

PIMCO CALIFORNIA MUNICIPAL INCOME FUND  
Form N-CSRS  
January 07, 2014  
[Table of Contents](#)

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

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED**  
**MANAGEMENT INVESTMENT COMPANIES**  
**Investment Company Act file number 811-10379**

**PIMCO California Municipal Income Fund**  
**(Exact name of registrant as specified in charter)**

**1633 Broadway, New York, New York 10019**  
**(Address of principal executive offices) (Zip code)**

**Lawrence G. Altadonna 1633 Broadway, New York, New York 10019**

**(Name and address of agent for service)**

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

**Date of fiscal year end: April 30, 2014**

**Date of reporting period: October 31, 2013**

**Table of Contents**

**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, 2013**

**Table of Contents**

Table of Contents

2	3	<u>Letter from the Chairman of the Board &amp; President</u>
4		<u>Fund Insights</u>
5	7	<u>Performance &amp; Statistics</u>
8	24	<u>Schedules of Investments</u>
	25	<u>Statements of Assets and Liabilities</u>
	26	<u>Statements of Operations</u>
28	29	<u>Statements of Changes in Net Assets</u>
30	41	<u>Notes to Financial Statements</u>
42	44	<u>Financial Highlights</u>
	45	<u>Proxy Voting Policies &amp; Procedures</u>
46	50	<u>Matters Relating to the Trustees Consideration of the Investment Management &amp; Portfolio Management Agreements</u>

**Table of Contents**

Letter from Chairman of the Board and President

Hans W. Kertess

*Chairman of the Board of Trustees*

Brain S. Shlissel

*President & Chief Executive Officer*

Dear Shareholder:

Municipal bonds generated weak results during the fiscal six-month reporting period ended October 31, 2013. Yields moved higher as the US economy continued to expand and the Federal Reserve (the Fed) indicated that it may begin tapering its asset purchase program. Investor demand for municipal securities also weakened as the reporting period progressed due to concerns regarding the fallout from Detroit's bankruptcy filing.

For the fiscal six-month period ended October 31, 2013:

n PIMCO Municipal Income Fund returned -10.38% on net asset value (NAV) and -14.81% on market price.

n PIMCO California Municipal Income Fund returned -8.97% on NAV and -9.38% on market price.

n PIMCO New York Municipal Income Fund returned -9.46% on NAV and -13.19% on market price.

**Six Months in Review**

US gross domestic product (GDP), the value of goods and services produced in the country, the broadest measure of US economic activity and the principal indicator of economic performance, grew at a 1.1% annualized rate during the first quarter and 2.5% during the second quarter of 2013.

The US Commerce Department's estimate for third quarter 2013 GDP growth is 3.6%. Supporting the economy were signs of the long-awaited recovery in the housing market. In addition, while unemployment remained high, the unemployment rate declined during the reporting period.

The Fed maintained an accommodative monetary policy throughout the reporting period. However, with unemployment falling and signs of improving economic activity, in June 2013 the Fed announced its intention to

begin tapering its monthly \$85 billion asset purchase program. This triggered sharply rising yields and declining bond prices. However, the Fed surprised many investors by choosing not to begin tapering its asset purchase program at its meeting in September 2013. This caused yields to decline somewhat from their reporting period peak that occurred in early September. All told, US Treasury bond interest rates moved sharply higher during the six-month fiscal period, with the yield on the benchmark 10-year Treasury bond rising from 1.70% to 2.57%. Since municipal bonds tend to track comparable US Treasury bonds, municipal yields increased accordingly.

2 Semi-Annual Report | October 31, 2013

**Table of Contents**

**Outlook**

Market volatility was elevated at times during the reporting period. This was partially triggered by concerns regarding the Fed's plans to taper its asset purchase program, mixed global growth and the 16 day partial US government shutdown that began on October 1, 2013.

We expect the Fed's policy stance to remain accommodative for longer than some investors currently expect. The Fed's tapering of its asset purchase program is likely to create greater volatility,

Receive this report electronically and eliminate paper mailings.

To enroll, visit;

[us.allianzgi.com/edelivery](http://us.allianzgi.com/edelivery).

however we believe the Fed will only raise short-term interest rates if it is confident the economic recovery is on solid footing. Concerns of higher mortgage rates impacting the housing market, geopolitical issues, and continued dysfunction in Washington DC may also contribute to market volatility.

With respect to the US economy, in the wake of the Fed's decision in September and October not to taper its bond buying program, some investors may be concerned that the economy is deteriorating. However, recent data indicates continuing improvement in economic conditions, particularly in manufacturing. It appears the Fed's decision was more preventative in nature, intended to avoid derailing the housing recovery and to offset a drag on the economy created by the government shutdown and concerns related to the raising of the debt ceiling.

For specific information on the Funds and their performance, please review the following pages. If you have any questions regarding the information provided, we encourage you to contact your financial advisor or call the Funds shareholder servicing agent at (800) 254-5197. In addition, a wide range of information and resources is available on our website, [us.allianzgi.com/closedendfunds](http://us.allianzgi.com/closedendfunds).

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

We remain dedicated to serving your investment needs.

Sincerely,

Hans W. Kertess  
*Chairman of the Board of Trustees*

Brian S. Shlissel  
*President & Chief Executive Officer*

October 31, 2013 | Semi-Annual Report **3**



## Table of Contents

### Fund Insights

#### PIMCO Municipal Income Funds

October 31, 2013 (unaudited)

For the six-months ended October 31, 2013, PIMCO Municipal Income Fund ( Municipal ) returned -10.38% on net asset value ( NAV ) and -14.81% on market price.

For the six-months ended October 31, 2013, PIMCO California Municipal Income Fund ( California Municipal ) returned -8.97% on NAV and -9.38% on market price.

For the six-months ended October 31, 2013, PIMCO New York Municipal Income Fund ( New York Municipal ) returned -9.46% on NAV and -13.19% on market price.

The overall municipal bond market, as measured by the Barclays Municipal Bond Index (the Index ) experienced periods of heightened volatility during the six-month reporting period ended October 31, 2013. The Index produced negative returns during each of the first four months of the period. This was triggered by sharply rising yields given the Federal Reserve's (the Fed ) announcement of a possible shift in monetary policy. Investor demand for municipal bonds also weakened due to several high profile credit events, including Detroit's filing for bankruptcy in July 2013. The Index then rallied sharply over the last two months of the period as the Fed surprised the market and chose not to begin tapering its asset purchase program during its meeting on September 18. All told, the Index fell 3.44% during the six-month reporting

period. In comparison, the overall taxable fixed income market, as measured by the Barclays US Aggregate Bond Index, declined 1.97%.

Longer duration than the Index detracted from performance, as municipal yields moved higher during the six-month reporting period. Municipal's overweighting to Revenue-Backed securities negatively impacted its results as the sector underperformed the Index. California Municipal's and New York Municipal's preference for Revenue municipal bonds over General Obligation municipal bonds was detrimental as the former underperformed the latter during the reporting period. California Municipal's and New York Municipal's overweighting to Tobacco bonds detracted from results as this sector underperformed the Index.

Each of the Funds benefited from an underweighting to the Special Tax sector, as it underperformed the Index. Municipal's overweighting in Electrical Utilities was beneficial due to the sector's outperformance versus the Index. Municipal's and New York Municipal's underweighting to Transportation was additive as this sector underperformed the Index. California Municipal's underweightings to the Health Care and Lease-Backed sectors were positive for results as they both underperformed the Index. New York Municipal's underweight to the Water and Sewer Utility sector was beneficial as it underperformed the Index.

**Table of Contents**

**Performance & Statistics**

PIMCO Municipal Income Fund

October 31, 2013 (unaudited)

<b>Total Return<sup>(1)</sup>:</b>	<b>Market Price</b>	<b>NAV</b>
Six Month	-14.81%	-10.38%
1 Year	-14.20%	-6.96%
5 Year	10.48%	12.65%
10 Year	6.86%	6.31%
Commencement of Operations (6/29/01) to 10/31/13	6.10%	6.13%

**Market Price/NAV Performance:**

Commencement of Operations (6/29/01) to 10/31/13

**Market Price/NAV:**

Market Price	\$13.14
NAV	\$11.84
Premium to NAV	10.98%
Market Price Yield <sup>(2)</sup>	7.42%
Leverage Ratio <sup>(3)</sup>	40.35%

**Moody's Rating**

(as a % of total investments)

October 31, 2013 | Semi-Annual Report **5**

**Table of Contents**

**Performance & Statistics**

PIMCO California Municipal Income Fund

October 31, 2013 (unaudited)

<b>Total Return<sup>(1)</sup>:</b>	<b>Market Price</b>	<b>NAV</b>
Six Month	-9.38%	-8.97%
1 Year	-8.09%	-3.96%
5 Year	11.51%	11.41%
10 Year	7.08%	6.62%
Commencement of Operations (6/29/01) to 10/31/13	5.96%	6.17%

**Market Price/NAV Performance:**

Commencement of Operations (6/29/01) to 10/31/13

**Market Price/NAV:**

Market Price	\$13.41
NAV	\$12.93
Premium to NAV	3.71%
Market Price Yield <sup>(2)</sup>	6.89%
Leverage Ratio <sup>(3)</sup>	43.12%

**Moody's Rating**

(as a % of total investments)

**Table of Contents****Performance & Statistics**

PIMCO New York Municipal Income Fund

October 31, 2013 (unaudited)

<b>Total Return<sup>(1)</sup>:</b>	<b>Market Price</b>	<b>NAV</b>
Six Month	-13.19%	-9.46%
1 Year	-10.99%	-6.63%
5 Year	7.45%	8.20%
10 Year	3.81%	3.93%
Commencement of Operations (6/29/01) to 10/31/13	3.45%	3.90%

**Market Price/NAV Performance:**

Commencement of Operations (6/29/01) to 10/31/13

**Market Price/NAV:**

Market Price	\$10.52
NAV	\$10.56
Discount to NAV	-0.38%
Market Price Yield <sup>(2)</sup>	6.50%
Leverage Ratio <sup>(3)</sup>	41.45%

**Moody's Rating**

(as a % of total investments)

(1) **Past performance is no guarantee of future results.** Total return is calculated by determining the percentage change in NAV or market price (as applicable) in the specified period. The calculation assumes that all dividends and distributions, if any, have been reinvested. Total return does not reflect broker commissions or sales charges in connection with the purchase or sale of Fund shares. 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.

