	78,628	153,846	89,221	61,090
Net Assets Applicable to Common Shareholders	\$ 355,476	\$ 800,390	\$ 386,114	\$ 285,057
Net Asset Value Per Common Share	\$ 13.91	\$ 13.02	\$ 11.80	\$ 15.27
Common shares issued and outstanding	25,558	61,484	32,718	18,667
Preferred shares issued and outstanding	8	15	8	6
Cost of investments in securities	\$ 475,263	\$ 1,029,446	\$ 507,199	\$ 398,081
* Includes repurchase agreements of:	\$ 9,300	\$ 0	\$ 0	\$ 0

A zero balance may reflect actual amounts rounding to less than one thousand.

June 30, 2016 (Unaudited)

PIMCO	PIMCO	PIMCO	PIMCO	PIMCO
California	California	New York	New York	New York
Municipal	Municipal	Municipal	Municipal	Municipal
Income Fund II	Income Fund III	Income Fund	Income Fund II	Income Fund III
\$ 488,303	\$ 386,918	\$ 153,421	\$ 219,027	\$ 93,100
428	489	599	488	546
1,657	1,274	0	0	0
6,248	5,163	1,994	2,766	980
12	3	2,288	10	0
496,648	393,847	158,302	222,291	94,626
\$ 28,731	\$ 28,356	\$ 10,513	\$ 8,212	\$ 4,940
1,580	533	1,221	1,221	610
1,714	1,330	440	733	299
11	11	2	4	2
266	211	91	126	62
149	211	146	418	59
32,451	30,652	12,413	10,714	5,972
163,000	125,000	47,000	79,000	32,000
\$ 301,197	\$ 238,195	\$ 98,889	\$ 132,577	\$ 56,654
0	0	0	0	0
403,650	290,002	97,608	148,275	75,582
(2,276)	3,684	2,077	(632)	589
(175,972)	(105,109)	(20,215)	(41,786)	(30,284)
75,795	49,618	19,419	26,720	10,767
\$ 301,197	\$ 238,195	\$ 98,889	\$ 132,577	\$ 56,654
\$ 9.45	\$ 10.75	\$ 12.81	\$ 11.97	\$ 9.96
31,886	22,167	7,717	11,072	5,689
7	5	2	3	1
\$ 412,508	\$ 337,301	\$ 134,593	\$ 192,223	\$ 82,333
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Statements of Operations

Six Months Ended June 30, 2016 (Unaudited)

(Amounts in thousands)	PIMCO Municipal Income Fund	PIMCO Municipal Income Fund II	PIMCO Municipal Income Fund III	PIMCO California Municipal Income Fund
Investment Income:				
Interest	\$ 13,477	\$ 28,112	\$ 14,648	\$ 10,532
Total Income	13,477	28,112	14,648	10,532
Expenses:				
Management fees	1,846	3,832	1,940	1,472
Auction agent fees and commissions	140	270	137	110
Trustee fees and related expenses	44	94	45	35
Interest expense	73	197	159	152
Auction rate preferred shares related expenses	40	27	14	30
Miscellaneous expense	3	4	3	2
Total Expenses	2,146	4,424	2,298	1,801
Net Investment Income	11,331	23,688	12,350	8,731
Net Realized Gain:				
Investments in securities	1,438	1,663	960	116
Net Realized Gain	1,438	1,663	960	116
Net Change in Unrealized Appreciation:				
Investments in securities	16,643	37,765	21,170	12,495
Net Change in Unrealized Appreciation	16,643	37,765	21,170	12,495
Net Increase in Net Assets Resulting from Operations	\$ 29,412	\$ 63,116	\$ 34,480	\$ 21,342
Distributions on Preferred Shares from Net Investment Income	\$ (425)	\$ (821)	\$ (423)	\$ (335)
Net Increase in Net Assets Applicable to Common Shareholders Resulting from Operations	\$ 28,987	\$ 62,295	\$ 34,057	\$ 21,007

24 PIMCO CLOSED-END FUNDS

See Accompanying Notes

PIMCO California Municipal Income Fund II	PIMCO California Municipal Income Fund III	PIMCO New York Municipal Income Fund	PIMCO New York Municipal Income Fund II	PIMCO New York Municipal Income Fund III
\$ 11,543	\$ 8,607	\$ 3,230	\$ 4,727	\$ 1,969
11,543	8,607	3,230	4,727	1,969
1,565	1,247	538	747	367
120	92	35	58	23
37	29	12	17	7
145	157	45	50	27
37	4	20	24	4
2	1	1	1	1
1,906	1,530	651	897	429
9,637	7,077	2,579	3,830	1,540
1,713	841	200	475	133
1,713	841	200	475	133
15,065	10,055	5,503	6,508	2,522
15,065	10,055	5,503	6,508	2,522
\$ 26,415	\$ 17,973	\$ 8,282	\$ 10,813	\$ 4,195
\$ (365)	\$ (280)	\$ (106)	\$ (176)	\$ (72)
\$ 26,050	\$ 17,693	\$ 8,176	\$ 10,637	\$ 4,123

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26 PIMCO CLOSED-END FUNDS

Statements of Changes in Net Assets

	PIMCO			PIMCO		
	Municipal Income Fund			Municipal Income Fund II		
	Six Months Ended June 30, 2016 (Unaudited)	Period from May 1, 2015 to December 31, 2015 ^(a)	Year Ended April 30, 2015	Six Months Ended June 30, 2016 (Unaudited)	Period from June 1, 2015 to December 31, 2015 ^(b)	Year Ended May 31, 2015
(Amounts in thousands)						
Increase in Net Assets from:						
Operations:						
Net investment income	\$ 11,331	\$ 16,665	\$ 23,709	\$ 23,688	\$ 29,008	\$ 49,450
Net realized gain (loss)	1,438	161	(1,080)	1,663	410	1,136
Net change in unrealized appreciation	16,643	2,788	17,051	37,765	16,059	8,054
Net increase in net assets resulting from operations	29,412	19,614	39,680	63,116	45,477	58,640
Distributions on preferred shares from net investment income ^(c)	(425)	(222)	(211)	(821)	(368)	(420)
Net Increase in Net Assets Applicable to Common Shareholders Resulting from Operations	28,987	19,392	39,469	62,295	45,109	58,220
Distributions to Common Shareholders:						
From net investment income	(12,451)	(16,571)	(24,797)	(23,955)	(27,892)	(47,740)
Total Distributions to Common Shareholders^(c)	(12,451)	(16,571)^(d)	(24,797)	(23,955)	(27,892)^(d)	(47,740)
Common Share Transactions**:						
Issued as reinvestment of distributions	598	746	948	1,838	862	1,565
Total Increase in Net Assets	17,134	3,567	15,620	40,178	18,079	12,045
Net Assets Applicable to Common Shareholders:						
Beginning of period	338,342	334,775	319,155	760,212	742,133	730,088
End of period*	\$ 355,476	\$ 338,342	\$ 334,775	\$ 800,390	\$ 760,212	\$ 742,133
* Including undistributed net investment income of:	\$ 275	\$ 1,820	\$ 1,979	\$ 25,055	\$ 26,143	\$ 25,414
** Common Share Transactions:						
Shares issued as reinvestment of distributions	40	54	68	146	70	128

(a) Fiscal year end changed from April 30th to December 31st.

(b) Fiscal year end changed from May 31st to December 31st.

(c) The tax characterization of distributions is determined in accordance with federal income tax regulations. The actual tax characterization of distributions paid are determined at the end of the fiscal year. See Note 2(b) in the Notes to Financial Statements for more information.

(d) Total distributions for the period ended December 31, 2015 may be lower than prior fiscal years due to fiscal year end changes resulting in a reduction of the amount of days in the period ended December 31, 2015.

Statements of Changes in Net Assets (Cont.)

	PIMCO			PIMCO		
	Municipal Income Fund III			California Municipal Income Fund		
	Six Months Ended Period from June 30, 2016	October 1, 2015 to December 31, 2015 ^(a)	Year Ended September 30, 2015	Six Months Ended Period from June 30, 2016	May 1, 2015 to December 31, 2015 ^(b)	Year Ended April 30, 2015
(Amounts in thousands)	(Unaudited)			(Unaudited)		
Increase in Net Assets from:						
Operations:						
Net investment income	\$ 12,350	\$ 6,627	\$ 25,469	\$ 8,731	\$ 12,157	\$ 17,678
Net realized gain (loss)	960	612	1,031	116	593	455
Net change in unrealized appreciation (depreciation)	21,170	7,195	1,472	12,495	3,978	9,666
Net increase in net assets resulting from operations	34,480	14,434	27,972	21,342	16,728	27,799
Distributions on preferred shares from net investment income ^(d)	(423)	(98)	(242)	(335)	(174)	(165)
Net Increase in Net Assets Applicable to Common Shareholders Resulting from Operations	34,057	14,336	27,730	21,007	16,554	27,634
Distributions to Common Shareholders:						
From net investment income	(12,224)	(6,106)	(24,386)	(8,620)	(11,478)	(17,183)
Total Distributions to Common Shareholders^(d)	(12,224)	(6,106)^(e)	(24,386)	(8,620)	(11,478)^(e)	(17,183)
Common Share Transactions**:						
Issued as reinvestment of distributions	449	234	885	325	431	636
Total Increase in Net Assets	22,282	8,464	4,229	12,712	5,507	11,087
Net Assets Applicable to Common Shareholders:						
Beginning of period	363,832	355,368	351,139	272,345	266,838	255,751
End of period*	\$ 386,114	\$ 363,832	\$ 355,368	\$ 285,057	\$ 272,345	\$ 266,838
* Including undistributed (overdistributed) net investment income of:	\$ (93)	\$ 204	\$ (201)	\$ 13,182	\$ 13,406	\$ 12,917
** Common Share Transactions:						
Shares issued as reinvestment of distributions	39	21	81	21	29	45

A zero balance may reflect actual amounts rounding to less than one thousand.

