

PIMCO MUNICIPAL INCOME FUND
Form N-CSRS
December 29, 2014
Table of Contents

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: 811-10377

PIMCO Municipal Income Fund

(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

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

Date of fiscal year end: April 30, 2015

Date of reporting period: October 31, 2014

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.

Table of Contents

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).

Table of Contents

Your Global Investment Authority

PIMCO Closed-End Funds

Semiannual Report

October 31, 2014

PIMCO Municipal Income Fund

PIMCO California Municipal Income Fund

PIMCO New York Municipal Income Fund

Table of Contents

Table of Contents

	Page
<u>Letter from the Chairman of the Board & President</u>	2
<u>Important Information About the Funds</u>	5
<u>Financial Highlights</u>	14
<u>Statements of Assets and Liabilities</u>	16
<u>Statements of Operations</u>	17
<u>Statements of Changes in Net Assets</u>	18
<u>Notes to Financial Statements</u>	35
<u>Glossary</u>	50
<u>Shareholder Meeting Results</u>	51
<u>Changes to Boards of Trustees/Changes to Portfolio Managers</u>	52
<u>Matters Relating to the Trustees – Consideration of the Investment Management and Portfolio Management Agreements</u>	53
Fund	Fund Summary
	Schedule of Investments
<u>PIMCO Municipal Income Fund</u>	8 <u>20</u>
<u>PIMCO California Municipal Income Fund</u>	10 <u>28</u>
<u>PIMCO New York Municipal Income Fund</u>	12 <u>32</u>

Table of Contents

Letter from the Chairman of the Board & President

Dear Shareholder:

As previously announced, on September 26, 2014, prior to the close of the reporting period, William Bill Gross, PIMCO's former chief investment officer (CIO) and-founder, resigned from the firm. PIMCO's managing directors elected Daniel Ivascyn to serve as group chief investment officer (Group CIO). In addition, PIMCO appointed Andrew Balls, CIO Global; Mark Kiesel, CIO Global Credit; Virginie Maisonneuve, CIO Global Equities; Scott Mather, CIO U.S. Core Strategies; and Mihir Worah, CIO Real Return and Asset Allocation. As announced by PIMCO on November 3, 2014, Marc Seidner returned to the firm effective November 12, 2014, in a new role as CIO Non-Traditional Strategies and head of Portfolio Management in PIMCO's New York office. Under this leadership structure, Andrew and Mihir have additional managerial responsibility for PIMCO's Portfolio Management group and trade floor activities globally. Andrew oversees portfolio management and trade floor activities in Europe and Asia-Pacific, and Mihir oversees portfolio management and trade floor activities in the U.S. There have not been any changes to the portfolio management of PIMCO Municipal Income Fund, PIMCO California Municipal Income Fund or PIMCO New York Municipal Income Fund (collectively, the Funds).

Douglas Hodge, PIMCO's chief executive officer, and Jay Jacobs, PIMCO's president, continue to serve as the firm's senior executive leadership team, spearheading PIMCO's business strategy, client service and the firm's operations.

These appointments are a further evolution of the structure that PIMCO established earlier in 2014, reflecting our belief that the best approach for PIMCO's clients and our firm is an investment leadership team of seasoned, highly skilled investors overseeing all areas of PIMCO's investment activities.

During his 43 years at PIMCO, Mr. Gross made great contributions to building the firm and delivering value to PIMCO's clients. Over this period, PIMCO developed into a global asset manager, expanding beyond core fixed income, now encompassing over 2,400 employees across 13 offices, including more than 250 portfolio managers. Mr. Gross was also responsible for starting PIMCO's robust investment process, with a focus on long-term macroeconomic views and bottom-up security selection a process that is well institutionalized and will continue into PIMCO's future.

For the six-month reporting period ended October 31, 2014:

The municipal bonds rallied and produced positive returns during the fiscal six months ended October 31, 2014. Longer-term U.S. Treasury yields declined, whereas shorter-term yields (between two- and seven-year maturities) generally moved higher during the reporting period. Despite a number of potential headwinds, including a host of geopolitical issues, investor demand for municipal securities was robust overall given improving fundamentals.

2 PIMCO CLOSED-END FUNDS

Table of Contents

The Barclays Municipal Bond Index gained 3.59% while the broad taxable bond market, as represented by the Barclays U.S. Aggregate Bond Index, returned 2.35% during the reporting period.

After several years of positive growth, severe winter weather in parts of the country appeared to be a headwind for the U.S. economy in early 2014. Looking back, gross domestic product (GDP), 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 3.5% annual pace during the fourth quarter of 2013. According to the U.S. Commerce Department, GDP then contracted at an annual pace of 2.1% during the first quarter of 2014. However, this was a temporary setback, as GDP expanded at a 4.6% annual pace during the second quarter of 2014. This represented the strongest growth rate since the fourth quarter of 2011. According to the Commerce Department's estimate released on November 25, 2014, GDP expanded at an annual pace of 3.9% during the third quarter of 2014.

The Federal Reserve (the Fed) began tapering its monthly asset purchase program in January 2014. At each of its next seven meetings, the Fed announced that it would further taper its asset purchases. Following its meeting in October 2014, the Fed announced that it had concluded its asset purchases. However, the Fed again indicated that it would not raise interest rates in the near future, saying in October that it likely will be appropriate to maintain the 0 to 1/4 percent target range for the federal funds rate for a considerable time following the end of its asset purchase program this month, especially if projected inflation continues to run below the Committee's 2 percent longer-run goal, and provided that longer-term inflation expectations remain well anchored.

Outlook

PIMCO's 2015 forecast in the U.S. is for a continuation of the economic recovery. With the ongoing assistance of easy monetary policy, combined with healthy private financial sector balance sheets, we believe the U.S. economy is poised to grow between 2.5% and 3.0% in the coming calendar year. We expect to see corporate capital expenditures accelerate on the back of rising pricing power and expected returns on newly invested capital. We expect very gradually rising wages and product prices, which will allow the Fed to maintain its accommodative monetary policy for 2015. Potential wildcards for the economy in both the U.S. and abroad are geopolitical issues in Ukraine, the Middle East and elsewhere.

On 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 performance of the Funds over the six-month reporting period ended October 31, 2014.

Table of Contents

Letter from the Chairman of the Board & President (Cont.)

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 (844-337-4626). We also invite you to visit our website at pimco.com/investments to learn more about our views and global thought leadership.

We remain dedicated to serving your investment needs.

Sincerely,

Hans W. Kertess
Chairman of the Board of Trustees

Peter G. Strelow
President; Principal Executive Officer

4 PIMCO CLOSED-END FUNDS

Table of Contents

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 begun tapering its quantitative easing program. 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.

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. Use of these instruments may involve certain costs and risks such as liquidity risk, interest rate risk, market 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. 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.

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

Table of Contents

Important Information About the Funds (Cont.)

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. Regulators recently finalized rules implementing Section 619 (the Volcker Rule) and Section 941 (the Risk Retention Rules) of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Both the Volcker Rule and the Risk Retention Rules apply to tender option bond programs and may require that such programs be restructured. The results of these rules are not certain, and there can be no assurance that appropriate restructuring of existing trusts will be possible or that the creation of new trusts will continue. Because of the role that tender option bond programs play in the municipal bond market, it is possible that implementation of these rules may adversely impact the municipal bond market. For example, as a result of the implementation of these rules, the municipal bond market may experience reduced demand or liquidity and increased financing costs. 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. Mortgage-Related and Asset-Backed Securities represent ownership interests in pools of mortgages or other assets such as consumer loans or receivables. As a general matter, Mortgage-Related and Asset-Backed Securities are subject to interest rate risk, extension risk, prepayment risk, and credit risk. These risks largely stem from the fact that returns on Mortgage-Related and Asset-Backed Securities depend on the ability of the underlying assets to generate cash flow.

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.

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, foreign (non-U.S.) investment risk, emerging markets 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

6 PIMCO CLOSED-END FUNDS

Table of Contents

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 individual Fund Summary page in this Shareholder Report the Common Share Average Annual Total Return table and Common Share Cumulative Return (if applicable) measure 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 by factors such as changing views about the 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.

