

PIMCO MUNICIPAL INCOME FUND II  
Form N-Q  
May 27, 2016

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY**

<b>Investment Company Act File Number:</b>	<b>811-21076</b>
<b>Registrant Name:</b>	<b>PIMCO Municipal Income Fund II</b>
Address of Principal Executive Offices:	1633 Broadway New York, NY 10019
Name and Address of Agent for Service:	William G. Galipeau 650 Newport Center Drive Newport Beach, CA 92660
Registrant's telephone number, including area code:	(844) 337-4626
Date of Fiscal Year End:	December 31
Date of Reporting Period:	March 31, 2016

**Item 1. Schedule of Investments**

## Schedule of Investments

## PIMCO Municipal Income Fund II

March 31, 2016 (Unaudited)

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>INVESTMENTS IN SECURITIES 150.9%</b>		
<b>MUNICIPAL BONDS &amp; NOTES 149.8%</b>		
<b>ALABAMA 5.8%</b>		
<b>Alabama Docks Department State Revenue Bonds, Series 2010</b>		
6.000% due 10/01/2040	\$ 2,000	\$ 2,359
<b>Jefferson County, Alabama Sewer Revenue Bonds, Series 2013</b>		
0.000% due 10/01/2050 (a)	18,500	13,577
6.500% due 10/01/2053	21,000	25,303
<b>Lower Alabama Gas District Revenue Bonds, Series 2016</b>		
5.000% due 09/01/2046	3,000	3,727
		44,966
<b>ARIZONA 12.8%</b>		
<b>Arizona Health Facilities Authority Revenue Bonds, Series 2008</b>		
5.000% due 01/01/2035	3,500	3,714
5.500% due 01/01/2038	2,860	3,067
<b>Industrial Development Authority of the County, Arizona of Pima Revenue Bonds, Series 2008</b>		
5.000% due 09/01/2039	29,700	31,518
<b>Industrial Development Authority of the County, Arizona of Pima Revenue Bonds, Series 2010</b>		
5.250% due 10/01/2040	1,500	1,651
<b>Pinal County, Arizona Electric District No. 3 Revenue Bonds, Series 2011</b>		
5.250% due 07/01/2036	1,750	2,023
5.250% due 07/01/2041	3,700	4,220
<b>Salt River Project Agricultural Improvement &amp; Power District, Arizona Revenue Bonds, Series 2009</b>		
5.000% due 01/01/2039 (b)	10,000	10,935
<b>Salt Verde Financial Corp., Arizona Revenue Bonds, Series 2007</b>		
5.000% due 12/01/2032	12,430	15,103
5.000% due 12/01/2037	22,400	27,278

<b>CALIFORNIA 18.8%</b>		
<b>Bay Area Toll Authority, California Revenue Bonds, Series 2008</b>		
5.000% due 04/01/2034	1,430	1,551
<b>Bay Area Toll Authority, California Revenue Bonds, Series 2010</b>		
5.000% due 10/01/2029	6,000	6,875
<b>Bay Area Toll Authority, California Revenue Bonds, Series 2013</b>		
5.250% due 04/01/2048	5,000	5,817
<b>Bay Area Toll Authority, California Revenue Bonds, Series 2014</b>		
5.000% due 10/01/2054	2,000	2,308
<b>California Health Facilities Financing Authority Revenue Bonds, (IBC/NPFGC Insured), Series 2007</b>		
5.000% due 11/15/2042	6,300	6,447
<b>California Health Facilities Financing Authority Revenue Bonds, Series 2010</b>		
5.000% due 11/15/2036	1,500	1,680
9.139% due 11/15/2036 (c)	5,000	6,391
<b>California Health Facilities Financing Authority Revenue Bonds, Series 2011</b>		
6.000% due 08/15/2042	3,000	3,595
<b>California Municipal Finance Authority Revenue Bonds, Series 2011</b>		
7.750% due 04/01/2031	2,760	3,458
<b>California State General Obligation Bonds, Series 2007</b>		
5.000% due 11/01/2032	2,925	3,103
5.000% due 06/01/2037	1,590	1,666
<b>California State General Obligation Bonds, Series 2008</b>		
5.125% due 08/01/2036	5,200	5,668
5.250% due 03/01/2038	2,500	2,693
<b>California State General Obligation Bonds, Series 2009</b>		
6.000% due 04/01/2038	9,500	10,859
<b>California State General Obligation Bonds, Series 2010</b>		
5.250% due 11/01/2040	5,945	6,884
5.500% due 03/01/2040	5,750	6,640
<b>California Statewide Communities Development Authority Revenue Bonds, (FHA Insured), Series 2009</b>		
6.625% due 08/01/2029	4,890	5,799
6.750% due 02/01/2038	17,415	20,723
<b>California Statewide Communities Development Authority Revenue Bonds, Series 2007</b>		
5.750% due 11/01/2017	1,345	1,407
<b>California Statewide Communities Development Authority Revenue Bonds, Series 2010</b>		
5.000% due 11/01/2040	1,000	1,119
<b>California Statewide Communities Development Authority Revenue Bonds, Series 2011</b>		

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5.000% due 12/01/2041	1,000	1,128
6.000% due 08/15/2042	5,690	6,819
6.500% due 11/01/2021	580	644
<b>Hayward Unified School District, California General Obligation Bonds, Series 2008</b>		
5.000% due 08/01/2033	2,000	2,029
<b>Indian Wells Redevelopment Agency, California Tax Allocation Bonds, (AMBAC Insured), Series 2006</b>		
4.750% due 09/01/2034	1,500	1,521

