

PIMCO NEW YORK MUNICIPAL INCOME FUND II  
Form N-CSRS  
February 04, 2009

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 811-21078

PIMCO New York Municipal Income Fund II  
(Exact name of registrant as specified in charter)

1345 Avenue of the Americas, New York,  
(Address of principal executive offices)

New York 10105  
(Zip code)

Lawrence G. Altadonna - 1345 Avenue of the Americas, New York, New York 10105  
(Name and address of agent for service)

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

Date of fiscal year end: May 31, 2009

Date of reporting period: November 30, 2008

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

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

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# PIMCO Municipal Income Fund II PIMCO California Municipal Income Fund II PIMCO New York Municipal Income Fund II

Semi-Annual Report  
November 30, 2008

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**PIMCO Municipal Income Funds II Letter to Shareholders**

January 15, 2009

Dear Shareholder:

We are pleased to provide you with the semi-annual report for PIMCO Municipal Income Fund II, PIMCO California Municipal Income Fund II and PIMCO New York Municipal Income Fund II (collectively, the Funds) for the six-month period ended November 30, 2008.

Tight credit conditions and a global economic slowdown caused municipal bond prices to fall during the period. The Barclays Capital Municipal Bond Index returned (4.98)% while the Barclays Capital U.S. Aggregate Bond Index, a broad credit market measure of government and corporate securities, posted a positive 0.24% return. Stocks fared worse in the downturn. The Standard & Poor's 500 Index returned (35.20)% for the period, among the worst periods on record for equities. The Federal Reserve (the Fed) sought to inject liquidity into the economy through multiple initiatives, including reducing the Federal Funds rate twice during the reporting period. The Fed moves lowered the key target rate on loans between banks from 2.00% to 1.00%.

In the coming weeks or months, we would expect the de-leveraging of the private sector to meet its counterpart in the leveraging of the federal government as it seeks to inject more than a trillion dollars of liquidity into the nation's financial system. This initiative holds potential to restore stability and some relative safety to debt securities outside of the shortest-term government issues.

Subsequent to the six month period ended November 30, 2008, a decision to redeem a portion of each Fund's Auction Rate Preferred Shares (ARPS) was made at the recommendation of the Fund's investment manager and approved by the Board of Trustees. These redemptions were intended to increase and maintain asset coverage for each Fund's ARPS above the 200% level, permitting the Funds to pay previously declared common share dividends and to declare and pay future common share dividends. Depending on market conditions, coverage ratios may increase or decrease further. With respect to each of the Funds, as of the date of this letter, all dividend payments which were postponed have been paid and all dividend declarations which were postponed have subsequently been declared.

For specific information on the Funds and their performance, please review the following pages. If you have any questions regarding the information provided, we encourage you to contact your financial advisor or call the Funds' shareholder servicing agent at (800) 331-1710. In addition, a wide range of information and resources is available on our Web site, [www.allianzinvestors.com/closedendfunds](http://www.allianzinvestors.com/closedendfunds).

Together with Allianz Global Investors Fund Management LLC, the Funds' investment manager, and Pacific Investment Management Company LLC (PIMCO), the Funds' sub-adviser, we thank you for investing with us.

Sincerely,

Hans W. Kertess  
*Chairman*

Brian S. Shlissel  
*President & Chief Executive Officer*

11.30.08 | PIMCO Municipal Income Funds II Semi-Annual Report 1

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**PIMCO Municipal Income Fund II Fund Insights/Performance & Statistics**

November 30, 2008 (unaudited)

For the six-month period ended November 30, 2008, PIMCO Municipal Income Fund II returned (38.16)% on net asset value and (41.34)% on market price, compared to (19.82)% and (27.73)%, respectively for the Lipper Analytical General Municipal Debt Funds Leveraged (the Benchmark ) average.

Municipal bond yields increased across the curve in all but the shortest maturities during the six-month period ended November 30, 2008.