The following table discloses the commencement of operations of each Fund:

Fund Name	Commencement of Operations
PIMCO Municipal Income Fund	06/29/01
PIMCO California Municipal Income Fund	06/29/01
PIMCO New York Municipal Income Fund	06/29/01

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.

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/investments, 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/investments. Updated portfolio holdings information about a Fund will be available at www.pimco.com/closedendfunds 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.

Table of Contents

PIMCO Municipal Income Fund

Symbol on NYSE - **PMF**

Allocation Breakdown

California	16.6%
New York	12.7%
Texas	10.2%
New Jersey	8.0%
Pennsylvania	5.0%
Other	47.5%

% of Investments, at value as of 10/31/14
Fund Information (as of October 31, 2014)⁽¹⁾

Market Price	\$14.07
NAV	\$13.18
Premium/(Discount) to NAV	6.75%
Market Price Distribution Yield ⁽²⁾	6.93%
NAV Distribution Yield ⁽²⁾	7.40%
Regulatory Leverage Ratio ⁽³⁾	37.73%

Average Annual Total Return for the period ended October 31, 2014

	6 Month*	1 Year	5 Year	10 Year	Commencement of Operations (06/29/01)
Market Price	7.43%	15.46%	10.41%	7.08%	6.72%
NAV	8.91%	20.44%	11.99%	7.19%	7.15%

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/investments 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 regulatory leverage outstanding, as a percentage of total managed assets. Regulatory leverage may include preferred shares, tender option bond transactions, reverse repurchase agreements, and other borrowings (collectively "Leverage"). Total managed assets refer to total assets (including assets attributable to Leverage that may be outstanding) minus accrued liabilities (other than liabilities representing Leverage).

8 PIMCO CLOSED-END FUNDS

Table of Contents

Portfolio Insights

- » The municipal bond market generated positive results during the six-month reporting period ended October 31, 2014. The overall municipal market, as measured by the Barclays Municipal Bond Index (the Index), posted positive returns during all six months of the reporting period. Supporting the municipal market were lower U.S. treasury rates, attractive valuations and favorable technical conditions. Investor demand was largely positive amidst a backdrop of limited new issue supply. Overall, the Index gained 3.59% during the six months ended October 31, 2014. In comparison, the overall taxable fixed income market, as measured by the Barclays U.S. Aggregate Bond Index, gained 2.35%.

- » The Fund's overweight duration position relative to the Index contributed to performance as municipal yields moved lower across the curve. The Fund's overweight exposures to the Revenue-Backed and Industrial Revenue sectors were beneficial for results as each sector outperformed the Index. Furthermore, the Fund's select exposure to the Tobacco sector was additive for performance.

- » The Fund's underweight exposures to the Transportation and Water and Sewer sectors detracted from results as each sector outperformed the Index.

Table of Contents

PIMCO California Municipal Income Fund

Symbol on NYSE - **PCQ**

Allocation Breakdown

California	93.1%
Short-Term Instruments	3.9%
Iowa	1.7%
Texas	1.3%

% of Investments, at value as of 10/31/14
Fund Information (as of October 31, 2014)⁽¹⁾

Market Price	\$14.61
NAV	\$14.34
Premium/(Discount) to NAV	1.88%
Market Price Distribution Yield ⁽²⁾	6.32%
NAV Distribution Yield ⁽²⁾	6.44%
Regulatory Leverage Ratio ⁽³⁾	40.55%

Average Annual Total Return for the period ended October 31, 2014

	6 Month*	1 Year	5 Year	10 Year	Commencement of Operations (06/29/01)
Market Price	4.97%	16.55%	10.66%	7.48%	6.67%
NAV	7.64%	18.75%	10.56%	7.28%	7.09%

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/investments 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 regulatory leverage outstanding, as a percentage of total managed assets. Regulatory leverage may include preferred shares, tender option bond transactions, reverse repurchase agreements, and other borrowings (collectively "Leverage"). Total managed assets refer to total assets (including assets attributable to Leverage that may be outstanding) minus accrued liabilities (other than liabilities representing Leverage).

10 PIMCO CLOSED-END FUNDS

Table of Contents

Portfolio Insights

- » The municipal bond market generated positive results during the six-month reporting period ended October 31, 2014. The overall municipal market, as measured by the Barclays Municipal Bond Index (the Index), posted positive returns during all six months of the reporting period. Supporting the municipal market were generally improving fundamentals, attractive valuations and falling longer-term interest rates. In addition, investor demand was largely robust, while new municipal issuance supply fell sharply. All told, the Index gained 3.59% during the six months ended October 31, 2014. In comparison, the overall taxable fixed income market, as measured by the Barclays U.S. Aggregate Bond Index, gained 2.35%.

- » The Fund's overweight duration position relative to the Index contributed to performance as municipal yields moved lower across the curve. The Fund's overweight exposures to the Revenue-Backed and Health Care sectors were beneficial for results as each sector outperformed the Index. Furthermore, the Fund's select exposure to the Tobacco sector was additive for performance.

- » The Fund's underweight exposures to the Transportation and Water and Sewer sectors detracted from results as each sector outperformed the Index.

Table of Contents**PIMCO New York Municipal Income Fund**Symbol on NYSE - **PNF**

Allocation Breakdown

New York	95.2%
Short-Term Instruments	3.1%
Ohio	1.7%

% of Investments, at value as of 10/31/14

Fund Information (as of October 31, 2014)⁽¹⁾

Market Price	\$11.82
NAV	\$11.89
Premium/(Discount) to NAV	-0.59%
Market Price Distribution Yield ⁽²⁾	5.79%
NAV Distribution Yield ⁽²⁾	5.75%
Regulatory Leverage Ratio ⁽³⁾	38.57%

Average Annual Total Return for the period ended October 31, 2014

	6 Month*	1 Year	5 Year	10 Year	Commencement of Operations (06/29/01)
Market Price	7.15%	19.47%	8.99%	4.69%	4.57%
NAV	9.36%	19.78%	9.74%	5.01%	5.03%

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/investments 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 regulatory leverage outstanding, as a percentage of total managed assets. Regulatory leverage may include preferred shares, tender option bond transactions, reverse repurchase agreements, and other borrowings (collectively "Leverage"). Total managed assets refer to total assets (including assets attributable to Leverage that may be outstanding) minus accrued liabilities (other than liabilities representing Leverage).

12 PIMCO CLOSED-END FUNDS

Table of Contents

Portfolio Insights

- » The municipal bond market generated positive results during the six-month reporting period ended October 31, 2014. The overall municipal market, as measured by the Barclays Municipal Bond Index (the Index), posted positive returns during all six months of the reporting period. Supporting the municipal market were generally improving fundamentals, attractive valuations and falling longer-term interest rates. In addition, investor demand was largely robust, while new municipal issuance supply fell sharply. All told, the Index gained 3.59% during the six months ended October 31, 2014. In comparison, the overall taxable fixed income market, as measured by the Barclays U.S. Aggregate Bond Index, gained 2.35%.

- » The Fund's overweight duration position relative to the Index contributed to performance as municipal yields moved lower across the curve. The Fund's overweight exposures to the Revenue-Backed and Industrial Revenue sectors were beneficial for results as each sector outperformed the Index. Furthermore, the Fund's select exposure to the Tobacco sector was additive for performance.

- » The Fund's underweight exposures to the Transportation and Water and Sewer sectors detracted from results as each sector outperformed the Index. Furthermore, select exposure to the Special Tax sector was negative for the Fund's performance.