<b>Los Angeles Community College District, California General Obligation Bonds, (NPFGC Insured), Series 2007</b>		
5.000% due 08/01/2032	2,000	2,115
<b>Los Angeles Department of Water &amp; Power, California Revenue Bonds, (AMBAC Insured), Series 2007</b>		
5.000% due 07/01/2039	4,000	4,193
<b>M-S-R Energy Authority, California Revenue Bonds, Series 2009</b>		
6.500% due 11/01/2039	1,750	2,481
<b>Montebello Unified School District, California General Obligation Bonds, (AGM Insured), Series 2008</b>		
5.000% due 08/01/2033	2,000	2,195
<b>Newport Beach, California Revenue Bonds, Series 2011</b>		
5.875% due 12/01/2030	3,000	3,755
<b>Peralta Community College District, California General Obligation Bonds, Series 2009</b>		
5.000% due 08/01/2039	500	556
<b>San Diego County, California Water Authority Certificates of Participation Bonds, (AGM Insured), Series 2008</b>		
5.000% due 05/01/2038	2,000	2,155
<b>San Marcos Unified School District, California General Obligation Bonds, Series 2011</b>		
5.000% due 08/01/2038	3,300	3,730
<b>Santa Clara County, California Financing Authority Revenue Bonds, (AMBAC Insured), Series 2007</b>		
5.750% due 02/01/2041	2,000	2,135
<b>Torrance, California Revenue Bonds, Series 2010</b>		
5.000% due 09/01/2040	4,725	5,167
		145,306
<b>COLORADO 2.1%</b>		
<b>Aurora, Colorado Revenue Bonds, Series 2010</b>		
5.000% due 12/01/2040	5,800	6,280
<b>Colorado Health Facilities Authority Revenue Bonds, Series 2010</b>		
5.000% due 01/01/2040	6,045	6,577
<b>Denver Health &amp; Hospital Authority, Colorado Revenue Bonds, Series 2010</b>		
5.625% due 12/01/2040	1,000	1,096
<b>Public Authority for Colorado Energy Revenue Bonds, Series 2008</b>		
6.500% due 11/15/2038	1,430	2,007
		15,960
<b>CONNECTICUT 0.3%</b>		

<b>Connecticut State Health &amp; Educational Facility Authority Revenue Bonds, Series 2011</b>		
5.000% due 07/01/2041	1,000	1,097
<b>Harbor Point Infrastructure Improvement District, Connecticut Tax Allocation Bonds, Series 2010</b>		
7.875% due 04/01/2039	1,250	1,448
		2,545

**FLORIDA 5.9%**

<b>Brevard County, Florida Health Facilities Authority Revenue Bonds, Series 2009</b>		
7.000% due 04/01/2039	1,000	1,180
<b>Broward County, Florida Airport System Revenue Bonds, Series 2009</b>		
5.375% due 10/01/2029	600	682
<b>Broward County, Florida Airport System Revenue Bonds, Series 2012</b>		
5.000% due 10/01/2042	8,000	9,165
<b>Broward County, Florida Water &amp; Sewer Utility Revenue Bonds, Series 2009</b>		
5.250% due 10/01/2034 (b)	8,500	9,424
<b>Clearwater, Florida Water &amp; Sewer Revenue Bonds, Series 2009</b>		
5.250% due 12/01/2039	1,000	1,134
<b>Florida Development Finance Corp. Revenue Notes, Series 2011</b>		
6.500% due 06/15/2021	280	310
<b>Florida State General Obligation Bonds, Series 2009</b>		
5.000% due 06/01/2038 (b)	7,900	8,587
<b>Highlands County, Florida Health Facilities Authority Revenue Bonds, Series 2008</b>		
5.625% due 11/15/2037	3,000	3,403
<b>Orlando-Orange County, Florida Expressway Authority Revenue Bonds, Series 2010</b>		
5.000% due 07/01/2040	10,000	11,042
<b>Sarasota County, Florida Health Facilities Authority Revenue Bonds, Series 2007</b>		
5.750% due 07/01/2037	500	504
		45,431

**GEORGIA 4.0%**

<b>Atlanta Department of Aviation, Georgia Revenue Bonds, Series 2010</b>		
5.000% due 01/01/2040	1,500	1,674
<b>Atlanta Development Authority, Georgia Revenue Bonds, Series 2015</b>		
5.000% due 07/01/2044	3,895	4,362
<b>Medical Center Hospital Authority, Georgia Revenue Bonds, Series 2007</b>		

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5.250% due 07/01/2037	2,775	2,829
<b>Municipal Electric Authority of Georgia Revenue Bonds, Series 2015</b>		
5.000% due 07/01/2060	19,680	21,884
		30,749

**ILLINOIS 11.9%**

<b>Chicago, Illinois General Obligation Bonds, Series 2007</b>		
5.500% due 01/01/2035	10,000	9,976
5.500% due 01/01/2042	1,250	1,246
<b>Chicago, Illinois General Obligation Bonds, Series 2015</b>		
5.375% due 01/01/2029	15,100	15,314