Duration hedging strategies significantly detracted from performance during the period. Thirty-year Treasury and London Interbank Offered Rate ( LIBOR ) swaps rallied significantly, while municipal rates increased as investors moved away from risky assets.

Municipal to Treasury yield ratios moved higher during the reporting period crossing all time high levels in September, while continuing higher in October and November, continually setting new records along the way. The 10-year ratio increased to 138% and 30-year ratio increased to 156%.

Exposure to corporate backed munis detracted from performance as this sector underperformed during the period due to continued stress in the corporate sector.

Tobacco securitization sector holdings detracted from performance as muni investors continue to focus demand on the highest quality sectors of the market while avoiding lower quality higher yielding securities such as tobacco bonds.

Exposure to zero coupon municipals detracted from performance as their longer durations caused underperformance as rates moved higher during the reporting period, especially in the longer maturity portion of the yield curve. The Barclays Capital Zero Coupon Index returned (15.16)% for the six-month period ended November 30, 2008.

The Fund was generally positioned with a significant portion of its exposure in longer dated maturities due to the attractiveness of that portion of the curve. This detracted from performance as the muni curve steepened significantly during the period with longer rates increasing and most investors buying in the shorter maturity portion of the curve. The 15-, 20-, and 30-year maturity AAA General Obligation yields increased by 72, 80, and 87 basis points respectively while the two-year yield decreased by 13 basis points.

Long Municipals significantly underperformed Long Treasuries and also underperformed the taxable debt sector during the period as investors moved out of risky assets into Treasuries due to market volatility and continued uncertainty. The Barclays Capital Long Municipal Bond Index returned (14.77)% while the Long Government/Credit and the Long Barclays Capital Treasury Indices returned (1.36)% and 13.61%, respectively.

Municipal bond issuance remains at increased levels; although there has been a slow down in the furious pace of the first half of the year beginning in September. Although issuance has been stalled somewhat, municipalities have picked up their issuance again in order to meet upcoming funding needs. During the six-month period, issuance totaled over \$367.7 billion compared to \$400.42 billion for the same period a year ago.

<b>Total Return<sup>(1)</sup>:</b>	<b>Market Price</b>	<b>Net Asset Value ( NAV )</b>
Six Months	(41.34)%	(38.16)%
1 Year	(37.85)%	(38.63)%
5 Year	(4.52)%	(5.01)%
Commencement of Operations (6/28/02) to 11/30/08	(3.31)%	(2.13)%

**Common Share Market Price/NAV Performance:**

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Commencement of Operations (6/28/02) to 11/30/08

## Market Price/NAV:

Market Price	\$	8.00
NAV	\$	8.30
Discount to NAV		(3.61)%
Market Price Yield <sup>(2)</sup>		9.75%

## Moody's Ratings (as a % of total investments)

(1) **Past performance is no guarantee of future results.** Returns are calculated by determining the percentage change in net asset value or market share price (as applicable) in the period covered. The calculation assumes that all of the Fund's income dividends and capital gain distributions have been reinvested. Total return does not reflect broker commissions or sales charges. Total return for a period of less than one year is not annualized. Total return for a period of more than one year represents the average annual total return.

The Fund's performance at market price will differ from its results at NAV. Although market price returns typically reflect investment results over time, during shorter periods returns at market price can also be influenced by factors such as changing views about the Fund, market conditions, supply and demand for the Fund's shares, or changes in Fund distributions.

An investment in the Fund involves risk, including the loss of principal. Total return, market price, market price yield and net asset value will fluctuate with changes in market conditions. This data is provided for information only and is not intended for trading purposes. Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public offering, and once issued, shares of closed-end funds are sold in the open market through a stock exchange. Net asset value is equal to total assets attributable to common shareholders less total liabilities divided by the number of common shares outstanding. Holdings are subject to change daily.

(2) Market Price Yield is determined by dividing the annualized current monthly per share dividend (comprised from net investment income) payable to common shareholders by the market price per common share at November 30, 2008.