Table of Contents**Financial Highlights**

Selected Per Common Share Data for the Year or Period Ended:	Net Asset Value Beginning of Year or Period	Net Investment Income (a)	Net Realized/ Unrealized Gain (Loss)	Total Income (Loss) from Investment Operations	Dividends on Preferred Shares from Net Investment Income	Net Increase (Decrease) in Net Assets Applicable to Common Shareholders Resulting from Investment Operations	Distributions to Common Shareholders from Net Investment Income
PIMCO Municipal Income Fund							
10/31/2014+	\$ 12.57	\$ 0.46	\$ 0.64	\$ 1.10	\$ (0.00)^	\$ 1.10	\$ (0.49)
04/30/2014	13.75	0.94	(1.13)	(0.19)	(0.01)	(0.20)	(0.98)
04/30/2013	12.93	0.95	0.87	1.82	(0.02)	1.80	(0.98)
04/30/2012	10.72	1.01	2.20	3.21	(0.02)	3.19	(0.98)
04/30/2011	11.76	1.07	(1.10)	(0.03)	(0.03)	(0.06)	(0.98)
04/30/2010	9.38	1.18	2.22	3.40	(0.04)	3.36	(0.98)
PIMCO California Municipal Income Fund							
10/31/2014+	\$ 13.77	\$ 0.47	\$ 0.56	\$ 1.03	\$ (0.00)^	\$ 1.03	\$ (0.46)
04/30/2014	14.71	0.99	(1.00)	(0.01)	(0.01)	(0.02)	(0.92)
04/30/2013	13.75	1.02	0.88	1.90	(0.02)	1.88	(0.92)
04/30/2012	11.32	1.08	2.29	3.37	(0.02)	3.35	(0.92)
04/30/2011	12.84	1.12	(1.69)	(0.57)	(0.03)	(0.60)	(0.92)
04/30/2010	10.61	1.21	1.98	3.19	(0.04)	3.15	(0.92)
PIMCO New York Municipal Income Fund							
10/31/2014+	\$ 11.20	\$ 0.34	\$ 0.69	\$ 1.03	\$ (0.00)^	\$ 1.03	\$ (0.34)
04/30/2014	12.04	0.67	(0.82)	(0.15)	(0.01)	(0.16)	(0.68)
04/30/2013	11.38	0.70	0.66	1.36	(0.02)	1.34	(0.68)
04/30/2012	9.92	0.74	1.41	2.15	(0.01)	2.14	(0.68)
04/30/2011	10.67	0.80	(0.84)	(0.04)	(0.03)	(0.07)	(0.68)
04/30/2010	9.19	0.88	1.31	2.19	(0.03)	2.16	(0.68)

+ Unaudited

* Annualized

^ 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) 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 Fund's dividend reinvestment plan. Total investment return does not reflect brokerage commissions in connection with the purchase or sale of Fund shares.

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

(d) Interest expense relates to the liability for Floating Rate Notes issued in connection with Inverse Floater transactions and/or participation in reverse repurchase agreement transactions. See Note 4(a) in the Notes to Financial Statements for more information.

Table of Contents

Net Asset Value End of Year or Period	Market Price End of Year or Period	Total Investment Return (b)	Net Assets Applicable to Common Shareholders End of Year or Period (000s)	Ratio of Expenses to Average Net Assets (c)(d)	Ratio of Expenses to Average Net Assets Excluding Waivers (c)	Ratio of Expenses to Average Net Assets Excluding Interest Expense (c)	Ratio of Expenses to Average Net Assets Excluding Interest Expense and Waivers (c)	Ratio of Net Investment Income to Average Net Assets (c)	Preferred Shares Asset Coverage Per Share	Portfolio Turnover Rate
\$ 13.18	\$ 14.07	7.43%	\$ 335,128	1.25%*	1.25%*	1.23%*	1.23%*	7.03%*	\$ 69,095	2%
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
11.76	13.72	30.34	294,457	1.46	1.47	1.34	1.35	10.77	63,743	11
\$ 14.34	\$ 14.61	4.97%	\$ 266,571	1.29%*	1.29%*	1.22%*	1.22%*	6.72%*	\$ 69,428	4%
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
12.84	13.29	17.72	234,792	1.49	1.50	1.34	1.35	10.15	64,130	8
\$ 11.89	\$ 11.82	7.15%	\$ 91,608	1.47%*	1.47%*	1.34%*	1.34%*	5.78%*	\$ 73,728	0%
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
10.67	11.18	20.76	81,074	1.52	1.53	1.41	1.42	8.71	68,123	11

SEMIANNUAL REPORT

OCTOBER 31, 2014 15

Table of Contents

Statements of Assets and Liabilities

(Unaudited) October 31, 2014

(Amounts in thousands, except per share amounts)	PIMCO Municipal Income Fund	PIMCO California Municipal Income Fund	PIMCO New York Municipal Income Fund
Assets:			
<i>Investments, at value</i>			
Investments in securities	\$ 533,865	\$ 445,447	\$ 147,288
Cash	538	506	558
Receivable for investments sold	70	0	0
Interest receivable	8,098	6,783	1,977
Other assets	124	44	1,899
	542,695	452,780	151,722
Liabilities:			
<i>Borrowings & Other Financing Transactions</i>			
Payable for floating rate notes issued	\$ 13,090	\$ 31,815	\$ 10,496
Payable for investments purchased	2,000	2,500	2,000
Distributions payable to common shareholders	2,066	1,432	439
Dividends payable to preferred shareholders	1	2	0
Accrued management fees	315	249	97
Other liabilities	95	211	82
	17,567	36,209	13,114
Preferred Shares (\$0.00001 par value and \$25,000 liquidation preference per share applicable to an aggregate of 7,600, 6,000 and 1,880 shares issued and outstanding, respectively)	190,000	150,000	47,000
Net Assets Applicable to Common Shareholders	\$ 335,128	\$ 266,571	\$ 91,608
Composition of Net Assets Applicable to Common Shareholders:			
Common Shares (no par value):			
Paid in capital	\$ 332,844	\$ 243,382	\$ 97,464
Undistributed net investment income	2,434	12,768	2,097
Accumulated net realized (loss)	(59,545)	(36,233)	(20,442)
Net unrealized appreciation	59,395	46,654	12,489
	\$ 335,128	\$ 266,571	\$ 91,608
Common Shares Issued and Outstanding	25,429	18,595	7,705
Net Asset Value Per Common Share	\$ 13.18	\$ 14.34	\$ 11.89
Cost of Investments in Securities	\$ 474,487	\$ 398,793	\$ 135,019

16 PIMCO CLOSED-END FUNDS

See Accompanying Notes

Table of Contents**Statements of Operations**

Six Months Ended October 31, 2014 (Unaudited)

(Amounts in thousands)	PIMCO Municipal Income Fund	PIMCO California Municipal Income Fund	PIMCO New York Municipal Income Fund
Investment Income:			
Interest	\$ 13,684	\$ 10,541	\$ 3,289
Total Income	13,684	10,541	3,289
Expenses:			
Management fees	1,740	1,381	477
Auction agent fees and commissions	162	127	44
Interest expense	36	93	59
Trustee fees and related expenses	15	12	4
Auction rate preferred shares related expenses	5	5	5
Miscellaneous expense	1	1	0
Operating expenses pre-transition ^(a)			
Custodian and accounting agent	40	32	20
Audit and tax services	18	18	19
Shareholder communications	21	14	12
New York Stock Exchange listing	9	9	9
Transfer agent	10	9	9
Legal	4	5	2
Insurance	5	4	3
Other expenses	6	4	5
Total Expenses	2,072	1,714	668
Net Investment Income	11,612	8,827	2,621
Net Realized (Loss):			
Investments in securities	(1,452)	(160)	0
Net Realized (Loss)	(1,452)	(160)	0
Net Change in Unrealized Appreciation:			
Investments in securities	17,859	10,508	5,323
Net Change in Unrealized Appreciation	17,859	10,508	5,323
Net Gain	16,407	10,348	5,323
Net Increase in Net Assets Resulting from Investment Operations	28,019	19,175	7,944
Dividends on Preferred Shares from Net Investment Income	(106)	(83)	(27)
Net Increase in Net Assets Applicable to Common Shareholders Resulting from Investment Operations	\$ 27,913	\$ 19,092	\$ 7,917

^(a) These expenses were incurred by the Fund prior to the close of business on September 5, 2014. Subsequent to the close of business on September 5, 2014, any such operating expenses are borne by PIMCO.