5.500% due 01/01/2034	5,200	5,210
<b>Chicago, Illinois Motor Fuel Tax Revenue Bonds, (AGC Insured), Series 2008</b>		
5.000% due 01/01/2038	1,250	1,272
<b>Chicago, Illinois Revenue Bonds, Series 2002</b>		
5.000% due 01/01/2029	2,000	2,177
<b>Chicago, Illinois Special Assessment Bonds, Series 2003</b>		
6.625% due 12/01/2022	2,108	2,112
6.750% due 12/01/2032	5,388	5,398
<b>Hillside Village, Illinois Tax Allocation Bonds, Series 2008</b>		
6.550% due 01/01/2020	2,570	2,755
7.000% due 01/01/2028	2,900	3,100
<b>Illinois Finance Authority Revenue Bonds, Series 2007</b>		
5.750% due 05/15/2031	2,500	2,620
6.000% due 03/01/2037 ^	250	63
<b>Illinois Finance Authority Revenue Bonds, Series 2009</b>		
5.500% due 07/01/2037 (b)	5,000	5,510
7.125% due 11/15/2037	700	831
<b>Illinois Finance Authority Revenue Bonds, Series 2010</b>		
6.000% due 05/01/2028	2,000	2,269
<b>Illinois Sports Facilities Authority Revenue Bonds, (AMBAC Insured), Series 2001</b>		
5.500% due 06/15/2030	26,225	26,476
<b>Illinois State Toll Highway Authority Revenue Bonds, Series 2015</b>		
5.000% due 01/01/2033	3,000	3,537
<b>Metropolitan Pier &amp; Exposition Authority, Illinois Revenue Bonds, Series 2015</b>		
5.000% due 06/15/2052	2,000	2,143
		92,009
<b>INDIANA 2.6%</b>		
<b>Indiana Finance Authority Revenue Bonds, Series 2009</b>		
6.000% due 08/01/2039	1,500	1,710
<b>Indiana Municipal Power Agency Revenue Bonds, Series 2016</b>		
5.000% due 01/01/2042	13,330	15,537
<b>Vigo County, Indiana Hospital Authority Revenue Bonds, Series 2007</b>		
5.800% due 09/01/2047	990	1,018
<b>Vigo County, Indiana Hospital Authority Revenue Bonds, Series 2011</b>		
7.500% due 09/01/2022	1,720	2,010
		20,275
<b>IOWA 3.6%</b>		

<b>Iowa Finance Authority Revenue Bonds, Series 2007</b>		
6.750% due 11/15/2042	4,500	4,932
<b>Iowa Finance Authority Revenue Bonds, Series 2013</b>		
5.250% due 12/01/2025	6,000	6,400
<b>Iowa Finance Authority Revenue Bonds, Series 2014</b>		
2.000% due 05/15/2056 ^	144	2
2.700% due 11/15/2046 ^	769	657
<b>Iowa Finance Authority Revenue Notes, Series 2013</b>		
5.500% due 12/01/2022	5,000	5,246
<b>Iowa Tobacco Settlement Authority Revenue Bonds, Series 2005</b>		
5.600% due 06/01/2034	10,350	10,394
		27,631
<b>KANSAS 0.2%</b>		
<b>Kansas Development Finance Authority Revenue Bonds, Series 2009</b>		
5.750% due 11/15/2038	500	570
<b>Manhattan, Kansas Revenue Bonds, Series 2007</b>		
5.000% due 05/15/2036	850	854
		1,424
<b>KENTUCKY 0.1%</b>		
<b>Kentucky Economic Development Finance Authority Revenue Bonds, Series 2010</b>		
6.375% due 06/01/2040	1,000	1,144
<b>LOUISIANA 1.1%</b>		
<b>Louisiana Local Government Environmental Facilities &amp; Community Development Authority Revenue Bonds, Series 2010</b>		
5.875% due 10/01/2040	750	871
6.000% due 10/01/2044	1,000	1,164
6.500% due 11/01/2035	450	533
<b>Louisiana Public Facilities Authority Revenue Bonds, Series 2007</b>		
5.500% due 05/15/2047	3,300	3,429
<b>Louisiana Public Facilities Authority Revenue Bonds, Series 2011</b>		
6.500% due 05/15/2037	2,000	2,388
		8,385
<b>MARYLAND 1.1%</b>		
<b>Maryland Health &amp; Higher Educational Facilities Authority Revenue Bonds, Series 2008</b>		
6.000% due 01/01/2043	4,050	4,414
<b>Maryland Health &amp; Higher Educational Facilities Authority Revenue Bonds, Series 2010</b>		

6.250% due 01/01/2041	1,400	1,612
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<b>Maryland Health &amp; Higher Educational Facilities Authority Revenue Bonds, Series 2011</b>		
5.000% due 08/15/2041	2,380	2,604
		8,630
<b>MASSACHUSETTS 0.6%</b>		
<b>Massachusetts Development Finance Agency Revenue Bonds, Series 2010</b>		
7.000% due 07/01/2042	1,000	1,116
7.625% due 10/15/2037	555	625
<b>Massachusetts State College Building Authority Revenue Bonds, Series 2009</b>		
5.500% due 05/01/2039	2,900	3,303
		5,044
<b>MICHIGAN 0.7%</b>		
<b>Detroit, Michigan General Obligation Bonds, Series 2010</b>		
5.250% due 11/01/2035	1,000	1,062
<b>Michigan Public Educational Facilities Authority Revenue Bonds, Series 2007</b>		
6.500% due 09/01/2037 ^	800	555
<b>Royal Oak Hospital Finance Authority, Michigan Revenue Bonds, Series 2009</b>		
8.250% due 09/01/2039	3,000	3,530
		5,147
<b>MINNESOTA 0.4%</b>		
<b>North Oaks, Minnesota Revenue Bonds, Series 2007</b>		
6.000% due 10/01/2033	2,640	2,754
<b>St Louis Park, Minnesota Revenue Bonds, Series 2009</b>		
5.750% due 07/01/2039	400	461
		3,215
<b>MISSISSIPPI 0.0%</b>		
<b>Mississippi Development Bank Revenue Bonds, (AMBAC Insured), Series 1999</b>		
5.000% due 07/01/2024	40	42
<b>MISSOURI 1.5%</b>		
<b>Lee s Summit, Missouri Tax Allocation Bonds, Series 2011</b>		
5.625% due 10/01/2023	405	408
<b>Missouri State Health &amp; Educational Facilities Authority Revenue Bonds, Series 2013</b>		
5.000% due 11/15/2044	10,000	11,122

