

PIMCO MUNICIPAL INCOME FUND
Form N-CSR
January 07, 2008

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSRS

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)

1345 Avenue of the Americas, New York, NY

10105

(Address of principal executive offices)

(Zip code)

Lawrence G. Altadonna - 1345 Avenue of the Americas, New York, NY 10105

(Name and address of agent for service)

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

Date of fiscal year end: April 30, 2008

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Date of reporting period: October 31, 2007

Form N-CSRS 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-CSRS in its regulatory, disclosure review, inspection, and policymaking roles.

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

ITEM 1. REPORT TO SHAREHOLDERS

PIMCO Municipal Income Fund
PIMCO California Municipal Income Fund
PIMCO New York Municipal Income Fund
Semi-Annual Report
October 31, 2007
Contents

Letter to Shareholders 1 Fund Insights/Performance & Statistics 2-5 Schedules of Investments 6-22 Statements of Assets and Liabilities 23 Statements of Operations 24 Statements of Changes in Net Assets 26-27 Statement of Cash Flows 28 Notes to Financial Statements 29-34 Financial Highlights 35-37 Matters Relating to the Trustees Consideration of the Investment Management & Portfolio Management Agreements 38-40

PIMCO Municipal Income Funds
Letter to Shareholders

December 5, 2007

Dear Shareholder:

We are pleased to provide you with the semi-annual report for the PIMCO Municipal Income Fund, PIMCO California Municipal Income Fund and PIMCO New York Municipal Income Fund (the “Funds”) for the six-months ended October 31, 2007.

The U.S. bond market delivered modest returns in the period as economic growth continued despite weakness in the U.S. housing and mortgage markets. In response to lower liquidity, the Federal Reserve reduced the Federal Funds rate twice late in the six-month period, reducing the key rate from 5.25% to 4.50% even as inflation levels continued to track higher than the central bank’s stated comfort level. Municipal bonds underperformed the broad U.S. credit market throughout the six-month period on sharply lower liquidity.

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

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

We remain dedicated to serving your investment needs.

Sincerely,

Hans W. Kertess

Chairman Brian S. Shlissel
President & Chief Executive Officer

10.31.07 | PIMCO Municipal Income Funds Semi-Annual Report 1

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

10.31.07 | PIMCO Municipal Income Funds Semi-Annual Report 3

PIMCO New York Municipal Income Fund
 Fund Insights/Performance & Statistics
 October 31, 2007 (unaudited)

• For the fiscal six-month period ended October 31, 2007, PIMCO New York Municipal Income Fund returned (1.28)% on net asset value (“NAV”) and (11.67)% on market price, compared with (0.47)% and (6.46)%, respectively, for the Lipper Analytical New York Municipal Debt Funds average.

• Intermediate- and longer-maturity municipal bond yields increased during the six-month period ended October 31, 2007.

• Interest rates for Treasuries and London Inter-bank Offered Rate (“LIBOR”) Swaps outperformed municipal bonds, moving lower across all maturities.

• Municipal bond issuance increased significantly from last year’s levels. For the six-month period, supply levels were at \$227.2 billion versus \$199.2 billion for the same six-month period in 2006.

• The municipal yield curve steepened during the period. The 10-year, 20-year and 30-year maturity AAA General Obligation yields increased 6, 22 and 31 basis points, respectively.

• Municipal Treasury yield ratios tightened during the period. The 10-year ratio increased to 85.18% and 30-year ratio increased to 92.69%

• Long Municipals underperformed long Treasuries and the taxable debt sector during the period. The Lehman Long Municipal Bond Index returned (0.57)% while the Long Government/Credit and the Long Lehman Treasury Indices returned 2.24% and 3.5%, respectively.

• Exposure to zero coupon municipals was negative for performance. The Lehman Zero Coupon Index returned (1.61)% for the six-month period.

• Municipal bonds within New York were in line with the national index for the period. Year-to-date, New York State issued \$25.3 billion of bonds, 7.8% higher than the comparable period last year. At October 31, 2007, New York State ranked third in terms of bond issuance.

• The shape of the New York Insured AAA municipal yield curve steepened during the period. Five-year maturity AAA credits decreased 15 basis points, 10-year maturities increased 3 basis points, and 30-year maturities increased 29 basis points.

								Total Return(1): Market		
Price	Net Asset Value (“NAV”)	Six Months	(11.67)%	(1.28)%	1 Year	(14.14)%	0.06%	3 Year	3.57%	5.23%
	Year	4.26%	5.37%	Commencement of Operations (6/29/01) to 10/31/07			3.92%	5.11%		

Common Share Market Price/NAV Performance:

Commencement of Operations (6/29/01) to 10/31/07

Market Price/NAV: Market Price \$12.93 NAV \$13.22 Discount to NAV (2.19)% Market Price Yield (2) 5.29%

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

4 PIMCO Municipal Income Funds Semi-Annual Report | 10.31.07

PIMCO Municipal Income Funds
Fund Insights/Performance & Statistics
October 31, 2007 (unaudited)

(1) **Past performance is no guarantee of future results.** Total return is determined by subtracting the initial investment from the value at the end of the period and dividing the remainder by the initial investment and expressing the result as a percentage. The calculation assumes that all of each Fund's income dividends and capital gain distributions have been reinvested. Total return does not reflect broker commissions or sales charges. Total return for a period of less than one year is not annualized. Total return for a period of more than one year represents the average annual total return.

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

(2) **Market Price Yield** is determined by dividing the annualized current monthly per share dividend (comprised from net investment income) payable to common shareholders by the market price per common share at October 31, 2007.

10.31.07 | PIMCO Municipal Income Funds Semi-Annual Report 5

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PIMCO Municipal Income Fund
 Schedule of Investments
 October 31, 2007 (unaudited)

Amount (000) Credit Rating (Moody's/S&P) Value	Principal
MUNICIPAL BONDS & NOTES—95.9%	
Alabama—2.8%	
\$ 2,500 Birmingham Baptist Medical Centers Special Care Facs. Financing Auth. Rev., 5.875%, 11/15/24, Ser. A Baa1/NR \$ 2,595,025 8,000 Huntsville Health Care Auth. Rev., 5.75%, 6/1/31, Ser. A, (Pre-refunded @ \$101, 6/1/11) (a) A2/NR 8,653,120 Huntsville-Redstone Village Special Care Facs. Financing Auth. Rev., 250 5.50%, 1/1/28 NR/NR 239,985 885 5.50%, 1/1/43 NR/NR 821,616 1,350 Montgomery Medical Clinic Board, Jackson Hospital & Clinic Rev., 5.25%, 3/1/31 Baa2/BBB- 1,314,482 2,900 Tuscaloosa Educational Building Auth. Rev., 5.00%, 6/1/26 NR/BBB- 2,729,277 16,353,505	
Alaska—1.6%	
900 Industrial Dev. & Export Auth., Boys & Girls Home Rev., 6.00%, 12/1/36 NR/NR 904,068 Northern Tobacco Securitization Corp. Rev., 2,400 5.00%, 6/1/46, Ser. A Baa3/NR 2,056,776 6,000 5.50%, 6/1/29, (Pre-refunded @ \$100, 6/1/11) (a) Aaa/AAA 6,387,060 9,347,904	
Arizona—0.7%	
2,000 Apache Cnty. Industrial Dev. Auth., Pollution Control Rev., Tucson Electric Power Co., 5.875%, 3/1/33, Ser. B Baa3/B+ 2,006,820 1,000 Health Facs. Auth. Rev., Beatitudes Project, 5.20%, 10/1/37 NR/NR 907,340 1,260 Pima Cnty. Industrial Dev. Auth. Rev., 5.00%, 6/1/37 NR/BBB- 1,171,888 4,086,048	
Arkansas—0.5%	
8,500 Arkansas Dev. Finance Auth. Rev., zero coupon, 7/1/36, (AMBAC) Aaa/NR 2,010,505 Little Rock Municipal Property Owners Multipurpose Improvement Dist., Special Tax, Ser. A, 425 5.00%, 3/1/16 NR/NR 427,270 500 5.25%, 3/1/23 NR/NR 501,055 2,938,830	
California—2.9%	
Golden State Tobacco Securitization Corp. Tobacco Settlement Rev., 6,000 5.00%, 6/1/33, Ser. A-1 Baa3/BBB 5,400,780 10,000 6.75%, 6/1/39, Ser. 2003-A-1, (Pre-refunded @ \$100, 6/1/13) (a) Aaa/AAA 11,566,300 16,967,080	

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Colorado-2.7%

600	Black Hawk Rev., 5.00%, 12/1/18	NR/NR	596,952	500	Confluence Metropolitan Dist. Rev,
	5.45%, 12/1/34	NR/NR	477,535		Denver Health & Hospital Auth. Healthcare Rev., Ser. A (a),
	5.375%, 12/1/28, (Pre-refunded @ \$101, 12/1/08)	NR/BBB	2,059,840	1,000	6.00%, 12/1/23, (Pre-refunded
		@ \$100, 12/1/11)	NR/BBB	1,089,730	

6 PIMCO Municipal Income Funds Semi-Annual Report | 10.31.07

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PIMCO Municipal Income Fund
 Schedule of Investments
 October 31, 2007 (unaudited) (continued)

	Amount (000)	Credit Rating (Moody's/S&P) Value	Principal
Colorado (continued)			
\$ 12,400	Health Facs. Auth. Rev., Liberty Heights, zero coupon, 7/15/24	Aaa/AAA	\$ 5,746,904 4,965
	Northwest Parkway Public Highway Auth. Rev., 7.125%, 6/15/41, Ser. D	B3/CCC	5,310,614
			15,281,575
Connecticut-0.2%			
1,000	State Dev. Auth. Pollution Control Rev., 5.85%, 9/1/28	Baa1/BBB-	1,030,110
District of Columbia-0.9%			
5,010	Tobacco Settlement Financing Corp. Rev., 6.25%, 5/15/24	Baa3/BBB	5,182,995
Florida-2.1%			
1,000	Beacon Lakes Community Dev. Dist., Special Assessment, 6.00%, 5/1/38, Ser. A NR/NR 964,800 940	Dev. Finance Corp. Rev., Learning Gate Community School, 6.00%, 2/15/37 NR/BBB-	953,245 9,000
	Highlands Cnty. Health Facs. Auth. Rev., Adventist/Sunbelt, 6.00%, 11/15/31, Ser. A, (Pre-refunded @ \$101, 11/15/11) (a)	A1/NR 9,895,230 500	Lee Cnty. Industrial Dev. Auth. Rev., 5.375%, 6/15/37, Ser. A NR/BB 462,770 12,276,045
Georgia-0.4%			
2,300	Medical Center Hospital Auth. Rev., 5.25%, 7/1/37	NR/NR	2,121,727
Illinois-12.4%			
	Chicago, GO, Ser. A (FGIC), 2,935 5.375%, 1/1/34	Aaa/AAA 3,013,042 6,145	5.375%, 1/1/34, (Pre-refunded @ \$101, 1/1/09) (a) Aaa/AAA 6,341,640 10,115
	Chicago Board of Education, GO, zero coupon, 12/1/31, Ser. A (FGIC) Aaa/AAA 3,221,526 2,000	Chicago Water Rev., 5.25%, 11/1/27, (Pre-refunded @ \$102, 11/1/07) (FGIC) (a) Aaa/AAA 2,040,000	Educational Facs. Auth. Rev., 1,115
	Midwestern Univ., 5.50%, 5/15/18, Ser. B NR/AAA 1,133,085	Univ. of Chicago, 5,000	5.125%, 7/1/38, Ser. A (f) Aa1/AA 5,070,500 190
	5.25%, 7/1/41 Aa1/AA 197,289 4,810	5.25%, 7/1/41, (Pre-refunded @ \$101, 7/1/11) (a) Aa1/AA 5,136,992	Finance Auth. Rev., (Pre-refunded @ \$101, 11/15/09) (a), 5,000 5.50%, 11/15/29 A1/NR 5,245,700 1,260
	5.65%, 11/15/24 A1/NR 1,325,583	Health Facs. Auth. Rev., 3,000	Decatur Memorial Hospital, 5.75%, 10/1/24 A2/A 3,125,160 5,425
	Health Facs. Auth. Rev., Silver Cross Hospital, 5.50%, 8/15/25, (Pre-refunded @ \$101, 8/15/09) (a) NR/A 5,670,698	Lake Cnty. Community High School Dist., GO, Ser. B (FGIC), 5,000	zero

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coupon, 2/1/19 Aaa/AAA 3,089,450 5,000 zero coupon, 2/1/20 Aaa/AAA 2,938,700 5,690 zero
coupon, 2/1/22 Aaa/AAA 3,006,824 7,345 Regional Transportation Auth. Rev., 5.50%, 6/1/23, Ser. B (FGIC)
Aaa/AAA 8,373,741

10.31.07 | PIMCO Municipal Income Funds Semi-Annual Report 7

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PIMCO Municipal Income Fund
 Schedule of Investments
 October 31, 2007 (unaudited) (continued)