Performance at market price will differ from results at NAV. Although market price returns typically reflect investment results over time, during shorter periods returns at market price can also be influenced by factors such as

changing views about the Funds, market conditions, supply and demand for each Fund's shares, or changes in each Fund's dividends.

An investment in the Funds involves risk, including the loss of principal. Total return, market price, market price yield and NAV will fluctuate with changes in market conditions. This data is provided for information purposes only and is not intended for trading purposes. Closed-end funds, unlike open-end funds, are not continuously offered. There is a one time public offering and once issued, shares of closed-end funds are traded in the open market through a stock exchange. NAV 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 dividend per common share (comprised of net investment income) by the market price per common share at October 31, 2013.

(3) Represents Floating Rate Notes issued in tender option bond transactions and Preferred Shares outstanding (collectively Leverage) as a percentage of total managed assets. Total managed assets refer to total assets (including assets attributable to Leverage) minus liabilities (other than liabilities representing Leverage).

October 31, 2013 | Semi-Annual Report 7

**Table of Contents****Schedule of Investments**

PIMCO Municipal Income Fund

October 31, 2013 (unaudited)

Principal Amount (000s)		Value
<b>Municipal Bonds &amp; Notes 97.2%</b>		
<b>Alabama 0.2%</b>		
	Huntsville-Redstone Village Special Care Facs. Financing Auth. Rev., Redstone Village Project,	
\$250	5.50%, 1/1/28	\$229,668
885	5.50%, 1/1/43	728,293
		957,961
<b>Alaska 0.8%</b>		
3,280	Borough of Matanuska-Susitna Rev., Goose Creek Correctional Center, 6.00%, 9/1/32 (AGC)	3,626,466
900	Industrial Dev. & Export Auth. Rev., Boys & Girls Home, 6.00%, 12/1/36 (b)(e)	451,800
		4,078,266
<b>Arizona 3.9%</b>		
	Health Facs. Auth. Rev.,	
2,050	Banner Health, 5.50%, 1/1/38, Ser. D	2,150,532
2,750	Beatitudes Campus Project, 5.20%, 10/1/37	2,197,992
1,500	Maricopa Cnty. Pollution Control Corp. Rev., Southern California Edison Co., 5.00%, 6/1/35, Ser. A	1,543,935
750	Pima Cnty. Industrial Dev. Auth. Rev., Tucson Electric Power Co., 5.25%, 10/1/40, Ser. A	750,390
5,000	Salt River Project Agricultural Improvement & Power Dist. Rev., 5.00%, 1/1/39, Ser. A (j)	5,223,500
7,700	Salt Verde Financial Corp. Rev., 5.00%, 12/1/37	7,635,782
		19,502,131
<b>Arkansas 0.3%</b>		
5,500	Dev. Finance Auth. Rev., Arkansas Cancer Research Center Project, zero coupon, 7/1/36 (AMBAC)	1,592,195
<b>California 15.9%</b>		
	Bay Area Toll Auth. Rev., San Francisco Bay Area,	
2,875	5.00%, 10/1/34	2,987,067
3,255	5.00%, 10/1/42	3,292,725
10,000	5.25%, 4/1/53, Ser. S-4	10,140,300
3,000	Chula Vista Rev., San Diego Gas & Electric, 5.875%, 2/15/34, Ser. B	3,255,000
7,500	Golden State Tobacco Securitization Corp. Rev., 5.75%, 6/1/47, Ser. A-1	5,786,550
	Health Facs. Financing Auth. Rev.,	
2,000	Catholic Healthcare West, 6.00%, 7/1/39, Ser. A	2,170,000
1,500	Sutter Health, 6.00%, 8/15/42, Ser. B	1,653,990

Edgar Filing: PIMCO CALIFORNIA MUNICIPAL INCOME FUND - Form N-CSRS

5,300	Los Angeles Community College Dist., GO, 5.00%, 8/1/32, Ser. A	5,553,340
2,000	Los Angeles Unified School Dist., GO, 5.00%, 7/1/30, Ser. E (AMBAC)	2,082,520
2,000	M-S-R Energy Auth. Rev., 6.125%, 11/1/29, Ser. C	2,281,400
4,175	Montebello Unified School Dist., GO, 5.00%, 8/1/33 (AGM)	4,373,563
1,445	Municipal Finance Auth. Rev., Azusa Pacific Univ. Project, 7.75%, 4/1/31, Ser. B	1,583,460
5,000	Orange Cnty. Airport Rev., 5.25%, 7/1/39, Ser. A	5,157,400
1,600	San Marcos Unified School Dist., GO, 5.00%, 8/1/38, Ser. A	1,643,264
	State, GO,	
700	5.00%, 11/1/32	735,315
1,200	5.00%, 6/1/37	1,234,704
2,300	5.125%, 8/1/36	2,389,401
1,250	5.25%, 3/1/38	1,302,313
1,900	5.25%, 11/1/40	1,989,262
500	5.50%, 3/1/40	542,955

8 Semi-Annual Report | October 31, 2013

**Table of Contents****Schedule of Investments**

PIMCO Municipal Income Fund

October 31, 2013 (unaudited) (continued)

Principal Amount (000s)		Value
	<b>California (continued)</b>	
\$3,200	6.00%, 4/1/38	\$3,649,952
	Statewide Communities Dev. Auth. Rev.,	
625	California Baptist Univ., 6.50%, 11/1/21	682,250
845	Catholic Healthcare West, 5.50%, 7/1/31, Ser. E	901,277
2,310	Methodist Hospital Project, 6.625%, 8/1/29 (FHA)	2,687,431
8,485	Methodist Hospital Project, 6.75%, 2/1/38 (FHA)	9,623,772
2,000	Whittier Union High School Dist., GO, zero coupon, 8/1/25	1,145,960
		78,845,171
	<b>Colorado 1.1%</b>	
450	Denver Health & Hospital Auth. Rev., 5.625%, 12/1/40	451,409
2,500	Health Facs. Auth. Rev., Catholic Health Initiatives, 5.00%, 2/1/41, Ser. A	2,434,500
500	Public Auth. for Colorado Energy Rev., 6.50%, 11/15/38	598,325
400	Regional Transportation Dist., CP, 5.375%, 6/1/31, Ser. A	424,144
1,500	Univ. of Colorado Rev., 5.375%, 6/1/38, Ser. A	1,621,500
		5,529,878
	<b>Connecticut 1.5%</b>	
	State Health & Educational Fac. Auth. Rev.,	
5,000	Hartford Healthcare, 5.00%, 7/1/41, Ser. A	4,940,600
2,500	Stamford Hospital, 5.00%, 7/1/42, Ser. J	2,517,300
		7,457,900
	<b>District of Columbia 1.0%</b>	
2,500	Dist. of Columbia Rev., Brookings Institution, 5.75%, 10/1/39	2,644,675
2,070	Tobacco Settlement Financing Corp. Rev., 6.25%, 5/15/24	2,081,157
		4,725,832
	<b>Florida 2.1%</b>	
4,000	Broward Cnty. Water & Sewer Utility Rev., 5.25%, 10/1/34, Ser. A (j)	4,312,880
300	Dev. Finance Corp. Rev., Renaissance Charter School, 6.50%, 6/15/21, Ser. A	306,282
500	Lee Cnty. Industrial Dev. Auth. Rev., Lee Community Charter Foundation, 5.375%, 6/15/37, Ser. A	452,610
1,250	Miami-Dade Cnty. School Board Foundation, Inc., CP, 5.375%, 2/1/34, Ser. A (AGC)	1,320,750
3,900	State Board of Education, GO, 5.00%, 6/1/38, Ser. D (j)	4,073,160
		10,465,682
	<b>Georgia 0.4%</b>	
2,300	Medical Center Hospital Auth. Rev., Spring Harbor Green Island Project, 5.25%, 7/1/37	2,064,618



Edgar Filing: PIMCO CALIFORNIA MUNICIPAL INCOME FUND - Form N-CSRS

<b>Illinois 1.8%</b>		
1,250	Chicago, GO, 5.00%, 1/1/34, Ser. C	1,165,688
	Finance Auth. Rev.,	
400	OSF Healthcare System, 7.125%, 11/15/37, Ser. A	455,908
5,000	Univ. of Chicago, 5.50%, 7/1/37, Ser. B (j)	5,261,200
1,900	Springfield Electric Rev., 5.00%, 3/1/36	1,825,767
		8,708,563
<b>Indiana 1.6%</b>		
	Finance Auth. Rev.,	
1,500	Duke Energy Indiana, Inc., 6.00%, 8/1/39, Ser. B	1,609,425
3,000	Ohio Valley Electric Corp., 5.00%, 6/1/32, Ser. A	2,833,380
1,000	Municipal Power Agcy. Rev., 6.00%, 1/1/39, Ser. B	1,119,440
1,900	Vigo Cnty. Hospital Auth. Rev., Union Hospital, Inc., 7.50%, 9/1/22	2,294,478
		7,856,723

October 31, 2013 | Semi-Annual Report 9

**Table of Contents****Schedule of Investments**

PIMCO Municipal Income Fund

October 31, 2013 (unaudited) (continued)

Principal Amount (000s)		Value
	<b>Iowa 1.6%</b>	
	Finance Auth. Rev.,	
\$4,890	Deerfield Retirement Community, Inc., 5.50%, 11/15/37, Ser. A (e)	\$2,864,807
3,500	Edgewater LLC Project, 6.75%, 11/15/37	3,572,590
1,500	Edgewater LLC Project, 6.75%, 11/15/42	1,526,835
		7,964,232
	<b>Kansas 0.4%</b>	
1,000	Dev. Finance Auth. Rev., Adventist Health, 5.75%, 11/15/38	1,080,120
896	Lenexa City, Tax Allocation, Center East Project, 6.00%, 4/1/27 (e)	447,867
650	Manhattan Rev., Meadowlark Hills Retirement, 5.125%, 5/15/42, Ser. B	558,571
		2,086,558
	<b>Kentucky 0.2%</b>	
1,000	Economic Dev. Finance Auth. Rev., Owensboro Medical Healthcare Systems, 6.375%, 6/1/40, Ser. A	1,056,690
	<b>Louisiana 1.0%</b>	
	Local Gov t Environmental Facs. & Community Dev. Auth Rev.,	
1,680	Capital Projects & Equipment Acquisition, 6.55%, 9/1/25 (ACA) (b)	1,754,508
400	Westlake Chemical Corp., 6.50%, 11/1/35, Ser. A-2	428,212
750	Woman s Hospital Foundation, 5.875%, 10/1/40, Ser. A	783,435
2,000	Public Facs. Auth. Rev., Ochsner Clinic Foundation Project, 6.50%, 5/15/37	2,139,680
		5,105,835
	<b>Maryland 0.5%</b>	
1,500	Economic Dev. Corp. Rev., 5.75%, 6/1/35, Ser. B	1,517,160
650	Health & Higher Educational Facs. Auth. Rev., Charlestown Community, 6.25%, 1/1/41	697,112
		2,214,272
	<b>Massachusetts 0.6%</b>	
	Dev. Finance Agcy. Rev.,	
750	Foxborough Regional Charter School, 7.00%, 7/1/42, Ser. A	815,010
103	Linden Ponds, Inc. Fac., zero coupon, 11/15/56, Ser. B (b)	587
388	Linden Ponds, Inc. Fac., 6.25%, 11/15/39, Ser. A-1	326,911
1,500	State College Building Auth. Rev., 5.50%, 5/1/39, Ser. A	1,639,230
		2,781,738
	<b>Michigan 0.6%</b>	
	Royal Oak Hospital Finance Auth. Rev., William Beaumont Hospital, 8.25%, 9/1/39	1,803,180
1,500	Tobacco Settlement Finance Auth. Rev., 6.00%, 6/1/48, Ser. A	1,134,615