Table of Contents**Statements of Changes in Net Assets**

(Amounts in thousands)	PIMCO Municipal Income Fund	
	Six Months Ended October 31, 2014 (Unaudited)	Year Ended April 30, 2014
Increase (Decrease) in Net Assets from:		
Operations:		
Net investment income	\$ 11,612	\$ 23,714
Net realized gain (loss)	(1,452)	(1,950)
Net change in unrealized appreciation (depreciation)	17,859	(26,690)
Net increase (decrease) resulting from operations	28,019	(4,926)
Dividends on Preferred Shares from Net Investment Income	(106)	(246)
Net increase (decrease) in net assets applicable to common shareholders resulting from operations	27,913	(5,172)
Distributions to Common Shareholders from Net Investment Income	(12,390)	(24,727)
Common Share Transactions**:		
Issued as reinvestment of distributions	450	892
Total Increase (Decrease) in Net Assets	15,973	(29,007)
Net Assets Applicable to Common Shareholders:		
Beginning of period	319,155	348,162
End of period*	\$ 335,128	\$ 319,155
* Including undistributed net investment income of:	\$ 2,434	\$ 3,318
** Common Share Transactions:		
Shares issued as reinvestment of distributions	33	72

Table of Contents

PIMCO California Municipal Income Fund		PIMCO New York Municipal Income Fund	
Six Months Ended October 31, 2014 (Unaudited)	Year Ended April 30, 2014	Six Months Ended October 31, 2014 (Unaudited)	Year Ended April 30, 2014
\$ 8,827	\$ 18,445	\$ 2,621	\$ 5,170
(160)	2,328	0	21
10,508	(20,810)	5,323	(6,288)
19,175	(37)	7,944	(1,097)
(83)	(196)	(27)	(60)
19,092	(233)	7,917	(1,157)
(8,586)	(17,139)	(2,634)	(5,260)
314	725	114	119
10,820	(16,647)	5,397	(6,298)
255,751	272,398	86,211	92,509
\$ 266,571	\$ 255,751	\$ 91,608	\$ 86,211
\$ 12,768	\$ 12,610	\$ 2,097	\$ 2,137
23	55	10	11

Table of Contents

Schedule of Investments PIMCO Municipal Income Fund

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
INVESTMENTS IN SECURITIES 159.3%		
MUNICIPAL BONDS & NOTES 156.8%		
ALABAMA 3.0%		
Huntsville-Redstone Village Special Care Facilities Financing Authority, Alabama Revenue Bonds, Series 2007		
5.500% due 01/01/2028	\$ 250	\$ 252
5.500% due 01/01/2043	885	875
Jefferson County, Alabama Sewer Revenue Bonds, Series 2013		
0.000% due 10/01/2050 (b)	15,000	8,857
		9,984
ALASKA 1.3%		
Alaska Industrial Development & Export Authority Revenue Bonds, Series 2007		
6.000% due 12/01/2036	900	405
Matanuska-Susitna Borough, Alaska Revenue Bonds, (AGC Insured), Series 2009		
6.000% due 09/01/2032	3,280	3,854
		4,259
ARIZONA 3.9%		
Arizona Health Facilities Authority Revenue Bonds, Series 2007		
5.200% due 10/01/2037	2,750	2,619
Arizona Health Facilities Authority Revenue Bonds, Series 2008		
5.500% due 01/01/2038	2,050	2,222
Industrial Development Authority of the County, Arizona of Pima Revenue Bonds, Series 2010		
5.250% due 10/01/2040	750	819
Maricopa County, Arizona Pollution Control Corp. Revenue Bonds, Series 2000		
5.000% due 06/01/2035	1,500	1,675
Salt River Project Agricultural Improvement & Power District, Arizona Revenue Bonds, Series 2009		
5.000% due 01/01/2039 (c)	5,000	5,572
		12,907
ARKANSAS 0.6%		
Arkansas Development Finance Authority Revenue Bonds, (AMBAC Insured), Series 2006		
0.000% due 07/01/2036	5,500	2,103
CALIFORNIA 26.5%		
Bay Area Toll Authority, California Revenue Bonds, Series 2010		
5.000% due 10/01/2034	2,875	3,189
5.000% due 10/01/2042	3,255	3,551
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Bay Area Toll Authority, California Revenue Bonds, Series 2013		
5.250% due 04/01/2053	\$ 10,000	\$ 11,288
California Health Facilities Financing Authority Revenue Bonds, Series 2009		
6.000% due 07/01/2039	2,000	2,286
California Health Facilities Financing Authority Revenue Bonds, Series 2011		

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6.000% due 08/15/2042	1,500	1,801
California Health Facilities Financing Authority Revenue Bonds, Series 2013		
5.000% due 08/15/2052	3,000	3,314
California Municipal Finance Authority Revenue Bonds, Series 2011		
7.750% due 04/01/2031	1,390	1,708
California State General Obligation Bonds, Series 2007		
5.000% due 11/01/2032	700	769
5.000% due 06/01/2037	1,200	1,295
California State General Obligation Bonds, Series 2008		
5.125% due 08/01/2036	2,300	2,552
5.250% due 03/01/2038	1,250	1,367
California State General Obligation Bonds, Series 2009		
6.000% due 04/01/2038	3,200	3,782
California State General Obligation Bonds, Series 2010		
5.250% due 11/01/2040	1,900	2,181
5.500% due 03/01/2040	500	573
California Statewide Communities Development Authority Revenue Bonds, (FHA Insured), Series 2009		
6.625% due 08/01/2029	2,310	2,823
6.750% due 02/01/2038	8,485	10,221
California Statewide Communities Development Authority Revenue Bonds, Series 2008		
5.500% due 07/01/2031	845	943
California Statewide Communities Development Authority Revenue Bonds, Series 2011		
5.000% due 12/01/2041	1,000	1,104
6.500% due 11/01/2021	555	640
Chula Vista, California Revenue Bonds, Series 2004		
5.875% due 02/15/2034	3,000	3,581
Golden State, California Tobacco Securitization Corp. Revenue Bonds, Series 2007		
5.750% due 06/01/2047	7,500	6,116
Los Angeles Community College District, California General Obligation Bonds, (FGIC Insured), Series 2007		
5.000% due 08/01/2032	5,300	5,818
Los Angeles Unified School District, California General Obligation Bonds, (AMBAC Insured), Series 2005		
5.000% due 07/01/2030	2,000	2,064

20 PIMCO CLOSED-END FUNDS

See Accompanying Notes

Table of Contents

(Unaudited) October 31, 2014

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
M-S-R Energy Authority, California Revenue Bonds, Series 2009		
6.125% due 11/01/2029	\$ 2,000	\$ 2,562
Montebello Unified School District, California General Obligation Bonds, (AGM Insured), Series 2008		
5.000% due 08/01/2033	4,175	4,621
Orange County, California Airport Revenue Bonds, Series 2009		
5.250% due 07/01/2039	5,000	5,540
San Marcos Unified School District, California General Obligation Bonds, Series 2011		
5.000% due 08/01/2038	1,600	1,769
Whittier Union High School District, California General Obligation Bonds, Series 2009		
0.000% due 08/01/2025	2,000	1,286
		88,744
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	697
Regional Transportation District, Colorado Certificates of Participation Bonds, Series 2010		
5.375% due 06/01/2031	400	446
University of Colorado Revenue Bonds, Series 2009		
5.375% due 06/01/2038	1,500	1,710
		3,350
CONNECTICUT 2.4%		
Connecticut State Health & Educational Facility Authority Revenue Bonds, Series 2011		
5.000% due 07/01/2041	5,000	5,411
Connecticut State Health & Educational Facility Authority Revenue Bonds, Series 2012		
5.000% due 07/01/2042	2,500	2,673
		8,084
DISTRICT OF COLUMBIA 1.3%		
District of Columbia Revenue Bonds, Series 2009		
5.750% due 10/01/2039	2,500	2,744
District of Columbia Tobacco Settlement Financing Corp. Revenue Bonds, Series 2001		
6.250% due 05/15/2024	1,595	1,606
		4,350
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
FLORIDA 3.3%		
Broward County, Florida Water & Sewer Utility Revenue Bonds, Series 2009		
5.250% due 10/01/2034 (c)	\$ 4,000	\$ 4,456
Florida Development Finance Corp. Revenue Notes, Series 2011		