		Amount				Principal
		(000)	Credit Rating			
		(Moody's/S&P) Value				
Illinois (continued)						
\$ 3,000	State Sales Tax Rev., 5.125%, 6/15/20, Ser. 1	Aa3/AAA	\$ 3,124,590			Univ. Rev., (FGIC),
1,495	5.25%, 4/1/32	Aaa/AAA	1,552,931	3,505	5.25%, 4/1/32, (Pre-refunded @ \$100, 4/1/11) (a)	
Aaa/AAA	3,701,350	Winnebago-Boone ETC Cntys, Rock Valley Community College Dist. No 511, GO, (FGIC),	470	5.30%, 10/1/18	Aaa/NR	489,336
				3,530	5.30%, 10/1/18, (Pre-refunded @ \$100, 10/1/10) (a)	Aaa/NR
			3,712,960			71,511,097
Indiana-2.2%						
500	Anderson Rev., 5.00%, 10/1/32	NR/NR	476,710	6,500	Carmel School Building Corp. Rev., 5.00%, 7/15/22,	
(Pre-refunded @ \$101, 7/15/11) (MBIA) (a)		Aaa/AAA	6,894,290	4,000	Health & Educational Facs. Financing	
Auth. Rev., Community Foundation of Northwest Indiana, 5.50%, 3/1/37		NR/BBB-	3,970,840	1,225	Richland-Bean Blossom School Building Corp. Rev., 5.00%, 1/15/22, (FGIC)	
		Aaa/AAA	1,256,029			12,597,869
Iowa-0.3%						
2,000	Finance Auth. Rev., Wedum Walnut Ridge LLC, 5.625%, 12/1/45, Ser. A	NR/NR	1,928,600			
Kansas-3.8%						
1,000	Lenexa, City Center East Tax Allocation, 6.00%, 4/1/27	NR/NR	1,003,000	500	Lenexa Rev., 5.50%, 5/15/39, Ser. A	
NR/BBB-	490,450	Wichita Hospital Rev.,	5,000	5.625%, 11/15/31, Ser. III	NR/A+	5,180,000
	14,370	6.25%, 11/15/24, Ser. XI	NR/A+	15,054,443		21,727,893
Kentucky-0.2%						
860	Economic Dev. Finance Auth., Hospital Facs. Rev., St. Luke's Hospital, 6.00%, 10/1/19, Ser. B	A3/A	868,841			
Louisiana-5.6%						
4,300	Local Gov't Environmental Facs. & Community Dev. Auth. Rev., 6.55%, 9/1/25, (ACA)	NR/A	4,639,872	27,895	Tobacco Settlement Financing Corp. Rev., 5.875%, 5/15/39, Ser. 2001-B	
	Baa3/BBB	27,922,895		32,562,767		
Maryland-0.2%						

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1,150 Baltimore Water Project Rev., 5.125%, 7/1/42, Ser. A (FGIC) Aaa/AAA 1,177,393

Massachusetts-1.9%

550 State Dev. Finance Agcy. Rev., Linden Ponds, 5.75%, 11/15/35,

Ser. A NR/NR 546,959 10,000 State Health & Educational Facs. Auth., Partners Healthcare Systems Rev.,
5.75%, 7/1/32, Ser. C (f) Aa2/AA 10,661,500 11,208,459

8 PIMCO Municipal Income Funds Semi-Annual Report | 10.31.07

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PIMCO Municipal Income Fund
 Schedule of Investments
 October 31, 2007 (unaudited) (continued)

		Amount		Principal	
		(000)	Credit Rating		
		(Moody's/S&P) Value			
Michigan—3.0%					
Detroit, GO, Ser. A-1 (MBIA),	\$ 1,000	5.375%, 4/1/15	Aaa/AAA	\$ 1,058,120	1,000
5.375%, 4/1/17 Aaa/AAA	1,055,510	775	East Lansing Economic Corp., Burcham Hills Rev., 5.25%, 7/1/37		
NR/NR	706,792	4,550	Garden City Hospital Finance Auth. Rev., 5.00%, 8/15/38, Ser. A	NR/NR	4,120,389
	3,000		Mount Clemens Community School Dist., GO, 5.00%, 5/1/31, (Pre-refunded @ \$100, 11/1/11) (Q-SBLF)		
(a) Aa3/AA-	3,165,030	50	Royal Oak Hospital Finance Auth. Rev., William Beaumont Hospital, 5.25%,		
11/15/35, Ser. M (MBIA) Aaa/AAA	51,311	460	Star International Academy, CP, 6.125%, 3/1/37	NR/BB+	
467,402	4,000		State Hospital Finance Auth. Rev., Detroit Medical Center, 6.25%, 8/15/13	Ba3/BB-	4,010,160
	775		State Public Educational Facs. Auth. Rev., 5.00%, 9/1/22	NR/BBB-	754,377
			2,000	State Strategic	
			Fund Ltd. Obligation Rev., Detroit Edison Pollution Control Co., 5.45%, 9/1/29	A3/A-	2,045,460
					17,434,551
Minnesota—0.9%					
Agricultural & Economic Dev. Board Rev., Health Care System,	95	6.375%, 11/15/29	A2/A		
100,818	2,905	6.375%, 11/15/29, (Pre-refunded @ \$101, 11/15/10) (a)	A2/A	3,170,836	North Oaks,
Presbyterian Homes Rev.,	1,070	6.00%, 10/1/33	NR/NR	1,091,132	620
632,171	100	Rochester Rev., 5.30%, 4/1/37, Ser. A	NR/NR	94,729	5,089,686
Missouri—0.7%					
750		Branson Regional Airport Transportation Dev. Dist. Rev., 6.00%, 7/1/37, Ser. A	NR/NR	746,835	
2,500		Interstate 470 & 350 Transportation Dev. Dist. Rev., 6.35%, 5/1/22, (Pre-refunded @ \$100, 5/1/08) (a)			
NR/NR	2,535,075	1,000	Joplin Industrial Dev. Auth. Rev., 5.75%, 5/15/26, Ser. F	NR/NR	1,010,940
					4,292,850
Nevada—3.5%					
	3,000	Clark Cnty. Rev., 5.25%, 7/1/34, Ser. B,			
(Pre-refunded @ \$100, 7/1/11) (FGIC) (a)	Aaa/AAA	3,179,610	4,250	Truckee Meadows Water Auth. Rev.,	
5.25%, 7/1/34, Ser. A, (Pre-refunded @ \$100, 7/1/11) (FSA) (a)	Aaa/AAA	4,504,447	12,185	Washoe Cnty.,	
GO, 5.00%, 1/1/35, (MBIA) (f)	NR/NR	12,596,366			20,280,423
New Hampshire—0.5%					
3,000		State Business Finance Auth. Pollution Control Rev., Light & Power Co., 5.85%, 12/1/22			
			Baa1/BBB-	3,095,190	

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PIMCO Municipal Income Fund
 Schedule of Investments
 October 31, 2007 (unaudited) (continued)

		Amount				Principal
		(000)	Credit Rating			
		(Moody's/S&P) Value				
New Jersey-5.0%						
	\$ 16,550	Economic Dev. Auth., Kapkowski Road Landfill,				
Special Assessment, 5.75%, 4/1/31	Baa3/NR	\$ 17,204,883	Economic Dev. Auth. Rev., Arbor Glen,			
2,510	5.875%, 5/15/16	NR/NR	2,576,917	450	5.875%, 5/15/16, Ser. A, (Pre-refunded @ \$102, 5/15/09) (a)	
	NR/NR	474,642	1,000	Health Care Facs. Financing Auth. Rev., Trinitas Hospital, 5.25%, 7/1/30, Ser. A		
Baa3/BBB-	967,770	9,100	Tobacco Settlement Financing Corp. Rev., 5.00%, 6/1/41, Ser. 1A	Baa3/BBB		
			7,810,712		29,034,924	
New Mexico-0.4%						
2,500	Farmington Pollution Control Rev., 5.80%, 4/1/22	Baa2/BBB				2,511,700
New York-1.2%						
	New York City Municipal Water Finance Auth., Water & Sewer System Rev.,		1,120	5.00%,		
6/15/37, Ser. D (f)	Aa2/AA+	1,152,794	3,000	5.00%, 6/15/39, Ser. A	Aa2/AA+	3,076,200
						2,875
Westchester Cnty. Healthcare Corp. Rev., 5.875%, 11/1/25, Ser. A	Ba2/BBB-	2,939,227				7,168,221
North Carolina-0.6%						
Capital Facs. Finance Agcy., Duke Univ. Rev., Ser. A,		570	5.125%, 10/1/41	Aa1/AA+		
583,013	2,430	5.125%, 10/1/41, (Pre-refunded @ \$100, 10/1/11) (a)	Aaa/AAA		2,573,808	
						3,156,821
Ohio-3.0%						
11,000	Buckeye Tobacco Settlement Financing Auth. Rev., 5.875%, 6/1/47, Ser. A-2	Baa3/BBB				
10,678,800	Lorain Cnty. Hospital Rev., Catholic Healthcare,		2,500	5.625%, 10/1/17	A1/AA-	
2,646,400	2,565	5.75%, 10/1/18	A1/AA-	2,720,926	1,235	State Turnpike Commission Rev., 5.50%,
		2/15/15	Aa3/AA	1,306,865		17,352,991
Pennsylvania-5.9%						
Allegheny Cnty. Hospital Dev. Auth. Rev.,		8,600	5.375%, 11/15/40, Ser. A	Ba2/BB		
8,247,744	5,780	9.25%, 11/15/30, Ser. B, (Pre-refunded @ \$102, 11/15/10) (a)	Ba3/AAA		6,816,238	1,000
Allegheny Cnty. Industrial Dev. Auth. Rev., 5.60%, 9/1/30	Baa1/BBB+	1,023,160	1,095	Allegheny Cnty.		
Port Auth. Rev., 5.25%, 3/1/20, (FGIC)	Aaa/AAA	1,149,520	2,575	Delaware Cnty. Auth. College Rev.,		

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Neumann College, 5.80%, 10/1/17 NR/BBB- 2,680,446 2,000 Harrisburg Auth. Rev., 6.00%, 9/1/36 NR/NR
2,019,000 6,200 Higher Educational Facs. Auth. Rev., 6.00%, 1/15/31, Ser. A Aa3/AA- 6,530,956 1,000
Higher Educational Facs. Auth. Rev., LaSalle Univ., 5.00%, 5/1/37, Ser. A NR/BBB 978,850 4,610
Philadelphia Hospitals & Higher Education Facs. Auth. Hospital Rev., Temple Univ. Hospital, 6.625%, 11/15/23, Ser.
A Baa3/BBB 4,616,270 34,062,184

10 PIMCO Municipal Income Funds Semi-Annual Report | 10.31.07

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PIMCO Municipal Income Fund
 Schedule of Investments
 October 31, 2007 (unaudited) (continued)

		Principal
Amount (000) Credit Rating (Moody's/S&P) Value		
Puerto Rico—1.3%		
\$ 350	Commonwealth of Puerto Rico, GO, 5.00%, 7/1/35, Ser. B Baa3/BBB–	\$ 349,975 1,600
1,726,320	Electric Power Auth. Power Rev., 5.125%, 7/1/29, Ser. NN, (Pre-refunded @ \$100, 7/1/13) (a) A3/BBB+	
3,092,576	Puerto Rico Sales Tax Financing Corp., Rev., Ser. A, 32,550 zero coupon, 8/1/54, (AMBAC) Aaa/AAA	7,572,323
29,200	zero coupon, 8/1/56 A1/A+	2,403,452
Rhode Island—4.2%		
23,800	Tobacco Settlement Financing Corp. Rev., 6.25%, 6/1/42, Ser. A Baa3/BBB	24,033,478
South Carolina—4.4%		
3,634,085	Greenwood Cnty. Hospital Rev., Self Memorial Hospital, 3,500 5.50%, 10/1/21 A2/A	
2,000	5.50%, 10/1/26 A2/A 2,062,140 3,000 Jobs Economic Dev. Auth. Hospital Facs. Rev.,	
430,817	Georgetown Memorial Hospital, 5.375%, 2/1/30, (Radian) NR/AA 3,035,640 450 Jobs Economic Dev. Auth.	
15,600	Rev., 5.50%, 5/1/28 NR/NR 430,817 15,600 Tobacco Settlement Rev. Management Auth. Rev., 6.375%,	
16,258,008	5/15/30, Ser. B Baa3/BBB 16,258,008	25,420,690
Tennessee—0.1%		
940	Memphis Health Educational & Housing Fac. Rev., Wesley Housing Corp. Project, 6.95%, 1/1/20 (h)	
	(i) Aaa/AAA 472,350	
Texas—11.3%		
1,750	Austin Convention Enterprises, Inc. Rev., 5.75%, 1/1/32, Ser. B, (Pre-refunded @ \$100, 1/1/11) (a)	
1,866,042	Aaa/NR 1,866,042 4,000 Austin Rev., 5.25%, 5/15/31, Ser. A & B (FSA) Aaa/AAA 4,121,800 2,935	
	Bell Cnty. Health Fac. Dev. Corp. Rev.,	
3,018,912	5.25%, 11/15/19, (Pre-refunded @ \$101, 11/15/08) (a) NR/AAA 3,018,912 10,000 Coppell Independent	
3,529,300	School Dist., GO, zero coupon, 8/15/29, (PSF-GTD) Aaa/AAA 3,529,300 1,125 Corpus Christi Refinance &	
1,176,525	Improvement, GO, 5.375%, 3/1/18, (FSA) Aaa/AAA 1,176,525 Duncanville Independent School Dist., GO,	
20	Ser. B, (PSF-GTD), 20 5.25%, 2/15/32 Aaa/AAA 20,750 3,660 5.25%, 2/15/32, (Pre-refunded @	
3,906,208	\$100, 2/15/12) (a) Aaa/AAA 3,906,208 Harris Cnty. Health Facs. Dev. Corp. Rev., (a) 5,000	
5,204,700	Christus Health, 5.375%, 7/1/29, Ser. A, (Pre-refunded @ \$101, 7/1/09) (MBIA) Aaa/AAA 5,204,700 7,000	
7,717,010	Memorial Hermann Healthcare, 6.375%, 6/1/29, (Pre-refunded @ \$101, 6/1/11) A2/A+	8,500
9,055,815	7,717,010 8,500 St. Lukes Episcopal Hospital Rev., 5.375%, 2/15/26, Ser. A, (Pre-refunded @ \$100, 8/15/11) (f) NR/AAA 9,055,815	
295,115	Mansfield Independent School Dist., GO, (PSF-GTD), 285 5.25%, 2/15/23 Aaa/AAA 295,115 1,715 5.25%, 2/15/23, (Pre-refunded @ \$100,	