		11,530
<b>NEVADA 1.3%</b>		
<b>Clark County, Nevada General Obligation Bonds, Series 2006</b>		
4.750% due 11/01/2035 (b)	10,000	10,033
<b>NEW HAMPSHIRE 0.3%</b>		
<b>New Hampshire Business Finance Authority Revenue Bonds, Series 2009</b>		
6.125% due 10/01/2039	2,000	2,214
<b>NEW JERSEY 7.8%</b>		
<b>Burlington County, New Jersey Bridge Commission Revenue Bonds, Series 2007</b>		
5.625% due 01/01/2038	950	997
<b>New Jersey Economic Development Authority Revenue Bonds, Series 1998</b>		
6.000% due 05/15/2028	525	306
<b>New Jersey Economic Development Authority Revenue Bonds, Series 2010</b>		
5.875% due 06/01/2042	2,000	2,225
<b>New Jersey Economic Development Authority Special Assessment Bonds, Series 2002</b>		
5.750% due 10/01/2021	4,000	4,414
<b>New Jersey Health Care Facilities Financing Authority Revenue Bonds, Series 2007</b>		
5.750% due 07/01/2037	1,500	1,562
<b>New Jersey Health Care Facilities Financing Authority Revenue Bonds, Series 2011</b>		
6.000% due 07/01/2037	1,500	1,783
<b>New Jersey Health Care Facilities Financing Authority Revenue Bonds, Series 2013</b>		
5.500% due 07/01/2043	4,000	4,621
<b>New Jersey State Turnpike Authority Revenue Bonds, Series 2009</b>		
5.250% due 01/01/2040	2,000	2,213
<b>New Jersey Transportation Trust Fund Authority Revenue Bonds, Series 2015</b>		
5.250% due 06/15/2041	750	817
<b>Tobacco Settlement Financing Corp., New Jersey Revenue Bonds, Series 2007</b>		
4.750% due 06/01/2034	14,255	13,113
5.000% due 06/01/2041	31,475	28,315
		60,366
<b>NEW MEXICO 0.3%</b>		
<b>Farmington, New Mexico Revenue Bonds, Series 2010</b>		
5.900% due 06/01/2040	2,000	2,275

<b>NEW YORK 20.1%</b>		
<b>Hudson Yards Infrastructure Corp., New York Revenue Bonds, Series 2011</b>		
5.250% due 02/15/2047	33,500	37,659
<b>Metropolitan Transportation Authority, New York Revenue Bonds, Series 2011</b>		
5.000% due 11/15/2036	3,880	4,433
<b>Metropolitan Transportation Authority, New York Revenue Bonds, Series 2015</b>		
5.250% due 11/15/2029	5,500	6,897
<b>Nassau County, New York Industrial Development Agency Revenue Bonds, Series 2014</b>		
2.000% due 01/01/2049 ^	298	37
6.700% due 01/01/2049	825	827
<b>New York City, New York Water &amp; Sewer System Revenue Bonds, Series 2007</b>		
4.750% due 06/15/2035 (b)	4,000	4,161
<b>New York City, New York Water &amp; Sewer System Revenue Bonds, Series 2009</b>		
5.000% due 06/15/2039	2,000	2,233
<b>New York Liberty Development Corp. Revenue Bonds, Series 2005</b>		
5.250% due 10/01/2035 (b)	11,505	14,369
<b>New York Liberty Development Corp. Revenue Bonds, Series 2010</b>		
5.125% due 01/15/2044	1,000	1,119
5.625% due 07/15/2047	2,500	2,831
6.375% due 07/15/2049	1,250	1,413
<b>New York Liberty Development Corp. Revenue Bonds, Series 2011</b>		
5.000% due 12/15/2041	10,000	11,548
5.750% due 11/15/2051	54,000	63,567
<b>New York Liberty Development Corp. Revenue Bonds, Series 2014</b>		
5.000% due 11/15/2044	2,000	2,149
<b>New York State Dormitory Authority Revenue Bonds, Series 2010</b>		
5.500% due 07/01/2040	1,750	2,032
		155,275
<b>NORTH CAROLINA 0.1%</b>		
<b>North Carolina Medical Care Commission Revenue Bonds, Series 2006</b>		
5.100% due 10/01/2030	550	557
<b>NORTH DAKOTA 0.5%</b>		
<b>Stark County, North Dakota Revenue Bonds, Series 2007</b>		