		2,937,795
<b>Minnesota 0.4%</b>		
95	Agricultural & Economic Dev. Board Rev., Health Care Systems, 6.375%, 11/15/29, Ser. A	95,322
1,500	St. Louis Park Rev., Nicollett Health Services, 5.75%, 7/1/39	1,583,415
500	Washington Cnty. Housing & Redev. Auth. Rev., Birchwood & Woodbury Projects, 5.625%, 6/1/37, Ser. A	471,080
		2,149,817
<b>Missouri 0.3%</b>		
1,000	Joplin Industrial Dev. Auth. Rev., Christian Homes, Inc., 5.75%, 5/15/26, Ser. F	1,035,070
430	Lee s Summit, Tax Allocation, Summit Fair Project, 5.625%, 10/1/23	440,118
		1,475,188

10 Semi-Annual Report | October 31, 2013

**Table of Contents****Schedule of Investments**

## PIMCO Municipal Income Fund

October 31, 2013 (unaudited) (continued)

Principal Amount (000s)		Value
	<b>Nevada 4.1%</b>	
	Clark Cnty., GO,	
\$5,000	4.75%, 6/1/30 (AGM)	\$5,181,000
5,230	4.75%, 11/1/35 (j)	5,305,940
9,755	Washoe Cnty., Water & Sewer, GO, 5.00%, 1/1/35 (NPFGC)	10,049,698
		20,536,638
	<b>New Jersey 8.9%</b>	
16,550	Economic Dev. Auth., Special Assessment, Kapkowski Road Landfill Project, 5.75%, 4/1/31	16,767,467
2,000	Economic Dev. Auth. Rev., School Facs. Construction, 5.50%, 12/15/34, Ser. Z (AGC)	2,161,340
500	Health Care Facs. Financing Auth. Rev., AHS Hospital Corp., 6.00%, 7/1/37	558,715
2,000	Robert Wood Johnson Univ. Hospital, 5.50%, 7/1/43	2,096,000
2,000	State Turnpike Auth. Rev., 5.25%, 1/1/40, Ser. E	2,102,000
6,600	Tobacco Settlement Financing Corp. Rev., Ser. 1-A, 4.75%, 6/1/34	4,777,212
12,000	5.00%, 6/1/41	8,697,960
7,000	Transportation Trust Fund Auth. Rev., 5.00%, 6/15/42, Ser. B	7,168,700
		44,329,394
	<b>New Mexico 1.5%</b>	
1,000	Farmington Pollution Control Rev., 5.90%, 6/1/40, Ser. D	1,052,130
6,400	Hospital Equipment Loan Council Rev., Presbyterian Healthcare, 5.00%, 8/1/39	6,475,904
		7,528,034
	<b>New York 12.1%</b>	
15,500	Hudson Yards Infrastructure Corp. Rev., 5.25%, 2/15/47, Ser. A	15,932,605
7,500	Liberty Dev. Corp. Rev., Goldman Sachs Headquarters, 5.25%, 10/1/35	8,060,100
3,000	5.50%, 10/1/37	3,287,550
3,000	Metropolitan Transportation Auth. Rev., 5.00%, 11/15/36, Ser. D	3,073,680
4,200	Nassau Cnty. Industrial Dev. Agcy. Rev., Amsterdam at Harborside, 6.70%, 1/1/43, Ser. A	2,287,446
3,000	New York City Water & Sewer System Rev., Second Generation Resolutions, 5.00%, 6/15/39, Ser. GG-1	3,106,590
10,000	New York Liberty Dev. Corp. Rev., 1 World Trade Center Project, 5.00%, 12/15/41	10,322,400
10,000	4 World Trade Center Project, 5.00%, 11/15/44	10,105,200

Edgar Filing: PIMCO CALIFORNIA MUNICIPAL INCOME FUND - Form N-CSRS

3,500	State Dormitory Auth. Rev., The New School, 5.50%, 7/1/40	3,668,385
		59,843,956
	<b>North Carolina 0.3%</b>	
1,500	Medical Care Commission Rev., Village at Brookwood, 5.25%, 1/1/32	1,443,840
	<b>Ohio 3.9%</b>	
2,000	American Municipal Power, Inc. Rev., Fremont Energy Center Project, 5.00%, 2/15/42, Ser. B	2,009,280
10,000	Buckeye Tobacco Settlement Financing Auth. Rev., 6.50%, 6/1/47, Ser. A-2	8,439,800
3,000	Hamilton Cnty. Healthcare Rev., Christ Hospital Project, 5.00%, 6/1/42	2,847,030
500	Higher Educational Fac. Commission Rev., Univ. Hospital Health Systems, 6.75%, 1/15/39, Ser. 2009-A (Pre-refunded @ \$100, 1/15/15) (c)	538,670
500	Montgomery Cnty. Rev., Miami Valley Hospital, 6.25%, 11/15/39, Ser. A (Pre-refunded @ \$100, 11/15/14) (c)	530,990
5,000	State Turnpike Commission Rev., 5.00%, 2/15/48, Ser. A-1	5,021,750
		19,387,520

October 31, 2013 | Semi-Annual Report 11

**Table of Contents****Schedule of Investments**

PIMCO Municipal Income Fund

October 31, 2013 (unaudited) (continued)

Principal Amount (000s)		Value
<b>Oregon 0.6%</b>		
\$2,000	Oregon Health & Science Univ. Rev., 5.75%, 7/1/39, Ser. A	\$2,152,400
600	State Department of Administrative Services, CP, 5.25%, 5/1/39, Ser. A	626,706
		2,779,106
<b>Pennsylvania 5.1%</b>		
2,500	Berks Cnty. Municipal Auth. Rev., Reading Hospital Medical Center, 5.00%, 11/1/40, Ser. A	2,470,775
5,000	Geisinger Auth. Rev., 5.25%, 6/1/39, Ser. A	5,148,050
2,000	Harrisburg Auth. Rev., Harrisburg Univ. of Science, 6.00%, 9/1/36, Ser. B (e)	1,001,320
	Higher Educational Facs. Auth. Rev.,	
500	Edinboro Univ. Foundation, 6.00%, 7/1/43	489,115
350	Thomas Jefferson Univ., 5.00%, 3/1/40	354,707
	Lancaster Cnty. Hospital Auth. Rev., Brethren Village Project, Ser. A,	
750	6.25%, 7/1/26	757,470
85	6.375%, 7/1/30	85,224
	Luzerne Cnty. Industrial Dev. Auth. Rev., Pennsylvania American Water Co.,	
1,100	5.50%, 12/1/39	1,159,037
7,000	Philadelphia, GO, 5.25%, 12/15/32, Ser. A (AGM)	7,207,970
5,000	Philadelphia Hospitals & Higher Education Facs. Auth. Rev., Temple Univ. Health System, 5.625%, 7/1/36, Ser. A	4,351,350
500	Philadelphia Water & Wastewater Rev., 5.25%, 1/1/36, Ser. A	521,020
2,000	Turnpike Commission Rev., 5.125%, 12/1/40, Ser. D	2,012,880
		25,558,918
<b>Rhode Island 4.7%</b>		
23,800	Tobacco Settlement Financing Corp. Rev., 6.25%, 6/1/42, Ser. 2002-A	23,150,736
<b>South Carolina 2.6%</b>		
450	Jobs-Economic Dev. Auth. Rev., Lutheran Homes, 5.50%, 5/1/28	444,690
2,200	State Ports Auth. Rev., 5.25%, 7/1/40	2,274,668
	State Public Service Auth. Rev.,	
5,000	5.50%, 12/1/53, Ser. E	5,159,800
5,000	Sanatee Cooper, 5.125%, 12/1/43, Ser. B	5,088,400
		12,967,558
<b>Tennessee 2.2%</b>		
940	Memphis Health Educational & Housing Fac. Board Rev., Wesley Housing Corp. Project, 6.95%, 1/1/20 (a)(b)(d)(e)(f)(k) (acquisition cost-\$932,489; purchased 6/29/01)	467,792
	Tennessee Energy Acquisition Corp. Rev.,	

Edgar Filing: PIMCO CALIFORNIA MUNICIPAL INCOME FUND - Form N-CSRS

5,000	5.00%, 2/1/27, Ser. C	5,057,650
5,000	5.25%, 9/1/24, Ser. A	5,331,400
		10,856,842
	<b>Texas 9.9%</b>	
1,200	Dallas Rev., Dallas Civic Center, 5.25%, 8/15/38 (AGC)	1,253,328
5,500	Grand Parkway Transportation Corp. Rev., 5.00%, 4/1/53, Ser. B	5,443,625
	North Harris Cnty. Regional Water Auth. Rev.,	
4,200	5.25%, 12/15/33	4,440,324
4,200	5.50%, 12/15/38	4,458,510
	North Texas Tollway Auth. Rev.,	
2,750	5.00%, 1/1/38	2,791,112
3,000	5.25%, 1/1/44, Ser. C	3,058,080
600	5.50%, 9/1/41, Ser. A	650,676

12 Semi-Annual Report | October 31, 2013

**Table of Contents****Schedule of Investments**

PIMCO Municipal Income Fund

October 31, 2013 (unaudited) (continued)