2/15/11) (a) Aaa/AAA 1,807,627

10.31.07 | PIMCO Municipal Income Funds Semi-Annual Report 11

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PIMCO Municipal Income Fund
 Schedule of Investments
 October 31, 2007 (unaudited) (continued)

Amount (000) Credit Rating (Moody's/S&P) Value	Principal
Texas (continued)	
\$ 4,380 Southlake Park Dev. Corp. Rev., 5.60%, 8/15/31, (Pre-refunded @ \$100, 2/15/11) (AMBAC) (a) Aaa/AAA	400 State Public Finance Auth. Rev., 5.875%, 12/1/36, Ser. A Baa3/BBB-
405,288 19,990 State Turnpike Auth. Rev., zero coupon, 8/15/25, Ser. A (AMBAC) Aaa/AAA	8,752,621 4,530 State Water Financial Assistance, GO, 5.30%, 8/1/18, Ser. A Aa1/AA
4,695,345 4,920 Univ. Rev., 5.00%, 7/1/26, Ser. B, (Pre-refunded @ \$100, 7/1/14) (a) Aaa/AAA	5,306,072 65,454,303
Utah-1.4%	
7,000 Salt Lake Cnty. Hospital Rev., IHC Health Services, 5.125%, 2/15/33, (AMBAC) Aaa/AAA	7,261,800 600 Utah Cnty. Lincoln Academy Charter School, GO, 5.875%, 6/15/37, Ser. A (b) NR/NR
603,234	7,865,034
Virginia-0.4%	
2,000 Peninsula Town Center Community Dev. Auth. Rev., 6.45%, 9/1/37 NR/NR	2,056,880
Washington-2.5%	
1,225 Cowlitz Cnty. School Dist. No. 458 Kelso, GO, 5.625%, 12/1/16, (Pre-refunded @ \$100, 12/1/11) (FSA) (a) Aaa/NR	1,323,453 3,415 Kent, GO, 5.375%, 12/1/20, (MBIA) Aaa/AAA
3,598,864 5,420 King Cnty. School Dist. No. 1 Seattle, GO, 5.25%, 12/1/21, Ser. A (MBIA) Aaa/AAA	5,676,257 State Housing Finance Commission Rev., Skyline at First Hill, Ser. A, 275 5.25%, 1/1/17 NR/NR
278,168 3,600 5.625%, 1/1/38 NR/NR	3,520,476 14,397,218
Wisconsin-4.2%	
Badger Tobacco Asset Securitization Corp. Rev., 5,000 5.75%, 6/1/12 Baa3/BBB	5,283,000 9,785 6.00%, 6/1/17 Baa3/BBB
10,241,079 2,250 Health & Educational Facs. Auth. Rev., Divine Savior Heathcare Rev., 5.00%, 5/1/32 NR/BBB	2,116,890 2,230 Health & Educational Facs. Auth. Rev., Kenosha Hospital & Medical Center, 5.625%, 5/15/29 NR/A
2,260,551 550 Milwaukee Redev. Auth. Rev., 5.65%, 8/1/37, Ser. A NR/NR	533,769 3,515 State, GO, 5.00%, 5/1/22, Ser. A (FGIC) Aaa/AAA
3,640,591 24,075,880	Total Municipal Bonds & Notes (cost-\$528,063,716) 553,996,435

VARIABLE RATE NOTES (b)(c)-3.6%

Hawaii-0.3%

1,388 City & Cnty. of Honolulu Rev., 10.12%, 7/1/23, Ser. 400 (FGIC) (g)(h) Aaa/NR 1,565,447

Illinois-0.6%

2,902 Cook Cnty., GO, 10.12%, 11/15/28, Ser. 458 (FGIC) (g)(h) Aaa/NR 3,212,458
12 PIMCO Municipal Income Funds Semi-Annual Report | 10.31.07

PIMCO Municipal Income Fund
 Schedule of Investments
 October 31, 2007 (unaudited) (continued)

		Amount	Principal
		(000) Credit Rating (Moody's/S&P) Value	
New York-1.7%			
	New York City Municipal Water Finance Auth., Water & Sewer System Rev., 6/15/26 (g)(h) NR/AA+ \$ 2,962,050	6,000 9.138%, 6/15/39 (h) Aa2/NR 6,687,120	\$ 2,600 7.958%, 9,649,170
Texas-0.7%			
3,595	Harris Cnty. Health Facs. Dev. Corp. Rev., 12.00%, 7/1/29, Ser. 357 (MBIA) (g)(h)	Aaa/NR 4,330,896	
Washington-0.3%			
1,800	Seattle, GO, 10.75%, 12/15/28, Ser. 348 (g)(h)	Aa1/NR 1,971,540	Total Variable Rate
	Notes (cost-\$17,848,363)	20,729,511	
VARIABLE RATE DEMAND NOTES (c)(d)-0.2%			
Missouri-0.2%			
1,400	State Health & Educational Facs. Auth. Rev., BJC Health Systems, 3.58%, 11/1/07, Ser. B (cost-\$1,400,000) VMIG1/A-1+	1,400,000	
U.S. TREASURY BILLS (e)-0.3%			
1,545	3.81%-4.62%, 11/29/07-12/13/07 (cost-\$1,538,341)	1,538,341	
Total Investments (cost-\$548,850,420)-100.0%			
\$ 577,664,287			

See accompanying Notes to Financial Statements | 10.31.07 | PIMCO Municipal Income Funds Semi-Annual Report

PIMCO California Municipal Income Fund
 Schedule of Investments
 October 31, 2007 (unaudited)

	Amount (000) Credit Rating (Moody's/S&P) Value	Principal
CALIFORNIA MUNICIPAL BONDS & NOTES—87.3%		
\$ 1,000 ABAG Finance Auth. for Nonprofit Corps., CP, 5.375%, 2/15/19 NR/BBB	\$ 1,015,050	1,000
ABAG Finance Auth. for Nonprofit Corps., Rev., 5.375%, 11/15/25, (CA Mtg. Ins.) NR/A+	1,031,050 1,385	Alvord Unified School Dist., GO, 5.375%, 8/1/29, Ser. C (FSA) Aaa/NR 1,394,501 6,405
Campbell Union High School Dist., GO, 5.50%, 8/1/30, (FSA) Aaa/NR 6,693,930 2,250	Capistrano Unified School Dist., Special Tax, 5.75%, 9/1/29, (Pre-refunded @ \$102, 9/1/09) (a) NR/NR 2,386,912 5,250	Central JT Powers Health Financing Auth., CP, 5.75%, 2/1/31, (Pre-refunded @ \$101, 2/1/11) (a) Baa2/AAA 5,673,780 4,140
Charter Oak Unified School Dist., GO, 5.00%, 7/1/28, Ser. B, (Pre-refunded @ \$100, 7/1/13) (FSA) (a) Aaa/AAA 4,455,965	Contra Costa Cnty. Public Financing Auth., Tax Allocation, 2,150 5.125%, 8/1/19 NR/BBB 2,179,369 600	5.125%, 8/1/19, (Pre-refunded @ \$102, 8/1/09) (a) NR/BBB 629,142 350 5.85%, 8/1/33 NR/NR 362,887 4,650 5.85%, 8/1/33, (Pre-refunded @ \$100, 8/1/13) (a) NR/BBB 5,195,492 2,750
CSUCI Financing Auth. Rev., 5.00%, 9/1/31, Ser. A, (Pre-refunded @ \$100, 9/1/11) (MBIA) (a) Aaa/AAA 2,907,355 3,635	Cucamonga Cnty. Water Dist., CP, 5.125%, 9/1/35, (FGIC) Aaa/AAA 3,746,558	East Side Union High School Dist., Santa Clara Cnty., GO, Ser. E (XLCA), 1,985 zero coupon, 8/1/21 Aaa/AAA 1,035,912 1,490 zero coupon, 8/1/22 Aaa/AAA 725,809 El Monte, CP (AMBAC), 10,790 4.75%, 6/1/30 Aaa/AAA
10,849,453 14,425 5.25%, 1/1/34 Aaa/AAA 14,888,908	Foothill Eastern Corridor Agcy. Toll Road Rev., 5,000 zero coupon, 1/15/33 Baa3/BBB- 1,128,900 5,000 zero coupon, 1/15/34 Baa3/BBB- 1,060,650 Fremont Community Dist., Special Tax, 165 6.00%, 9/1/18 NR/NR 169,808 505 6.00%, 9/1/19 NR/NR 519,539 3,500 6.30%, 9/1/31 NR/NR 3,594,045	Golden State Tobacco Securitization Corp. Rev., 9,000 5.00%, 6/1/33, Ser. A-1 Baa3/BBB 8,101,170 8,000 5.00%, 6/1/38, Ser. A (FGIC) (f) Aaa/AAA 8,151,120 17,500 6.25%, 6/1/33, Ser. 2003-A-1 Aaa/AAA 19,210,975 10,155 6.75%, 6/1/39, Ser. 2003-A-1, (Pre-refunded @ \$100, 6/1/13) (a) Aaa/AAA 11,745,578 540 7.875%, 6/1/42, Ser. A-3, (Pre-refunded @ \$100, 6/1/13) (a) Aaa/AAA 654,988 Health Facs. Finance Auth. Rev., 130 5.00%, 7/1/18, (Pre-refunded @ \$101, 7/1/08) (a) A2/A 132,705 1,980 5.00%, 7/1/18 A2/A 2,006,591 5,315 5.125%, 7/1/18 NR/BBB+ 5,328,394

14 PIMCO Municipal Income Funds Semi-Annual Report | 10.31.07

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PIMCO California Municipal Income Fund
 Schedule of Investments
 October 31, 2007 (unaudited) (continued)

	Amount	Credit Rating	Principal
	(000)		
(Moody's/S&P) Value \$ 3,000	5.25%, 10/1/14, Ser. B	NR/AAA	\$ 3,076,710
Health Facs. Finance Auth. Rev., Catholic Healthcare West,	125	5.00%, 7/1/28, (Pre-refunded @ \$101, 7/1/08) (a)	A2/A 127,601
875	5.00%, 7/1/28, (Partially pre-refunded @ \$101, 7/1/08) (a)	A2/A	877,310
6,250	Infrastructure & Economic Dev. Bank Rev., Bay Area Toll Bridges,		
5.00%, 7/1/36, (Pre-refunded @ \$100, 1/1/28) (AMBAC) (a)	Aaa/AAA	6,800,062	La Quinta Redev. Agcy.,
Tax Allocation (AMBAC),	3,000	5.00%, 9/1/21	Aaa/AAA 3,130,530
10,000	5.10%, 9/1/31		
Aaa/AAA 10,347,700	1,000	5.125%, 9/1/32	Aaa/AAA 1,040,470
1,495	Lincoln Public Financing Auth. Rev., Twelve Bridges Ltd.,		
6.125%, 9/2/27	NR/NR	1,512,895	6,250
Los Angeles Cnty. Metropolitan Transportation Auth. Rev.,			
4.75%, 7/1/28, Ser. B, (Pre-refunded @ \$101, 7/1/09) (FSA) (a)	Aaa/AAA	6,455,812	Los Angeles
Community Redev. Agcy., Tax Allocation,	520	5.875%, 9/1/26	NR/NR 507,978
325	6.00%, 9/1/31	NR/NR	325,302
5,000	Los Angeles Department of Water & Power Rev.,		
4.75%, 7/1/30, (FSA) (f)	Aaa/AAA	5,034,800	3,250
Los Angeles Unified School Dist., GO, 5.125%, 7/1/21,			
Ser. E, (Pre-refunded @ \$100, 7/1/12) (MBIA) (a)	Aaa/AAA	3,480,685	3,500
Metropolitan Water Dist. of Southern California Rev., Water Works Rev.,	5.00%, 7/1/26, Ser. A, (Pre-refunded @ \$101, 1/1/08) (a)	Aa2/AAA	3,543,930
5,820	Montclair Redev. Agcy., Tax Allocation, 5.30%, 10/1/30, (MBIA)	Aaa/AAA	6,160,470
	Murrieta Valley Unified School Dist., Special Tax,		
(Pre-refunded @ \$102, 9/1/09) (a)	195	6.30%, 9/1/18	NR/NR 208,746
3,535	6.50%, 9/1/31		
NR/NR 3,796,590	6,255	Orange Cnty. Sanitation Dist., CP, 5.25%, 2/1/30,	
(Pre-refunded @ \$100, 8/1/13) (FGIC) (a)	Aaa/AAA	6,819,326	1,080
Palm Springs Community Redev. Agcy., Tax Allocation,			
5.50%, 8/1/21	NR/A	1,135,166	1,690
Rancho Etiwanda Public Facs., Special Tax, 6.375%, 9/1/24	NR/NR		
1,749,454	Rancho Mirage Redev. Agcy., Tax Allocation,	1,190	5.50%, 4/1/24
Baa1/BBB+	1,236,541	1,580	5.625%, 4/1/33
Baa1/BBB+	1,641,288		Riverside, Improvement Board Act 1915,
Special Assessment,	500	6.15%, 9/2/19	NR/NR 521,120
1,350	6.375%, 9/2/26	NR/NR	
1,410,561	8,305	Riverside Cnty., CP, 5.125%, 11/1/30, (MBIA)	Aaa/AAA 8,636,702
575	Roseville, Woodcreek Community Facs. Dist., Special Tax, 6.375%, 9/1/27, (Pre-refunded @ \$102, 9/1/10) (a)	NR/NR	
631,413	Sacramento, Special Tax,	2,945	5.70%, 9/1/23
NR/NR	2,961,993	1,000	6.10%, 9/1/21
NR/NR	1,024,900		