(a) Fiscal year end changed from September 30th to December 31st.

(b) Fiscal year end changed from April 30th to December 31st.

(c) Fiscal year end changed from May 31st to December 31st.

(d) The tax characterization of distributions is determined in accordance with federal income tax regulations. The actual tax characterization of distributions paid are determined at the end of the fiscal year. See Note 2(b) in the Notes to Financial Statements for more information.

(e) Total distributions for the period ended December 31, 2015 may be lower than prior fiscal years due to fiscal year end changes resulting in a reduction of the amount of days in the period ended December 31, 2015.

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PIMCO California Municipal Income Fund II			PIMCO California Municipal Income Fund III			PIMCO New York Municipal Income Fund		
Six Months Ended June 30, 2016 (Unaudited)	Period from June 1, 2015 to December 31, 2015 ^(c)	Year Ended May 31, 2015	Six Months Ended June 30, 2016 (Unaudited)	Period from October 1, 2015 to December 31, 2015 ^(a)	Year Ended September 30, 2015	Six Months Ended June 30, 2016 (Unaudited)	Period from May 1, 2015 to December 31, 2015 ^(b)	Year Ended April 30, 2015
\$ 9,637	\$ 12,226	\$ 20,816	\$ 7,077	\$ 3,762	\$ 14,934	\$ 2,579	\$ 3,619	\$ 5,247
1,713	122	6,746	841	(107)	4,105	200	296	0
15,065	7,982	(4,455)	10,055	5,478	(1,806)	5,503	1,026	5,582
26,415	20,330	23,107	17,973	9,133	17,233	8,282	4,941	10,829
(365)	(164)	(188)	(280)	(66)	(160)	(106)	(54)	(54)
26,050	20,166	22,919	17,693	9,067	17,073	8,176	4,887	10,775
(10,279)	(11,978)	(20,493)	(7,976)	(3,985)	(15,922)	(2,637)	(3,514)	(5,269)
(10,279)	(11,978) ^(e)	(20,493)	(7,976)	(3,985) ^(e)	(15,922)	(2,637)	(3,514) ^(e)	(5,269)
329	384	810	257	109	464	145	0	115
16,100	8,572	3,236	9,974	5,191	1,615	5,684	1,373	5,621
285,097	276,525	273,289	228,221	223,030	221,415	93,205	91,832	86,211
\$ 301,197	\$ 285,097	\$ 276,525	\$ 238,195	\$ 228,221	\$ 223,030	\$ 98,889	\$ 93,205	\$ 91,832
\$ (2,276)	\$ (1,269)	\$ (1,482)	\$ 3,684	\$ 4,863	\$ 5,160	\$ 2,077	\$ 2,241	\$ 2,137
33	41	89	23	10	45	12	0	10

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Statements of Changes in Net Assets (Cont.)

	PIMCO New York Municipal Income Fund II			PIMCO New York Municipal Income Fund III		
	Six Months Ended June 30, 2016 (Unaudited)	Period from June 1, 2015 to December 31, 2015 ^(a)	Year Ended May 31, 2015	Six Months Ended June 30, 2016 (Unaudited)	Period from October 1, 2015 to December 31, 2015 ^(b)	Year Ended September 30, 2015
(Amounts in thousands)						
Increase in Net Assets from:						
Operations:						
Net investment income	\$ 3,830	\$ 4,783	\$ 8,238	\$ 1,540	\$ 819	\$ 3,246
Net realized gain (loss)	475	244	(515)	133	0	106
Net change in unrealized appreciation	6,508	1,538	4,505	2,522	837	158
Net increase in net assets resulting from operations	10,813	6,565	12,228	4,195	1,656	3,510
Distributions on preferred shares from net investment income ^(c)	(176)	(79)	(90)	(72)	(16)	(41)
Net Increase in Net Assets Applicable to Common Shareholders Resulting from Operations	10,637	6,486	12,138	4,123	1,640	3,469
Distributions to Common Shareholders:						
From net investment income	(4,398)	(5,120)	(8,750)	(1,791)	(895)	(3,571)
Total Distributions to Common Shareholders^(c)	(4,398)	(5,120) ^(d)	(8,750)	(1,791)	(895) ^(d)	(3,571)
Common Share Transactions**:						
Issued as reinvestment of distributions	253	295	516	75	44	191
Total Increase in Net Assets	6,492	1,661	3,904	2,407	789	89
Net Assets Applicable to Common Shareholders:						
Beginning of period	126,085	124,424	120,520	54,247	53,458	53,369
End of period*	\$ 132,577	\$ 126,085	\$ 124,424	\$ 56,654	\$ 54,247	\$ 53,458
* Including undistributed (overdistributed) net investment income of:	\$ (632)	\$ 112	\$ 531	\$ 589	\$ 912	\$ 1,007
** Common Share Transactions:						
Shares issued as reinvestment of distributions	20	26	45	7	5	20

A zero balance may reflect actual amounts rounding to less than one thousand.

(a) Fiscal year end changed from May 31st to December 31st.

(b) Fiscal year end changed from September 30th to December 31st.

(c) The tax characterization of distributions is determined in accordance with federal income tax regulations. The actual tax characterization of distributions paid are determined at the end of the fiscal year. See Note 2(b) in the Notes to Financial Statements for more information.

(d) Total distributions for the period ended December 31, 2015 may be lower than prior fiscal years due to fiscal year end changes resulting in a reduction of the amount of days in the period ended December 31, 2015.

Schedule of Investments PIMCO Municipal Income Fund

June 30, 2016 (Unaudited)

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
INVESTMENTS IN SECURITIES 155.8%		
MUNICIPAL BONDS & NOTES 152.7%		
ALABAMA 5.5%		
Huntsville-Redstone Village Special Care Facilities Financing Authority, Alabama Revenue Bonds, Series 2007		
5.500% due 01/01/2028	\$ 235	\$ 236
5.500% due 01/01/2043	885	887
Jefferson County, Alabama Sewer Revenue Bonds, Series 2013		
0.000% due 10/01/2050 (d)	15,000	11,725
6.500% due 10/01/2053	2,000	2,504
Lower Alabama Gas District Revenue Bonds, Series 2016		
5.000% due 09/01/2046	3,000	4,178
		19,530
ALASKA 1.1%		
Alaska Industrial Development & Export Authority Revenue Bonds, Series 2007		
6.000% due 12/01/2036 ^	900	122
Matanuska-Susitna Borough, Alaska Revenue Bonds, (AGC Insured), Series 2009		
6.000% due 09/01/2032	3,280	3,814
		3,936
ARIZONA 3.6%		
Arizona Health Facilities Authority Revenue Bonds, Series 2007		
5.200% due 10/01/2037	2,750	2,762
Arizona Health Facilities Authority Revenue Bonds, Series 2008		
5.500% due 01/01/2038	2,050	2,195
Industrial Development Authority of the County, Arizona of Pima Revenue Bonds, Series 2010		
5.250% due 10/01/2040	750	832
Maricopa County, Arizona Pollution Control Corp. Revenue Bonds, Series 2000		
5.000% due 06/01/2035	1,500	1,703
Salt River Project Agricultural Improvement & Power District, Arizona Revenue Bonds, Series 2009		
5.000% due 01/01/2039 (e)	5,000	5,478
		12,970
ARKANSAS 0.8%		
Arkansas Development Finance Authority Revenue Bonds, (AMBAC Insured), Series 2006		
0.000% due 07/01/2036 (b)	5,500	2,784
CALIFORNIA 23.9%		
Bay Area Toll Authority, California Revenue Bonds, Series 2010		
5.000% due 10/01/2034	2,875	3,281
5.000% due 10/01/2042	3,255	3,681
Bay Area Toll Authority, California Revenue Bonds, Series 2013		
5.250% due 04/01/2053	10,000	11,701
Bay Area Toll Authority, California Revenue Bonds, Series 2014		