Principal Amount (000s)		Value
	<b>Texas (continued)</b>	
\$6,050	5.625%, 1/1/33, Ser. A	\$6,377,607
600	5.75%, 1/1/33, Ser. F	632,982
250	San Juan Higher Education Finance Auth. Rev., 6.70%, 8/15/40, Ser. A	272,058
	State Public Finance Auth. Charter School Finance Corp. Rev., Ser. A,	
400	5.875%, 12/1/36	406,116
2,000	Cosmos Foundation, 5.375%, 2/15/37	1,987,740
4,000	Tarrant Cnty. Cultural Education Facs. Finance Corp. Rev., Baylor Health Care Systems Project, 6.25%, 11/15/29	4,491,280
	Texas Municipal Gas Acquisition & Supply Corp. I Rev.,	
3,500	5.25%, 12/15/23, Ser. A	3,830,260
6,500	6.25%, 12/15/26, Ser. D	7,652,385
	Uptown Dev. Auth., Tax Allocation, Infrastructure Improvement Facs., 5.50%, 9/1/29	1,068,060
500	Wise Cnty. Rev., Parker Cnty. Junior College Dist., 8.00%, 8/15/34	555,130
		49,369,273
	<b>Utah 1.5%</b>	
7,000	Salt Lake Cnty. Rev., IHC Health Services, 5.125%, 2/15/33 (AMBAC)	7,663,110
	<b>Virginia 2.0%</b>	
	Fairfax Cnty. Industrial Dev. Auth. Rev., Inova Health Systems,	
6,490	5.00%, 5/15/40	6,652,899
1,000	5.50%, 5/15/35, Ser. A	1,086,630
1,985	Peninsula Town Center Community Dev. Auth. Rev., 6.45%, 9/1/37	2,084,548
		9,824,077
	<b>Washington 1.3%</b>	
	Health Care Facs. Auth. Rev.,	
700	Multicare Health Systems, 6.00%, 8/15/39, Ser. B (AGC)	748,076
250	Seattle Cancer Care Alliance, 7.375%, 3/1/38	297,188
2,000	Virginia Mason Medical Center, 6.125%, 8/15/37, Ser. A	2,044,640
	State Housing Finance Commission Rev., Skyline at First Hill Project, Ser. A,	
230	5.25%, 1/1/17	226,382
3,600	5.625%, 1/1/38	3,139,596
		6,455,882
	<b>West Virginia 0.2%</b>	
1,000	Hospital Finance Auth. Rev., Highland Hospital, 9.125%, 10/1/41	1,194,850
	<b>Wisconsin 0.1%</b>	
500	Health & Educational Facs. Auth. Rev., Prohealth Care, Inc., 6.625%, 2/15/39	549,130



Edgar Filing: PIMCO CALIFORNIA MUNICIPAL INCOME FUND - Form N-CSRS

Total Municipal bonds & notes (cost-\$462,571,166)		482,995,909
<b>Variable Rate Notes (a)(b)(d)(g)(h)(k) 2.0%</b>		
<b>Texas 0.4%</b>		
1,000	JPMorgan Chase Putters/Drivers Trust, GO, 8.011%, 2/1/17, Ser. 3480 (acquisition cost-\$995,050; purchased 6/15/09)	1,153,930
600	JPMorgan Chase Putters/Drivers Trust Rev., 8.531%, 10/1/31, Ser. 3227 (acquisition cost-\$683,724; purchased 5/1/09)	710,820
		1,864,750
<b>Washington 1.6%</b>		
6,670	JPMorgan Chase Putters/Drivers Trust, GO, 11.694%, 8/1/28, Ser. 3388 (acquisition cost-\$6,499,982; purchased 4/8/09)	8,184,757
Total Variable Rate Notes (cost-\$8,160,606)		10,049,507

October 31, 2013 | Semi-Annual Report 13

**Table of Contents****Schedule of Investments**

PIMCO Municipal Income Fund

October 31, 2013 (unaudited) (continued)

Principal Amount (000s)		Value
<b>Short-Term Investments 0.8%</b>		
<b>U.S. Treasury Obligations 0.3%</b>		
\$100	U.S. Treasury Bills, 0.071%, 8/21/14 (1)	\$99,943
1,200	U.S. Treasury Notes, 0.25%, 5/31/14	1,201,008
Total U.S. Treasury Obligations (cost-\$1,301,001)		1,300,951
<b>Variable Rate Demand Note 0.3%</b>		
<b>South Carolina 0.3%</b>		
1,290	Educational Facs. Auth. Rev., Furman Univ., 0.07%, 11/1/13 (final maturity 10/1/39), Ser. B (h)(i) (cost-\$1,290,000)	1,290,000
<b>Repurchase Agreements 0.2%</b>		
1,100	Citigroup Global Markets, Inc., dated 10/31/13, 0.13%, due 11/1/13, proceeds \$1,100,004; collateralized by U.S. Treasury Notes, 1.00%, due 8/31/16, valued at \$1,125,992 including accrued interest (cost-\$1,100,000)	1,100,000
Total Short-Term Investments (cost-\$3,691,001)		3,690,951
<b>Total Investments (cost-\$474,422,773) 100.0%</b>		<b>\$496,736,367</b>

Industry classification of portfolio holdings as a percentage of total investments was as follows:

<b>Revenue Bonds:</b>	
Health, Hospital & Nursing Home Revenue	23.2%
Miscellaneous Revenue	14.0
Highway Revenue Tolls	7.2
Natural Gas Revenue	7.2
Tobacco Settlement Funded	6.5
College & University Revenue	4.1
Port, Airport & Marina Revenue	3.9
Water Revenue	3.8
Electric Power & Light Revenue	3.3
Miscellaneous Taxes	3.2
Industrial Revenue	3.1
Lease (Appropriation)	0.7
Transit Revenue	0.6
Ad Valorem Property Tax	0.4
Local or Guaranteed Housing	0.1

Total Revenue Bonds	81.3%
General Obligation	13.9
Special Assessment	3.4
Certificates of Participation	0.5
Tax Allocation	0.4
U.S. Treasury Obligations	0.3
Repurchase Agreements	0.2
Total Investments	100.0%

**Notes to Schedule of Investments:**

- (a) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$10,517,299, representing 2.1% of total investments.

**Table of Contents**

**Schedule of Investments**

PIMCO Municipal Income Fund

October 31, 2013 (unaudited) (continued)

- (b) Illiquid.
- (c) 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).
- (d) 144A 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.
- (e) In default.
- (f) Fair-Valued Security with a value of \$467,792, representing 0.1% of total investments. See Note 1(a) and Note 1(b) in the Notes to Financial Statements.
- (g) Inverse Floater The interest rate shown bears an inverse relationship to the interest rate on another security or the value of an index. The interest rate disclosed reflects the rate in effect on October 31, 2013.
- (h) 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, 2013.
- (i) Date shown is date of next put.
- (j) Residual Interest Bonds held in Trust Securities represent underlying bonds transferred to a separate securitization trust established in a tender option bond transaction in which the Fund acquired the residual interest certificates. These securities serve as collateral in a financing transaction.
- (k) Restricted. The aggregate acquisition cost of such securities is \$9,111,245. The aggregate value is \$10,517,299, representing 2.1% of total investments.

(l) Rates reflect the effective yields at purchase date.

(m) Floating Rate Notes The weighted average daily balance of Floating Rate Notes outstanding during the six months ended October 31, 2013 was \$13,552,407 at a weighted average interest rate, including fees, of 0.65%.

(n) Fair Value Measurements See Note 1(b) in the Notes to Financial Statements.

	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Value at 10/31/13
<b>Investments in Securities Assets</b>				
Municipal Bonds & Notes:				
Alaska	\$	\$3,626,466	\$451,800	\$4,078,266
Kansas		1,638,691	447,867	2,086,558
Tennessee		10,389,050	467,792	10,856,842
All Other		465,974,243		465,974,243
Variable Rate Notes		10,049,507		10,049,507
Short-Term Investments		3,690,951		3,690,951
<b>Totals</b>	<b>\$</b>	<b>\$ 495,368,908</b>	<b>\$ 1,367,459</b>	<b>\$ 496,736,367</b>

At October 31, 2013, there were no transfers between Levels 1 and 2.

A roll forward of fair value measurements using significant unobservable inputs (Level 3) for the six months ended October 31, 2013, was as follows:

	Beginning Balance 4/30/13	Purchases	Sales	Accrued Discount (Premiums)	Realized Gain (Loss)	Net Change Unrealized Appreciation/ Depreciation	Transfers into Level 3*	Transfers out of Level 3	Ending Balance 10/31/13
<b>Investments in Securities Assets</b>									
Municipal Bonds & Notes:									
Alaska	\$	\$	\$	\$	\$	\$	\$451,800	\$	\$451,800
Kansas							447,867		447,867
Tennessee	472,350					(4,558)			467,792
<b>Totals</b>	<b>\$472,350</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$(4,558)</b>	<b>\$899,667</b>	<b>\$</b>	<b>\$1,367,459</b>

**Table of Contents****Schedule of Investments**

PIMCO Municipal Income Fund

October 31, 2013 (unaudited) (continued)

The following table presents additional information about valuation techniques and inputs used for investments that are measured at fair value and categorized within Level 3 at October 31, 2013.

	Ending Balance at 10/31/13	Valuation Technique Used	Unobservable Inputs	Input Values
<b>Investments in Securities</b>	<b>Assets</b>			
Municipal Bonds & Notes	\$899,667	Third-Party Pricing Vendor	Projected Revenue Stream	\$50.00 \$50.20
	467,792	Benchmark Pricing	Security Price Reset	49.77

\* Transferred out of Level 2 into Level 3 because evaluated prices by third-party pricing vendors was not available. The net change in unrealized appreciation/depreciation of Level 3 investments held at October 31, 2013, was \$(49,345). Net change in unrealized appreciation/depreciation is reflected on the Statement of Operations.

(o) The following is a summary of the derivative instruments categorized by risk exposure:  
The effect of derivatives on the Statement of Operations for the six months ended October 31, 2013:

Location	Interest Rate Contracts
<b>Net realized gain on:</b>	
Swaps	\$56,416

**Glossary:**

ACA	- insured by American Capital Access Holding Ltd.
AGC	- insured by Assured Guaranty Corp.
AGM	- insured by Assured Guaranty Municipal Corp.
AMBAC	- insured by American Municipal Bond Assurance Corp.
CP	- Certificates of Participation
FHA	- insured by Federal Housing Administration
GO	- General Obligation Bond
NPFGC	- insured by National Public Finance Guarantee Corp.