10.31.07 | PIMCO Municipal Income Funds Semi-Annual Report 15

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PIMCO California Municipal Income Fund
 Schedule of Investments
 October 31, 2007 (unaudited) (continued)

	Amount	Principal
	(000)	
	Credit Rating	
(Moody's/S&P) Value \$ 1,895	6.15%, 9/1/26 NR/NR	\$ 1,939,514 2,000
	5.30%, 1/1/24, Ser. A	Sacramento Health Fac. Rev.,
(CA Mtg. Ins.) NR/A+	2,042,240 1,000	San Diego Cnty. Water Auth., CP, 5.00%, 5/1/32, Ser. A (MBIA)
Aaa/AAA	1,032,420 545	San Diego Cnty., CP, 5.25%, 10/1/28 A2/NR 559,862 San Francisco Bay
Area Transit Financing Auth. Rev. (AMBAC),	880	5.125%, 7/1/36 Aaa/AAA 903,663 2,450
	5.125%, 7/1/36, (Pre-refunded @ \$100, 7/1/11) (a)	Aaa/AAA 2,594,893 720
	San Francisco City & Cnty. Redev. Agcy. Rev., Special Tax, 6.125%, 8/1/31	NR/NR 733,781 5,065
	San Joaquin Cnty., CP, 5.00%, 9/1/20, (MBIA) (b)(h)	Aaa/AAA 5,200,894
	San Joaquin Hills Transportation Corridor Agcy. Toll Road Rev.,	5,000 5.50%, 1/15/28, Ser. A
	Ba2/BB-	5,003,000 5,000
	5.70%, 1/15/19, Ser. A	Ba2/BB-
	5,201,850 5,000	San Jose Unified School Dist., Santa Clara Cnty., GO, 5.125%,
	8/1/25, Ser. D, (Pre-refunded @ \$101, 8/1/10) (FSA) (a)	Aaa/AAA 5,281,200 230
	San Jose, Improvement Board Act 1915, Special Assessment, 5.60%, 9/2/17, Ser. Q	NR/NR 237,183
	San Juan Unified School Dist., GO (FSA),	9,445 zero coupon, 8/1/22
	Aaa/AAA 4,873,526 10,895	zero coupon, 8/1/25
Aaa/AAA	4,828,882 6,110	zero coupon, 8/1/26
	Aaa/AAA 2,572,493 600	Santa Ana Financing Auth. Rev., 5.60%, 9/1/19
	NR/BBB 618,180 1,815	Santa Clara, CP, 5.00%, 2/1/32, (AMBAC) Aaa/AAA
	1,866,201 1,435	Santa Maria JT Union High School Dist., GO,
	5.25%, 8/1/25, Ser. A, (Pre-refunded @ \$102, 8/1/15) (FSA) (a)	Aaa/AAA 1,610,199 5,675
	Statewide Community Dev. Auth., CP, 6.50%, 7/1/20, (Pre-refunded @ \$101, 7/1/10) (a)	A2/NR 6,172,698
	Statewide Community Dev. Auth. Rev.,	900
	Baptist Univ., 5.50%, 11/1/38, Ser. A	NR/NR 893,637 5,420
	Gillispie School, 6.625%, 10/1/31	NR/NR 5,470,406 15,250
	Henry Mayo Newhall Memorial Hospital,	5.125%, 10/1/30
(CA Mtg. Ins.) NR/A+	15,522,822 3,000	Jewish Home, 5.50%, 11/15/33, (CA St. Mtg.) NR/A+
	3,132,660 2,445	St. Marks School, 6.75%, 6/1/28 (b)(h)
	NR/NR 2,529,059 4,000	Sutter Health, 5.50%, 8/15/34, Ser. B
	Aa3/AA-	4,142,120 4,240
	Tehiy Day School, 6.625%, 11/1/31	NR/NR 4,283,290 910
	Windrush School, 5.50%, 7/1/37	NR/NR 909,927
	Statewide Community Dev. Auth., CP,	2,325
	Catholic West, 6.50%, 7/1/20, (Pre-refunded @ \$101,	7/1/10) (a)
	A2/NR 2,525,857 8,000	Internext Group 5.375%, 4/1/30, CP
	NR/BBB 8,015,600 8,000	Tobacco Securitization Agcy. Rev., Los Angeles Cnty., 5.45%, 6/1/28, (Converts to 5.45% on 12/1/10)
	Baa3/NR 6,268,400	

16 PIMCO Municipal Income Funds Semi-Annual Report | 10.31.07

PIMCO California Municipal Income Fund
 Schedule of Investments
 October 31, 2007 (unaudited) (continued)

	Amount (000)	Credit Rating	Principal
(Moody's/S&P) Value			
(Pre-refunded @ \$100, 6/1/11) (a)	\$ 1,500	5.25%, 6/1/31	Aaa/AAA \$ 1,592,055 9,300 5.375%,
6/1/41 Aaa/AAA 9,909,522 1,650		Tobacco Securitization Auth. Rev., Ser. A,	
1,736,757		Town of Apple Valley, CP, 5.375%, 6/1/21, (CA Mtg. Ins.)	NR/A+
2,520		Tustin Unified School Dist., Special Tax,	2,345 5.50%, 9/1/22 NR/NR 2,298,288
8,000		5.60%, 9/1/29 NR/NR 2,505,636 2,000	5.625%, 9/1/32 NR/NR 2,005,220 Univ. Rev.,
		8,000 4.75%, 5/15/35, Ser. F (FSA) (f) Aaa/AAA	8,022,160 10,000 5.00%, 5/15/36, Ser. A
		(AMBAC) Aaa/AAA 10,252,000 7,000	5.125%, 9/1/31, Ser. O, (Pre-refunded @ \$101, 9/1/10)
		(FGIC) (a) Aaa/AAA 7,403,130 3,750	West Kern Cnty. Water Dist., CP, 5.625%, 6/1/31,
		(Pre-refunded @ \$101, 6/1/10) (a) Baa2/NR	3,990,037 Total California Municipal Bonds & Notes
		(cost-\$346,823,799)	367,853,853

OTHER MUNICIPAL BONDS & NOTES—9.5%

Illinois—1.3%		Educational Facs. Auth. Rev., Univ. of Chicago,	5,260 5.00%, 7/1/33
Aa1/AA 5,395,024 240		5.00%, 7/1/33, (Pre-refunded @ \$100, 7/1/13) (a) Aa1/AA	257,043
5,652,067		Iowa—1.9%	8,700 Tobacco Settlement Auth. Rev., zero coupon, 6/1/34, Ser. B
		(Converts to 5.6% on 12/1/07) Baa3/BBB	8,074,731 Louisiana—0.4%
		5.875%, 5/15/39, Ser. 2001-B Baa3/BBB	1,750 Tobacco Settlement
		Financing Corp. Rev.,	
		1,685 6.00%, 6/1/37, (Pre-refunded @ \$100, 6/1/12) (a) Aaa/AAA	1,853,281
		2,210 6.125%, 6/1/42, (Pre-refunded @ \$100, 6/1/12) (a) Aaa/AAA	2,442,271 2,315 6.375%, 6/1/32 (a)
		Aaa/AAA 2,604,931	6,900,483 New York—0.5%
		1,990 State Dormitory Auth. Hospital	
		Rev., 6.25%, 8/15/15, (FHA) Aa2/AAA	2,186,453 Puerto Rico—3.2%
		Power Rev., 5.125%, 7/1/29, Ser. NN,	1,250 Electric Power Auth.
		(Pre-refunded @ \$100, 7/1/13) (a) A3/BBB+	1,348,688 5,000 Electric Power Auth., Power Rev., 5.25%,
		7/1/29, Ser. HH,	
		(Pre-refunded @ \$101, 7/1/10) (FSA) (a) Aaa/AAA	5,286,300

PIMCO California Municipal Income Fund
 Schedule of Investments
 October 31, 2007 (unaudited) (continued)

		Amount		Principal
		(000)	Credit Rating	
(Moody's/S&P) Value	Puerto Rico (continued)			Puerto Rico Sales Tax Financing Corp., Rev.,
\$ 19,200	zero coupon, 8/1/47, Ser. A (AMBAC)	Aaa/AAA	\$ 2,729,280	24,000 zero coupon, 8/1/54, Ser. A
	(AMBAC) Aaa/AAA	2,280,240	21,600	zero coupon, 8/1/56, Ser. A A1/A+ 1,777,896
13,422,404	Rhode Island-0.4%	1,500		Tobacco Settlement Financing Corp. Rev., 6.125%, 6/1/32,
Ser. A Baa3/BBB	1,513,875	South Carolina-0.1%	340	Tobacco Settlement Rev. Management
				Auth. Rev.,
6.375%, 5/15/30, Ser. B	Baa3/BBB	354,341		Total Other Municipal Bonds & Notes (cost-\$37,558,099)
			39,856,103	
CALIFORNIA VARIABLE RATE NOTES (b)(c)(g)(h)-1.3%				
		4,001		Los Angeles Wastewater System Rev.,
10.21%, 6/1/28, Ser. 318 (FGIC)	Aaa/NR	4,392,698	1,000	Sacramento Cnty. Sanitation Dist. Rev.,
10.184%, 8/1/13, Ser. 1034 (MBIA)	NR/AAA	1,207,950		Total California Variable Rate Notes
		(cost-\$4,885,642)	5,600,648	
OTHER VARIABLE RATE NOTES (b)(c)(h)-1.1%				
Illinois-1.1%	4,000			Chicago Rev., 10.171%, 5/1/14, Ser. 1419 (AMBAC) (cost-\$4,378,588) NR/AAA
			4,672,800	
CALIFORNIA VARIABLE RATE DEMAND NOTES (c)(d)-0.5%				
540	Health Facs. Financing Auth. Rev., 3.37%, 11/1/07, Ser. A (MBIA)	VMIG1/A-1+	540,000	1,500 State
	Department of Water Resources Rev.,			
3.37%, 11/1/07, Ser. B-5	VMIG1/A-1+	1,500,000		Total California Variable Rate Demand Notes
		(cost-\$2,040,000)	2,040,000	
OTHER VARIABLE RATE DEMAND NOTES (c)(d)-0.2%				
Virginia-0.2%	1,000			Loudoun Cnty. Industrial Dev. Auth., Howard Hughes Medical Institute Rev.,
	3.56%, 11/1/07, Ser. A (cost-\$1,000,000)	VMIG1/A-1+	1,000,000	
U.S. TREASURY BILLS (e)-0.1%				
595	3.81%-4.62%, 11/29/07-12/13/07 (cost-\$592,471)		592,471	Total Investments
	(cost-\$397,278,599)-100.0%		\$ 421,615,875	

18 PIMCO Municipal Income Funds Semi-Annual Report | 10.31.07 | See accompanying Notes to Financial Statements

PIMCO New York Municipal Income Fund
 Schedule of Investments
 October 31, 2007 (unaudited)

	Amount (000)	Credit Rating (Moody's/S&P)	Value	Principal
NEW YORK MUNICIPAL BONDS & NOTES-90.1%				
\$ 3,265 Albany Industrial Dev. Agcy. Civic Fac. Rev., 5.30%, 4/1/29, Ser. A Baa3/NR	\$		3,301,274	1,600
Erie Cnty. Industrial Dev. Agcy., Orchard Park Rev., 6.00%, 11/15/36 NR/NR			1,590,816	Liberty Dev. Corp.
Rev., 11,290 5.25%, 10/1/35 (f) Aa3/NR	12,030,060	1,150	5.50%, 10/1/37 Aa3/AA-	
1,271,187 1,000 Long Island Power Auth. Electric System Rev.,			5.375%, 5/1/33, Ser. L,	
(Pre-refunded @ \$100, 5/1/11) (a)(f) Aaa/AAA	1,063,780		Metropolitan Transportation Auth. Rev.,	
6,040 5.00%, 7/1/25, Ser. A (FGIC) Aaa/AAA	6,260,158	8,150	5.00%, 7/1/30, Ser. A (AMBAC)	
Aaa/AAA 8,401,835 1,375 5.125%, 1/1/29, Ser. A A1/AA-	1,419,976	1,500	Monroe Tobacco Asset	
Securitization Corp., Tobacco Settlement Rev.,			6.375%, 6/1/35, (Pre-refunded @ \$101, 6/1/10) (a)	
Aaa/AAA 1,625,055 New York City, GO, Ser. J,	2,595		5.125%, 5/15/29, (MBIA) Aaa/AAA	
2,655,645 2,405 5.125%, 5/15/29, (Pre-refunded @ \$101, 5/15/09) (MBIA) (a) Aaa/AAA	2,492,350	5	5.25%, 6/1/28 Aa3/AA	5,266
185 5.25%, 6/1/28, (Pre-refunded @ \$100, 6/1/13) (a) Aa3/AA	200,573		1,000 New York City Industrial Dev. Agcy. Rev., Liberty Interactive Corp.,	5.00%, 9/1/35
Baa3/BBB- 960,740 1,820 New York City Industrial Dev. Agcy. Rev., Vaughn College Aeronautics,			5.25%, 12/1/36, Ser. B NR/BB+	1,699,389
New York City Municipal Water Finance Auth., Water &			Sewer System Rev.,	7,605
4.75%, 6/15/31, Ser. A (FGIC) Aaa/AAA	7,624,545	7,000	5.125%,	6/15/21, Ser. A (AMBAC-TCRS) Aaa/AAA
7,070,070 5,000 5.125%, 6/15/33, Ser. C Aa2/AA+	5,160,100	5,000	5.25%, 6/15/25, Ser. D Aa2/AA+	5,254,800
New York City Transitional Finance			Auth. Rev.,	2,050
4.75%, 11/15/23 Aa1/AAA	2,071,853	200	4.75%, 11/15/23, (Pre-refunded	@ \$101, 5/15/08) (a) Aa1/AAA
203,480 New York Cntys. Tobacco Trust II Rev., (f)			8,000	5.625%, 6/1/35 NR/AA+
8,087,840 13,130 5.75%, 6/1/43 NR/AA+	13,308,043	1,000	Niagara	Falls Public Water Auth.,
Water & Sewer System Rev., 5.00%, 7/15/34, Ser. A (MBIA) Aaa/AAA			1,034,960	Port Auth. of New York & New Jersey Rev.,
3,000 5.00%, 9/1/29, Ser. 132 A1/AA-	3,108,420	5,000	5.00%, 9/1/38, Ser. 132 A1/AA-	5,133,150
4,515 Sachem Central School Dist. of			Holbrook, GO,	5.00%, 10/15/30, Ser. B (MBIA) Aaa/AAA
4,862,971 6,550 State Dormitory			Auth. Lease Rev., 4.75%, 1/15/29, Ser. 1 (FSA) Aaa/AAA	6,580,392