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6.500% due 06/15/2021	300	324
Florida State General Obligation Bonds, Series 2009		
5.000% due 06/01/2038 (c)	3,900	4,378
Lee County Industrial Development Authority, Florida Revenue Bonds, Series 2007		
5.375% due 06/15/2037	500	510
Miami-Dade County, Florida School Board Foundation, Inc. Certificates of Participation Bonds, (AGC Insured), Series 2009		
5.375% due 02/01/2034	1,250	1,353
		11,021
GEORGIA 0.7%		
Medical Center Hospital Authority, Georgia Revenue Bonds, Series 2007		
5.250% due 07/01/2037	2,300	2,324
ILLINOIS 2.5%		
Illinois Finance Authority Revenue Bonds, Series 2009		
5.500% due 07/01/2037 (c)	5,000	5,837
7.125% due 11/15/2037	400	482
Springfield, Illinois Electric Revenue Bonds, Series 2008		
5.000% due 03/01/2036	1,900	2,032
		8,351
INDIANA 2.5%		
Indiana Finance Authority Revenue Bonds, Series 2009		
6.000% due 08/01/2039	1,500	1,685
Indiana Finance Authority Revenue Bonds, Series 2012		
5.000% due 06/01/2032	3,000	3,208
Indiana Municipal Power Agency Revenue Bonds, Series 2009		
6.000% due 01/01/2039	1,000	1,133
Vigo County, Indiana Hospital Authority Revenue Bonds, Series 2011		
7.500% due 09/01/2022	1,900	2,332
		8,358

See Accompanying Notes

SEMIANNUAL REPORT

OCTOBER 31, 2014 21

Table of Contents

Schedule of Investments PIMCO Municipal Income Fund (Cont.)

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
IOWA 2.4%		
Iowa Finance Authority Revenue Bonds, Series 2007		
6.750% due 11/15/2037	\$ 3,500	\$ 3,731
6.750% due 11/15/2042	1,500	1,596
Iowa Finance Authority Revenue Bonds, Series 2013		
5.250% due 12/01/2025	1,000	1,085
Iowa Finance Authority Revenue Bonds, Series 2014		
2.000% due 05/15/2056	532	5
2.700% due 11/15/2046	2,836	1,747
		8,164
KANSAS 0.6%		
Kansas Development Finance Authority Revenue Bonds, Series 2009		
5.750% due 11/15/2038	1,000	1,152
Lenexa, Kansas Tax Allocation Bonds, Series 2007		
6.000% due 04/01/2027	871	262
Manhattan, Kansas Revenue Bonds, Series 2007		
5.125% due 05/15/2042	650	650
		2,064
KENTUCKY 0.3%		
Kentucky Economic Development Finance Authority Revenue Bonds, Series 2010		
6.375% due 06/01/2040	1,000	1,155
LOUISIANA 1.7%		
Louisiana Local Government Environmental Facilities & Community Development Authority Revenue Bonds, (ACA Insured), Series 2000		
6.550% due 09/01/2025	1,680	1,897
Louisiana Local Government Environmental Facilities & Community Development Authority Revenue Bonds, Series 2010		
5.875% due 10/01/2040	750	863
6.500% due 11/01/2035	400	474
Louisiana Public Facilities Authority Revenue Bonds, Series 2011		
6.500% due 05/15/2037	2,000	2,358
		5,592
MARYLAND 0.7%		
Maryland Economic Development Corp. Revenue Bonds, Series 2010		
5.750% due 06/01/2035	1,500	1,610
Maryland Health & Higher Educational Facilities Authority Revenue Bonds, Series 2010		
6.250% due 01/01/2041	650	719
		2,329

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	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
MASSACHUSETTS 0.9%		
Massachusetts Development Finance Agency Revenue Bonds, Series 2010		
7.000% due 07/01/2042	\$ 750	\$ 848
Massachusetts Development Finance Agency Revenue Bonds, Series 2011		
0.000% due 11/15/2056	103	1
6.250% due 11/15/2039	388	302
Massachusetts State College Building Authority Revenue Bonds, Series 2009		
5.500% due 05/01/2039	1,500	1,719
		2,870
MICHIGAN 0.9%		
Michigan Tobacco Settlement Finance Authority Revenue Bonds, Series 2007		
6.000% due 06/01/2048	1,500	1,213
Royal Oak Hospital Finance Authority, Michigan Revenue Bonds, Series 2009		
8.250% due 09/01/2039	1,500	1,917
		3,130
MINNESOTA 0.7%		
Minnesota Agricultural & Economic Development Board Revenue Bonds, Series 2000		
6.375% due 11/15/2029	95	95
St Louis Park, Minnesota Revenue Bonds, Series 2009		
5.750% due 07/01/2039	1,500	1,677
Washington County, Minnesota Housing & Redevelopment Authority Revenue Bonds, Series 2007		
5.625% due 06/01/2037	500	507
		2,279
MISSOURI 0.4%		
Joplin Industrial Development Authority, Missouri Revenue Bonds, Series 2007		
5.750% due 05/15/2026	1,000	1,056
Lee s Summit, Missouri Tax Allocation Bonds, Series 2011		
5.625% due 10/01/2023	355	376
		1,432
NEVADA 6.2%		
Clark County, Nevada General Obligation Bonds, (AGM Insured), Series 2006		
4.750% due 06/01/2030	5,000	5,260

22 PIMCO CLOSED-END FUNDS

See Accompanying Notes

Table of Contents

(Unaudited) October 31, 2014

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Clark County, Nevada General Obligation Bonds, Series 2006		
4.750% due 11/01/2035 33 (c)	\$ 5,230	\$ 5,445
Washoe County, Nevada General Obligation Bonds, (NPFGC Insured), Series 2005		
5.000% due 01/01/2035	9,755	10,168
		20,873
NEW JERSEY 12.8%		
New Jersey Economic Development Authority Revenue Bonds, (AGC Insured), Series 2009		
5.500% due 12/15/2034	2,000	2,339
New Jersey Economic Development Authority Special Assessment Bonds, Series 2002		
5.750% due 04/01/2031	16,550	19,268
New Jersey Health Care Facilities Financing Authority Revenue Bonds, Series 2011		
6.000% due 07/01/2037	500	596
New Jersey Health Care Facilities Financing Authority Revenue Bonds, Series 2013		
5.500% due 07/01/2043	2,000	2,319
New Jersey State Turnpike Authority Revenue Bonds, Series 2009		
5.250% due 01/01/2040	2,000	2,238
New Jersey Transportation Trust Fund Authority Revenue Bonds, Series 2011		
5.000% due 06/15/2042	7,000	7,424
Tobacco Settlement Financing Corp., New Jersey Revenue Bonds, Series 2007		
4.750% due 06/01/2034	6,600	4,933
5.000% due 06/01/2041	5,000	3,738
		42,855
NEW MEXICO 2.4%		
Farmington, New Mexico Revenue Bonds, Series 2010		
5.900% due 06/01/2040	1,000	1,114
New Mexico Hospital Equipment Loan Council Revenue Bonds, Series 2009		
5.000% due 08/01/2039	6,400	7,018
		8,132
NEW YORK 20.3%		
Hudson Yards Infrastructure Corp., New York Revenue Bonds, Series 2011		
5.250% due 02/15/2047	15,500	17,275
Metropolitan Transportation Authority, New York Revenue Bonds, Series 2011		
5.000% due 11/15/2036	3,000	3,371
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Nassau County, New York Industrial Development Agency Revenue Bonds, Series 2007		
6.700% due 01/01/2043	\$ 4,200	\$ 3,192
New York City, New York Water & Sewer System Revenue Bonds, Series 2009		
5.000% due 06/15/2039	3,000	3,354
New York Liberty Development Corp. Revenue Bonds, Series 2005		
5.250% due 10/01/2035	7,500	8,902
New York Liberty Development Corp. Revenue Bonds, Series 2007		
5.500% due 10/01/2037	3,000	3,655

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New York Liberty Development Corp. Revenue Bonds, Series 2011		
5.000% due 12/15/2041	10,000	11,136
5.000% due 11/15/2044	10,000	11,032
New York Liberty Development Corp. Revenue Bonds, Series 2014		
5.000% due 11/15/2044 (a)	2,000	2,016
New York State Dormitory Authority Revenue Bonds, Series 2010		
5.500% due 07/01/2040	3,500	4,017
		67,950