**16** Semi-Annual Report | October 31, 2013 | See accompanying Notes to Financial Statements

**Table of Contents****Schedule of Investments**

## PIMCO California Municipal Income Fund

October 31, 2013 (unaudited)

Principal Amount (000s)		Value
<b>California Municipal Bonds &amp; Notes 90.5%</b>		
\$10,000	Bay Area Toll Auth. Rev., San Francisco Bay Area, 5.00%, 4/1/34, Ser. F-1	\$10,449,200
5,000	Chula Vista Rev., San Diego Gas & Electric, 5.875%, 2/15/34, Ser. B	5,425,000
650	City & Cnty. of San Francisco, Capital Improvement Projects, CP, 5.25%, 4/1/31, Ser. A	692,699
350	Contra Costa Cnty. Public Financing Auth., Tax Allocation, 5.85%, 8/1/33, Ser. A	345,930
5,000	Desert Community College Dist., GO, 5.00%, 8/1/37, Ser. C (AGM)	5,173,500
6,300	Eastern Municipal Water Dist., CP, 5.00%, 7/1/35, Ser. H	6,478,542
10,200	Educational Facs. Auth. Rev. (h), Claremont McKenna College, 5.00%, 1/1/39	10,564,650
10,000	Univ. of Southern California, 5.00%, 10/1/39, Ser. A	10,459,200
2,975	El Dorado Irrigation Dist. & El Dorado Water Agcy., CP, 5.75%, 8/1/39, Ser. A (AGC)	3,046,757
14,425	El Monte, Department of Public Social Services Fac., Phase II, CP, 5.25%, 1/1/34 (AMBAC) (a)(b)(i) (acquisition cost-\$14,425,000; purchased 8/2/01)	14,458,322
1,000	Folsom Redev. Agcy., Tax Allocation, 5.50%, 8/1/36	1,004,300
165	Fremont Community Facs. Dist. No. 1, Special Tax, 6.00%, 9/1/18	166,076
505	6.00%, 9/1/19	508,096
3,500	6.30%, 9/1/31	3,509,205
3,000	Golden State Tobacco Securitization Corp. Rev., 5.00%, 6/1/35, Ser. A (FGIC)	2,945,520
6,000	5.00%, 6/1/38, Ser. A (FGIC)	5,875,080
1,600	5.00%, 6/1/45 (AMBAC-TCRS)	1,533,824
8,300	5.125%, 6/1/47, Ser. A-1	5,802,530
30,675	5.75%, 6/1/47, Ser. A-1	23,666,989
2,000	Health Facs. Financing Auth. Rev., Adventist Health System, 5.75%, 9/1/39, Ser. A	2,154,240
2,000	Catholic Healthcare West, 6.00%, 7/1/34, Ser. A	2,041,200
4,000	Catholic Healthcare West, 6.00%, 7/1/39, Ser. A	4,340,000
1,000	Children's Hospital, 5.00%, 8/15/51	1,007,700
1,000	Children's Hospital of Orange Cnty., 6.50%, 11/1/38, Ser. A	1,120,670
1,450	Scripps Health, 5.00%, 11/15/36, Ser. A	1,477,912
3,400	Stanford Hospital, 5.25%, 11/15/40, Ser. A-2	3,551,538
10,000	Stanford Hospital Clinics, 5.00%, 8/15/51, Ser. A	10,077,000
1,000	Sutter Health, 5.00%, 8/15/35, Ser. D	1,025,840



Edgar Filing: PIMCO CALIFORNIA MUNICIPAL INCOME FUND - Form N-CSRS

1,600	Sutter Health, 5.00%, 11/15/42, Ser. A (IBC-NPFGC)	1,601,312
9,500	Sutter Health, 5.00%, 8/15/52, Ser. A	9,214,525
2,800	Sutter Health, 6.00%, 8/15/42, Ser. B	3,087,448
1,000	Imperial Irrigation Dist. Rev., 5.00%, 11/1/41, Ser. C	1,008,210
10,000	Infrastructure & Economic Dev. Bank Rev., Independent System Operator Corp., 5.00%, 2/1/39 (e)	10,252,200
10,590	Kern Cnty., Capital Improvements Projects, CP, 5.75%, 8/1/35, Ser. A (AGC)	11,251,663
7,000	La Quinta Redev. Agcy., Tax Allocation, 5.10%, 9/1/31 (AMBAC)	6,823,530
500	Lancaster Redev. Agcy., Tax Allocation, 6.875%, 8/1/39	541,045
5,000	Long Beach Airport Rev., 5.00%, 6/1/40, Ser. A	4,992,500
1,000	Long Beach Bond Finance Auth. Rev., Long Beach Natural Gas, 5.50%, 11/15/27, Ser. A	1,085,780

October 31, 2013 | Semi-Annual Report 17

**Table of Contents****Schedule of Investments**

## PIMCO California Municipal Income Fund

October 31, 2013 (unaudited) (continued)

Principal Amount (000s)		Value
	Los Angeles Department of Water & Power Rev.,	
\$5,000	4.75%, 7/1/30, Ser. A-2 (AGM) (h)	\$5,149,950
4,100	5.00%, 7/1/37, Ser. B	4,344,893
2,000	5.00%, 7/1/41, Ser. A	2,082,840
5,000	5.00%, 7/1/43, Ser. B	5,224,700
3,000	5.375%, 7/1/34, Ser. A (h)	3,258,660
7,000	5.375%, 7/1/38, Ser. A (h)	7,555,590
	Los Angeles Unified School Dist., GO,	
10,000	5.00%, 7/1/29, Ser. I (h)	10,741,900
3,500	5.00%, 1/1/34, Ser. I	3,652,005
5,000	5.00%, 1/1/34, Ser. I (h)	5,217,150
250	5.30%, 1/1/34, Ser. D	264,605
1,900	M-S-R Energy Auth. Rev., 6.50%, 11/1/39, Ser. B	2,299,418
700	Malibu, City Hall Project, CP, 5.00%, 7/1/39, Ser. A	705,439
	Municipal Finance Auth. Rev.,	
1,085	Azusa Pacific Univ. Project, 7.75%, 4/1/31, Ser. B	1,188,965
2,900	Biola Univ., 5.875%, 10/1/34	3,001,384
1,250	Peralta Community College Dist., GO, 5.00%, 8/1/39, Ser. C	1,259,825
	Pollution Control Financing Auth. Rev.,	
1,250	American Water Capital Corp. Project, 5.25%, 8/1/40 (a)(b)(d)(i) (acquisition cost-\$1,250,000; purchased 8/11/10)	1,235,725
2,000	San Jose Water Co. Projects, 5.10%, 6/1/40	2,039,040
5,000	Sacramento Cnty. Sanitation Dists. Financing Auth. Rev., 5.00%, 8/1/30 (NPFGC)	5,174,850
6,250	San Diego Cnty. Water Auth., CP, 5.00%, 5/1/38, Ser. 2008-A (AGM)	6,556,812
3,285	San Diego Regional Building Auth. Rev., Cnty. Operations Center & Annex, 5.375%, 2/1/36, Ser. A	3,536,565
	San Joaquin Hills Transportation Corridor Agcy. Rev., Ser. A,	
5,000	5.50%, 1/15/28	4,781,300
5,000	5.70%, 1/15/19	5,113,250
230	San Jose, Special Assessment, 5.60%, 9/2/17, Ser. 24-Q	237,841
1,500	San Jose Hotel Tax Rev., Convention Center Expansion, 6.50%, 5/1/36	1,681,845
1,200	San Marcos Unified School Dist., GO, 5.00%, 8/1/38, Ser. A	1,232,448
3,500	Santa Clara Cnty. Financing Auth. Rev., El Camino Hospital, 5.75%, 2/1/41, Ser. A (AMBAC)	3,698,065
1,300	Santa Cruz Cnty. Redev. Agcy., Tax Allocation, Live Oak/Soquel Community, 7.00%, 9/1/36, Ser. A	1,476,839
	State, GO,	

Edgar Filing: PIMCO CALIFORNIA MUNICIPAL INCOME FUND - Form N-CSRS

5,885	5.00%, 9/1/35	6,067,200
100	5.00%, 6/1/37	102,892
3,000	5.00%, 12/1/37	3,097,950
7,000	5.00%, 11/1/43 (e)	7,188,300
2,400	5.25%, 11/1/40	2,512,752
1,500	5.50%, 3/1/40	1,628,865
2,000	6.00%, 4/1/38	2,281,220
2,000	6.00%, 11/1/39	2,303,000
	State Public Works Board Rev.,	
2,000	5.75%, 10/1/30, Ser. G-1	2,225,740
2,000	California State Univ., 6.00%, 11/1/34, Ser. J	2,248,500

18 Semi-Annual Report | October 31, 2013

**Table of Contents****Schedule of Investments**

PIMCO California Municipal Income Fund

October 31, 2013 (unaudited) (continued)