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PIMCO New York Municipal Income Fund
 Schedule of Investments
 October 31, 2007 (unaudited) (continued)

	Amount	Credit Rating	Principal
	(000)		
(Moody's/S&P) Value \$ 2,315		State Dormitory Auth. Rev. State Univ., GO, 4.75%, 5/15/28, Ser. B, (Pre-refunded @ \$101, 5/15/08) (FSA-CR) (a) Aaa/AAA	\$ 2,355,281
105,367	1,435	5.50%, 2/1/41 Aaa/AAA	1,510,682
Ba2/BB	1,481,985	3,850	Lenox Hill Hospital, 5.50%, 7/1/30 Ba2/NR
Services Facs., Improvement, Ser. D (MBIA),	7,980	4.75%, 2/15/25 Aaa/AAA	8,001,865
4.75%, 2/15/25, (Pre-refunded @ \$100, 8/15/08) (a) Aaa/AAA	15,166	5	4.75%, 2/15/25,
(Pre-refunded @ 101, 08/15/08) (a) Aaa/AAA	5,055	1,825	Mount Sinai Health, 6.50%, 7/1/25, Ser. A
Baa1/NR	1,942,329	7,000	NY & Presbyterian Hospital, 4.75%, 8/1/27 (AMBAC-FHA)
Aaa/AAA	7,037,870	445	NY Univ., 5.50%, 7/1/21, Ser. 2 (AMBAC) Aaa/AAA
Sloan-Kettering Center Memorial, 5.00%, 7/1/34, Ser. 1 Aa2/AA	4,090,640	1,275	Winthrop Univ.
Hospital Assoc., 5.25%, 7/1/31, Ser. A (AMBAC) Aaa/AAA	1,334,338	5,000	State Thruway Auth. General
Rev., 4.75%, 1/1/19, Ser. E, (Pre-refunded @ \$101, 1/1/08) (a) Aa3/AA-	5,060,650	3,975	State
Urban Dev. Corp., Correctional Facs. Service,	4.75%, 1/1/28, Ser. B, (Pre-refunded @ \$101, 1/1/09)		
(AMBAC) (a) Aaa/AAA	4,077,476		Triborough Bridge & Tunnel Auth. Rev., 2,000 5.00%,
1/1/27, Ser. A Aa2/AA-	2,058,780	755	5.00%, 1/1/32, Ser. A Aa2/AA-
Industrial Dev. Agcy. Rev., 6.00%, 9/15/37, Ser. A NR/NR	1,218,152	2,945	Warren & Washington Cntys.
Industrial Dev. Agcy. Rev.,			Glens Falls Hospital, 5.00%, 12/1/27, Ser. C (FSA) Aaa/AAA
			3,074,845
			Total New York Municipal Bonds & Notes (cost-\$158,005,527) 162,987,480

OTHER MUNICIPAL BONDS & NOTES-7.8%

California-0.9%

2,000 Tobacco Securitization Agcy. Rev., Los Angeles Cnty., 5.45%, 6/1/28, (converts to 5.45% on 12/1/10) Baa3/NR 1,567,100

Illinois-2.3%

175 Educational Facs. Auth. Rev., Univ. of Chicago, 3,825 5.00%, 7/1/33 Aa1/AA 3,923,188
 5.00%, 7/1/33, (Pre-refunded @ \$100, 7/1/13) (a) Aa1/AA 187,427 4,110,615

Louisiana-0.4%

750 Tobacco Settlement Financing Corp. Rev., 5.875%, 5/15/39,
 Ser. 2001-B Baa3/BBB 750,750

PIMCO New York Municipal Income Fund
 Schedule of Investments
 October 31, 2007 (unaudited) (continued)

		Amount	Principal
		(000) Credit Rating (Moody's/S&P) Value	
Nevada-3.0%			
\$ 5,500	Truckee Meadows Water Auth. Rev., 4.75%, 7/1/31, Ser. A (MBIA)	Aaa/AAA	\$ 5,548,895
Puerto Rico-1.2%			
1,500	Commonwealth Highway & Transportation Auth. Rev.,	5.25%, 7/1/38, Ser. D,	
(Pre-refunded @ \$100, 7/1/12) (a)	Baa3/AAA	1,612,470	500 Electric Power Auth. Power Rev., A3/BBB+
539,475	2,151,945	Total Other Municipal Bonds & Notes (cost-\$13,765,022) 14,129,305	
NEW YORK VARIABLE RATE NOTES (b)(d)(g)(h)-1.3%			
2,173	New York City Transitional Finance Auth. Rev.,	8.67%, 11/1/23, Ser. 362 (cost-\$1,971,747)	
	Aa1/NR	2,321,772	
OTHER VARIABLE RATE NOTES (c)-0.7%			
Puerto Rico-0.7%			
1,300	Public Finance Corp. Rev., 5.75%, 8/1/27, Ser. A (cost-\$1,363,176)	Ba1/BBB-	1,379,482
U.S. TREASURY BILLS (e)-0.1%			
100	3.81%-4.25%, 11/29/07-12/13/07 (cost-\$99,615)	99,615	Total
	Investments (cost-\$175,205,087)- 100.0%	\$ 180,917,654	

See accompanying Notes to Financial Statements | 10.31.07 | PIMCO Municipal Income Funds Semi-Annual Report
 21

PIMCO Municipal Income Funds
 Footnotes to Schedules of Investments
 October 31, 2007 (unaudited)

Notes to Schedules of Investments:

- (a)
 Pre-refunded bonds are collateralized by U.S. Government or other eligible securities which are held in escrow and used to pay principal and interest and retire the bonds at the earliest refunding date (payment date) and/or whose interest rates vary with changes in a designated base rate (such as the prime interest rate).
- (b) 144A
 Security – Security exempt from registration, under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, typically only to qualified institutional buyers. Unless otherwise indicated, these securities are not considered to be illiquid.
- (c) Variable
 Rate Notes – instruments whose interest rates change on specified date (such as a coupon date or interest payment date) and/or whose interest rates vary with changes in a designated base rate (such as the prime interest rate). The interest rate disclosed reflects the rate in effect on October 31, 2007.
- (d) Maturity
 date shown is date of next put.
- (e) All or
 partial amount segregated as collateral for futures contracts.
- (f) 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 Funds acquired the residual interest certificates. These securities serve as collateral in a financing transaction.
- (g) Inverse
 Floater – The interest rate shown bears an inverse relationship to the interest rate on another security or the value of an index.
- (h) Private Placement – restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$21,201,861, representing 3.7% of total investments in Municipal Income. Securities with an aggregate value of \$18,003,401, representing 4.3% of total investments in California Municipal Income. Securities with an aggregate value of \$2,321,772, representing 1.3% of total investments in New York Municipal Income.
- (i) Security
 in default.

Glossary:

- insured by American Capital Access Holding Ltd. ACA –
- insured by American Municipal Bond Assurance Corp. AMBAC –
- Ins. – insured by California Mortgage Insurance CA Mtg.
- Certificates of Participation CP –
- Custodian Receipt CR –

insured by Financial Guaranty Insurance Co.	FGIC –
insured by Federal Housing Administration	FHA –
insured by Financial Security Assurance, Inc.	FSA –
Obligation Bond	GO – General
Guaranteed IBC – Insurance Bond Certificate	GTD –
insured by Municipal Bond Investors Assurance	MBIA –
Rated Public School Fund	NR – Not PSF –
Qualified School Bond Loan Fund	Q-SBLF –
insured by Radian Guaranty, Inc.	Radian –
Temporary Custodian Receipts	TCRS –
insured by XL Capital Assurance	XLCA –

22 PIMCO Municipal Income Funds Semi-Annual Report | 10.31.07 | See accompanying Notes to Financial Statements

PIMCO Municipal Income Funds
 Statements of Assets and Liabilities
 October 31, 2007 (unaudited)

	California			Municipal		
	Municipal		New York			
Municipal Assets:						
Investments, at value (cost—\$548,850,420, \$397,278,599 and \$175,205,087 respectively)	\$ 577,664,287	\$ 421,615,875	\$ 180,917,654	Interest receivable	10,326,590	6,145,089
Receivable for variation margin on futures contracts	2,851,679			678,172	192,391	64,000
Prepaid expenses and other assets	1,954,396	433,598	563,308	Total Assets	590,623,445	428,386,953
						184,396,641
Liabilities:						
Payable for floating rate notes				29,419,234	16,800,000	19,576,494
Payable for investments purchased	10,695,401	—	—	Dividends payable to common and preferred shareholders	2,079,656	
Interest payable	1,438,646	434,414	416,783	288,749	211,101	Investment management fees payable
	255,131	190,958	75,771	Payable to custodian for cash overdraft	220,680	30,294
Accrued expenses and other payables				50,599	Total Liabilities	43,289,830
	18,862,614	21,915,172				
Preferred shares (\$25,000 net asset and liquidation value per share applicable to an aggregate of 8,000, 6,000 and 2,520 shares issued and outstanding, respectively)				200,000,000	150,000,000	
	63,000,000			Net Assets Applicable to Common Shareholders	\$ 347,333,615	\$ 259,524,339
						\$ 99,481,469
Composition of Net Assets Applicable to Common Shareholders:						
						Common Stock (no par value):
Paid-in-capital	\$ 351,498,995	\$ 256,396,305	\$ 106,230,487	Undistributed (dividends in excess of)		
net investment income	(32,547)	564,976	(583,280)	Accumulated net realized loss on investments		
	(32,092,954)	(21,414,487)	(11,690,559)	Net unrealized appreciation of investments and futures contracts		
	27,960,121	23,977,545	5,524,821	Net Assets Applicable to Common Shareholders	\$ 347,333,615	\$
	259,524,339	\$ 99,481,469		Common Shares Outstanding	24,716,760	18,049,491
						7,522,894
				Value Per Common Share	\$ 14.05	\$ 14.38
						\$ 13.22

See accompanying Notes to Financial Statements | 10.31.07 | PIMCO Municipal Income Funds Semi-Annual Report

PIMCO Municipal Income Funds
 Statements of Operations
 Six months ended October 31, 2007 (unaudited)

	California			Municipal		
	Municipal		New York			
Municipal Investment Income:			Interest	\$ 15,625,689	\$ 11,364,061	\$ 4,571,679
Investment management fees	1,802,997	1,340,283		531,866	Interest expense	589,359
387,862	375,455	Auction agent fees and commissions	252,343	189,257	79,488	Custodian and
accounting agent fees	189,439	50,046	37,321	Shareholder communications	33,212	19,910
11,764						
Audit and tax services	29,904	27,561	20,210	Trustees' fees and expenses	19,104	17,390
8,102						
Transfer agent fees	16,512	16,539	16,548	New York Stock Exchange listing fees	12,567	12,418
12,332						
Legal fees	11,870	9,257	6,458	Insurance expense	4,954	3,729
1,724						
Miscellaneous						
12,830	14,842	10,010	Total expenses	2,975,091	2,089,094	1,111,278
Less: investment management						
fees waived	(324,071)	(240,651)	(95,523)	custody credits earned on cash balances	(17,985)	(12,853)
(6,053)						
Net expenses	2,633,035	1,835,590	1,009,702	Net Investment Income	12,992,654	
9,528,471	3,561,977	Realized and Change In Unrealized Gain (Loss)			Net realized gain (loss) on:	
Investments	(4,030,418)	449,250	107,279	Futures contracts	12,372	42,697
43,962						
Net change in unrealized appreciation/depreciation of:				Investments	(12,259,949)	(7,182,599)
(3,793,949)						
Futures contracts	(939,050)	(276,344)	(88,426)	Net realized and change in unrealized loss on		
				investments		
and futures contracts	(17,217,045)	(6,966,996)	(3,731,134)	Net Increase (Decrease) in Net Assets		
Resulting from Investment Operations	(4,224,391)	2,561,475	(169,157)	Dividends on Preferred Shares		
from Net Investment Income	(3,623,076)	(2,555,509)	(1,110,869)	Net Increase (Decrease) in Net Assets		
Applicable to Common Shareholders Resulting from Investment Operations	\$ (7,847,467)	\$ 5,966	\$			
	(1,280,026)					