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5.000% due 10/01/2054	4,000	4,799
California County Tobacco Securitization Agency Revenue Bonds, Series 2002		
6.000% due 06/01/2035	2,000	2,001
6.125% due 06/01/2038	1,000	1,000
California Health Facilities Financing Authority Revenue Bonds, Series 2009		
6.000% due 07/01/2039	2,000	2,300
California Health Facilities Financing Authority Revenue Bonds, Series 2011		
6.000% due 08/15/2042	1,500	1,825
	PRINCIPAL	MARKET
	AMOUNT	VALUE
	(000S)	(000S)
California Municipal Finance Authority Revenue Bonds, Series 2011		
7.750% due 04/01/2031	\$ 1,275	\$ 1,607
California State General Obligation Bonds, Series 2007		
5.000% due 11/01/2032	700	740
5.000% due 06/01/2037	1,200	1,249
California State General Obligation Bonds, Series 2008		
5.125% due 08/01/2036	2,300	2,507
5.250% due 03/01/2038	1,250	1,342
California State General Obligation Bonds, Series 2009		
6.000% due 04/01/2038	3,200	3,646
California State General Obligation Bonds, Series 2010		
5.250% due 11/01/2040	1,900	2,234
5.500% due 03/01/2040	500	580
California Statewide Communities Development Authority Revenue Bonds, (FHA Insured), Series 2009		
6.625% due 08/01/2029	2,310	2,721
6.750% due 02/01/2038	8,485	10,027
California Statewide Communities Development Authority Revenue Bonds, Series 2008		
5.500% due 07/01/2031	845	888
California Statewide Communities Development Authority Revenue Bonds, Series 2011		
5.000% due 12/01/2041	1,000	1,178
6.500% due 11/01/2021	515	574
Chula Vista, California Revenue Bonds, Series 2004		
5.875% due 02/15/2034	3,000	3,413
Los Angeles Community College District, California General Obligation Bonds, (NPFGC Insured), Series 2007		
5.000% due 08/01/2032	5,300	5,552
M-S-R Energy Authority, California Revenue Bonds, Series 2009		
6.125% due 11/01/2029	2,000	2,714
Montebello Unified School District, California General Obligation Bonds, (AGM Insured), Series 2008		
5.000% due 08/01/2033	4,175	4,551
Orange County, California Airport Revenue Bonds, Series 2009		
5.250% due 07/01/2039	5,000	5,628
San Marcos Unified School District, California General Obligation Bonds, Series 2011		
5.000% due 08/01/2038	1,600	1,860
Whittier Union High School District, California General Obligation Bonds, Series 2009		
0.000% due 08/01/2025 (b)	2,000	1,372
		84,971
COLORADO 1.0%		
Denver Health & Hospital Authority, Colorado Revenue Bonds, Series 2010		
5.625% due 12/01/2040	450	497
Public Authority for Colorado Energy Revenue Bonds, Series 2008		
6.500% due 11/15/2038	500	750
Regional Transportation District, Colorado Certificates of Participation Bonds, Series 2010		
5.375% due 06/01/2031	400	457
University of Colorado Revenue Bonds, Series 2009		
5.375% due 06/01/2038	1,500	1,699
		3,403
CONNECTICUT 2.4%		
Connecticut State Health & Educational Facility Authority Revenue Bonds, Series 2011		
5.000% due 07/01/2041	5,000	5,625
Connecticut State Health & Educational Facility Authority Revenue Bonds, Series 2012		

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5.000% due 07/01/2042	2,500	2,810
		8,435
	PRINCIPAL	MARKET
	AMOUNT	VALUE
	(000S)	(000S)
DISTRICT OF COLUMBIA 0.8%		
District of Columbia Revenue Bonds, Series 2009		
5.750% due 10/01/2039	\$ 2,500	\$ 2,833
FLORIDA 2.9%		
Broward County, Florida Water & Sewer Utility Revenue Bonds, Series 2009		
5.250% due 10/01/2034 (e)	4,000	4,406
Florida Development Finance Corp. Revenue Notes, Series 2011		
6.500% due 06/15/2021	220	245
Florida State General Obligation Bonds, Series 2009		
5.000% due 06/01/2038 (e)	3,900	4,224
Miami-Dade County, Florida School Board Foundation, Inc. Certificates of Participation Bonds, (AGC Insured), Series 2009		
5.375% due 02/01/2034	1,250	1,398
		10,273
GEORGIA 3.6%		
Medical Center Hospital Authority, Georgia Revenue Bonds, Series 2007		
5.250% due 07/01/2037	2,300	2,343
Municipal Electric Authority of Georgia Revenue Bonds, Series 2015		
5.000% due 07/01/2060	9,000	10,517
		12,860
ILLINOIS 9.1%		
Chicago, Illinois General Obligation Bonds, Series 2003		
5.500% due 01/01/2034	1,750	1,805
Chicago, Illinois General Obligation Bonds, Series 2007		
5.500% due 01/01/2042	2,400	2,449
Chicago, Illinois General Obligation Bonds, Series 2015		
5.375% due 01/01/2029	6,700	6,938
5.500% due 01/01/2034	2,300	2,372
Chicago, Illinois Revenue Bonds, Series 2002		
5.000% due 01/01/2028	2,000	2,231
Illinois Finance Authority Revenue Bonds, Series 2009		
5.500% due 07/01/2037 (e)	5,000	5,477
7.125% due 11/15/2037	400	472
Illinois State Toll Highway Authority Revenue Bonds, Series 2015		
5.000% due 01/01/2040	7,000	8,488
Springfield, Illinois Electric Revenue Bonds, Series 2008		
5.000% due 03/01/2036	1,900	2,035
		32,267
INDIANA 1.8%		
Indiana Finance Authority Revenue Bonds, Series 2012		
5.000% due 06/01/2032	3,000	3,248
Indiana Municipal Power Agency Revenue Bonds, Series 2009		
6.000% due 01/01/2039	1,000	1,131
Vigo County, Indiana Hospital Authority Revenue Bonds, Series 2011		
7.500% due 09/01/2022	1,720	2,007
		6,386

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IOWA 3.9%

Iowa Finance Authority Revenue Bonds, Series 2007

6.750% due 11/15/2037	3,500	3,789
6.750% due 11/15/2042	1,500	1,624

Iowa Finance Authority Revenue Bonds, Series 2013

5.250% due 12/01/2025	1,000	1,089
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Iowa Finance Authority Revenue Bonds, Series 2014

2.000% due 05/15/2056 ^	532	6
2.700% due 11/15/2046 ^	2,836	2,472

See Accompanying Notes

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Schedule of Investments PIMCO Municipal Income Fund (Cont.)

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Iowa Finance Authority Revenue Notes, Series 2013		
5.000% due 12/01/2019	\$ 4,630	\$ 4,822
		13,802
KANSAS 0.4%		
Kansas Development Finance Authority Revenue Bonds, Series 2009		
5.750% due 11/15/2038	1,000	1,151
Lenexa, Kansas Tax Allocation Bonds, Series 2007		
6.000% due 04/01/2027 ^	849	187
		1,338
KENTUCKY 0.3%		
Kentucky Economic Development Finance Authority Revenue Bonds, Series 2010		
6.375% due 06/01/2040	1,000	1,148
LOUISIANA 1.6%		
Louisiana Local Government Environmental Facilities & Community Development Authority Revenue Bonds, (ACA Insured), Series 2000		
6.550% due 09/01/2025	1,680	1,947
Louisiana Local Government Environmental Facilities & Community Development Authority Revenue Bonds, Series 2010		
5.875% due 10/01/2040	750	887
6.500% due 11/01/2035	400	481
Louisiana Public Facilities Authority Revenue Bonds, Series 2011		
6.500% due 05/15/2037	2,000	2,519
		5,834
MARYLAND 1.4%		
Maryland Economic Development Corp. Revenue Bonds, Series 2010		
5.750% due 06/01/2035	1,500	1,676
Maryland Health & Higher Educational Facilities Authority Revenue Bonds, Series 2010		
6.250% due 01/01/2041	650	777
Maryland Stadium Authority Revenue Bonds, Series 2016		
5.000% due 05/01/2046	2,000	2,466
		4,919
MASSACHUSETTS 0.8%		
Massachusetts Development Finance Agency Revenue Bonds, Series 2010		
7.000% due 07/01/2042	750	841
Massachusetts Development Finance Agency Revenue Bonds, Series 2011		
0.000% due 11/15/2056 (b)	103	1
6.250% due 11/15/2039	388	399
Massachusetts State College Building Authority Revenue Bonds, Series 2009		
5.500% due 05/01/2039	1,500	1,702
		2,943