OHIO 4.8%

Buckeye Tobacco Settlement Financing Authority, Ohio Revenue Bonds, Series 2007		
6.500% due 06/01/2047	10,000	8,605
Hamilton County, Ohio Revenue Bonds, Series 2012		
5.000% due 06/01/2042	1,000	1,079
Montgomery County, Ohio Revenue Bonds, Series 2009		
6.250% due 11/15/2039	500	501
Ohio Higher Educational Facility Commission Revenue Bonds, Series 2009		
6.750% due 01/15/2039	500	507
Ohio State Turnpike Commission Revenue Bonds, Series 2013		
5.000% due 02/15/2048	5,000	5,463
		16,155

OREGON 0.9%

Oregon Department of Administrative Services State Certificates of Participation Bonds, Series 2009		
5.250% due 05/01/2039	600	671
Oregon Health & Science University Revenue Bonds, Series 2009		
5.750% due 07/01/2039	2,000	2,316
		2,987

See Accompanying Notes

SEMIANNUAL REPORT

OCTOBER 31, 2014 23

Table of Contents**Schedule of Investments PIMCO Municipal Income Fund (Cont.)**

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
PENNSYLVANIA 7.9%		
Capital Region Water, Pennsylvania Revenue Bonds, Series 2007		
6.000% due 09/01/2036	\$ 2,000	\$ 943
Geisinger Authority, Pennsylvania Revenue Bonds, Series 2009		
5.250% due 06/01/2039	5,000	5,584
Lancaster County Hospital Authority, Pennsylvania Revenue Bonds, Series 2008		
6.250% due 07/01/2026	750	792
6.375% due 07/01/2030	85	89
Luzerne County, Pennsylvania Industrial Development Authority Revenue Bonds, Series 2009		
5.500% due 12/01/2039	1,100	1,210
Pennsylvania Higher Educational Facilities Authority Revenue Bonds, Series 2010		
5.000% due 03/01/2040	350	384
6.000% due 07/01/2043	500	547
Pennsylvania Turnpike Commission Revenue Bonds, Series 2009		
5.125% due 12/01/2040	2,000	2,191
Philadelphia Hospitals & Higher Education Facilities Authority, Pennsylvania Revenue Bonds, Series 2012		
5.625% due 07/01/2036	5,000	5,350
5.625% due 07/01/2042	1,000	1,064
Philadelphia, Pennsylvania General Obligation Bonds, (AGM Insured), Series 2008		
5.250% due 12/15/2032	7,000	7,870
Philadelphia, Pennsylvania Water & Wastewater Revenue Bonds, Series 2009		
5.250% due 01/01/2036	500	546
		26,570
RHODE ISLAND 7.1%		
Tobacco Settlement Financing Corp., Rhode Island Revenue Bonds, Series 2002		
6.250% due 06/01/2042	23,800	23,804
SOUTH CAROLINA 6.3%		
South Carolina Educational Facilities Authority Revenue Bonds, Series 2006		
0.090% due 10/01/2039	1,260	1,260
South Carolina Jobs-Economic Development Authority Revenue Bonds, Series 2007		
5.500% due 05/01/2028	450	458
South Carolina State Ports Authority Revenue Bonds, Series 2010		
5.250% due 07/01/2040	2,200	2,417
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
South Carolina State Public Service Authority Revenue Bonds, Series 2013		
5.125% due 12/01/2043	\$ 5,000	\$ 5,598
5.500% due 12/01/2053	5,000	5,668
South Carolina State Public Service Authority Revenue Bonds, Series 2014		
5.500% due 12/01/2054	5,000	5,659
		21,060
TENNESSEE 3.6%		

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Memphis Health Educational & Housing Facility Board, Tennessee Revenue Bonds, Series 1990		
6.950% due 01/01/2020	940	233
Tennessee Energy Acquisition Corp. Revenue Bonds, Series 2006		
5.000% due 02/01/2027	5,000	5,784
5.250% due 09/01/2024	5,000	5,863
		11,880
TEXAS 16.2%		
Dallas, Texas Revenue Bonds, (AGC Insured), Series 2009		
5.250% due 08/15/2038	1,200	1,328
Grand Parkway Transportation Corp., Texas Revenue Bonds, Series 2013		
5.000% due 04/01/2053	5,500	5,981
JPMorgan Chase Putters/Drivers Trust, Texas General Obligation Notes, Series 2009		
8.040% due 02/01/2017 (d)	1,000	1,265
JPMorgan Chase Putters/Drivers Trust, Texas Revenue Bonds, Series 2008		
8.560% due 10/01/2031 (d)	600	842
North Harris County, Texas Regional Water Authority Revenue Bonds, Series 2008		
5.250% due 12/15/2033	4,200	4,585
5.500% due 12/15/2038	4,200	4,686
North Texas Tollway Authority Revenue Bonds, Series 2008		
5.625% due 01/01/2033	6,050	6,702
5.750% due 01/01/2033	600	665
North Texas Tollway Authority Revenue Bonds, Series 2009		
5.250% due 01/01/2044	3,000	3,168
North Texas Tollway Authority Revenue Bonds, Series 2011		
5.000% due 01/01/2038	2,750	2,980
5.500% due 09/01/2041	600	700
San Juan Higher Education Finance Authority, Texas Revenue Bonds, Series 2010		
6.700% due 08/15/2040	250	300

24 PIMCO CLOSED-END FUNDS

See Accompanying Notes

Table of Contents

(Unaudited) October 31, 2014

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Tarrant County, Texas Cultural Education Facilities Finance Corp. Revenue Bonds, Series 2009		
6.250% due 11/15/2029	\$ 4,000	\$ 4,653
Texas Municipal Gas Acquisition & Supply Corp. Revenue Bonds, Series 2006		
5.250% due 12/15/2023	3,500	4,060
Texas Municipal Gas Acquisition & Supply Corp. Revenue Bonds, Series 2008		
6.250% due 12/15/2026	6,500	8,041
Texas State Public Finance Authority Charter School Finance Corp. Revenue Bonds, Series 2007		
5.375% due 02/15/2037	2,000	2,029
5.875% due 12/01/2036	400	442
Uptown Development Authority, Texas Tax Allocation Bonds, Series 2009		
5.500% due 09/01/2029	1,000	1,103
Wise County, Texas Revenue Bonds, Series 2011		
8.000% due 08/15/2034	500	593
		54,123
UTAH 2.3%		
Salt Lake County, Utah Revenue Bonds, (AMBAC Insured), Series 2001		
5.125% due 02/15/2033	7,000	7,855
VIRGINIA 3.1%		
Fairfax County, Virginia Industrial Development Authority Revenue Bonds, Series 2009		
5.500% due 05/15/2035	1,000	1,151
Fairfax County, Virginia Industrial Development Authority Revenue Bonds, Series 2012		
5.000% due 05/15/2040	6,490	7,213
Peninsula Town Center Community Development Authority, Virginia Revenue Bonds, Series 2007		
6.450% due 09/01/2037	1,985	2,150
		10,514
WASHINGTON 4.8%		
JPMorgan Chase Putters/Drivers Trust, Washington General Obligation Bonds, Series 2009		
11.750% due 08/01/2028 (d)	6,670	9,158
Washington Health Care Facilities Authority Revenue Bonds, (AGC Insured), Series 2008		
6.000% due 08/15/2039	700	830
Washington Health Care Facilities Authority Revenue Bonds, Series 2007		
6.125% due 08/15/2037	2,000	2,203
Washington Health Care Facilities Authority Revenue Bonds, Series 2009		
7.375% due 03/01/2038	250	317
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Washington State Housing Finance Commission Revenue Bonds, Series 2007		
5.625% due 01/01/2038	\$ 3,600	\$ 3,480
Washington State Housing Finance Commission Revenue Notes, Series 2007		
5.250% due 01/01/2017	230	234
		16,222

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WEST VIRGINIA 0.3%

West Virginia Hospital Finance Authority Revenue Bonds, Series 2011

9.125% due 10/01/2041	980	1,048
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WISCONSIN 0.2%

Wisconsin Health & Educational Facilities Authority Revenue Bonds, Series 2009

6.625% due 02/15/2039	500	590
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Total Municipal Bonds & Notes (Cost \$466,090)

525,468

SHORT-TERM INSTRUMENTS 2.5%

SHORT-TERM NOTES 2.5%

Federal Home Loan Bank

0.091% due 03/13/2015	7,300	7,297
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Freddie Mac

0.096% due 02/19/2015	200	200
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0.107% due 03/19/2015	900	900
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8,397

Total Short-Term Instruments

(Cost \$8,397)

8,397

Total Investments in Securities

(Cost \$474,487)

533,865

Total Investments 159.3%

(Cost \$474,487)

\$ 533,865

Preferred Shares (56.7%)

(190,000)

Other Assets and Liabilities, net (2.6%)

(8,737)

Net Assets Applicable to Common Shareholders 100.0%

\$ 335,128

See Accompanying Notes

SEMIANNUAL REPORT

OCTOBER 31, 2014 25

Table of Contents**Schedule of Investments PIMCO Municipal Income Fund (Cont.)****NOTES TO SCHEDULE OF INVESTMENTS (AMOUNTS IN THOUSANDS*):**

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

(a) When-issued security.