6.750% due 01/01/2033	3,710	3,869
<b>OHIO 8.8%</b>		
<b>Buckeye Tobacco Settlement Financing Authority, Ohio Revenue Bonds, Series 2007</b>		
5.125% due 06/01/2024	6,000	5,672
5.875% due 06/01/2047	23,100	21,855
6.500% due 06/01/2047	19,400	19,398
<b>Hamilton County, Ohio Sales Tax Revenue Bonds, Series 2011</b>		
5.000% due 12/01/2030	3,900	4,315
<b>Ohio State Revenue Bonds, Series 2009</b>		
5.500% due 01/01/2039	3,000	3,368
<b>Ohio State Turnpike Commission Revenue Bonds, Series 2013</b>		
5.000% due 02/15/2048	10,000	11,166
<b>Ohio State Water Development Authority Revenue Bonds, Series 2005</b>		
4.000% due 01/01/2034	2,500	2,633
		68,407
<b>OREGON 0.3%</b>		
<b>Clackamas County, Oregon Hospital Facility Authority Revenue Bonds, Series 2009</b>		
5.500% due 07/15/2035	1,000	1,124
<b>Oregon Department of Administrative Services State Certificates of Participation Bonds, Series 2009</b>		
5.250% due 05/01/2039	1,155	1,284
		2,408
<b>PENNSYLVANIA 9.7%</b>		
<b>Berks County, Pennsylvania Municipal Authority Revenue Bonds, Series 2012</b>		
5.000% due 11/01/2044	7,500	8,175
<b>Capital Region Water, Pennsylvania Revenue Bonds, Series 2007</b>		
6.000% due 09/01/2036 ^	3,190	2,561
<b>Cumberland County, Pennsylvania Municipal Authority Revenue Bonds, Series 2008</b>		
5.625% due 07/01/2028	1,000	1,082
6.000% due 07/01/2035	670	731
<b>Luzerne County, Pennsylvania Industrial Development Authority Revenue Bonds, Series 2009</b>		
5.500% due 12/01/2039	500	569
<b>Montgomery County Industrial Development Authority, Pennsylvania Revenue Bonds, (FHA Insured), Series 2010</b>		
5.375% due 08/01/2038	8,465	9,988
<b>Pennsylvania Higher Educational Facilities Authority Revenue Bonds, Series 2010</b>		
5.000% due 03/01/2040	400	439
6.000% due 07/01/2043	850	895

**Pennsylvania Turnpike Commission Revenue Bonds,  
Series 2013**

5.000% due 12/01/2043	10,000	11,278
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**Pennsylvania Turnpike Commission Revenue Bonds,  
Series 2015**

5.000% due 12/01/2040	4,000	4,597
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**Philadelphia Authority for Industrial Development,  
Pennsylvania Revenue Bonds, Series 2015**

5.000% due 04/01/2045	5,500	6,277
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<b>Philadelphia Hospitals &amp; Higher Education Facilities Authority, Pennsylvania Revenue Bonds, Series 2012</b>		
5.625% due 07/01/2036	1,000	1,102
5.625% due 07/01/2042	7,000	7,626
<b>Philadelphia, Pennsylvania General Obligation Bonds, (AGM Insured), Series 2008</b>		
5.250% due 12/15/2032	17,000	18,461
<b>Philadelphia, Pennsylvania Water &amp; Wastewater Revenue Bonds, Series 2009</b>		
5.250% due 01/01/2036	500	548
<b>Westmoreland County Industrial Development Authority, Pennsylvania Revenue Bonds, Series 2010</b>		
5.125% due 07/01/2030	1,000	1,126
		75,455
<b>RHODE ISLAND 2.9%</b>		
<b>Tobacco Settlement Financing Corp., Rhode Island Revenue Bonds, Series 2015</b>		
5.000% due 06/01/2050	21,450	22,443
<b>SOUTH CAROLINA 1.6%</b>		
<b>Greenwood County, South Carolina Revenue Bonds, Series 2009</b>		
5.375% due 10/01/2039	1,000	1,111
<b>South Carolina State Public Service Authority Revenue Bonds, Series 2013</b>		
5.500% due 12/01/2053	10,000	11,455
		12,566
<b>TENNESSEE 1.8%</b>		
<b>Claiborne County, Tennessee Industrial Development Board Revenue Bonds, Series 2009</b>		
6.625% due 10/01/2039	1,750	1,951
<b>Johnson City Health &amp; Educational Facilities Board, Tennessee Revenue Bonds, Series 2010</b>		
6.000% due 07/01/2038	1,000	1,131
<b>Sullivan County, Tennessee Health Educational &amp; Housing Facilities Board Revenue Bonds, Series 2006</b>		
5.250% due 09/01/2036	500	508
<b>Tennessee Energy Acquisition Corp. Revenue Bonds, Series 2006</b>		
5.000% due 02/01/2023	3,000	3,561
5.000% due 02/01/2027	6,000	7,187
		14,338