Principal Amount (000s)		Value
\$1,500	Judicial Council Projects, 5.00%, 12/1/29, Ser. D	\$1,591,935
2,000	Regents Univ., 5.00%, 4/1/34, Ser. E (Pre-refunded @ \$100, 4/1/19) (c)	2,394,300
	Statewide Communities Dev. Auth. Rev.,	
1,000	American Baptist Homes West, 6.25%, 10/1/39	1,024,670
900	California Baptist Univ., 5.50%, 11/1/38, Ser. A	832,275
845	Catholic Healthcare West, 5.50%, 7/1/31, Ser. D	901,277
10,000	Cottage Health, 5.00%, 11/1/40	9,926,700
13,050	Henry Mayo Newhall Memorial Hospital, 5.125%, 10/1/30, Ser. A (CA Mtg. Ins.)	13,074,273
6,500	Kaiser Permanente, 5.00%, 4/1/42, Ser. A	6,557,395
1,000	Kaiser Permanente, 5.25%, 3/1/45, Ser. B	1,008,180
1,000	Lancer Student Housing Project, 7.50%, 6/1/42	1,070,100
3,000	Los Angeles Jewish Home, 5.50%, 11/15/33 (CA Mtg. Ins.)	3,005,580
1,870	Methodist Hospital Project, 6.625%, 8/1/29 (FHA)	2,175,539
6,875	Methodist Hospital Project, 6.75%, 2/1/38 (FHA)	7,797,694
100	St. Joseph Health System, 5.125%, 7/1/24 (NPFGC)	110,539
3,200	St. Joseph Health System, 5.75%, 7/1/47, Ser. A (FGIC)	3,404,800
2,000	Sutter Health, 6.00%, 8/15/42, Ser. A	2,205,320
3,915	The Internext Group, CP, 5.375%, 4/1/30	3,922,634
4,000	Univ. of California Irvine E. Campus, 5.125%, 5/15/31	4,040,960
4,500	Univ. of California Irvine E. Campus, 5.375%, 5/15/38	4,509,585
6,300	Torrance Rev., Torrance Memorial Medical Center, 5.00%, 9/1/40, Ser. A	6,368,481
2,000	Turlock, Emanuel Medical Center, CP, 5.50%, 10/15/37, Ser. B	2,130,200
2,000	Univ. of California Rev., 5.00%, 5/15/43, Ser. J	2,028,740
1,000	Westlake Village, CP, 5.00%, 6/1/39	1,009,320
	<b>Total California Municipal Bonds &amp; Notes (cost-\$372,353,130)</b>	<b>392,218,553</b>
	<b>Other Municipal Bonds &amp; Notes 3.8%</b>	
	<b>Iowa 1.7%</b>	
8,600	Tobacco Settlement Auth. Rev., 5.60%, 6/1/34, Ser. B	7,231,396
	<b>Ohio 0.9%</b>	
	American Municipal Power, Inc. Rev., Fremont Energy Center Project,	
4,000	5.00%, 2/15/42, Ser. B	4,018,560
	<b>Texas 1.2%</b>	
	Wood Cnty. Central Hospital Dist. Rev., East Texas Medical Center Quitman	
5,000	Project, 6.00%, 11/1/41	5,153,300
	<b>Total Other Municipal Bonds &amp; Notes (cost-\$18,149,935)</b>	<b>16,403,256</b>
	<b>California Variable Rate Notes (a)(b)(d)(f)(g)(i) 1.6%</b>	
	Health Facs. Financing Auth. Rev.,	

Edgar Filing: PIMCO CALIFORNIA MUNICIPAL INCOME FUND - Form N-CSRS

1,000	8.05%, 11/15/36, Ser. 3193 (acquisition cost-\$972,060; purchased 6/7/10)	1,038,300
6,000	9.953%, 11/15/42, Ser. 3255 (acquisition cost-\$3,698,520; purchased 3/25/11)	5,825,940
Total California Variable Rate Notes (cost-\$4,676,293)		6,864,240
<b>Short-Term Investments 4.1%</b>		
<b>U.S. Treasury Obligations 2.3%</b>		
300	U.S. Treasury Bills, 0.035%, 1/2/14 (j)	299,982
4,200	U.S. Treasury Notes, 0.25%, 5/31/14	4,203,528
5,100	2.25%, 5/31/14	5,163,250
Total U.S. Treasury Obligations (cost-\$9,665,511)		9,666,760

October 31, 2013 | Semi-Annual Report 19

**Table of Contents****Schedule of Investments**

PIMCO California Municipal Income Fund

October 31, 2013 (unaudited) (continued)

Principal Amount (000s)		Value
	<b>U.S. Government Agency Securities 1.5%</b>	
\$6,600	Federal Home Loan Bank Discount Notes, 0.137%, 1/8/14 (j) (cost-\$6,598,317)	\$6,598,317
	<b>Repurchase Agreements 0.3%</b>	
1,500	Citigroup Global Markets, Inc., dated 10/31/13, 0.13%, due 11/1/13, proceeds \$1,500,005; collateralized by U.S. Treasury Notes, 1.00%, due 8/31/16, valued at \$1,531,755 including accrued interest (cost-\$1,500,000)	1,500,000
	<b>Total Short-Term Investments (cost-\$17,763,828)</b>	<b>17,765,077</b>
	<b>Total Investments (cost-\$412,943,186) 100.0%</b>	<b>\$433,251,126</b>

Industry classification of portfolio holdings as a percentage of total investments was as follows:

<b>Revenue Bonds:</b>		
Health, Hospital & Nursing Home Revenue		26.5%
Tobacco Settlement Funded		10.9
College & University Revenue		6.3
Electric Power & Light Revenue		5.9
Water Revenue		4.7
Highway Revenue Tolls		4.7
Lease (Abatement)		2.8
Local or Guaranteed Housing		2.2
Natural Gas Revenue		2.0
Sewer Revenue		1.2
Port, Airport & Marina Revenue		1.1
Hotel Occupancy Tax		0.4
<b>Total Revenue Bonds</b>		<b>68.7%</b>
General Obligation		12.1
Certificates of Participation		11.6
Tax Allocation		2.4
U.S. Treasury Obligations		2.3
U.S. Government Agency Securities		1.5
Special Tax		1.0
Repurchase Agreements		0.3

Special Assessment 0.1

Total Investments 100.0%

**Notes to Schedule of Investments:**

- (a) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$22,558,287, representing 5.2% of total investments.
- (b) Illiquid.
- (c) 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).
- (d) 144A 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.
- (e) When-issued or delayed-delivery. To be settled/delivered after October 31, 2013.

**20** Semi-Annual Report | October 31, 2013

**Table of Contents****Schedule of Investments**

PIMCO California Municipal Income Fund

October 31, 2013 (unaudited) (continued)

- (f) Inverse Floater The interest rate shown bears an inverse relationship to the interest rate on another security or the value of an index. The interest rate disclosed reflects the rate in effect on October 31, 2013.
- (g) 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, 2013.
- (h) Residual Interest Bonds held in Trust Securities represent underlying bonds transferred to a separate securitization trust established in a tender option bond transaction in which the Fund acquired the residual interest certificates. These securities serve as collateral in a financing transaction.
- (i) Restricted. The aggregate acquisition cost of such securities is \$20,345,580. The aggregate value is \$22,558,287, representing 5.2% of total investments.
- (j) Rates reflect the effective yields at purchase date.
- (k) Floating Rate Notes The weighted average daily balance of Floating Rate Notes outstanding during the six months ended October 31, 2013 was \$31,765,500 at a weighted average interest rate, including fees, of 0.63%.
- (l) Fair Value Measurements See Note 1(b) in the Notes to Financial Statements.

	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Value at 10/31/13
<b>Investments in Securities Assets</b>				
California Municipal Bonds & Notes	\$	\$ 392,218,553	\$	\$ 392,218,553
Other Municipal Bonds & Notes		16,403,256		16,403,256
California Variable Rate Notes		6,864,240		6,864,240
Short-Term Investments		17,765,077		17,765,077
<b>Totals</b>	<b>\$</b>	<b>\$ 433,251,126</b>	<b>\$</b>	<b>\$ 433,251,126</b>



At October 31, 2013, there were no transfers between Levels 1 and 2.

(m) The following is a summary of the derivative instruments categorized by risk exposure:

The effect of derivatives on the Statement of Operations for the six months ended October 31, 2013:

Location	Interest Rate Contracts
<b>Net realized gain on:</b>	
Swaps	\$110,024

**Glossary:**

AGC	- insured by Assured Guaranty Corp.
AGM	- insured by Assured Guaranty Municipal Corp.
AMBAC	- insured by American Municipal Bond Assurance Corp.
CA Mtg. Ins	- insured by California Mortgage Insurance
CP	- Certificates of Participation
FGIC	- insured by Financial Guaranty Insurance Co.
FHA	- insured by Federal Housing Administration
GO	- General Obligation Bond
IBC	- Insurance Bond Certificate
NPFGC	- insured by National Public Finance Guarantee Corp.
TCSR	- Temporary Custodian Receipts

See accompanying Notes to Financial Statements | October 31, 2013 | Semi-Annual Report **21**

**Table of Contents****Schedule of Investments**

PIMCO New York Municipal Income Fund

October 31, 2013 (unaudited)

Principal Amount (000s)		Value
<b>New York Municipal Bonds &amp; Notes 92.4%</b>		
	Hudson Yards Infrastructure Corp. Rev., Ser. A,	
\$3,000	5.25%, 2/15/47	\$3,083,730
4,000	5.75%, 2/15/47	4,233,280
	Liberty Dev. Corp. Rev.,	
1,500	Bank of America Tower at One Bryant Park Project, 6.375%, 7/15/49	1,617,675
120	Goldman Sachs Headquarters, 5.25%, 10/1/35	128,962
11,290	Goldman Sachs Headquarters, 5.25%, 10/1/35 (a)	12,133,137
1,925	Goldman Sachs Headquarters, 5.50%, 10/1/37	2,109,511
	Long Island Power Auth. Rev., Ser. A,	
750	5.00%, 9/1/34 (AMBAC)	752,228
4,500	5.75%, 4/1/39	4,816,035
	Metropolitan Transportation Auth. Rev.,	
2,000	5.00%, 11/15/42, Ser. H	2,031,920
1,000	5.00%, 11/15/43, Ser. B	1,015,900
	Nassau Cnty. Industrial Dev. Agcy. Rev., Amsterdam at Harborside, 6.70%, 1/1/43,	
1,600	Ser. A	871,408
3,500	New York City Health & Hospital Corp. Rev., 5.00%, 2/15/30, Ser. A	3,658,795
	New York City Industrial Dev. Agcy. Rev.,	
1,000	Liberty Interactive Corp., 5.00%, 9/1/35	998,610
900	Pilot Queens Baseball Stadium, 6.50%, 1/1/46 (AGC)	976,770
3,200	Yankee Stadium, 7.00%, 3/1/49 (AGC)	3,682,336
5,000	New York City Transitional Finance Auth. Rev., 5.25%, 1/15/39, Ser. S-3	5,343,400
	New York City Water & Sewer System Rev.,	
2,500	5.00%, 6/15/40, Ser. FF-2	2,586,325
5,000	Second Generation Resolutions, 4.75%, 6/15/35, Ser. DD (a)	5,077,650
	New York Liberty Dev. Corp. Rev.,	
2,000	1 World Trade Center Project, 5.00%, 12/15/41	2,064,480
6,000	4 World Trade Center Project, 5.75%, 11/15/51	6,408,900
600	Onondaga Cnty. Rev., Syracuse Univ. Project, 5.00%, 12/1/36	625,044
	Port Auth. of New York & New Jersey Rev.,	
4,300	5.00%, 9/1/38, Ser. 132	4,352,116
1,000	JFK International Air Terminal, 6.00%, 12/1/36	1,084,290
	State Dormitory Auth. Rev.,	
1,000	5.00%, 2/15/29, Ser. A	1,105,390
500	5.00%, 7/1/35, Ser. A	522,105
1,000	5.00%, 3/15/38, Ser. A	1,072,700