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

(c) Residual Interest Bonds held in trust Securities represent underlying bonds transferred to a separate securitization trust established in a tender option bond transaction in which the Fund acquired the residual interest certificates. These securities serve as collateral in a financing transaction.

(d) Inverse Floater The interest rate shown bears an inverse relationship to the interest rate on another security or the value of an index. The interest rate disclosed reflects the rate in effect on October 31, 2014.

FAIR VALUE MEASUREMENTS

The following is a summary of the fair valuations according to the inputs used as of October 31, 2014 in valuing the Fund's assets and liabilities:

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 10/31/2014
Investments in Securities, at Value				
Municipal Bonds & Notes				
Alabama	\$ 0	\$ 9,984	\$ 0	\$ 9,984
Alaska	0	4,259	0	4,259
Arizona	0	12,907	0	12,907
Arkansas	0	2,103	0	2,103
California	0	88,744	0	88,744
Colorado	0	3,350	0	3,350
Connecticut	0	8,084	0	8,084
District of Columbia	0	4,350	0	4,350
Florida	0	11,021	0	11,021
Georgia	0	2,324	0	2,324
Illinois	0	8,351	0	8,351
Indiana	0	8,358	0	8,358
Iowa	0	8,164	0	8,164
Kansas	0	2,064	0	2,064
Kentucky	0	1,155	0	1,155
Louisiana	0	5,592	0	5,592
Maryland	0	2,329	0	2,329
Massachusetts	0	2,870	0	2,870
Michigan	0	3,130	0	3,130
Minnesota	0	2,279	0	2,279
Missouri	0	1,432	0	1,432
Nevada	0	20,873	0	20,873
New Jersey	0	42,855	0	42,855
New Mexico	0	8,132	0	8,132
New York	0	67,950	0	67,950
Ohio	0	16,155	0	16,155
Oregon	0	2,987	0	2,987

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Pennsylvania	0	26,570	0	26,570
Rhode Island	0	23,804	0	23,804
South Carolina	0	21,060	0	21,060
Tennessee	0	11,647	233	11,880
Texas	0	54,123	0	54,123
Utah	0	7,855	0	7,855
Virginia	0	10,514	0	10,514
Washington	0	16,222	0	16,222
West Virginia	0	1,048	0	1,048
Wisconsin	0	590	0	590

26 PIMCO CLOSED-END FUNDS

See Accompanying Notes

Table of Contents

(Unaudited) October 31, 2014

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 10/31/2014
Short-Term Instruments				
Short-Term Notes	\$ 0	\$ 8,397	\$ 0	\$ 8,397
Total Investments	\$ 0	\$ 533,632	\$ 233	\$ 533,865

There were no significant transfers between Level 1, 2, and 3 during the period ended October 31, 2014.

See Accompanying Notes

SEMIANNUAL REPORT

OCTOBER 31, 2014 27

Table of Contents

Schedule of Investments PIMCO California Municipal Income Fund

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
INVESTMENTS IN SECURITIES 167.1%		
MUNICIPAL BONDS & NOTES 160.5%		
CALIFORNIA 155.5%		
Bay Area Toll Authority, California Revenue Bonds, Series 2008		
5.000% due 04/01/2034	\$ 10,000	\$ 11,455
California County Tobacco Securitization Agency Revenue Bonds, Series 2006		
5.600% due 06/01/2036	1,500	1,304
California Educational Facilities Authority Revenue Bonds, Series 2009		
5.000% due 01/01/2039 (a)	10,200	11,337
5.000% due 10/01/2039 (a)	10,000	11,161
California Health Facilities Financing Authority Revenue Bonds, (NPFGC/IBC Insured), Series 2007		
5.000% due 11/15/2042	1,600	1,712
California Health Facilities Financing Authority Revenue Bonds, Series 2008		
0.040% due 10/01/2031	6,500	6,500
5.250% due 11/15/2040	3,400	3,963
California Health Facilities Financing Authority Revenue Bonds, Series 2009		
5.750% due 09/01/2039	2,000	2,281
6.000% due 07/01/2039	4,000	4,572
6.500% due 11/01/2038	1,000	1,228
California Health Facilities Financing Authority Revenue Bonds, Series 2010		
5.000% due 11/15/2036	1,450	1,641
8.080% due 11/15/2036 (b)	1,000	1,211
California Health Facilities Financing Authority Revenue Bonds, Series 2011		
5.000% due 08/15/2035	1,000	1,118
6.000% due 08/15/2042	2,800	3,362
9.968% due 11/15/2042 (b)	6,000	6,995
California Health Facilities Financing Authority Revenue Bonds, Series 2012		
5.000% due 08/15/2051	11,000	12,107
California Health Facilities Financing Authority Revenue Bonds, Series 2013		
5.000% due 08/15/2052	3,000	3,314
California Infrastructure & Economic Development Bank Revenue Bonds, Series 2013		
5.000% due 02/01/2039	10,000	11,118
California Municipal Finance Authority Revenue Bonds, Series 2008		
5.875% due 10/01/2034	2,900	3,232
California Municipal Finance Authority Revenue Bonds, Series 2011		
7.750% due 04/01/2031	1,045	1,284
California Pollution Control Financing Authority Revenue Bonds, Series 2010		
5.100% due 06/01/2040	2,000	2,116
5.250% due 08/01/2040	1,250	1,346
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
California State General Obligation Bonds, Series 2006		
5.000% due 09/01/2035	\$ 5,885	\$ 6,301
California State General Obligation Bonds, Series 2007		
5.000% due 06/01/2037	100	108
5.000% due 12/01/2037	3,000	3,282
California State General Obligation Bonds, Series 2009		
6.000% due 04/01/2038	2,000	2,364
6.000% due 11/01/2039	2,000	2,429
California State General Obligation Bonds, Series 2010		

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5.250% due 11/01/2040	2,400	2,755
5.500% due 03/01/2040	1,500	1,719
California State General Obligation Bonds, Series 2013		
5.000% due 11/01/2043	7,000	7,902
California State Public Works Board Revenue Bonds, Series 2009		
5.000% due 04/01/2034	2,000	2,353
5.750% due 10/01/2030	2,000	2,377
6.000% due 11/01/2034	2,000	2,376
California State Public Works Board Revenue Bonds, Series 2011		
5.000% due 12/01/2029	1,500	1,720
California Statewide Communities Development Authority Certificates of Participation Bonds, Series 1999		
5.375% due 04/01/2030	3,915	3,926
California Statewide Communities Development Authority Revenue Bonds, (FGIC Insured), Series 2007		
5.750% due 07/01/2047	3,200	3,559
California Statewide Communities Development Authority Revenue Bonds, (FHA Insured), Series 2009		
6.625% due 08/01/2029	1,870	2,286
6.750% due 02/01/2038	6,875	8,282
California Statewide Communities Development Authority Revenue Bonds, (NPFGC Insured), Series 2000		
5.125% due 07/01/2024	100	113
California Statewide Communities Development Authority Revenue Bonds, Series 2006		
5.250% due 03/01/2045	1,000	1,030
California Statewide Communities Development Authority Revenue Bonds, Series 2007		
5.500% due 11/01/2038	900	947
California Statewide Communities Development Authority Revenue Bonds, Series 2008		
5.500% due 07/01/2031	845	942