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MICHIGAN 0.9%		
Michigan Tobacco Settlement Finance Authority Revenue Bonds, Series 2007		
6.000% due 06/01/2048	1,500	1,513
Royal Oak Hospital Finance Authority, Michigan Revenue Bonds, Series 2009		
8.250% due 09/01/2039	1,500	1,743
		3,256
MINNESOTA 0.6%		
St Louis Park, Minnesota Revenue Bonds, Series 2009		
5.750% due 07/01/2039	1,500	1,721
	PRINCIPAL	MARKET
	AMOUNT	VALUE
	(000S)	(000S)
Washington County, Minnesota Housing & Redevelopment Authority Revenue Bonds, Series 2007		
5.625% due 06/01/2037	\$ 500	\$ 512
		2,233
MISSOURI 0.3%		
Joplin Industrial Development Authority, Missouri Revenue Bonds, Series 2007		
5.750% due 05/15/2026	1,000	1,038
Lee s Summit, Missouri Tax Allocation Bonds, Series 2011		
5.625% due 10/01/2023	225	228
		1,266
NEW JERSEY 15.2%		
New Jersey Economic Development Authority Revenue Bonds, (AGC Insured), Series 2009		
5.500% due 12/15/2034	2,000	2,220
New Jersey Economic Development Authority Revenue Bonds, Series 2013		
5.000% due 03/01/2030	1,065	1,178
New Jersey Economic Development Authority Special Assessment Bonds, Series 2002		
5.750% due 04/01/2031	16,550	20,134
New Jersey Educational Facilities Authority Revenue Bonds, Series 2016		
5.000% due 07/01/2032 (a)	2,590	3,085
New Jersey Health Care Facilities Financing Authority Revenue Bonds, Series 2011		
6.000% due 07/01/2037	500	605
New Jersey Health Care Facilities Financing Authority Revenue Bonds, Series 2013		
5.500% due 07/01/2043	2,000	2,392
New Jersey State Turnpike Authority Revenue Bonds, Series 2009		
5.250% due 01/01/2040	2,000	2,214
New Jersey Transportation Trust Fund Authority Revenue Bonds, Series 2010		
5.250% due 12/15/2023	2,000	2,321
Tobacco Settlement Financing Corp., New Jersey Revenue Bonds, Series 2007		
4.750% due 06/01/2034	12,100	11,956
5.000% due 06/01/2041	8,000	7,821
		53,926
NEW MEXICO 2.3%		
Farmington, New Mexico Revenue Bonds, Series 2010		
5.900% due 06/01/2040	1,000	1,138
New Mexico Hospital Equipment Loan Council Revenue Bonds, Series 2009		
5.000% due 08/01/2039	6,400	7,069
		8,207
NEW YORK 20.5%		
Hudson Yards Infrastructure Corp., New York Revenue Bonds, Series 2011		

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5.250% due 02/15/2047	15,500	17,510
Metropolitan Transportation Authority, New York Revenue Bonds, Series 2011		
5.000% due 11/15/2036	3,000	3,520
Nassau County, New York Industrial Development Agency Revenue Bonds, Series 2014		
2.000% due 01/01/2049 ^	1,137	142
6.700% due 01/01/2049	3,150	3,150
New York City, New York Water & Sewer System Revenue Bonds, Series 2009		
5.000% due 06/15/2039	3,000	3,353
New York Liberty Development Corp. Revenue Bonds, Series 2005		
5.250% due 10/01/2035	10,000	13,481
	PRINCIPAL	MARKET
	AMOUNT	VALUE
	(000S)	(000S)
New York Liberty Development Corp. Revenue Bonds, Series 2007		
5.500% due 10/01/2037	\$ 3,000	\$ 4,172
New York Liberty Development Corp. Revenue Bonds, Series 2011		
5.000% due 12/15/2041	10,000	11,920
5.000% due 11/15/2044	10,000	11,600
New York State Dormitory Authority Revenue Bonds, Series 2010		
5.500% due 07/01/2040	3,500	4,071
		72,919
OHIO 8.4%		
Buckeye Tobacco Settlement Financing Authority, Ohio Revenue Bonds, Series 2007		
5.125% due 06/01/2024	1,000	981
5.875% due 06/01/2047	9,000	8,930
6.500% due 06/01/2047	10,000	10,263
Hamilton County, Ohio Revenue Bonds, Series 2012		
5.000% due 06/01/2042	1,000	1,128
Ohio State Turnpike Commission Revenue Bonds, Series 2013		
5.000% due 02/15/2048	5,000	5,880
Ohio State Water Development Authority Revenue Bonds, Series 2005		
4.000% due 01/01/2034	2,500	2,597
		29,779
OREGON 0.8%		
Oregon Department of Administrative Services State Certificates of Participation Bonds, Series 2009		
5.250% due 05/01/2039	600	674
Oregon Health & Science University Revenue Bonds, Series 2009		
5.750% due 07/01/2039	2,000	2,295
		2,969
PENNSYLVANIA 7.8%		
Capital Region Water, Pennsylvania Revenue Bonds, Series 2007		
6.000% due 09/01/2036 ^	1,960	1,769
Geisinger Authority, Pennsylvania Revenue Bonds, Series 2009		
5.250% due 06/01/2039	5,000	5,553
Lancaster County Hospital Authority, Pennsylvania Revenue Bonds, Series 2008		
6.250% due 07/01/2026	750	774
6.375% due 07/01/2030	85	88
Luzerne County, Pennsylvania Industrial Development Authority Revenue Bonds, Series 2009		
5.500% due 12/01/2039	1,100	1,250
Pennsylvania Higher Educational Facilities Authority Revenue Bonds, Series 2010		
5.000% due 03/01/2040	350	390
6.000% due 07/01/2043	500	550
Pennsylvania Turnpike Commission Revenue Bonds, Series 2009		
5.125% due 12/01/2040	2,000	2,223
Philadelphia Hospitals & Higher Education Facilities Authority, Pennsylvania Revenue Bonds, Series 2012		
5.625% due 07/01/2036	5,000	5,627
5.625% due 07/01/2042	1,000	1,114
Philadelphia, Pennsylvania General Obligation Bonds, (AGM Insured), Series 2008		
5.250% due 12/15/2032	7,000	7,694

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Philadelphia, Pennsylvania Water & Wastewater Revenue Bonds, Series 2009

5.250% due 01/01/2036

500

547

27,579

32 PIMCO CLOSED-END FUNDS

See Accompanying Notes

June 30, 2016 (Unaudited)

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
RHODE ISLAND 0.3%		
Tobacco Settlement Financing Corp., Rhode Island Revenue Bonds, Series 2015		
5.000% due 06/01/2050	\$ 1,000	\$ 1,064
SOUTH CAROLINA 4.2%		
South Carolina Jobs-Economic Development Authority Revenue Bonds, Series 2007		
5.500% due 05/01/2028	450	457
South Carolina Ports Authority Revenue Bonds, Series 2010		
5.250% due 07/01/2040	2,200	2,509
South Carolina State Public Service Authority Revenue Bonds, Series 2013		
5.125% due 12/01/2043	5,000	5,926
5.500% due 12/01/2053	5,000	5,997
		14,889
TENNESSEE 3.5%		
Tennessee Energy Acquisition Corp. Revenue Bonds, Series 2006		
5.000% due 02/01/2027	5,000	6,239
5.250% due 09/01/2024	5,000	6,229
		12,468
TEXAS 14.9%		
Dallas, Texas Civic Center Revenue Bonds, (AGC Insured), Series 2009		
5.250% due 08/15/2038	1,200	1,338
Grand Parkway Transportation Corp., Texas Revenue Bonds, Series 2013		
5.000% due 04/01/2053	5,500	6,413
JPMorgan Chase Putters/Drivers Trust, Texas Revenue Bonds, Series 2008		
9.750% due 10/01/2037 (f)	600	788
North Harris County, Texas Regional Water Authority Revenue Bonds, Series 2008		
5.250% due 12/15/2033	4,200	4,619
5.500% due 12/15/2038	4,200	4,633
North Texas Tollway Authority Revenue Bonds, Series 2008		
5.625% due 01/01/2033	6,050	6,491
5.750% due 01/01/2033	600	646
North Texas Tollway Authority Revenue Bonds, Series 2009		
5.250% due 01/01/2044	3,000	3,267
North Texas Tollway Authority Revenue Bonds, Series 2011		
5.000% due 01/01/2038	2,750	3,102
5.500% due 09/01/2041	600	717
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
San Juan Higher Education Finance Authority, Texas Revenue Bonds, Series 2010		
6.700% due 08/15/2040	\$ 250	\$ 298
Tarrant County, Texas Cultural Education Facilities Finance Corp. Revenue Bonds, Series 2009		
6.250% due 11/15/2029	4,000	4,510
Tender Option Bond Trust Receipts/Certificates, Texas General Obligation Bonds, Series 2009		
8.990% due 08/01/2039 (f)	1,000	1,229
Texas Municipal Gas Acquisition & Supply Corp. Revenue Bonds, Series 2006		