<b>TEXAS 17.7%</b>		
<b>Austin Trust, Texas General Obligation Bonds, Series 2007</b>		
4.750% due 04/01/2036 (b)	17,500	17,500
<b>Dallas, Texas Civic Center Revenue Bonds, (AGC Insured), Series 2009</b>		
5.250% due 08/15/2038	2,500	2,786
<b>Grand Parkway Transportation Corp., Texas Revenue Bonds, Series 2013</b>		
5.000% due 04/01/2053	21,000	23,337
<b>Harris County, Texas Cultural Education Facilities Finance Corp. Revenue Bonds, Series 2009</b>		
5.250% due 10/01/2029	3,750	4,266
5.500% due 10/01/2039	12,700	14,328
<b>HFDC of Central Texas, Inc. Revenue Bonds, Series 2006</b>		
5.500% due 02/15/2037	700	729
<b>North Harris County, Texas Regional Water Authority Revenue Bonds, Series 2008</b>		
5.250% due 12/15/2033	10,300	11,377
5.500% due 12/15/2038	10,300	11,415
<b>North Texas Tollway Authority Revenue Bonds, Series 2008</b>		
5.625% due 01/01/2033	5,000	5,405
5.750% due 01/01/2033	1,200	1,303
<b>North Texas Tollway Authority Revenue Bonds, Series 2011</b>		
5.000% due 01/01/2038	5,750	6,329
5.500% due 09/01/2041	1,300	1,534
<b>San Juan Higher Education Finance Authority, Texas Revenue Bonds, Series 2010</b>		
6.700% due 08/15/2040	250	292
<b>Tarrant County, Texas Cultural Education Facilities Finance Corp. Revenue Bonds, Series 2009</b>		
6.250% due 11/15/2029	3,000	3,409
<b>Texas Municipal Gas Acquisition &amp; Supply Corp. Revenue Bonds, Series 2008</b>		
6.250% due 12/15/2026	19,380	23,982
<b>Texas State General Obligation Bonds, Series 2008</b>		
4.750% due 04/01/2037	975	1,051
<b>Texas State General Obligation Bonds, Series 2010</b>		
8.625% due 04/01/2037 (c)	4,880	5,537
<b>Texas State Public Finance Authority Charter School Finance Corp. Revenue Bonds, Series 2007</b>		
5.875% due 12/01/2036	1,000	1,060
<b>Wise County, Texas Revenue Bonds, Series 2011</b>		
8.000% due 08/15/2034	1,000	1,165
		136,805
<b>VIRGINIA 0.3%</b>		
<b>Fairfax County, Virginia Industrial Development Authority Revenue Bonds, Series 2009</b>		
5.500% due 05/15/2035	1,000	1,127

**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	1,228
		2,385

<b>WASHINGTON 2.1%</b>		
<b>Washington Health Care Facilities Authority Revenue Bonds, (AGC Insured), Series 2008</b>		
6.000% due 08/15/2039	1,300	1,515
<b>Washington Health Care Facilities Authority Revenue Bonds, Series 2007</b>		
6.125% due 08/15/2037	13,000	13,745
<b>Washington Health Care Facilities Authority Revenue Bonds, Series 2009</b>		
7.375% due 03/01/2038	1,000	1,180
		16,440
<b>WEST VIRGINIA 0.6%</b>		
<b>West Virginia Economic Development Authority Revenue Bonds, Series 2010</b>		
5.375% due 12/01/2038	2,000	2,235
<b>West Virginia Hospital Finance Authority Revenue Bonds, Series 2011</b>		
9.125% due 10/01/2041	1,910	2,057
		4,292
<b>WISCONSIN 0.1%</b>		
<b>Wisconsin Health &amp; Educational Facilities Authority Revenue Bonds, Series 2009</b>		
6.625% due 02/15/2039	1,000	1,159
Total Municipal Bonds & Notes (Cost \$1,031,950)		1,160,229
<b>SHORT-TERM INSTRUMENTS 1.1%</b>		
<b>REPURCHASE AGREEMENTS (d) 1.1%</b>		8,400
Total Short-Term Instruments (Cost \$8,400)		8,400
Total Investments in Securities (Cost \$1,040,350)		1,168,629
<b>Total Investments 150.9%</b>	<b>\$</b>	<b>1,168,629</b>
<b>(Cost \$1,040,350)</b>		
<b>Preferred Shares (47.4%)</b>		<b>(367,000)</b>
<b>Other Assets and Liabilities, net (3.5%)</b>		<b>(27,259)</b>
<b>Net Assets Applicable to Common Shareholders 100.0%</b>	<b>\$</b>	<b>774,370</b>



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) Security becomes interest bearing at a future date.

(b) 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.

(c) 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 March 31, 2016.

**Borrowings and Other Financing Transactions**

(d) Repurchase Agreements:

Counterparty	Lending Rate	Settlement Date	Maturity Date	Principal Amount	Collateralized By	Collateral (Received)	at Value	Repurchase Agreements, to	Receivable
	0.470%	03/31/2016	04/01/2016	\$ 8,400	U.S. Treasury Notes 1.625% due 11/30/2020	\$ (8,592)	\$ 8,400		\$ 8,400
<b>Repurchase Agreements</b>						<b>\$ (8,592)</b>	<b>\$ 8,400</b>		<b>\$ 8,400</b>

(1) Includes accrued interest.

**Fair Value Measurements**

The following is a summary of the fair valuations according to the inputs used as of March 31, 2016 in valuing the Fund's assets and liabilities:

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 03/31/2016
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**Investments in Securities, at Value**