Edgar Filing: PIMCO CALIFORNIA MUNICIPAL INCOME FUND - Form N-CSRS

1,110	5.00%, 3/15/42, Ser. B	1,157,686
2,850	5.00%, 7/1/42, Ser. A	2,955,193
1,000	Fordham Univ., 5.50%, 7/1/36, Ser. A	1,065,430
2,000	Mount Sinai Hospital, 5.00%, 7/1/31, Ser. A	2,078,480
1,300	Mount Sinai School of Medicine, 5.125%, 7/1/39	1,325,142
4,500	New York Univ., 5.00%, 7/1/38, Ser. C	4,698,900
1,225	NYU Hospitals Center, 6.00%, 7/1/40, Ser. A	1,333,988
1,000	Pratt Institute, 5.125%, 7/1/39, Ser. C (AGC)	1,016,860
2,500	Sloan-Kettering Center Memorial, 4.50%, 7/1/35, Ser. A-1	2,462,450
1,800	Teachers College, 5.50%, 3/1/39	1,857,582
1,250	The New School, 5.50%, 7/1/40	1,310,138

22 Semi-Annual Report | October 31, 2013

**Table of Contents****Schedule of Investments**

## PIMCO New York Municipal Income Fund

October 31, 2013 (unaudited) (continued)

Principal Amount (000s)		Value
	State Thruway Auth. Rev., Ser. I,	
\$2,000	5.00%, 1/1/37	\$2,064,760
3,645	5.00%, 1/1/42	3,723,112
1,800	State Urban Dev. Corp. Rev., 5.00%, 3/15/36, Ser. B-1 (a)	1,923,606
3,000	Triborough Bridge & Tunnel Auth. Rev., 5.25%, 11/15/34, Ser. A-2 (a)	3,166,440
3,000	Troy Capital Res. Corp. Rev., Rensselaer Polytechnic Institute Project, 5.125%, 9/1/40, Ser. A	3,064,710
5,860	Troy Industrial Dev. Auth. Rev., Rensselaer Polytechnic Institute Project, 4.625%, 9/1/26	6,216,815
	TSASC, Inc. Rev., Ser. 1,	
3,000	5.00%, 6/1/26	2,657,460
3,000	5.00%, 6/1/34	2,337,240
2,205	5.125%, 6/1/42	1,640,961
2,945	Warren & Washington Cntys. Industrial Dev. Agcy. Rev., Glens Falls Hospital Project, 5.00%, 12/1/27, Ser. C (AGM)	2,947,886
910	Westchester Cnty. Healthcare Corp. Rev., 6.125%, 11/1/37, Ser. C-2	995,549
200	Yonkers Economic Dev. Corp. Rev., Charter School of Educational Excellence Project, 6.00%, 10/15/30, Ser. A	200,892
400	Yonkers Industrial Dev. Agcy. Rev., Sarah Lawrence College Project, 6.00%, 6/1/41, Ser. A	426,024
	Total New York Municipal Bonds & Notes (cost-\$122,807,775)	124,980,001
	<b>Other Municipal Bonds &amp; Notes 1.8%</b>	
	<b>Ohio 1.8%</b>	
2,875	Buckeye Tobacco Settlement Financing Auth. Rev., 6.50%, 6/1/47, Ser. A-2 (cost-\$2,408,210)	2,426,443
	<b>Short-Term Investments 5.8%</b>	
	<b>U.S. Treasury Obligations 5.1%</b>	
1,900	U.S. Treasury Bills, 0.068%-0.097%, 1/9/14-10/16/14 (b)	1,899,632
	U.S. Treasury Notes,	
1,600	0.25%, 4/30/14	1,601,157
300	0.25%, 6/30/14	300,281
200	1.00%, 5/15/14	200,965
2,900	2.25%, 5/31/14	2,935,966
	Total U.S. Treasury Obligations (cost-\$6,936,809)	6,938,001
	<b>U.S. Government Agency Securities (b) 0.7%</b>	
100	Federal Home Loan Bank Discount Notes, 0.049%, 12/4/13	99,996
500	Federal Home Loan Bank Discount Notes, 0.142%, 1/8/14	499,868

Edgar Filing: PIMCO CALIFORNIA MUNICIPAL INCOME FUND - Form N-CSRS

300	Freddie Mac Discount Notes, 0.101%, 7/1/14	299,798
	Total U.S. Government Agency Securities (cost-\$899,662)	899,662
	Total Short-Term Investments (cost-\$7,836,471)	7,837,663
	<b>Total Investments</b> (cost-\$133,052,456) <b>100.0%</b>	<b>\$135,244,107</b>

October 31, 2013 | Semi-Annual Report **23**

**Table of Contents****Schedule of Investments**

PIMCO New York Municipal Income Fund

October 31, 2013 (unaudited) (continued)

Industry classification of portfolio holdings as a percentage of total investments was as follows:

Revenue Bonds:	
College & University Revenue	18.6%
Miscellaneous Revenue	13.9
Industrial Revenue	9.7
Health, Hospital & Nursing Home Revenue	8.4
Tobacco Settlement Funded	6.7
Highway Revenue Tolls	6.6
Water Revenue	5.7
Port, Airport & Marina Revenue	5.5
Miscellaneous Taxes	5.4
Electric Power & Light Revenue	4.1
Income Tax Revenue	3.9
Recreational Revenue	2.7
Transit Revenue	2.3
Economic Development Revenue	0.7
Total Revenue Bonds	94.2%
U.S. Treasury Obligations	5.1
U.S. Government Agency Securities	0.7
Total Investments	100.0%

**Notes to Schedule of Investments:**

- (a) Residual Interest Bonds held in Trust Securities represent underlying bonds transferred to a separate securitization trust established in a tender option bond transaction in which the Fund acquired the residual interest certificates. These securities serve as collateral in a financing transaction.
- (b) Rates reflect the effective yields at purchase date.
- (c) Floating Rate Notes The weighted average daily balance of Floating Rate Notes outstanding during the six months ended October 31, 2013 was \$10,476,876 at a weighted average interest rate, including fees, of 0.47%.

(d) Fair Value Measurements See Note 1(b) in the Notes to Financial Statements.

	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Value at 10/31/13
<b>Investments in Securities Assets</b>				
New York Municipal Bonds & Notes	\$	\$ 124,980,001	\$	\$ 124,980,001
Other Municipal Bonds & Notes		2,426,443		2,426,443
Short-Term Investments		7,837,663		7,837,663
<b>Totals</b>	<b>\$</b>	<b>\$ 135,244,107</b>	<b>\$</b>	<b>\$ 135,244,107</b>

At October 31, 2013, there were no transfers between Levels 1 and 2.

(e) The following is a summary of the derivative instruments categorized by risk exposure:  
The effect of derivatives on the Statement of Operations for the six months ended October 31, 2013:

Location	Interest Rate Contracts
<b>Net realized gain on:</b>	
Swaps	\$6,806

**Glossary:**

- AGC - insured by Assured Guaranty Corp.
- AGM - insured by Assured Guaranty Municipal Corp.
- AMBAC - insured by American Municipal Bond Assurance Corp.

**Table of Contents****Statements of Assets and Liabilities**

## PIMCO Municipal Income Funds

October 31, 2013 (unaudited)

	Municipal	California Municipal	New York Municipal
<b>Assets:</b>			
Investments, at value (cost-\$474,422,773, \$412,943,186 and \$133,052,456, respectively)	\$496,736,367	\$433,251,126	\$135,244,107
Cash	517,593	520,321	503,593
Interest receivable	8,236,500	6,716,209	1,872,416
Receivable for investments sold	65,000		
Prepaid expenses and other assets	109,980	42,129	1,618,353
<b>Total Assets</b>	<b>505,665,440</b>	<b>440,529,785</b>	<b>139,238,469</b>
<b>Liabilities:</b>			
Payable for floating rate notes issued	13,063,277	31,765,500	10,476,876
Payable for investments purchased		17,132,800	
Dividends payable to common and preferred shareholders	2,062,974	1,429,659	438,704
Investment management fees payable	268,260	213,440	70,257
Interest payable	26,089	43,859	20,184
Accrued expenses and other liabilities	100,468	169,934	49,748
<b>Total Liabilities</b>	<b>15,521,068</b>	<b>50,755,192</b>	<b>11,055,769</b>
<b>Preferred Shares (\$0.00001 par value and \$25,000 liquidation preference per share applicable to an aggregate of 7,600, 6,000 and 1,880 shares issued and outstanding, respectively)</b>	<b>190,000,000</b>	<b>150,000,000</b>	<b>47,000,000</b>
<b>Net Assets Applicable to Common Shareholders</b>	<b>\$300,144,372</b>	<b>\$239,774,593</b>	<b>\$81,182,700</b>
<b>Composition of Net Assets Applicable to Common Shareholders:</b>			
Common Shares (no par value):			
Paid-in-capital	\$333,034,424	\$244,707,371	\$97,526,173
Undistributed net investment income	3,557,614	12,050,045	2,004,951
Accumulated net realized loss	(58,769,369)	(37,290,010)	(20,480,227)
Net unrealized appreciation	22,321,703	20,307,187	2,131,803
<b>Net Assets Applicable to Common Shareholders</b>	<b>\$300,144,372</b>	<b>\$239,774,593</b>	<b>\$81,182,700</b>
Common Shares Issued and Outstanding	25,357,867	18,548,542	7,689,133
<b>Net Asset Value Per Common Share</b>	<b>\$11.84</b>	<b>\$12.93</b>	<b>\$10.56</b>

See accompanying Notes to Financial Statements | October 31, 2013 | Semi-Annual Report 25



**Table of Contents****Statements of Operations**

PIMCO Municipal Income Funds

Six Months ended October 31, 2013 (unaudited)