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5.250% due 12/15/2023	3,500	4,256
Texas Municipal Gas Acquisition & Supply Corp. Revenue Bonds, Series 2008		
6.250% due 12/15/2026	6,500	8,422
Texas State Public Finance Authority Charter School Finance Corp. Revenue Bonds, Series 2007		
5.875% due 12/01/2036	400	423
Uptown Development Authority, Texas Tax Allocation Bonds, Series 2009		
5.500% due 09/01/2029	1,000	1,107
Wise County, Texas Revenue Bonds, Series 2011		
8.000% due 08/15/2034	500	587
		52,846
UTAH 2.4%		
Salt Lake County, Utah Revenue Bonds, (AMBAC Insured), Series 2001		
5.125% due 02/15/2033	7,000	8,400
VIRGINIA 0.9%		
Fairfax County, Virginia Industrial Development Authority Revenue Bonds, Series 2009		
5.500% due 05/15/2035	1,000	1,131
Peninsula Town Center Community Development Authority, Virginia Revenue Bonds, Series 2007		
6.450% due 09/01/2037	1,926	2,013
		3,144
WASHINGTON 4.4%		
Tender Option Bond Trust Receipts/Certificates, Washington General Obligation Bonds, Series 2009		
12.960% due 02/01/2034 (f)	6,670	8,799
Washington Health Care Facilities Authority Revenue Bonds, (AGC Insured), Series 2008		
6.000% due 08/15/2039	700	812
Washington Health Care Facilities Authority Revenue Bonds, Series 2007		
6.125% due 08/15/2037	2,000	2,101
	PRINCIPAL	MARKET
	AMOUNT	VALUE
	(000S)	(000S)
Washington Health Care Facilities Authority Revenue Bonds, Series 2009		
7.375% due 03/01/2038	\$ 250	\$ 292
Washington State Housing Finance Commission Revenue Bonds, Series 2007		
5.625% due 01/01/2038	3,600	3,625
Washington State Housing Finance Commission Revenue Notes, Series 2007		
5.250% due 01/01/2017	130	131
		15,760
WEST VIRGINIA 0.2%		
West Virginia Hospital Finance Authority Revenue Bonds, Series 2011		
9.125% due 10/01/2041	955	867
WISCONSIN 0.2%		
Wisconsin Health & Educational Facilities Authority Revenue Bonds, Series 2009		
6.625% due 02/15/2039	500	575
Total Municipal Bonds & Notes		
(Cost \$464,163)		542,779
SHORT-TERM INSTRUMENTS 3.1%		
REPURCHASE AGREEMENTS (g) 2.6%		
		9,300
SHORT-TERM NOTES 0.5%		
Federal Home Loan Bank		
0.294% due		
07/06/2016 (b)(c)	1,600	1,600
	200	200

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0.314% due 07/14/2016 (b)(c)		1,800
Total Short-Term Instruments (Cost \$11,100)		11,100
Total Investments in Securities (Cost \$475,263)		553,879
Total Investments 155.8% (Cost \$475,263)	\$	553,879
Preferred Shares (53.4)%		(190,000)
Other Assets and Liabilities, net (2.4)%		(8,403)
Net Assets Applicable to Common Shareholders 100.0%	\$	355,476

NOTES TO SCHEDULE OF INVESTMENTS (AMOUNTS IN THOUSANDS*):

* A zero balance may reflect actual amounts rounding to less than one thousand.

^ Security is in default.

(a) When-issued security.

(b) Zero coupon security.

(c) Coupon represents a yield to maturity.

(d) Security becomes interest bearing at a future date.

(e) Represents an underlying municipal bond transferred to a tender option bond trust established in a tender option bond transaction in which the Fund sold, or caused the sale of, the underlying municipal bond and purchased the residual interest certificate. The security serves as collateral in a financing transaction. See Note 5(b) in the Notes to Financial Statements for more information.

(f) Represents an investment in a tender option bond residual interest certificate purchased in a secondary market transaction. The interest rate shown bears an inverse relationship to the interest rate on a tender option bond floating rate certificate. The interest rate disclosed reflects the rate in effect on June 30, 2016.

See Accompanying Notes

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Schedule of Investments PIMCO Municipal Income Fund (Cont.)

June 30, 2016 (Unaudited)

BORROWINGS AND OTHER FINANCING TRANSACTIONS**(g) REPURCHASE AGREEMENTS:**

Counterparty	Lending Rate	Settlement Date	Maturity Date	Principal Amount	Collateralized By	Collateral (Received)	Repurchase Agreements, at Value	Repurchase Agreement Proceeds to be Received ⁽¹⁾
DEU	0.800%	06/30/2016	07/01/2016	\$ 9,300	U.S. Treasury Bonds 3.125% due 02/15/2043	\$ (9,501)	\$ 9,300	\$ 9,300
Total Repurchase Agreements						\$ (9,501)	\$ 9,300	\$ 9,300

⁽¹⁾ Includes accrued interest.**BORROWINGS AND OTHER FINANCING TRANSACTIONS SUMMARY**

The following is a summary by counterparty of the market value of Borrowings and Other Financing Transactions and collateral (received) as of June 30, 2016:

Counterparty	Repurchase Agreement Proceeds to be Received	Payable for Reverse Repurchase Agreements	Payable for Sale-Buyback Transactions	Total Borrowings and Other Financing Transactions	Collateral (Received)	Net Exposure ⁽²⁾
Global/Master Repurchase Agreement						
DEU	\$ 9,300	\$ 0	\$ 0	\$ 9,300	\$ (9,501)	\$ (201)
Total Borrowings and Other Financing Transactions	\$ 9,300	\$ 0	\$ 0			

⁽²⁾ Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from borrowings and other financing transactions can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 6, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.**FAIR VALUE MEASUREMENTS**

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The following is a summary of the fair valuations according to the inputs used as of June 30, 2016 in valuing the Fund's assets and liabilities:

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 06/30/2016
Investments in Securities, at Value				
Municipal Bonds & Notes				
Alabama	\$ 0	\$ 19,530	\$ 0	\$ 19,530
Alaska	0	3,936	0	3,936
Arizona	0	12,970	0	12,970
Arkansas	0	2,784	0	2,784
California	0	84,971	0	84,971
Colorado	0	3,403	0	3,403
Connecticut	0	8,435	0	8,435
District of Columbia	0	2,833	0	2,833
Florida	0	10,273	0	10,273
Georgia	0	12,860	0	12,860
Illinois	0	32,267	0	32,267
Indiana	0	6,386	0	6,386
Iowa	0	13,802	0	13,802
Kansas	0	1,338	0	1,338
Kentucky	0	1,148	0	1,148
Louisiana	0	5,834	0	5,834
Maryland	0	4,919	0	4,919
Massachusetts	0	2,943	0	2,943
Michigan	0	3,256	0	3,256
Minnesota	0	2,233	0	2,233
Fair Value at 06/30/2016				
Category and Subcategory	Level 1	Level 2	Level 3	06/30/2016
Missouri	\$ 0	\$ 1,266	\$ 0	\$ 1,266
New Jersey	0	53,926	0	53,926
New Mexico	0	8,207	0	8,207
New York	0	72,919	0	72,919
Ohio	0	29,779	0	29,779
Oregon	0	2,969	0	2,969
Pennsylvania	0	27,579	0	27,579
Rhode Island	0	1,064	0	1,064
South Carolina	0	14,889	0	14,889
Tennessee	0	12,468	0	12,468
Texas	0	52,846	0	52,846
Utah	0	8,400	0	8,400
Virginia	0	3,144	0	3,144
Washington	0	15,760	0	15,760
West Virginia	0	867	0	867
Wisconsin	0	575	0	575
Short-Term Instruments				
Repurchase Agreements	0	9,300	0	9,300
Short-Term Notes	0	1,800	0	1,800
 Total Investments	 \$ 0	 \$ 553,879	 \$ 0	 \$ 553,879

There were no significant transfers between Levels 1, 2, or 3 during the period ended June 30, 2016.

Schedule of Investments PIMCO Municipal Income Fund II

June 30, 2016 (Unaudited)

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
INVESTMENTS IN SECURITIES 147.8%		
MUNICIPAL BONDS & NOTES 147.0%		
ALABAMA 5.9%		
Alabama Docks Department State Revenue Bonds, Series 2010		
6.000% due 10/01/2040	\$ 2,000	\$ 2,397
Jefferson County, Alabama Sewer Revenue Bonds, Series 2013		
0.000% due 10/01/2050 (c)	18,500	14,461
6.500% due 10/01/2053	21,000	26,294
Lower Alabama Gas District Revenue Bonds, Series 2016		
5.000% due 09/01/2046	3,000	4,177
		47,329
ARIZONA 12.7%		
Arizona Health Facilities Authority Revenue Bonds, Series 2008		
5.000% due 01/01/2035	3,500	3,708
5.500% due 01/01/2038	2,860	3,062
Industrial Development Authority of the County, Arizona of Pima Revenue Bonds, Series 2008		
5.000% due 09/01/2039	29,700	31,385
Industrial Development Authority of the County, Arizona of Pima Revenue Bonds, Series 2010		
5.250% due 10/01/2040	1,500	1,664
Pinal County, Arizona Electric District No. 3 Revenue Bonds, Series 2011		
5.250% due 07/01/2036	1,750	2,031
5.250% due 07/01/2041	3,700	4,268
Salt River Project Agricultural Improvement & Power District, Arizona Revenue Bonds, Series 2009		
5.000% due 01/01/2039 (d)	10,000	10,956
Salt Verde Financial Corp., Arizona Revenue Bonds, Series 2007		
5.000% due 12/01/2032	12,430	15,743
5.000% due 12/01/2037	22,400	29,145
		101,962
CALIFORNIA 18.2%		
Bay Area Toll Authority, California Revenue Bonds, Series 2008		
5.000% due 04/01/2034	1,430	1,539
Bay Area Toll Authority, California Revenue Bonds, Series 2010		
5.000% due 10/01/2029	6,000	6,888
Bay Area Toll Authority, California Revenue Bonds, Series 2013		
5.250% due 04/01/2048	5,000	5,902
Bay Area Toll Authority, California Revenue Bonds, Series 2014		
5.000% due 10/01/2054	2,000	2,400
California Health Facilities Financing Authority Revenue Bonds, (IBC/NPFGC Insured), Series 2007		
5.000% due 11/15/2042	6,300	6,402
California Health Facilities Financing Authority Revenue Bonds, Series 2010		
5.000% due 11/15/2036	1,500	1,696
9.019% due 11/15/2036 (e)	5,000	6,647
California Health Facilities Financing Authority Revenue Bonds, Series 2011		
6.000% due 08/15/2042	3,000	3,650
California Municipal Finance Authority Revenue Bonds, Series 2011		
7.750% due 04/01/2031	2,635	3,320
California State General Obligation Bonds, Series 2007		