Table of Contents

(Unaudited) October 31, 2014

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
California Statewide Communities Development Authority Revenue Bonds, Series 2010		
5.000% due 11/01/2040	\$ 10,000	\$ 10,951
6.250% due 10/01/2039	1,000	1,130
7.500% due 06/01/2042	1,000	1,115
California Statewide Communities Development Authority Revenue Bonds, Series 2011		
6.000% due 08/15/2042	2,000	2,402
California Statewide Communities Development Authority Revenue Bonds, Series 2012		
5.000% due 04/01/2042	11,500	12,672
5.125% due 05/15/2031	4,000	4,440
5.375% due 05/15/2038	4,500	5,033
Chula Vista, California Revenue Bonds, Series 2004		
5.875% due 02/15/2034	5,000	5,968
Contra Costa County, California Public Financing Authority Tax Allocation Bonds, Series 2003		
5.850% due 08/01/2033	350	350
Desert Community College District, California General Obligation Bonds, (AGM Insured), Series 2007		
5.000% due 08/01/2037	5,000	5,441
East Bay Municipal Utility District Water System, California Revenue Bonds, Series 2008		
0.040% due 06/01/2038	5,275	5,275
Eastern Municipal Water District, California Certificates of Participation Bonds, Series 2008		
5.000% due 07/01/2035	6,300	7,005
El Monte, California Certificates of Participation Bonds, (AMBAC Insured), Series 2001		
5.250% due 01/01/2034	14,425	14,469
Folsom Redevelopment Agency, California Tax Allocation Bonds, Series 2009		
5.500% due 08/01/2036	1,000	1,062
Fremont Community Facilities District No. 1, California Special Tax Bonds, Series 2001		
6.000% due 09/01/2018	165	166
6.000% due 09/01/2019	505	509
6.300% due 09/01/2031	3,500	3,517
Golden State, California Tobacco Securitization Corp. Revenue Bonds, (AMBAC Insured), Series 2005		
5.000% due 06/01/2045	1,600	1,638
Golden State, California Tobacco Securitization Corp. Revenue Bonds, (FGIC Insured), Series 2005		
5.000% due 06/01/2035	3,000	3,078
5.000% due 06/01/2038	6,000	6,155
Golden State, California Tobacco Securitization Corp. Revenue Bonds, Series 2005		
5.000% due 06/01/2045	2,195	2,247
Golden State, California Tobacco Securitization Corp. Revenue Bonds, Series 2007		
5.125% due 06/01/2047	8,300	6,204
5.750% due 06/01/2047	30,175	24,607
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Imperial Irrigation District, California Revenue Bonds, Series 2011		
5.000% due 11/01/2041	\$ 1,000	\$ 1,107
Kern County, California Certificates of Participation Bonds, (AGC Insured), Series 2009		
5.750% due 08/01/2035	10,590	11,871
Lancaster Redevelopment Agency, California Tax Allocation Bonds, Series 2009		
6.875% due 08/01/2039	500	616
Long Beach Bond Finance Authority, California Revenue Bonds, Series 2007		
5.500% due 11/15/2027	1,000	1,222
Long Beach, California Airport System Revenue Bonds, Series 2010		
5.000% due 06/01/2040	5,000	5,319
Los Angeles Department of Water & Power, California Revenue Bonds, Series 2005		
4.750% due 07/01/2030 (a)	5,000	5,124
Los Angeles Department of Water & Power, California Revenue Bonds, Series 2009		
5.375% due 07/01/2034 (a)	3,000	3,456

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5.375% due 07/01/2038 (a)	7,000	7,784
Los Angeles Department of Water & Power, California Revenue Bonds, Series 2012		
5.000% due 07/01/2037	4,100	4,648
5.000% due 07/01/2043	5,000	5,639
Los Angeles Department of Water & Power, California Revenue Bonds, Series 2014		
5.000% due 07/01/2043	3,650	4,115
Los Angeles Unified School District, California General Obligation Bonds, Series 2009		
5.000% due 07/01/2029 (a)	10,000	11,500
5.000% due 01/01/2034 (a)	8,500	9,673
5.300% due 01/01/2034	250	287
M-S-R Energy Authority, California Revenue Bonds, Series 2009		
6.500% due 11/01/2039	1,900	2,612
Malibu, California Certificates of Participation Bonds, Series 2009		
5.000% due 07/01/2039	700	735
Peralta Community College District, California General Obligation Bonds, Series 2009		
5.000% due 08/01/2039	1,250	1,400
Regents of the University of California Medical Center Pooled Revenue Bonds, Series 2013		
5.000% due 05/15/2043	2,000	2,223
Sacramento County, California Sanitation Districts Financing Authority Revenue Bonds, (NPFGC Insured), Series 2005		
5.000% due 08/01/2030	5,000	5,169
San Diego County, California Water Authority Certificates of Participation Bonds, (AGM Insured), Series 2008		
5.000% due 05/01/2038	6,250	6,852

See Accompanying Notes

SEMIANNUAL REPORT

OCTOBER 31, 2014 29

Table of Contents**Schedule of Investments PIMCO California Municipal Income Fund (Cont.)**

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
San Diego Regional Building Authority, California Revenue Bonds, Series 2009		
5.375% due 02/01/2036	\$ 3,285	\$ 3,651
San Francisco, California City & County Certificates of Participation Bonds, Series 2009		
5.250% due 04/01/2031	650	736
San Joaquin Hills Transportation Corridor Agency, California Revenue Bonds, Series 1997		
5.500% due 01/15/2028	5,000	5,025
5.700% due 01/15/2019	5,000	5,104
San Jose, California Hotel Tax Revenue Bonds, Series 2011		
6.500% due 05/01/2036	1,500	1,843
San Jose, California Special Assessment Bonds, Series 2001		
5.600% due 09/02/2017	230	238
San Marcos Unified School District, California General Obligation Bonds, Series 2011		
5.000% due 08/01/2038	1,200	1,327
Santa Clara County, California Financing Authority Revenue Bonds, (AMBAC Insured), Series 2007		
5.750% due 02/01/2041	3,500	3,838
Santa Cruz County, California Redevelopment Agency Tax Allocation Bonds, Series 2009		
7.000% due 09/01/2036	1,300	1,524
Tobacco Securitization Authority of Southern California Revenue Bonds, Series 2006		
5.000% due 06/01/2037	800	647
Torrance, California Revenue Bonds, Series 2010		
5.000% due 09/01/2040	6,300	6,770
Turlock, California Certificates of Participation Bonds, Series 2007		
5.500% due 10/15/2037	2,000	2,284
Washington Township Health Care District, California General Obligation Bonds, Series 2013		
5.000% due 08/01/2043	2,500	2,746
Westlake Village, California Certificates of Participation Bonds, Series 2009		
5.000% due 06/01/2039	1,000	1,021
		414,668
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
IOWA 2.9%		
Iowa Tobacco Settlement Authority Revenue Bonds, Series 2005		
5.600% due 06/01/2034	\$ 8,600	\$ 7,732
TEXAS 2.1%		
Wood County, Texas Central Hospital District Revenue Bonds, Series 2011		
6.000% due 11/01/2041	5,000	5,553
Total Municipal Bonds & Notes		
(Cost \$381,299)		
		427,953
SHORT-TERM INSTRUMENTS 6.6%		
SHORT-TERM NOTES 6.6%		
Fannie Mae		
0.081% due 05/01/2015	7,200	7,197

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Federal Home Loan Bank		
0.091% due 03/13/2015	7,000	6,998
Freddie Mac		
0.071% due 03/25/2015	3,300	3,299
		17,494
Total Short-Term Instruments (Cost \$17,494)		17,494
Total Investments in Securities (Cost \$398,793)		445,447
Total Investments 167.1% (Cost \$398,793)		\$ 445,447
Preferred Shares, at Liquidation Value 56.3%		(150,000)
Other Assets and Liabilities, net (123.4%)		(328,876)
Net Assets Applicable to Common Shareholders 100.0%		