## Municipal Bonds &amp; Notes

Alabama	\$ 0	\$ 44,966	\$ 0	\$ 44,966
Arizona	0	99,509	0	99,509
California	0	145,306	0	145,306
Colorado	0	15,960	0	15,960
Connecticut	0	2,545	0	2,545
Florida	0	45,431	0	45,431
Georgia	0	30,749	0	30,749
Illinois	0	92,009	0	92,009
Indiana	0	20,275	0	20,275
Iowa	0	27,631	0	27,631
Kansas	0	1,424	0	1,424
Kentucky	0	1,144	0	1,144
Louisiana	0	8,385	0	8,385
Maryland	0	8,630	0	8,630
Massachusetts	0	5,044	0	5,044
Michigan	0	5,147	0	5,147
Minnesota	0	3,215	0	3,215
Mississippi	0	42	0	42
Missouri	0	11,530	0	11,530
Nevada	0	10,033	0	10,033
New Hampshire	0	2,214	0	2,214
New Jersey	0	60,366	0	60,366
New Mexico	0	2,275	0	2,275
New York	0	155,275	0	155,275
North Carolina	0	557	0	557
North Dakota	0	3,869	0	3,869
Ohio	0	68,407	0	68,407
Oregon	0	2,408	0	2,408
Pennsylvania	0	75,455	0	75,455
Rhode Island	0	22,443	0	22,443
South Carolina	0	12,566	0	12,566
Tennessee	0	14,338	0	14,338
Texas	0	136,805	0	136,805
Virginia	0	2,385	0	2,385
Washington	0	16,440	0	16,440
West Virginia	0	4,292	0	4,292
Wisconsin	0	1,159	0	1,159
Short-Term Instruments				
Repurchase Agreements	0	8,400	0	8,400
Total Investments	\$ 0	\$ 1,168,629	\$ 0	\$ 1,168,629

**There were no significant transfers between Levels 1, 2, or 3 during the period ended March 31, 2016.**

**See Accompanying Notes**

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## Notes to Financial Statements

### 1. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS

**(a) Investment Valuation Policies** The net asset value ( NAV ) of the Fund 's shares is determined by dividing the total value of portfolio investments and other assets attributable to that Fund, less any liabilities, by the total number of shares outstanding of that Fund.

On each day that the New York Stock Exchange ( NYSE ) is open, Fund shares are ordinarily valued as of the close of regular trading ( NYSE Close ). Information that becomes known to the Fund or its agents after the time as of which NAV has been calculated on a particular day will not generally be used to retroactively adjust the price of a security or the NAV determined earlier that day. The Fund reserves the right to change the time as of which its respective NAV is calculated if the Fund closes earlier, or as permitted by the SEC.

For purposes of calculating NAV, portfolio securities and other assets for which market quotes are readily available are valued at market value. Market value is generally determined on the basis of official closing prices or the last reported sales prices, or if no sales are reported, based on quotes obtained from established market makers or prices (including evaluated prices) supplied by the Fund 's approved pricing services, quotation reporting systems and other third-party sources (together, Pricing Services ). The Fund will normally use pricing data for domestic equity securities received shortly after the NYSE Close and do not normally take into account trading, clearances or settlements that take place after the NYSE Close. A foreign (non-U.S.) equity security traded on a foreign exchange or on more than one exchange is typically valued using pricing information from the exchange considered by PIMCO to be the primary exchange. A foreign (non-U.S.) equity security will be valued as of the close of trading on the foreign exchange, or the NYSE Close, if the NYSE Close occurs before the end of trading on the foreign exchange. Domestic and foreign (non-U.S.) fixed income securities, non-exchange traded derivatives, and equity options are normally valued on the basis of quotes obtained from brokers and dealers or Pricing Services using data reflecting the earlier closing of the principal markets for those securities. Prices obtained from Pricing Services may be based on, among other things, information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics. Certain fixed income securities purchased on a delayed-delivery basis are marked to market daily until settlement at the forward settlement date. Exchange-traded options, except equity options, futures and options on futures are valued at the settlement price determined by the relevant exchange. Swap agreements are valued on the basis of bid quotes obtained from brokers and dealers or market-based prices supplied by Pricing Services or other pricing sources. With respect to any portion of the Fund 's assets that are invested in one or more open-end management investment companies (other than exchange-traded funds ( ETFs )), the Fund 's NAV will be calculated based upon the NAVs of such investments.

Investments for which market quotes or market based valuations are not readily available are valued at fair value as determined in good faith by the Board or persons acting at their direction. The Board has adopted methods for valuing securities and other assets in circumstances where market quotes are not readily available, and has delegated to PIMCO the responsibility for applying the fair valuation methods. In the event that market quotes or market based valuations are not readily available, and the security or asset cannot be valued pursuant to a Board approved valuation method, the value of the security or asset will be determined in good faith by the Valuation Oversight Committee of the Board ( Valuation Oversight Committee ), generally based on recommendations provided by the Manager. Market quotes are considered not readily available in circumstances where there is an absence of current or reliable market-based data (e.g., trade information, bid/ask information, indicative market quotations ( Broker Quotes ), Pricing Services prices), including where events occur after the close of the relevant market, but prior to the NYSE Close, that materially affect the values of the Fund 's securities or assets. In addition, market quotes are considered not readily available when, due to extraordinary circumstances, the exchanges or markets on which the securities trade do not open for trading for the entire day and no other market prices are available. The Board has delegated to the Manager the responsibility for monitoring significant events that may materially affect the values of the Fund 's securities or



assets and for determining whether the value of the applicable securities or assets should be reevaluated in light of such significant events.

When the Fund uses fair valuation to determine the value of a portfolio security or other asset for purposes of calculating its NAV, such investments will not be priced on the basis of quotes from the primary market in which they are traded, but rather may be priced by another method that the Board or persons acting at their direction believe reflects fair value. Fair valuation may require subjective determinations about the value of a security. While the Fund's policy is intended to result in a calculation of the Fund's NAV that fairly reflects security values as of the time of pricing, the Fund cannot ensure that fair values determined by the Board or persons acting at their direction would accurately reflect the price that the Fund could obtain for a security if it were to dispose of that security as of the time of pricing (for instance, in a forced or distressed sale). The prices used by the Fund may differ from the value that would be realized if the securities were sold.