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5.000% due 11/01/2032	2,925	3,093
5.000% due 06/01/2037	1,590	1,654
California State General Obligation Bonds, Series 2008		
5.125% due 08/01/2036	5,200	5,669
5.250% due 03/01/2038	2,500	2,683
	PRINCIPAL	MARKET
	AMOUNT	VALUE
	(000S)	(000S)
California State General Obligation Bonds, Series 2009		
6.000% due 04/01/2038	\$ 9,500	\$ 10,823
California State General Obligation Bonds, Series 2010		
5.250% due 11/01/2040	5,945	6,991
5.500% due 03/01/2040	5,750	6,671
California Statewide Communities Development Authority Revenue Bonds, (FHA Insured), Series 2009		
6.625% due 08/01/2029	4,890	5,760
6.750% due 02/01/2038	17,415	20,580
California Statewide Communities Development Authority Revenue Bonds, Series 2007		
5.750% due 11/01/2017	1,345	1,397
California Statewide Communities Development Authority Revenue Bonds, Series 2010		
5.000% due 11/01/2040	1,000	1,144
California Statewide Communities Development Authority Revenue Bonds, Series 2011		
5.000% due 12/01/2041	1,000	1,178
6.000% due 08/15/2042	5,690	6,923
6.500% due 11/01/2021	580	646
Hayward Unified School District, California General Obligation Bonds, Series 2008		
5.000% due 08/01/2033	2,000	2,006
Indian Wells Redevelopment Agency, California Tax Allocation Bonds, (AMBAC Insured), Series 2006		
4.750% due 09/01/2034	1,500	1,508
Los Angeles Community College District, California General Obligation Bonds, (NPFGC Insured), Series 2007		
5.000% due 08/01/2032	2,000	2,095
Los Angeles Department of Water & Power, California Revenue Bonds, (AMBAC Insured), Series 2007		
5.000% due 07/01/2039	4,000	4,157
M-S-R Energy Authority, California Revenue Bonds, Series 2009		
6.500% due 11/01/2039	1,750	2,675
Montebello Unified School District, California General Obligation Bonds, (AGM Insured), Series 2008		
5.000% due 08/01/2033	2,000	2,180
Newport Beach, California Revenue Bonds, Series 2011		
5.875% due 12/01/2030	3,000	3,762
Peralta Community College District, California General Obligation Bonds, Series 2009		
5.000% due 08/01/2039	500	565
San Diego County, California Water Authority Certificates of Participation Bonds, (AGM Insured), Series 2008		
5.000% due 05/01/2038	2,000	2,159
San Marcos Unified School District, California General Obligation Bonds, Series 2011		
5.000% due 08/01/2038	3,300	3,837
Santa Clara County, California Financing Authority Revenue Bonds, (AMBAC Insured), Series 2007		
5.750% due 02/01/2041	2,000	2,112
Torrance, California Revenue Bonds, Series 2010		
5.000% due 09/01/2040	4,725	5,267
		145,979
COLORADO 2.1%		
Aurora, Colorado Revenue Bonds, Series 2010		
5.000% due 12/01/2040	5,800	6,409
Colorado Health Facilities Authority Revenue Bonds, Series 2010		
5.000% due 01/01/2040	6,045	6,676
Denver Health & Hospital Authority, Colorado Revenue Bonds, Series 2010		
5.625% due 12/01/2040	1,000	1,105
Public Authority for Colorado Energy Revenue Bonds, Series 2008		
6.500% due 11/15/2038	1,430	2,144
		16,334
	PRINCIPAL	MARKET

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	AMOUNT	VALUE
	(000S)	(000S)
CONNECTICUT 0.3%		
Connecticut State Health & Educational Facility Authority Revenue Bonds, Series 2011		
5.000% due 07/01/2041	\$ 1,000	\$ 1,125
Harbor Point Infrastructure Improvement District, Connecticut Tax Allocation Bonds, Series 2010		
7.875% due 04/01/2039	1,250	1,450
		2,575
FLORIDA 5.7%		
Brevard County, Florida Health Facilities Authority Revenue Bonds, Series 2009		
7.000% due 04/01/2039	1,000	1,170
Broward County, Florida Airport System Revenue Bonds, Series 2009		
5.375% due 10/01/2029	600	680
Broward County, Florida Airport System Revenue Bonds, Series 2012		
5.000% due 10/01/2042	8,000	9,298
Broward County, Florida Water & Sewer Utility Revenue Bonds, Series 2009		
5.250% due 10/01/2034 (d)	8,500	9,362
Clearwater, Florida Water & Sewer Revenue Bonds, Series 2009		
5.250% due 12/01/2039	1,000	1,136
Florida Development Finance Corp. Revenue Notes, Series 2011		
6.500% due 06/15/2021	255	284
Florida State General Obligation Bonds, Series 2009		
5.000% due 06/01/2038 (d)	7,900	8,556
Highlands County, Florida Health Facilities Authority Revenue Bonds, Series 2008		
5.625% due 11/15/2037	3,000	3,435
Orlando-Orange County, Florida Expressway Authority Revenue Bonds, Series 2010		
5.000% due 07/01/2040	10,000	11,333
Sarasota County, Florida Health Facilities Authority Revenue Bonds, Series 2007		
5.750% due 07/01/2037	500	505
		45,759
GEORGIA 4.0%		
Atlanta Department of Aviation, Georgia Revenue Bonds, Series 2010		
5.000% due 01/01/2040	1,500	1,679
Atlanta Development Authority, Georgia Revenue Bonds, Series 2015		
5.000% due 07/01/2044	3,895	4,572
Medical Center Hospital Authority, Georgia Revenue Bonds, Series 2007		
5.250% due 07/01/2037	2,775	2,826
Municipal Electric Authority of Georgia Revenue Bonds, Series 2015		
5.000% due 07/01/2060	19,680	23,165
		32,242
ILLINOIS 11.3%		
Chicago, Illinois General Obligation Bonds, Series 2007		
5.500% due 01/01/2035	10,000	10,300
5.500% due 01/01/2042	1,250	1,275
Chicago, Illinois General Obligation Bonds, Series 2015		
5.375% due 01/01/2029	15,100	15,635
5.500% due 01/01/2034	5,200	5,363
Chicago, Illinois Motor Fuel Tax Revenue Bonds, (AGC Insured), Series 2008		
5.000% due 01/01/2038	1,250	1,309
Chicago, Illinois Revenue Bonds, Series 2002		
5.000% due 01/01/2029	2,000	2,217
Chicago, Illinois Special Assessment Bonds, Series 2003		
6.625% due 12/01/2022	2,108	2,113
6.750% due 12/01/2032	5,388	5,399

See Accompanying Notes

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Schedule of Investments PIMCO Municipal Income Fund II (Cont.)

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Hillside Village, Illinois Tax Allocation Bonds, Series 2008		
6.550% due 01/01/2020	\$ 2,570	\$ 2,747
7.000% due 01/01/2028	2,900	3,094
Illinois Finance Authority Revenue Bonds, Series 2007		
5.750% due 05/15/2031	2,500	2,598
6.000% due 03/01/2037 ^	250	62
Illinois Finance Authority Revenue Bonds, Series 2009		
5.500% due 07/01/2037 (d)	5,000	5,477
7.125% due 11/15/2037	700	826
Illinois Finance Authority Revenue Bonds, Series 2010		
6.000% due 05/01/2028	2,000	2,278
Illinois Sports Facilities Authority Revenue Bonds, (AMBAC Insured), Series 2001		
5.500% due 06/15/2030	26,225	26,297
Illinois State Toll Highway Authority Revenue Bonds, Series 2015		
5.000% due 01/01/2033	3,000	3,695
		90,685
INDIANA 2.4%		
Indiana Municipal Power Agency Revenue Bonds, Series 2016		
5.000% due 01/01/2042	13,330	16,312
Vigo County, Indiana Hospital Authority Revenue Bonds, Series 2007		
5.800% due 09/01/2047	990	1,017
Vigo County, Indiana Hospital Authority Revenue Bonds, Series 2011		
7.500% due 09/01/2022	1,720	2,007
		19,336
IOWA 4.2%		
Iowa Finance Authority Revenue Bonds, Series 2007		
6.750% due 11/15/2042	4,500	4,871
Iowa Finance Authority Revenue Bonds, Series 2013		
5.250% due 12/01/2025	6,000	6,536
Iowa Finance Authority Revenue Bonds, Series 2014		
2.000% due 05/15/2056 ^	144	2
2.700% due 11/15/2046 ^	769	670
Iowa Finance Authority Revenue Notes, Series 2013		
5.000% due 12/01/2019	5,785	6,025
5.500% due 12/01/2022	5,000	5,194
Iowa Tobacco Settlement Authority Revenue Bonds, Series 2005		
5.600% due 06/01/2034	10,350	10,409
		33,707
KANSAS 0.2%		
Kansas Development Finance Authority Revenue Bonds, Series 2009		
5.750% due 11/15/2038	500	575
Manhattan, Kansas Revenue Bonds, Series 2007		
5.000% due 05/15/2036	850	855
		1,430
KENTUCKY 0.2%		
Kentucky Economic Development Finance Authority Revenue Bonds, Series 2010		