**PIMCO California Municipal Income Fund II Fund Insights/Performance & Statistics**

November 30, 2008 (unaudited)

For the six-month period ended November 30, 2008, PIMCO California Municipal Income Fund II returned (42.32)% on net asset value and (52.98)% on market price, compared to (52.96)% and (30.07)%, respectively for the Lipper California Municipal Debt Funds Leveraged (the Benchmark ) average.

Municipal bond yields increased across the curve in all but the shortest maturities during the six-month period ended November 30, 2008.

Duration hedging strategies significantly detracted from performance during the reporting period. Thirty-year Treasury and London Interbank Offered Rate ( LIBOR ) swaps rallied significantly, while municipal rates increased as investors moved away from risky assets.

Municipal to Treasury yield ratios moved higher during the period crossing all time high levels in September, while continuing higher in October and November, continually setting new records along the way. The 10-year ratio increased to 138% and 30-year ratio increased to 156%.

Exposure to hospital related munis detracted from performance as this sector underperformed the national market during the period.

Tobacco securitization sector holdings detracted from Fund performance as muni investors continue to focus demand on the highest quality sectors of the market while avoiding lower quality higher yielding securities such as tobacco bonds.

Exposure to zero coupon municipals detracted from Fund performance as their longer durations caused underperformance as rates moved higher during the period, especially in the longer maturity portion of the yield curve. The Barclays Capital Zero Coupon Index returned (15.16)% for the six-month period ended November 30, 2008.

Long Municipals significantly underperformed Long Treasuries and also underperformed the taxable debt sector during the period as investors moved out of risky assets into Treasuries due to market volatility and continued uncertainty. The Barclays Capital Long Municipal Bond Index returned (14.17)% while the Long Government/Credit and the Long Barclays Capital Treasury Indices returned (1.36)% and 13.61%, respectively.

Municipal bond issuance remains at increased levels; although we have seen a slow down in the furious pace of the first half of the year beginning in September. Although issuance has been stalled somewhat, municipalities have picked up their issuance again in order to meet upcoming funding needs. During the six-month period, issuance totaled over \$367.7 billion compared to \$400.42 billion for the same period a year ago.

Municipal bonds within California underperformed the Barclays Capital Municipal Bond Index returning (6.33)% and (4.98)%, respectively for the period. Year-to-date, California continues to lead all other states in new issue volume. The state s issuance has decreased 20% from the same period last year to \$51.6 billion.

The Fund was generally positioned with a significant portion of its exposure in longer dated maturities due to the attractiveness of that portion of the curve. This detracted from performance as long muni rates increased during this period. The shape of the California State AAA insured municipal yield curve steepened during the reporting period. Five-year maturity yields increased 26 basis points, 10-year yields increased 75 basis points, and 30-year yields increased 140 basis points.

<b>Total Return<sup>(1)</sup>:</b>	<b>Market Price</b>	<b>Net Asset Value ( NAV )</b>
Six Months	(52.98)%	(42.32)%
1 Year	(51.12)%	(42.63)%
5 Year	(8.41)%	(6.36)%
Commencement of Operations (6/28/02) to 11/30/08	(6.54)%	(3.80)%

**Common Share Market Price/NAV Performance:**

Commencement of Operations (6/28/02) to 11/30/08

**Market Price/NAV:**

Market Price	\$ 6.44
NAV	\$ 7.42
Discount to NAV	(13.21)%
Market Price Yield <sup>(2)</sup>	13.04%

**Moody's Ratings  
(as a % of total investments)**

(1) **Past performance is no guarantee of future result.** Returns are calculated by determining the percentage change in net asset value or market share price (as applicable) in the period covered. The calculation assumes that all of the Fund's income dividends and capital gain distributions have been reinvested. Total return does not reflect broker commissions or sales charges. Total return for a period of less than one year is not annualized. Total return for a period of more than one year represents the average annual total return.

The Fund's performance at market price will differ from its results at NAV. Although market price returns typically reflect investment results over time, during shorter periods returns at market price can also be influenced by factors such as changing views about the Fund, market conditions, supply and demand for the Fund's shares, or changes in Fund distributions.