24 PIMCO Municipal Income Funds Semi-Annual Report | 10.31.07 | See accompanying Notes to Financial Statements

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10.31.07 | PIMCO Municipal Income Funds Semi-Annual Report 25

PIMCO Municipal Income Funds
 Statements of Changes in Net Assets
 Applicable to Common Shareholders

	ended October 31, 2007 (unaudited) Year ended	Municipal	Six Months
April 30, 2007 Investment Operations:	Net investment income	\$ 12,992,654	\$ 26,280,189
gain (loss) on investments and futures contracts	(4,018,046)	(770,521)	Net realized
future contracts	(13,198,999)	12,701,370	Net change in unrealized
operations	(4,224,391)	38,211,038	appreciation/depreciation of investments and
(3,623,076)	(6,842,737)	31,368,301	Net increase (decrease) in net assets resulting from investment
resulting from investment operations	(7,847,467)	31,368,301	Dividends to Preferred Shares from: net investment income
investment income	(12,033,613)	(23,952,391)	Dividends to Common Shareholders from: net
dividends	1,231,032	2,690,939	Capital Share Transactions:
(18,650,048)	10,106,849	365,983,663	Reinvestment of
Net Assets Applicable to Common Shareholders:	355,876,814	365,983,663	Beginning of period
End of period (including undistributed (dividends in excess of) net investment income		365,983,663	of \$(32,547) and \$2,631,488; \$564,976 and \$1,920,741; \$(583,280) and \$(464,828); respectively) \$ 347,333,615
		365,983,663	\$
		77,632	
		166,027	

26 PIMCO Municipal Income Funds Semi-Annual Report | 10.31.07 | See accompanying Notes to Financial Statements

California Municipal

New York Municipal Six Months
 ended
 October 31, 2007
 (unaudited) Year ended
 April 30, 2007 Six Months
 ended
 October 31, 2007
 (unaudited) Year ended

April 30, 2007		\$ 9,528,471	\$ 19,801,729	\$ 3,561,977	\$ 7,223,788	491,947	190,454	
	151,241	242,222	(7,458,943)	7,711,078	(3,882,375)	2,489,355	2,561,475	27,703,261
	(169,157)	9,955,365	(2,555,509)	(4,720,601)	(1,110,869)	(2,099,830)	5,966	22,982,660
	(1,280,026)	7,855,535	(8,328,727)	(16,589,531)	(2,569,560)	(5,893,650)	786,247	1,540,300
	296,043	705,924	(7,536,514)	7,933,429	(3,553,543)	2,667,809		267,060,853
	259,127,424	103,035,012	100,367,203	\$ 259,524,339	\$ 267,060,853	\$ 99,481,469		\$ 103,035,012
			51,110	97,824	22,080	48,810		

See accompanying Notes to Financial Statements | 10.31.07 | PIMCO Municipal Income Funds Semi-Annual Report
 27

PIMCO New York Municipal Income Fund
 Statement of Cash Flows
 Six months ended October 31, 2007 (unaudited)

	Cash Flows provided by
Operating Activities:	
Purchases of long-term investments	\$ (3,367,614)
Proceeds from sales of long-term investments	1,704,310
Interest received	4,121,667
Operating expenses paid	(664,841)
Net cash provided by for futures transactions	(120,445)
Net decrease in short-term investments	72,272
Net cash provided by operating activities	1,745,349
Cash Flows from Financing Activities:	
Cash dividends paid (excluding reinvestment of dividends of \$296,043)	(3,414,801)
Cash overdraft	1,566,793
Net cash used for financing activities*	(1,848,008)
Net decrease in cash	(102,659)
Cash at beginning of period	102,659
Cash at end of period	—
Reconciliation of Net Increase in Net Assets From Investment Operations to Net Cash Provided by Operating Activities:	
Net decrease in net assets resulting from investment operations	(169,157)
Decrease in interest receivable	10,685
Decrease in prepaid expenses and other assets	10,791
Increase in investment management fees payable	7,647
Decrease in variation margin payable on futures contracts	(22,781)
Decrease in variation margin receivable on futures contracts	(53,200)
Decrease in accrued expenses and other payables	(49,032)
Net decrease in investments	2,010,396
Net cash provided by operating activities	\$ 1,745,349

*

Non-cash operating activity not included consists of interest expense on floating rate notes issued of \$375,455.

28 PIMCO Municipal Income Funds Semi-Annual Report | 10.31.07 | See accompanying Notes to Financial Statements

PIMCO Municipal Income Funds
Notes to Financial Statements
October 31, 2007 (unaudited)

1. Organization and Significant Accounting Policies

PIMCO Municipal Income Fund (“Municipal”), PIMCO California Municipal Income Fund (“California Municipal”) and PIMCO New York Municipal Income Fund (“New York Municipal”), collectively referred to as the “Funds” or “PIMCO Municipal Income Funds”, were organized as Massachusetts business trusts on May 10, 2001. Prior to commencing operations on June 29, 2001, the Funds had no operations other than matters relating to their organization and registration as non-diversified, closed-end management investment companies registered under the Investment Company Act of 1940 and the rules and regulations there under, as amended. Allianz Global Investors Fund Management LLC (the “Investment Manager”), serves as the investment manager and is an indirect, wholly-owned subsidiary of Allianz Global Investors of America L.P. (“Allianz Global”). Allianz Global is an indirect majority-owned subsidiary of Allianz SE, a publicly traded European insurance and financial services company. The Funds have an unlimited amount of no par value common stock authorized.

Under normal market conditions, Municipal invests substantially all of its assets in a portfolio of municipal bonds, the interest from which is exempt from federal income taxes. Under normal market conditions, California Municipal invests substantially all of its assets in municipal bonds which pay interest that is exempt from federal and California state income taxes. Under normal market conditions, New York Municipal invests substantially all of its assets in municipal bonds which pay interest that is exempt from federal, New York State and New York City income taxes. The Funds will seek to avoid bonds generating interest income which could potentially subject individuals to alternative minimum tax. The issuers’ abilities to meet their obligations may be affected by economic and political developments in a specific state or region.

The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

In the normal course of business the Funds enter into contracts that contain a variety of representations which provide general indemnifications. The Funds’ maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Funds based upon events that have not been asserted. However, the Funds expect the risk of any loss to be remote.

In July 2006, the Financial Accounting Standards Board issued interpretation No. 48, “Accounting for Uncertainty in Income Taxes – an Interpretation of FASB Statement No. 109” (the “Interpretation”). The Interpretation establishes for all entities, including pass-through entities such as the Funds, a minimum threshold for financial statement recognition of the benefit of positions taken in filing tax returns (including whether an entity is taxable in a particular jurisdiction), and requires certain expanded tax disclosures. Fund management has determined that its evaluation of the Interpretation has resulted in no impact to the Funds’ financial statements at October 31, 2007.

In September 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (“SFAS”) 157, Fair Value Measurements, which clarifies the definition of fair value and requires companies to expand their disclosure about the use of fair value to measure assets and liabilities in interim and annual periods subsequent to initial recognition. Adoption of SFAS 157 requires the use of the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. At this time, the Funds are in the process of reviewing the Standard against its current

valuation policies to determine future applicability.

The following is a summary of significant accounting policies consistently followed by the Funds:

(a) Valuation of Investments

Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. Portfolio securities and other financial instruments for which market quotations are not readily available or if a development/event occurs that may significantly impact the value of a security are fair-valued, in good faith, pursuant to guidelines established by the Board of Trustees. The Funds' investments are valued daily using prices supplied by an independent pricing service or dealer quotations, or by using the last sale price on the exchange that is the primary market for such securities, or the last quoted mean price for those securities for which the over-the-counter market is the primary market or for listed securities in which there were no sales. Independent pricing services use information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics. Exchange traded options and futures are valued at the settlement price determined by the relevant exchange. Securities purchased on a when-issued or delayed-delivery

10.31.07 | PIMCO Municipal Income Funds Semi-Annual Report 29

PIMCO Municipal Income Funds
Notes to Financial Statements
October 31, 2007 (unaudited)

1. Organization and Significant Accounting Policies (continued)

basis are marked to market daily until settlement at the forward settlement date. Short-term securities maturing in 60 days or less are valued at amortized cost, if their original term to maturity was 60 days or less, or by amortizing their value on the 61st day prior to maturity, if the original term to maturity exceeded 60 days. The prices used by the Funds to value securities may differ from the value that would be realized if the securities were sold and these differences could be material to the financial statements of the Funds. Each Fund's net asset value is normally determined as of the close of regular trading (normally, 4:00 p.m. Eastern time) on the New York Stock Exchange ("NYSE") on each day the NYSE is open for business.

(b) Investment Transactions and Investment Income

Investment transactions are accounted for on the trade date. Securities purchased and sold on a when-issued or delayed-delivery basis may be settled a month or more after the trade date. Realized gains and losses on investments are determined on the identified cost basis. Interest income is recorded on an accrual basis. Discounts or premiums on debt securities purchased are accreted or amortized to interest income over the lives of the respective securities using the effective interest method. Dividend income is recorded on the ex-dividend date.

(c) Federal Income Taxes

The Funds intend to distribute all of their taxable income and to comply with the other requirements of the U.S. Internal Revenue Code of 1986, as amended, applicable to regulated investment companies. Accordingly, no provision for U.S. federal income taxes is required.

(d) Dividends and Distributions – Common Stock

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

(e) Futures Contracts

A futures contract is an agreement between two parties to buy and sell a financial instrument at a set price on a future date. Upon entering into such a contract, the Funds are required to pledge to the broker an amount of cash or securities, equal to the minimum "initial margin" requirements of the exchange. Pursuant to the contracts, the Funds agree to receive from or pay to the broker an amount of cash or securities equal to the daily fluctuation in the value of the contracts. Such receipts or payments are known as "variation margin" and are recorded by the Funds as unrealized appreciation or depreciation. When the contracts are closed, the Funds record a realized gain or loss equal to the difference between the value of the contracts at the time they were opened and the value at the time they were closed.

Any unrealized appreciation or depreciation recorded is simultaneously reversed. The use of futures transactions involves the risk of an imperfect correlation in the movements in the price of futures contracts, interest rates and the underlying hedged assets, and the possible inability of counterparties to meet the terms of their contracts.

(f) Option Transactions

The Funds may purchase and write (sell) put and call options on securities for hedging purposes, risk management purposes or as part of its investment strategy. The risk associated with purchasing an option is that the Funds pay a premium whether or not the option is exercised. Additionally, the Funds bear the risk of loss of premium and change in market value should the counterparty not perform under the contract. Put and call options purchased are accounted for in the same manner as portfolio securities. The cost of securities acquired through the exercise of call options is increased by the premiums paid. The proceeds from securities sold through the exercise of put options is decreased by the premiums paid.

When an option is written, the premium received is recorded as an asset with an equal liability which is subsequently marked to market to reflect the current market value of the option written. These liabilities are reflected as options

30 PIMCO Municipal Income Funds Semi-Annual Report | 10.31.07

PIMCO Municipal Income Funds
Notes to Financial Statements
October 31, 2007 (unaudited)

1. Organization and Significant Accounting Policies (continued)

written in the Statements of Assets and Liabilities. Premiums received from writing options which expire unexercised are recorded on the expiration date as a realized gain. The difference between the premium received and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or if the premium is less than the amount paid for the closing purchased transactions, as a realized loss. If a call option written by the Funds is exercised, the premium is added to the proceeds from the sale of the underlying security in determining whether there has been a realized gain or loss. If a put option written by the Funds is exercised, the premium reduces the cost basis of the security. In writing an option, the Funds bear the market risk of an unfavorable change in the price of the security underlying the written option. Exercise of a written option could result in the Funds purchasing a security at a price different from the current market value.

(g) Inverse Floating Rate Transactions – Residual Interest Municipal Bonds (“RIBs”) / Residual Interest Tax Exempt Bonds (“RITEs”)

The Funds invest in RIBs and RITEs (“Inverse Floaters”) whose interest rates bear an inverse relationship to the interest rate on another security or the value of an index. In these transactions, the Funds sell a fixed rate municipal bond (“Fixed Rate Bond”) to a broker who places the Fixed Rate Bond in a special purpose trust (“Trust”) from which floating rate bonds (“Floating Rate Notes”) and Inverse Floaters are issued. The Funds simultaneously or within a short period of time purchase the Inverse Floaters from the broker. The Inverse Floaters held by the Funds provide the Funds with the right to: (1) cause the holders of the Floating Rate Notes to tender their notes at par, and (2) cause the broker to transfer the Fixed-Rate Bond held by the Trust to the Funds, thereby collapsing the Trust. Pursuant to Statement of Financial Accounting Standards No. 140 (“FASB Statement No. 140”), the Funds account for the transaction described above as a secured borrowing by including the Fixed-Rate Bond in their Schedules of Investments, and account for the Floating Rate Notes as a liability under the caption “Payable for floating rate notes” in the Funds’ Statements of Assets and Liabilities. The Floating Rate Notes have interest rates that generally reset weekly and their holders have the option to tender their notes to the broker for redemption at par at each reset date.