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6.375% due 06/01/2040 1,000 1,148

LOUISIANA 1.1%

Louisiana Local Government Environmental Facilities & Community Development Authority Revenue Bonds, Series 2010		
5.875% due 10/01/2040	750	887
6.000% due 10/01/2044	1,000	1,185
6.500% due 11/01/2035	450	541
	PRINCIPAL	MARKET
	AMOUNT	VALUE
	(000S)	(000S)
Louisiana Public Facilities Authority Revenue Bonds, Series 2007		
5.500% due 05/15/2047	\$ 3,300	\$ 3,429
Louisiana Public Facilities Authority Revenue Bonds, Series 2011		
6.500% due 05/15/2037	2,000	2,519
		8,561

MARYLAND 1.9%

Maryland Health & Higher Educational Facilities Authority Revenue Bonds, Series 2008		
6.000% due 01/01/2043	4,050	4,369
Maryland Health & Higher Educational Facilities Authority Revenue Bonds, Series 2010		
6.250% due 01/01/2041	1,400	1,672
Maryland Health & Higher Educational Facilities Authority Revenue Bonds, Series 2011		
5.000% due 08/15/2041	2,380	2,739
Maryland Stadium Authority Revenue Bonds, Series 2016		
5.000% due 05/01/2030	3,000	3,827
5.000% due 05/01/2046	2,000	2,466
		15,073

MASSACHUSETTS 0.6%

Massachusetts Development Finance Agency Revenue Bonds, Series 2010		
7.000% due 07/01/2042	1,000	1,121
7.625% due 10/15/2037	555	629
Massachusetts State College Building Authority Revenue Bonds, Series 2009		
5.500% due 05/01/2039	2,900	3,290
		5,040

MICHIGAN 0.6%

Detroit, Michigan General Obligation Bonds, Series 2010		
5.250% due 11/01/2035	1,000	1,072
Michigan Public Educational Facilities Authority Revenue Bonds, Series 2007		
6.500% due 09/01/2037 ^	800	561
Royal Oak Hospital Finance Authority, Michigan Revenue Bonds, Series 2009		
8.250% due 09/01/2039	3,000	3,485
		5,118

MINNESOTA 0.4%

North Oaks, Minnesota Revenue Bonds, Series 2007		
6.000% due 10/01/2033	2,640	2,745
St Louis Park, Minnesota Revenue Bonds, Series 2009		
5.750% due 07/01/2039	400	459
		3,204

MISSISSIPPI 0.0%

Mississippi Development Bank Revenue Bonds, (AMBAC Insured), Series 1999		
5.000% due 07/01/2024	40	43

MISSOURI 1.5%

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Lee s Summit, Missouri Tax Allocation Bonds, Series 2011		
5.625% due 10/01/2023	340	345
Missouri State Health & Educational Facilities Authority Revenue Bonds, Series 2013		
5.000% due 11/15/2044	10,000	11,554
		11,899
	PRINCIPAL	MARKET
	AMOUNT	VALUE
	(000S)	(000S)
NEW HAMPSHIRE 0.3%		
New Hampshire Business Finance Authority Revenue Bonds, Series 2009		
6.125% due 10/01/2039	\$ 2,000	\$ 2,254
NEW JERSEY 8.0%		
Burlington County, New Jersey Bridge Commission Revenue Bonds, Series 2007		
5.625% due 01/01/2038	950	1,001
New Jersey Economic Development Authority Revenue Bonds, Series 1998		
6.000% due 05/15/2028 ^	525	309
New Jersey Economic Development Authority Revenue Bonds, Series 2010		
5.875% due 06/01/2042	2,000	2,240
New Jersey Economic Development Authority Special Assessment Bonds, Series 2002		
5.750% due 10/01/2021	4,000	4,437
New Jersey Health Care Facilities Financing Authority Revenue Bonds, Series 2007		
5.750% due 07/01/2037	1,500	1,605
New Jersey Health Care Facilities Financing Authority Revenue Bonds, Series 2011		
6.000% due 07/01/2037	1,500	1,814
New Jersey Health Care Facilities Financing Authority Revenue Bonds, Series 2013		
5.500% due 07/01/2043	4,000	4,785
New Jersey State Turnpike Authority Revenue Bonds, Series 2009		
5.250% due 01/01/2040	2,000	2,214
New Jersey Transportation Trust Fund Authority Revenue Bonds, Series 2015		
5.250% due 06/15/2041	750	858
Tobacco Settlement Financing Corp., New Jersey Revenue Bonds, Series 2007		
4.750% due 06/01/2034	14,255	14,085
5.000% due 06/01/2041	31,475	30,772
		64,120
NEW MEXICO 0.3%		
Farmington, New Mexico Revenue Bonds, Series 2010		
5.900% due 06/01/2040	2,000	2,275
NEW YORK 19.8%		
Hudson Yards Infrastructure Corp., New York Revenue Bonds, Series 2011		
5.250% due 02/15/2047	33,500	37,844
Metropolitan Transportation Authority, New York Revenue Bonds, Series 2011		
5.000% due 11/15/2036	3,880	4,553
Metropolitan Transportation Authority, New York Revenue Bonds, Series 2015		
5.250% due 11/15/2029	5,500	7,095
Nassau County, New York Industrial Development Agency Revenue Bonds, Series 2014		
2.000% due 01/01/2049 ^	298	37
6.700% due 01/01/2049	825	825
New York City, New York Water & Sewer System Revenue Bonds, Series 2007		
4.750% due 06/15/2035 (d)	4,000	4,140
New York City, New York Water & Sewer System Revenue Bonds, Series 2009		
5.000% due 06/15/2039	2,000	2,236
New York Liberty Development Corp. Revenue Bonds, Series 2005		
5.250% due 10/01/2035 (d)	11,505	15,510
New York Liberty Development Corp. Revenue Bonds, Series 2010		
5.125% due 01/15/2044	1,000	1,133
5.625% due 07/15/2047	2,500	2,889
6.375% due 07/15/2049	1,250	1,416

June 30, 2016 (Unaudited)

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
New York Liberty Development Corp. Revenue Bonds, Series 2011		
5.000% due 12/15/2041	\$ 10,000	\$ 11,920
5.750% due 11/15/2051	54,000	64,542
New York Liberty Development Corp. Revenue Bonds, Series 2014		
5.000% due 11/15/2044	2,000	2,321
New York State Dormitory Authority Revenue Bonds, Series 2010		
5.500% due 07/01/2040	1,750	2,035
		158,496
NORTH CAROLINA 0.1%		
North Carolina Medical Care Commission Revenue Bonds, Series 2006		
5.100% due 10/01/2030	550	554
NORTH DAKOTA 0.5%		
Stark County, North Dakota Revenue Bonds, Series 2007		
6.750% due 01/01/2033	3,710	3,849
OHIO 10.2%		
Buckeye Tobacco Settlement Financing Authority, Ohio Revenue Bonds, Series 2007		
5.125% due 06/01/2024	6,000	5,887
5.875% due 06/01/2047	23,100	22,920
6.500% due 06/01/2047	29,400	30,173
Hamilton County, Ohio Sales Tax Revenue Bonds, Series 2011		
5.000% due 12/01/2030	3,900	4,494
Ohio State Revenue Bonds, Series 2009		
5.500% due 01/01/2039	3,000	3,354
Ohio State Turnpike Commission Revenue Bonds, Series 2013		
5.000% due 02/15/2048	10,000	11,760
Ohio State Water Development Authority Revenue Bonds, Series 2005		
4.000% due 01/01/2034	2,500	2,597
		81,185
OREGON 0.3%		
Clackamas County, Oregon Hospital Facility Authority Revenue Bonds, Series 2009		
5.500% due 07/15/2035	1,000	1,131
Oregon Department of Administrative Services State Certificates of Participation Bonds, Series 2009		
5.250% due 05/01/2039	1,155	1,299
		2,430
PENNSYLVANIA 9.7%		
Berks County, Pennsylvania Municipal Authority Revenue Bonds, Series 2012		
5.000% due 11/01/2044	7,500	8,628
Capital Region Water, Pennsylvania Revenue Bonds, Series 2007		
6.000% due 09/01/2036 ^	3,190	2,880
Cumberland County, Pennsylvania Municipal Authority Revenue Bonds, Series 2008		
5.625% due 07/01/2028	1,000	1,079
6.000% due 07/01/2035	670	728