**(b) Fair Value Hierarchy** U.S. GAAP describes fair value as the price that the Fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. It establishes a fair value hierarchy that prioritizes inputs to valuation methods and requires disclosure of the fair value hierarchy, separately for each major category of assets and liabilities, that segregates fair value measurements into levels (Level 1, 2, or 3). The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. Levels 1, 2, and 3 of the fair value hierarchy are defined as follows:

Level 1 Inputs using (unadjusted) quoted prices in active markets or exchanges for identical assets and liabilities.

Level 2 Significant other observable inputs, which may include, but are not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market corroborated inputs.

Level 3 Significant unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available, which may include assumptions made by the Board or persons acting at their direction that are used in determining the fair value of investments.

In accordance with the requirements of U.S. GAAP, the amounts of transfers between Levels 1 and 2 and transfers in and out of Level 3, if material, are disclosed in the Notes to Schedule of Investments for the Fund.

For fair valuations using significant unobservable inputs, U.S. GAAP requires a reconciliation of the beginning to ending balances for reported fair values that presents changes attributable to realized gain (loss), unrealized appreciation (depreciation), purchases and sales, accrued discounts (premiums), and transfers in and out of the Level 3 category during the period. The end of period timing recognition is used for the transfers between Levels of the Fund's assets and liabilities. Additionally, U.S. GAAP requires quantitative information regarding the significant unobservable inputs used in the determination of fair value of assets or liabilities categorized as Level 3 in the fair value hierarchy. In accordance with the requirements of U.S. GAAP, a fair value hierarchy, and if material, a Level 3 reconciliation and details of significant unobservable inputs, have been included in the Notes to Schedule of Investments for the Fund.

**(c) Valuation Techniques and the Fair Value Hierarchy**

**Level 1 and Level 2 trading assets and trading liabilities, at fair value** The valuation methods (or techniques) and significant inputs used in determining the fair values of portfolio securities or other assets and liabilities categorized as Level 1 and Level 2 of the fair value hierarchy are as follows:

Fixed income securities including corporate, convertible and municipal bonds and notes, U.S. government agencies, U.S. treasury obligations, sovereign issues, bank loans, convertible preferred securities and non-U.S. bonds are normally valued on the basis of quotes obtained from brokers and dealers or Pricing Services that use broker-dealer quotations, reported trades or valuation estimates from their internal pricing models. The Pricing Services' internal models use inputs that are observable such as issuer details, interest rates, yield curves, prepayment speeds, credit risks/spreads, default rates and quoted prices for similar assets. Securities that use similar valuation techniques and inputs as described above are categorized as Level 2 of the fair value hierarchy.

Fixed income securities purchased on a delayed-delivery basis or as a repurchase commitment in a sale-buyback transaction are marked to market daily until settlement at the forward settlement date and are categorized as Level 2 of the fair value hierarchy.

The validity of the fair value is reviewed by the Manager on a periodic basis and may be amended in accordance with the Fund's valuation procedures.

**2. FEDERAL INCOME TAX MATTERS**

The Fund intends to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code (the Code) and distribute all of its taxable income and net realized gains, if applicable, to shareholders. Accordingly, no provision for Federal income taxes has been made.

The Fund may be subject to local withholding taxes, including those imposed on realized capital gains. Any applicable foreign capital gains tax is accrued daily based upon net unrealized gains, and may be payable following the sale of any applicable investments.

In accordance with U.S. GAAP, the Manager has reviewed the Fund's tax positions for all open tax years. As of March 31, 2016, the Fund has recorded no liability for net unrecognized tax benefits relating to uncertain income tax positions they have taken or expect to take in future tax returns.

The Fund files U.S. tax returns. While the statute of limitations remains open to examine the Fund's U.S. tax returns filed for the fiscal years ending in 2013-2015, no examinations are in progress or anticipated at this time. The Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

As of March 31, 2016, the aggregate cost and the gross and the net unrealized appreciation (depreciation) of investments for federal income tax purposes were as follows (amounts in thousands):

	<b>Aggregate Gross Unrealized Appreciation</b>	<b>Aggregate Gross Unrealized (Depreciation)</b>	<b>Net Unrealized Appreciation (Depreciation) <sup>(1)</sup></b>
<b>Federal Tax Cost</b>			

\$ 1,040,350	\$ 130,890	\$ (2,611)	\$ 128,279
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<sup>(1)</sup> *Primary differences, if any, between book and tax net unrealized appreciation (depreciation) are attributable to wash sale loss deferrals for federal income tax purposes.*

**Glossary: (abbreviations that may be used in the preceding statements)**

(Unaudited)

Counterparty Abbreviations:

SAL Citigroup Global Markets,  
Inc.

Currency Abbreviations:

USD (or \$) United States Dollar

Municipal Bond or Agency Abbreviations:

AGC	Assured Guaranty Corp.	AMBAC	American Municipal Bond Assurance Corp.	IBC	Insured Bond Certificate
AGM	Assured Guaranty Municipal	FHA	Federal Housing Administration	NPFGC	National Public Finance Guarantee Corp.

**Item 2. Controls and Procedures**

(a) The principal executive officer and principal financial & accounting officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Act (17 CFR 270.30a-3(c))), are effective based on their evaluation of these controls and procedures as of a date within 90 days of the filing date of this document.

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

**Item 3. Exhibits**

A separate certification for each principal executive officer and principal financial & accounting officer of the registrant as required by Rule 30a-2 under the 1940 Act is attached as Exhibit 99.CERT.