The Funds may also invest in Inverse Floaters without transferring a fixed rate municipal bond into a special purpose trust, which are not accounted for as secured borrowings.

The Inverse Floaters are created by dividing the income stream provided by the underlying bonds to create two securities, one short-term and one long-term. The interest rate on the short-term component is reset by an index or auction process typically every 7 to 35 days. After income is paid on the short-term securities at current rates, the residual income from the underlying bond (s) goes to the long-term securities. Therefore, rising short-term rates result in lower income for the long-term component and visa versa. The longer-term bonds may be more volatile and less liquid than other municipal bonds of comparable maturity. Investments in Inverse Floaters typically will involve greater risk than an investment in Fixed Rate Bonds. The Funds may also invest in Inverse Floaters for the purpose of increasing leverage.

The Funds’ restrictions on borrowings do not apply to the secured borrowings deemed to have occurred for accounting purposes pursuant to FASB Statement No. 140. Inverse Floaters held by the Funds are exempt from registration under Rule 144A of the Securities Act of 1933.

(h) When-Issued/Delayed-Delivery Transactions

When-issued or delayed-delivery basis transactions involve a commitment to purchase or sell securities for a predetermined price or yield, with payment and delivery taking place beyond the customary settlement period. When delayed-delivery purchases are outstanding, the Funds will set aside and maintain until the settlement date in a designated account, liquid assets in an amount sufficient to meet the purchase price. When purchasing a security on a delayed-delivery basis, the Funds assume the rights and risks of ownership of the security, including the risk of price and yield fluctuations, consequently, such fluctuations are taken into account when determining net asset value. The Funds may dispose of or renegotiate a delayed-delivery transaction after it is entered into, and may sell when-issued securities before they are delivered, which may result in a realized gain or loss. When a security on a delayed-delivery basis is sold, the Funds do not participate in future gains and losses with respect to the security.

(i) Custody Credits Earned on Cash Balances

The Funds benefit from an expense offset arrangement with its custodian bank whereby uninvested cash balances earn credits which reduce monthly custodian and accounting agent expenses. Had these cash balances been invested in income producing securities, they would have generated income for the Funds.

10.31.07 | PIMCO Municipal Income Funds Semi-Annual Report 31

PIMCO Municipal Income Funds
 Notes to Financial Statements
 October 31, 2007 (unaudited)

1. Organization and Significant Accounting Policies (continued)

(j) Interest Expense

Relates to the Funds' liability in connection with floating rate notes held by third parties in conjunction with Inverse Floater transactions.

2. Investment Manager/Sub-Adviser

Each Fund has entered into an Investment Management Agreement (collectively the "Agreements") with the Investment Manager. Subject to the supervision by each Fund's Board of Trustees, the Investment Manager is responsible for managing, either directly or through others selected by it, each Fund's investment activities, business affairs and administrative matters. Pursuant to the Agreements, the Investment Manager receives an annual fee, payable monthly, at an annual rate of 0.65% of each Fund's average daily net assets, inclusive of net assets attributable to any preferred shares that may be outstanding. In order to reduce each Fund's expenses, the Investment Manager has contractually agreed to waive a portion of its investment management fee for each Fund at the annual rate of 0.10% of each Fund's average daily net assets, including net assets attributable to any preferred shares that may be outstanding through June 30, 2008 and waive 0.05% of its investment management fee thereafter through June 30, 2009.

The Investment Manager has retained its affiliate, Pacific Investment Management Company LLC (the "Sub-Adviser"), to manage each Fund's investments. Subject to the supervision of the Investment Manager, the Sub-Adviser is responsible for making all investment decisions for the Funds. The Investment Manager, not the Funds, pays a portion of the fees it receives to the Sub-Adviser in return for its services.

3. Investments in Securities

For the six months ended October 31, 2007, purchases and sales of investments, other than short-term securities and U.S. government obligations, were:

	Municipal New York		Municipal California	
Municipal Purchases	\$80,180,472	\$13,584,544	\$3,367,614	Sales 71,999,054 15,450,793 1,704,300
(a) Futures contracts outstanding at October 31, 2007:				

	Contracts Market Value		Fund Type	
	(000)	Expiration Date	Unrealized	
Depreciation <u>Municipal</u> Short: U.S. Treasury Bond Futures	(420)	\$ (47,289)	12/19/07	\$ (559,047) U.S.
Treasury Notes 5 yr. Futures	(533)	(57,214)	12/31/07	(549,656) (1,108,703) <u>California</u>

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Municipal Short: U.S. Treasury Bond Futures (96) \$ (10,809) 12/19/07 (135,000) U.S. Treasury Notes
5 yr. Futures (199) (21,361) 12/31/07 (205,219) (340,219) New York Municipal
Short: U.S. Treasury Bond Futures (64) \$ (7,206) 12/19/07 (78,742)

32 PIMCO Municipal Income Funds Semi-Annual Report | 10.31.07

PIMCO Municipal Income Funds
 Notes to Financial Statements
 October 31, 2007 (unaudited)

4. Income Tax Information

The Funds' cost of investments for federal income tax purposes and financial reporting purposes is substantially the same. Gross unrealized appreciation and gross unrealized depreciation of investments at October 31, 2007 were:

						Cost of
			Investments	Gross		
			Unrealized			
			Appreciation	Gross		
			Unrealized			
			Depreciation	Net		
			Unrealized			
Appreciation Municipal	\$ 548,850,420	\$ 30,400,841	\$ 1,586,974	\$ 28,813,867	California Municipal	
397,278,599	25,901,794	1,564,518	24,337,276	New York Municipal	175,205,087	6,601,903
			889,336	5,712,567		

5. Auction Preferred Shares

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

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

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

Dividends are accumulated daily at an annual rate (typically re-set every seven days) through auction procedures. Distributions of net realized capital gains, if any, are paid annually.

For the six months ended October 31, 2007, the annualized dividend rates ranged from:

								High	Low	At
October 31, 2007	<u>Municipal:</u>	Series A	5.32%	3.00%	3.54%	Series B	5.32%	2.18%	3.54%	Series C
		Series D	4.05%	3.00%	3.20%	Series E	5.32%	3.00%	3.50%	<u>California Municipal:</u>
		Series A	5.32%	2.11%	3.00%	Series B	5.25%	2.95%	3.95%	Series C
						Series A	5.32%	3.00%	3.25%	<u>New York</u>
						<u>Municipal:</u>				

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

Shares at their liquidation value.

6. Subsequent Common Dividend Declarations

On November 1, 2007, the following dividends were declared to common shareholders payable December 3, 2007 to shareholders of record on November 12, 2007:

Municipal \$0.08125 per common share California

Municipal \$0.077 per common share New York Municipal \$0.057 per common share

10.31.07 | PIMCO Municipal Income Funds Semi-Annual Report 33

PIMCO Municipal Income Funds
Notes to Financial Statements
October 31, 2007 (unaudited)

6. Subsequent Common Dividend Declarations (continued)

On December 3, 2007 the following dividends were declared to common shareholders payable December 31, 2007 to shareholders of record on December 13, 2007:

Municipal \$0.077 per common share New York Municipal \$0.057 per common share
Municipal \$0.08125 per common share California

7. Legal Proceedings

In June and September 2004, the Investment Manager, certain of its affiliates (including PEA Capital LLC (“PEA”)) (Allianz Global Investors Distributors LLC and Allianz Global), agreed to settle, without admitting or denying the allegations, claims brought by the New Jersey Attorney General, SEC and violations of federal and state securities laws with respect to certain open-end funds for which the Investment Manager serves as investment adviser. The settlements (with the Commission and New Jersey) related to an alleged “market timing” arrangement in certain open-end funds sub-advised by PEA. Two settlements (with the Commission and California) related to the alleged use of cash and fund portfolio commissions, to finance “shelf-space” arrangements with broker-dealers for open-end funds. The Investment Manager and its affiliates agreed to pay a total of \$68 million to settle the claims related to market timing and \$20.6 million to settle the claims. In addition to monetary payments, the settling parties agreed to undertake certain corporate governance, compliance and disclosure reforms related to market timing, brokerage commissions, revenue sharing and shelf space arrangements, and consented to cease and desist orders and censures. Subsequent to these events PEA Capital LLC deregistered and dissolved. None of the settlements alleged that any inappropriate activity took place with respect to the Fund.

Since February 2004, the Investment Manager and certain of its affiliates and their employees have been named as defendants in a number of pending lawsuits concerning “market timing,” which allege the same or similar conduct underlying the regulatory settlements discussed above. The market timing lawsuits have been consolidated in a multi-district litigation proceeding in the U.S. District Court for the District of Maryland, and the revenue sharing/shelf-space/directed brokerage lawsuits have been consolidated in the United States District Court for the District of Connecticut. Any potential resolution of these matters may include, but not be limited to, judgments or settlements for damages against the Investment Manager or its affiliates or related injunctions.

The Investment Manager and the Sub-Adviser believe that these matters are not likely to have a material adverse effect on the Funds or on their ability to perform their respective investment advisory activities relating to the Fund.

The foregoing speaks only as of the date hereof.

34 PIMCO Municipal Income Funds Semi-Annual Report | 10.31.07

of expenses offset by custody credits earned on cash balances at the custodian bank. (See note 1(i) in Notes to Financial Statements).

(4) Interest expense relates to the liability for floating rate notes issued in connection with inverse floater transactions.

(5) During the periods indicated above, the Investment manager waived a portion of its investment management fee. The effect of such waiver relative to the average net assets of common shareholders was 0.18% (annualized), 0.24%, 0.32%, 0.31%, 0.32% and 0.32% for the six months ended October 31, 2007, and the years ended April 30, 2007, April 30, 2006, April 30, 2005, April 30, 2004 and April 30, 2003, respectively.

See accompanying Notes to Financial Statements | 10.31.07 | PIMCO Municipal Income Funds Semi-Annual Report
35

PIMCO California Municipal Income Fund

Financial Highlights

For a share of common stock outstanding throughout each period:

										Six Months						
										ended						
										October 31, 2007						
(unaudited) Year Ended	2007	2006	2005	2004	2003	Net asset value, beginning of period				\$14.84	\$14.48					
	\$14.60	\$13.92	\$14.17	\$14.00	Investment Operations:						Net investment					
income	0.52	1.10	1.05	1.07	1.05	1.12	Net realized and change in unrealized gain (loss) on									
investments, futures contracts, and options written	(0.38)	0.44	(0.05)	0.64	(0.31)	0.07	Total from									
investment operations	0.14	1.54	1.00	1.71	0.74	1.19	Dividends on Preferred Shares from net									
investment income	(0.14)	(0.26)	(0.20)	(0.11)	(0.07)	(0.10)	Net increase in net assets									
applicable to common shareholders resulting from investment operations	—	1.28	0.80	1.60	0.67	1.09	Dividends to Common Shareholders from net investment income									
	(0.92)	(0.92)	(0.92)	(0.92)	(0.92)	(0.92)	Net asset value, end of period				\$14.38	\$14.84	\$14.48	\$14.60	\$13.92	\$14.17
Market price, end of period	\$16.20	\$17.70	\$15.87	\$14.20	\$13.19	\$14.15	Total Investment									
Return (1)	(5.65)%	18.20%	18.93%	15.05%	(0.28)%	2.64%	RATIOS/SUPPLEMENTAL									
DATA:	Net assets applicable to common shareholders, end of period (000)										\$259,524					
	\$267,061	\$259,127	\$259,978	\$247,857	\$251,831	Ratio of expenses to average net assets, including										
interest expense (2)(3)(4)(5)	1.41 %*	1.26 %	1.08%†	1.00%†	1.03%†	1.20%†	Ratio of expenses to average									
net assets, excluding interest expense (2)(3)(5)	1.12 %*	1.05 %	0.99 %	1.00 %	1.01 %	1.03 %	Ratio									
of net investment income to average net assets (2)(5)	7.29 %*	7.48 %	7.19 %	7.56 %	7.53 %	7.89 %	Ratio									
Preferred shares asset coverage per share	\$68,240	\$69,491	\$68,164	\$68,319	\$66,306	\$66,967										
Portfolio turnover	3 %	4 %	8 %	5 %	25 %	15 %										

*

Annualized.

†

Previously reported in prior years' financials as 0.99%, 1.00%, 1.01% and 1.03% for the fiscal years ended April 30, 2006, April 30, 2005, April 30, 2004 and April 30, 2003, respectively. Revised due to the impact of inverse floater transactions.

(1) Total investment return is calculated assuming a purchase of a share of common stock at the current market price on the first day of each period and a sale of a share of common stock at the current market price on the last day of each period reported. Dividends and distributions 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 or sales charges. Total investment return for a period of less than one year is not annualized.

(2)

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

(3) Inclusive

of expenses offset by custody credits earned on cash balances at the custodian bank. (See note 1(i) in Notes to Financial Statements).

(4) Interest

expense relates to the liability for floating rate notes issued in connection with inverse floater transactions.

(5) During

the periods indicated above, the Investment manager waived a portion of its investment management fee. The effect of such waiver relative to the average net assets of common shareholders was 0.18% (annualized), 0.25%, 0.32%, 0.31%,

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0.32% and 0.31% for the six months ended October 31, 2007, and the years ended April 30, 2007, April 30, 2006, April 30, 2005, April 30, 2004 and April 30, 2003, respectively.