An investment in the Fund involves risk, including the loss of principal. Total return, market price, market price yield and net asset value will fluctuate with changes in market conditions. This data is provided for information only and is not intended for trading purposes. Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public offering, and once issued, shares of closed-end funds are sold in the open market through a stock exchange. Net asset value is equal to total assets attributable to common shareholders less total liabilities divided by the number of common shares outstanding. Holdings are subject to change daily.

(2) Market Price Yield is determined by dividing the annualized current monthly per share dividend (comprised from net investment income) payable to common shareholders by the market price per common share at November 30, 2008.

**PIMCO New York Municipal Income Fund II Fund Insights/Performance & Statistics**

November 30, 2008 (unaudited)

For the six-month period ended November 30, 2008, PIMCO New York Municipal Income Fund II returned (32.61)% on net asset value and (41.51)% on market price, compared to (41.54)% and (32.08)%, respectively for the Lipper New York Municipal Debt Funds Leveraged (the Benchmark ) average.

Municipal bond yields increased across the curve in all but the shortest maturities during the six-month reporting period ended November 30, 2008.

Duration hedging strategies significantly detracted from performance during the period. Thirty-year Treasury and London Interbank Offered Rate ( LIBOR ) swaps rallied significantly, while municipal rates increased as investors moved away from risky assets.

Municipal to Treasury yield ratios moved higher during the period crossing all time high levels in September, while continuing higher in October and November, continually setting new records along the way. The 10-year ratio increased to 138% and 30-year ratio increased to 156%.

Exposure to hospital related munis detracted from performance as this sector underperformed the national market during the period.

Tobacco securitization sector holdings detracted from performance as muni investors continue to focus demand on the highest quality sectors of the market while avoiding lower quality higher yielding securities such as tobacco bonds.

Exposure to zero coupon municipals detracted from performance as their longer durations caused underperformance as rates moved higher during the period, especially in the longer maturity portion of the yield curve. The Barclays Capital Zero Coupon Index returned (15.16)% for the six-month period ended November 30, 2008.

Long Municipals significantly underperformed Long Treasuries and also underperformed the taxable debt sector during the period as investors moved out of risky assets into Treasuries due to market volatility and continued uncertainty. The Barclays Capital Long Municipal Bond Index returned (14.77)% while the Long Government/Credit and the Long Barclays Capital Treasury Indices returned (1.36)% and 13.61%, respectively.

Municipal bond issuance remains at increased levels; although we have seen a slow down in the furious pace of the first half of the year beginning in September. Although issuance has been stalled somewhat, municipalities have picked up their issuance again in order to meet upcoming funding needs. During the six-month period, issuance totaled over \$367.7 billion compared to \$400.42 billion for the same period a year ago.

Municipal bonds within New York performed in-line with the Barclays Capital Municipal Bond Index returning (4.94)% and (4.98)%, respectively for the period. Year-to-date, issuers in New York State have issued \$38.1 billion in bonds, 37.5% higher than the same period last year. New York now ranks second among states in terms of issuance.

The Fund was generally positioned with a significant portion of its exposure in longer dated maturities due to the attractiveness of that portion of the curve. This detracted from performance as long muni rates increased over this period. The shape of the New York Insured AAA municipal yield curve steepened during the period. Five-year maturity AAA credits increased 17 basis points, 10-year maturities increased 57 basis points, and 30-year maturities increased 105 basis points.