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Luzerne County, Pennsylvania Industrial Development Authority Revenue Bonds, Series 2009		
5.500% due 12/01/2039	500	568
Montgomery County Industrial Development Authority, Pennsylvania Revenue Bonds, (FHA Insured), Series 2010		
5.375% due 08/01/2038	8,465	9,972
	PRINCIPAL	MARKET
	AMOUNT	VALUE
	(000S)	(000S)
Pennsylvania Higher Educational Facilities Authority Revenue Bonds, Series 2010		
5.000% due 03/01/2040	\$ 400	\$ 445
6.000% due 07/01/2043	850	935
Pennsylvania Turnpike Commission Revenue Bonds, Series 2013		
5.000% due 12/01/2043	10,000	11,873
Pennsylvania Turnpike Commission Revenue Bonds, Series 2015		
5.000% due 12/01/2040	4,000	4,807
Philadelphia Authority for Industrial Development, Pennsylvania Revenue Bonds, Series 2015		
5.000% due 04/01/2045	5,500	6,573
Philadelphia Hospitals & Higher Education Facilities Authority, Pennsylvania Revenue Bonds, Series 2012		
5.625% due 07/01/2036	1,000	1,125
5.625% due 07/01/2042	7,000	7,797
Philadelphia, Pennsylvania General Obligation Bonds, (AGM Insured), Series 2008		
5.250% due 12/15/2032	17,000	18,686
Philadelphia, Pennsylvania Water & Wastewater Revenue Bonds, Series 2009		
5.250% due 01/01/2036	500	547
Westmoreland County Industrial Development Authority, Pennsylvania Revenue Bonds, Series 2010		
5.125% due 07/01/2030	1,000	1,138
		77,781
RHODE ISLAND 2.9%		
Tobacco Settlement Financing Corp., Rhode Island Revenue Bonds, Series 2015		
5.000% due 06/01/2050	21,450	22,811
SOUTH CAROLINA 1.6%		
Greenwood County, South Carolina Revenue Bonds, Series 2009		
5.375% due 10/01/2039	1,000	1,124
South Carolina State Public Service Authority Revenue Bonds, Series 2013		
5.500% due 12/01/2053	10,000	11,993
		13,117
TENNESSEE 1.8%		
Claiborne County, Tennessee Industrial Development Board Revenue Bonds, Series 2009		
6.625% due 10/01/2039	1,750	1,954
Johnson City Health & Educational Facilities Board, Tennessee Revenue Bonds, Series 2010		
6.000% due 07/01/2038	1,000	1,137
Sullivan County, Tennessee Health Educational & Housing Facilities Board Revenue Bonds, Series 2006		
5.250% due 09/01/2036	500	504
Tennessee Energy Acquisition Corp. Revenue Bonds, Series 2006		
5.000% due 02/01/2023	3,000	3,613
5.000% due 02/01/2027	6,000	7,487
		14,695
TEXAS 15.2%		
Dallas, Texas Civic Center Revenue Bonds, (AGC Insured), Series 2009		
5.250% due 08/15/2038	2,500	2,788
Grand Parkway Transportation Corp., Texas Revenue Bonds, Series 2013		
5.000% due 04/01/2053	21,000	24,485
Harris County, Texas Cultural Education Facilities Finance Corp. Revenue Bonds, Series 2009		
5.250% due 10/01/2029	3,750	4,270
5.500% due 10/01/2039	12,700	14,476

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HFDC of Central Texas, Inc. Revenue Bonds, Series 2006

	700	721
	PRINCIPAL	MARKET
	AMOUNT	VALUE
	(000S)	(000S)
North Harris County, Texas Regional Water Authority Revenue Bonds, Series 2008		
5.250% due 12/15/2033	\$ 10,300	\$ 11,327
5.500% due 12/15/2038	10,300	11,363
North Texas Tollway Authority Revenue Bonds, Series 2008		
5.625% due 01/01/2033	5,000	5,364
5.750% due 01/01/2033	1,200	1,291
North Texas Tollway Authority Revenue Bonds, Series 2011		
5.000% due 01/01/2038	5,750	6,487
5.500% due 09/01/2041	1,300	1,554
San Juan Higher Education Finance Authority, Texas Revenue Bonds, Series 2010		
6.700% due 08/15/2040	250	298
Tarrant County, Texas Cultural Education Facilities Finance Corp. Revenue Bonds, Series 2009		
6.250% due 11/15/2029	3,000	3,383
Texas Municipal Gas Acquisition & Supply Corp. Revenue Bonds, Series 2008		
6.250% due 12/15/2026	19,380	25,111
Texas State General Obligation Bonds, Series 2008		
4.750% due 04/01/2037	975	1,043
Texas State General Obligation Bonds, Series 2010		
8.505% due 04/01/2037 (e)	4,880	5,473
Texas State Public Finance Authority Charter School Finance Corp. Revenue Bonds, Series 2007		
5.875% due 12/01/2036	1,000	1,056
Wise County, Texas Revenue Bonds, Series 2011		
8.000% due 08/15/2034	1,000	1,174
		121,664

VIRGINIA 0.3%

Fairfax County, Virginia Industrial Development Authority Revenue Bonds, Series 2009		
5.500% due 05/15/2035	1,000	1,131
James City County, Virginia Economic Development Authority Revenue Bonds, Series 2013		
2.000% due 10/01/2048 ^	412	30
6.000% due 06/01/2043	1,273	1,226
		2,387

WASHINGTON 2.0%

Washington Health Care Facilities Authority Revenue Bonds, (AGC Insured), Series 2008		
6.000% due 08/15/2039	1,300	1,507
Washington Health Care Facilities Authority Revenue Bonds, Series 2007		
6.125% due 08/15/2037	13,000	13,655
Washington Health Care Facilities Authority Revenue Bonds, Series 2009		
7.375% due 03/01/2038	1,000	1,169
		16,331

WEST VIRGINIA 0.5%

West Virginia Economic Development Authority Revenue Bonds, Series 2010		
5.375% due 12/01/2038	2,000	2,246
West Virginia Hospital Finance Authority Revenue Bonds, Series 2011		
9.125% due 10/01/2041	1,910	1,735
		3,981

WISCONSIN 0.2%

Wisconsin Health & Educational Facilities Authority Revenue Bonds, Series 2009		
6.625% due 02/15/2039	1,000	1,150

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Total Municipal Bonds & Notes
(Cost \$1,022,648)

1,176,504

See Accompanying Notes

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Schedule of Investments PIMCO Municipal Income Fund II (Cont.)

June 30, 2016 (Unaudited)

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
SHORT-TERM INSTRUMENTS 0.8%		
SHORT-TERM NOTES 0.8%		
Federal Home Loan Bank		
0.304% due 08/03/2016 (a)(b)	\$ 1,200	\$ 1,200
0.325% due 08/10/2016 (a)(b)	2,700	2,699
0.335% due 07/21/2016 (a)(b)	2,900	2,900
		6,799
Total Short-Term Instruments (Cost \$6,798)		6,799
Total Investments in Securities (Cost \$1,029,446)		1,183,303
Total Investments 147.8% (Cost \$1,029,446)		\$ 1,183,303
Preferred Shares (45.9)%		(367,000)
Other Assets and Liabilities, net (1.9)%		(15,913)
Net Assets Applicable to Common Shareholders 100.0%		\$ 800,390

NOTES TO SCHEDULE OF INVESTMENTS (AMOUNTS IN THOUSANDS*):

* A zero balance may reflect actual amounts rounding to less than one thousand.

^ Security is in default.

(a) Zero coupon security.

(b) Coupon represents a yield to maturity.

(c) Security becomes interest bearing at a future date.

(d) Represents an underlying municipal bond transferred to a tender option bond trust established in a tender option bond transaction in which the Fund sold, or caused the sale of, the underlying municipal bond and purchased the residual interest certificate. The security serves as collateral in a financing transaction. See Note 5(b) in the Notes to Financial Statements for more information.

(e) Represents an investment in a tender option bond residual interest certificate purchased in a secondary market transaction. The interest rate shown bears an inverse relationship to the interest rate on a tender option bond floating rate certificate. The interest rate disclosed reflects the rate in effect on June 30, 2016.

FAIR VALUE MEASUREMENTS

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The following is a summary of the fair valuations according to the inputs used as of June 30, 2016 in valuing the Fund's assets and liabilities:

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 06/30/2016
Investments in Securities, at Value				
Municipal Bonds & Notes				
Alabama	\$ 0	\$ 47,329	\$ 0	\$ 47,329
Arizona	0	101,962	0	101,962
California	0	145,979	0	145,979
Colorado	0	16,334	0	16,334
Connecticut	0	2,575	0	2,575
Florida	0	45,759	0	45,759
Georgia	0	32,242	0	32,242
Illinois	0	90,685	0	90,685
Indiana	0	19,336	0	19,336
Iowa	0	33,707	0	33,707
Kansas	0	1,430	0	1,430
Kentucky	0	1,148	0	1,148
Louisiana	0	8,561	0	8,561
Maryland	0	15,073		