36 PIMCO Municipal Income Funds Semi-Annual Report | 10.31.07 | See accompanying Notes to Financial Statements

PIMCO Municipal Income Funds
Matters Relating to the Trustees
Consideration of the Investment
Management & Portfolio Management Agreements
(unaudited)

The Investment Company Act of 1940 requires that both the full Board of Trustees (the “Trustees”) and a majority of the non-interested (“Independent”) Trustees, voting separately, approve the Funds’ Management Agreements (the “Advisory Agreements”) with the Investment Manager and Portfolio Management Agreements (the “Sub-Advisory Agreements”, and together with the Advisory Agreements, the “Agreements”) between the Investment Manager and the Sub-Adviser. The Trustees met on June 13, 2007 (the “contract review meeting”) for the specific purpose of considering whether to approve the Advisory Agreements and the Sub-Advisory Agreements. The Independent Trustees were assisted in their evaluation of the Agreements by independent legal counsel, from whom they received separate legal advice and with whom they met separately from Fund management during the contract review meeting.

Based on their evaluation of factors that they deemed to be material, including those factors described below, the Board of Trustees, including a majority of the Independent Trustees, concluded that the Funds’ Advisory Agreements and the Sub-Advisory Agreements should be approved for a one-year period commencing July 1, 2007.

In connection with their deliberations regarding the continuation of the Agreements, the Trustees, including the Independent Trustees, considered such information and factors as they believed, in light of the legal advice furnished to them and their own business judgment, to be relevant. As described below, the Trustees considered the nature, quality, and extent of the various investment management, administrative and other services performed by the Investment Manager and the Sub-Adviser under the Agreements.

In connection with their contract review meeting, the Trustees received and relied upon materials provided by the Investment Manager which included, among other items: (i) information provided by Lipper Analytical Services, Inc. (“Lipper”) on the total return investment performance (based on net assets) of the Funds for various time periods and the investment performance of a group of funds with substantially similar investment classifications/objectives identified by Lipper, (ii) information provided by Lipper on the Funds’ management fees and other expenses and the management fees and other expenses of comparable funds identified by Lipper, (iii) information regarding the investment performance and management fees of comparable portfolios of other clients of the Sub-Adviser, including institutional separate accounts and other clients, (iv) an estimate of the profitability to the Investment Manager from its relationship with the Funds for the twelve months ended March 31, 2007, (v) descriptions of various functions performed by the Investment Manager and the Sub-Adviser for the Funds, such as portfolio management, compliance monitoring and portfolio trading practices, and (vi) information regarding the overall organization of the Investment Manager and the Sub-Adviser, including information regarding senior management, portfolio managers and other personnel providing investment management, administrative and other services to the Funds.

The Trustees’ conclusions as to the continuation of the Agreements were based on a comprehensive consideration of all information provided to the Trustees and not the result of any single factor. Some of the factors that figured particularly in the Trustees’ deliberations are described below, although individual Trustees may have evaluated the information presented differently from one another, giving different weights to various factors.

As part of their review, the Trustees examined the Investment Manager’s and the Sub-Adviser’s ability to provide high quality investment management and other services to the Funds. The Trustees considered the investment philosophy and research and decision-making processes of the Sub-Adviser; the experience of key advisory personnel of the Sub-Adviser responsible for portfolio management of the Funds; the ability of the Investment Manager and the Sub-Adviser to attract and retain capable personnel; the capability and integrity of the senior management and staff of

the Investment Manager and the Sub-Adviser; and the level of skill required to manage the Funds. In addition, the Trustees reviewed the quality of the Investment Manager's and the Sub-Adviser's services with respect to regulatory compliance and compliance with the investment policies of the Funds; the nature and quality of certain administrative services the Investment Manager is responsible for providing to the Funds; and conditions that might affect the Investment Manager's or the Sub-Adviser's ability to provide high quality services to the Funds in the future under the Agreements, including each organization's respective business reputation, financial condition and operational stability. Based on the foregoing, the Trustees concluded that the Sub-Adviser's investment process, research capabilities and philosophy were well suited to the Funds given their investment objectives and policies, and that the Investment Manager and the Sub-Adviser would be able to continue to meet any reasonably foreseeable obligations under the Agreements.

38 PIMCO Municipal Income Funds Semi-Annual Report | 10.31.07

PIMCO Municipal Income Funds
Matters Relating to the Trustees
Consideration of the Investment
Management & Portfolio Management Agreements
(unaudited)

Based on information provided by Lipper, the Trustees also reviewed each Fund's total return investment performance as well as the performance of comparable funds identified by Lipper. In the course of their deliberations, the Trustees took into account information provided by the Investment Manager in connection with the contract review meeting, as well as during investment review meetings conducted with portfolio management personnel during the course of the year regarding each Fund's performance.

In assessing the reasonableness of each Fund's fees under the Agreements, the Trustees considered, among other information, each Fund's management fee and the total expense ratio as a percentage of average net assets attributable to common shares and the management fee and total expense ratios of comparable funds identified by Lipper.

For each of the Funds, the Trustees specifically took note of how each Fund compared to its Lipper peers as to performance and total expense ratio. The Trustees noted that, while the Funds are not charged a separate administration fee, it was not clear whether the peer funds in the Lipper categories were charged such a fee by their investment managers. Thus, the Trustees, at the recommendation of the Investment Manager, considered the total expenses of the Funds compared to the total expenses of the peer funds, recognizing that the fees for management and administrative services would be subsumed within the total expense ratio.

Municipal Income

The Trustees noted that PMF had outperformed the median for its peer group for the one-year, three-year and five-year periods ended March 31, 2007. The Trustees noted that for the one- and three-year periods, PMF's total return ranked in the top quintile in its Lipper category for its asset class. The Trustees also noted that PMF's expense ratio (after taking into account waivers) was less than the median for its peer group.

California Municipal

The Trustees noted that PCQ had outperformed the median for its peer group for the one-year, three-year and five-year periods ended March 31, 2007. The Trustees noted that in the one-year period, PCQ's total return was ranked fourth among twenty-two funds in its Lipper category for its asset class. The Trustees also noted that PCQ's expense ratio (after taking into account waivers) was less than the median for its peer group.

New York Municipal

The Trustees noted that PNF had outperformed the median for its peer group for the one-year and three-year periods ended March 31, 2007. The Trustees also noted that PNF had underperformed the median for its peer group for the five-year period ended March 31, 2007. The Trustees also noted that PNF's expense ratio (after taking into account waivers) was less than the median for its peer group.

After reviewing these and related factors, the Trustees concluded, within the context of their overall conclusions regarding the Agreements, that they were satisfied with the Investment Manager's and the Sub-Adviser's responses and efforts relating to investment performance and the comparative positioning of each Fund with respect to the management fee paid to the Investment Manager.

The Trustees also considered the management fees charged by the Sub-Adviser to other clients, including institutional separate accounts with investment strategies similar to those of the Funds. Regarding the institutional separate accounts, they noted that the management fees paid by the Funds are generally higher than the fees paid by these other clients of the Sub-Adviser, but were advised that the administrative burden for the Investment Manager and the Sub-Adviser with respect to the Funds is also relatively higher, due in part to the more extensive regulatory regime to which the Funds are subject in comparison to institutional separate accounts. The Trustees noted that the management fees paid by the Funds were generally higher than the fees paid by the open-end funds but were advised that there are additional portfolio management challenges in managing the Funds, such as the use of leverage and meeting a regular dividend.

10.31.07 | PIMCO Municipal Income Funds Semi-Annual Report 39

PIMCO Municipal Income Funds
Matters Relating to the Trustees
Consideration of the Investment
Management & Portfolio Management Agreements
(unaudited)

The Trustees also took into account that the Funds have preferred shares outstanding, which increases the amount of fees received by the Investment Manager and the Sub-Adviser under the Agreements (because the fees are calculated based on either the Fund's net assets or total managed assets, including assets attributable to preferred shares and other forms of leverage outstanding but not deducting any liabilities connected to the leverage). In this regard, the Trustees took into account that the Investment Manager and the Sub-Adviser have a financial incentive for the Funds to continue to have preferred shares outstanding, which may create a conflict of interest between the Investment Manager and the Sub-Adviser, on the one hand, and the Fund's common shareholders, on the other. In this regard, the Trustees considered information provided by the Investment Manager and the Sub-Adviser indicating that each Fund's use of leverage through preferred shares continues to be appropriate and in the interests of the Fund's common shareholders.

Based on a profitability analysis provided by the Investment Manager, the Trustees also considered the profitability of the Investment Manager from its relationship with each Fund and determined that such profitability was not unreasonable in light of the nature, scope and quality of services provided to the Fund.

The Trustees also took into account that, as closed-end investment companies, the Funds do not currently intend to raise additional assets, so the assets of the Funds will grow (if at all) only through investment performance. Therefore, the Trustees did not consider potential economies of scale as a principal factor in assessing the fee rates payable under the Agreements.

Additionally, the Trustees considered so-called "fall-out benefits" to the Investment Manager and the Sub-Adviser, such as reputational value derived from serving as Investment Manager and Sub-Adviser to the Funds.

After reviewing these and other factors described herein, the Trustees concluded, within the context of their overall conclusions regarding the Agreements, that the fees payable under the Agreements represent reasonable compensation in light of the nature and quality of the services being provided by the Investment Manager and Sub-Adviser to the Funds.

40 PIMCO Municipal Income Funds Semi-Annual Report | 10.31.07

Trustees and Principal Officers

Hans W. Kertess

Trustee, Chairman of the Board of Trustees Brian S. Shlissel
President & Chief Executive Officer Paul Belica
Trustee Lawrence G. Altadonna
Treasurer, Principal & Accounting Officer Robert E. Connor
Trustee Thomas J. Fuccillo
Vice President, Secretary & Chief Legal Officer John J. Dalessandro II
Trustee Scott Whisten
Assistant Treasurer John C. Maney
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Chief Compliance Officer William B. Ogden, IV
Trustee William V. Healey
Assistant Secretary R. Peter Sullivan III
Trustee Richard H. Kirk
Assistant Secretary Kathleen A. Chapman
Assistant Secretary Lagan Srivastava
Assistant Secretary

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225 Franklin Street
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Transfer Agent, Dividend Paying Agent and Registrar

PFPC Inc.
P.O. Box 43027
Providence, RI 02940-3027

Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP
300 Madison Avenue
New York, NY 10017

Legal Counsel

Ropes & Gray LLP
One International Place
Boston, MA 02110-2624

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

The financial information included herein is taken from the records of the Funds without examination by an independent registered accounting firm, who did not express an opinion hereon.

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that from time to time the Fund may purchase shares of its common stock in the open market.

The Funds file their complete schedules of portfolio holdings with the Securities and Exchange Commission (“SEC”) for the first and third quarter of its fiscal year on Form N-Q. The Funds’ Form N-Qs are available on the SEC’s website at www.sec.gov, and may be reviewed and copied at the SEC’s Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330. The information on Form N-Q is also available on the Fund’s website at www.allianzinvestors.com/closedendfunds.

On January 8, 2007, the Funds submitted a CEO annual certification to the New York Stock Exchange (“NYSE”) on which the Funds’ principal executive officer certified that he was not aware, as of that date, of any violation by the Fund of the NYSE’s Corporate Governance listing standards. In addition, as required by Section 302 of the Sarbanes-Oxley Act of 2002 and related SEC rules each Fund’s principal executive and principal financial officer made quarterly certifications, included in filings with the SEC on Forms N-CSR and N-Q, relating to, among other things, the Funds’ disclosure controls and procedures and internal control over financial reporting, as applicable.

Information on the Funds is available at www.allianzinvestors.com/closedendfunds or by calling the Funds’ shareholder servicing agent at (800) 331-1710.

ITEM 2. CODE OF ETHICS

Not required in this filing.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT

Not required in this filing.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Not required in this filing.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANT

Not required in this filing.

ITEM 6. SCHEDULE OF INVESTMENTS

Schedule of Investments is included as part of the report to shareholders filed under Item 1 of this form.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not required in this filing.

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES

Not required in this filing.

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED COMPANIES

Period

**Total Number
of Shares
Purchased**

**Average
Price Paid
Per Share**

**Total Number
of Shares Purchased
as Part of Publicly
Announced Plans or
Programs**

**Maximum Number of
Shares that May yet Be
Purchased Under the Plans
or Programs**

May 2007

N/A

17.14

12,557

N/A

June 2007

N/A

17.21

12,442

N/A

July 2007

N/A

15.15

13,781

N/A

August 2007

N/A

15.51

13,113

N/A

September 2007

N/A

14.84

13,477

N/A

October 2007

N/A

15.45

12,262

N/A

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There have been no material changes to the procedures by which shareholders may recommend nominees to the Fund's Board of Trustees since the Fund last provided disclosure in response to this item.

ITEM 11. CONTROLS AND PROCEDURES

(a) The registrant's President and Chief Executive Officer and Principal Financial Officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-2(c) under the Act (17 CFR 270.30a-3(c))), as amended 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 over financial reporting (as defined in Rule 30a-3(d) under the Act (17 CFR 270.30a-3(d))) that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's control over financial reporting.

ITEM 12. EXHIBITS

(a)

Exhibit 99 Cert. - Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

(b)

Exhibit 99.906 Cert. - Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) PIMCO Municipal Income Fund

By

/s/ Brian S. Shlissel

President and Chief Executive Officer

Date January 7, 2008

By

/s/ Lawrence G. Altadonna

Treasurer, Principal Financial & Accounting Officer

Date January 7, 2008

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Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By

/s/ Brian S. Shlissel

President and Chief Executive Officer

Date January 7, 2008

By

/s/ Lawrence G. Altadonna

Treasurer, Principal Financial & Accounting Officer

Date January 7, 2008