<b>Total Return<sup>(1)</sup>:</b>	<b>Market Price</b>	<b>Net Asset Value ( NAV )</b>
Six Months	(41.51)%	(32.61)%
1 Year	(36.40)%	(32.32)%
5 Year	(4.38)%	(3.30)%
Commencement of Operations (6/28/02) to 11/30/08	(3.25)%	(1.20)%



**Common Share Market Price/NAV Performance:**

Commencement of Operations (6/28/02) to 11/30/08

**Market Price/NAV:**

Market Price	\$	8.14
NAV	\$	8.92
Discount to NAV		(8.74)%
Market Price Yield <sup>(2)</sup>		9.77%

**Moody's Ratings  
(as a % of total investments)**

(1) **Past performance is no guarantee of future results.** Returns are calculated by determining the percentage change in net asset value or market share price (as applicable) in the period covered. The calculation assumes that all of the Fund's income dividends and capital gain distributions have been reinvested. Total return does not reflect broker commissions or sales charges. Total return for a period of less than one year is not annualized. Total return for a period of more than one year represents the average annual total return.

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(2) Market Price Yield is determined by dividing the annualized current monthly per share dividend (comprised from net investment income) payable to common shareholders by the market price per common share at November 30, 2008.

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

November 30, 2008 (unaudited)

Principal Amount (000)		Credit Rating (Moody s/S&P)	Value
<b>MUNICIPAL BONDS &amp; NOTES 92.7%</b>			
<b>Alabama 2.4%</b>			
\$ 10,000	Birmingham Baptist Medical Centers Special Care Facs. Financing Auth. Rev., 5.00%, 11/15/30, Ser. A	Baa1/NR	\$ 6,781,000
1,750	Huntsville Health Care Auth. Rev., 5.75%, 6/1/32, Ser. B, (Pre-refunded @ \$101, 6/1/12) (c)	A2/NR	1,939,070
13,580	Jefferson Cnty. Sewer Rev., 4.75%, 2/1/38, Ser. B, (Pre-refunded @ \$100, 8/1/12) (FGIC)(c)	Aaa/AAA	14,519,329
1,235	Montgomery BMC Special Care Facs. Financing Auth. Rev. (MBIA), 5.00%, 11/15/29, Ser. B	A3/AA	1,073,832
2,200	Baptist Health, 5.00%, 11/15/24	A3/AA	2,185,612
2,650	Tuscaloosa Educational Building Auth. Rev., Stillman College, 5.00%, 6/1/26	NR/BBB-	1,854,126
			28,352,969
<b>Alaska 0.5%</b>			
5,900	Northern Tobacco Securitization Corp. Rev., 5.00%, 6/1/46, Ser. A	Baa3/NR	3,280,872
3,550	State Housing Finance Corp. Rev., 5.25%, 6/1/32, Ser. C (MBIA)	Aa2/AA	3,033,865
			6,314,737
<b>Arizona 6.6%</b>			
6,500	Health Facs. Auth. Rev., Beatitudes Project, 5.20%, 10/1/37	NR/NR	3,940,755
1,300	Hospital System, 5.75%, 12/1/32, (Pre-refunded @ \$101, 12/1/12) (c)	NR/BBB	1,447,251
3,500	Pima Cnty. Industrial Dev. Auth. Rev., Center for Academic Success, 5.50%, 7/1/37 (a)(d)	NR/BBB-	2,378,880
29,700	Correctional Facs., 5.00%, 9/1/39	Aa2/AA	25,572,294
41,100	Salt River Project Agricultural Improvement & Power Dist. Rev., 5.00%, 1/1/37, Ser. A (h)	Aa1/AA	37,234,956
10,500	Salt Verde Financial Corp. Rev., 5.00%, 12/1/37	Aa3/AA-	6,725,145
			77,299,281
<b>Arkansas 0.1%</b>			
13,000	Arkansas Dev. Finance Auth. Rev., zero coupon, 7/1/46, (AMBAC)	Aa3/NR	1,292,460
<b>California 4.9%</b>			
9,610	Alameda Corridor Transportation Auth. Rev., zero coupon, 10/1/16, Ser. A (AMBAC)	A3/AA	6,685,389
6,000	Golden State Tobacco Securitization Corp. Rev., Ser. A-1, 5.00%, 6/1/33,	Baa3/BBB	3,763,560
9,000	6.75%, 6/1/39, (Pre-refunded @ \$100, 6/1/13) (c)	NR/AAA	