	Municipal	California Municipal	New York Municipal
<b>Investment Income:</b>			
Interest	\$13,523,177	\$10,910,922	\$3,170,748
<b>Expenses:</b>			
Investment management	1,634,511	1,293,305	424,521
Auction agent and commissions	158,775	122,748	39,028
Custodian and accounting agent	60,267	47,376	29,343
Interest	45,039	101,746	25,238
Audit and tax services	35,422	32,193	24,768
Shareholder communications	27,110	10,450	11,674
New York Stock Exchange listing	24,128	24,067	12,998
Transfer agent	15,498	13,563	13,659
Trustees	13,989	10,815	3,602
Legal	4,600	4,739	3,780
Insurance	4,046	3,424	1,968
Miscellaneous	5,057	6,856	6,618
Total Expenses	2,028,442	1,671,282	597,197
<b>Net Investment Income</b>	<b>11,494,735</b>	<b>9,239,640</b>	<b>2,573,551</b>
<b>Realized and Change in Unrealized Gain (Loss):</b>			
Net realized gain (loss) on:			
Investments	(1,674,344)	2,840,995	90,317
Swaps	56,416	110,024	6,806
Net change in unrealized appreciation/depreciation of investments	(45,819,686)	(36,546,771)	(11,383,448)
Net realized and change in unrealized loss	(47,437,614)	(33,595,752)	(11,286,325)
<b>Net Decrease in Net Assets Resulting from Investment Operations</b>	<b>(35,942,879)</b>	<b>(24,356,112)</b>	<b>(8,712,774)</b>
<b>Dividends on Preferred Shares from Net Investment Income</b>	<b>(146,821)</b>	<b>(117,180)</b>	<b>(35,486)</b>
<b>Net Decrease in Net Assets Applicable to Common Shareholders Resulting from Investment Operations</b>	<b>\$(36,089,700)</b>	<b>\$(24,473,292)</b>	<b>\$(8,748,260)</b>

26 Semi-Annual Report | October 31, 2013 | See accompanying Notes to Financial Statements

**Table of Contents**

[THIS PAGE INTENTIONALLY LEFT BLANK]

October 31, 2013 | Semi-Annual Report **27**

**Table of Contents****Statements of Changes in Net Assets****Applicable to Common Shareholders**

PIMCO Municipal Income Funds

	Municipal	
	Six Months ended October 31, 2013 (unaudited)	Year ended April 30, 2013
<b>Investment Operations:</b>		
Net investment income	\$11,494,735	\$24,006,518
Net realized gain (loss)	(1,617,928)	1,171,051
Net change in unrealized appreciation/depreciation	(45,819,686)	20,496,813
Net increase (decrease) in net assets resulting from investment operations	(35,942,879)	45,674,382
<b>Dividends on Preferred Shares from Net Investment Income</b>	(146,821)	(471,161)
Net increase (decrease) in net assets applicable to common shareholders resulting from investment operations	(36,089,700)	45,203,221
<b>Dividends to Common Shareholders from Net Investment Income</b>	(12,354,723)	(24,664,665)
<b>Common Share Transactions:</b>		
Reinvestment of dividends	426,693	882,792
Total increase (decrease) in net assets applicable to common shareholders	(48,017,730)	21,421,348
<b>Net Assets Applicable to Common Shareholders:</b>		
Beginning of period	348,162,102	326,740,754
End of period*	\$300,144,372	\$348,162,102
*Including undistributed net investment income of:	\$3,557,614	\$4,564,423
<b>Common Shares Issued in Reinvestment of Dividends</b>	33,852	58,080

28 Semi-Annual Report | October 31, 2013 | See accompanying Notes to Financial Statements

**Table of Contents**

California Municipal		New York Municipal	
Six Months ended October 31, 2013 (unaudited)	Year ended April 30, 2013	Six Months ended October 31, 2013 (unaudited)	Year ended April 30, 2013
\$9,239,640	\$18,985,141	\$2,573,551	\$5,371,779
2,951,019	768,479	97,123	809,587
(36,546,771)	15,469,190	(11,383,448)	4,255,627
(24,356,112)	35,222,810	(8,712,774)	10,436,993
(117,180)	(372,583)	(35,486)	(116,375)
(24,473,292)	34,850,227	(8,748,260)	10,320,618
(8,563,231)	(17,087,147)	(2,629,418)	(5,248,148)
413,388	764,404	51,694	310,460
(32,623,135)	18,527,484	(11,325,984)	5,382,930
272,397,728	253,870,244	92,508,684	87,125,754
\$239,774,593	\$272,397,728	\$81,182,700	\$92,508,684
\$12,050,045	\$11,490,816	\$2,004,951	\$2,096,304
31,011	51,253	4,527	25,935

See accompanying Notes to Financial Statements | October 31, 2013 | Semi-Annual Report **29**

**Table of Contents**

**Notes to Financial Statements**

PIMCO Municipal Income Funds

October 31, 2013 (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 ), (each a Fund and collectively 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 thereunder, as amended. Allianz Global Investors Fund Management LLC (the Investment Manager ) and Pacific Investment Management Company LLC ( PIMCO or the Sub-Adviser ) serve as the Funds investment manager and sub-adviser, respectively, and are both indirect, wholly-owned subsidiaries of Allianz Asset Management of America L.P. ( AAM ). AAM is an indirect, wholly-owned subsidiary of Allianz SE, a publicly traded European insurance and financial services company. Each Fund has an unlimited amount of no par value per share of common shares 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 U.S. 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. There can be no assurance that the Funds will meet their stated objectives. The

Funds will generally seek to avoid investing in 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 Funds financial statements in accordance with accounting principles generally accepted in the United States of America requires the Funds management to make estimates and assumptions that affect the reported amounts and disclosures in each Fund s 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 that 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 that have not yet occurred.

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. Market value is generally determined on the basis of last reported sales prices, or if no sales are reported, on the basis of quotes obtained from a quotation reporting system, established market makers, or independent pricing services. 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 mean between the last quoted bid and ask price.

**30** Semi-Annual Report | October 31, 2013

**Table of Contents**

**Notes to Financial Statements**

PIMCO Municipal Income Funds

October 31, 2013 (unaudited)

**1. Organization and Significant Accounting Policies (continued)**

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. Securities purchased on a when-issued or delayed-delivery basis are marked to market daily until settlement at the forward settlement date.

The Board of Trustees (the Board) has adopted procedures for valuing portfolio securities and other financial derivative instruments in circumstances where market quotes are not readily available, and has delegated the responsibility for applying the valuation methods to the Investment Manager and Sub-Adviser. The Funds Valuation Committee was established by the Board to oversee the implementation of the Funds valuation methods and to make fair value determinations on behalf of the Board, as instructed. The Sub-Adviser monitors the continued appropriateness of methods applied and determines if adjustments should be made in light of market changes, events affecting the issuer, or other factors. If the Sub-Adviser determines that a valuation method may no longer be appropriate, another valuation method may be selected, or the Valuation Committee will be convened to consider the matter and take any appropriate action in accordance with procedures set forth by the Board. The Board shall review the appropriateness of the valuation methods and these methods may be amended or supplemented from time to time by the Valuation Committee.

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 61<sup>st</sup> day prior to maturity, if the original term to maturity exceeded 60 days.

The prices used by the Funds to value investments may differ from the value that would be realized if the investments were sold, and these differences could be material to the Funds financial statements. Each Fund's net asset value (NAV) 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) Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (*i.e.* the exit price) in an orderly transaction between market participants. The three levels of the fair value hierarchy are described below:

- n Level 1 quoted prices in active markets for identical investments that the Funds have the ability to access
- n Level 2 valuations based on other significant observable inputs, which may include, but are not limited to, quoted prices for similar assets or liabilities, interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates or other market corroborated inputs

n Level 3 valuations based on significant unobservable inputs (including the Sub-Adviser's or Valuation Committee's own assumptions and securities whose price was determined by using a single broker's quote)  
The valuation techniques used by the Funds to measure fair value during the six months ended October 31, 2013 were intended to maximize the use of observable inputs and to minimize the use of unobservable inputs.

The Funds' policy is to recognize transfers between levels at the end of the reporting period. An investment asset's or liability's level within the fair value hierarchy is based on the lowest level input, individually or in



**Table of Contents**

**Notes to Financial Statements**

PIMCO Municipal Income Funds

October 31, 2013 (unaudited)

**1. Organization and Significant Accounting Policies (continued)**

aggregate, that is significant to the fair value measurement. The objective of fair value measurement remains the same even when there is a significant decrease in the volume and level of activity for an asset or liability and regardless of the valuation techniques used. Investments categorized as Level 1 or 2 as of period end may have been transferred between Levels 1 and 2 since the prior period due to changes in the valuation method utilized in valuing the investments.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following are certain inputs and techniques that the Funds generally use to evaluate how to classify each major category of assets and liabilities for Level 2 and Level 3, in accordance with Generally Accepted Accounting Principles ( GAAP ).

**U.S. Treasury Obligations** U.S. Treasury obligations are valued by independent pricing services based on pricing models that evaluate the mean between the most recently quoted bid and ask price. The models also take into consideration data received from active market makers and broker-dealers, yield curves, and the spread over comparable U.S. Treasury issues. The spreads change daily in response to market conditions and are generally obtained from the new issue market and broker-dealer sources. To the extent that these inputs are observable, the values of U.S. Treasury obligations are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

**Government Sponsored Enterprise and Mortgage-Backed Securities** Government sponsored enterprise and mortgage-backed securities are valued by independent pricing services using pricing models based on inputs

that include issuer type, coupon, cash flows, mortgage prepayment projection tables and Adjustable Rate Mortgage evaluations that incorporate index data, periodic and life caps, the next coupon reset date. To the extent that these inputs are observable, the values of government sponsored enterprise and mortgage-backed securities are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

**Municipal Bonds & Notes and Variable Rate Notes** Municipal bonds & notes and variable rate notes are valued by independent pricing services based on pricing models that take into account, among other factors, information received from market makers and broker-dealers, current trades, bid-want lists, offerings, market movements, the callability of the bond, state of issuance, benchmark yield curves, and bond or note insurance. To the extent that these inputs are observable, the values of municipal bonds & notes and variable rate notes are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

**(c) 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 an identified cost basis. Interest income adjusted for the accretion of discount and amortization of premiums is recorded on an accrual basis. Discounts or premiums on debt securities purchased are accreted or amortized, respectively, to interest income.

**(d) Federal Income Taxes**

The Funds intend to distribute all of their taxable income and to comply with the other requirements of Subchapter M of the U.S.

**Table of Contents**

**Notes to Financial Statements**

PIMCO Municipal Income Funds

October 31, 2013 (unaudited)

**1. Organization and Significant Accounting Policies (continued)**

Internal Revenue Code of 1986, as amended, applicable to regulated investment companies. Accordingly, no provision for U.S. federal income taxes is required.

Accounting for uncertainty in income taxes 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. In accordance with provisions set forth under U.S. GAAP, the Investment Manager has reviewed the Funds' tax positions for all open tax years. As of October 31, 2013, the Funds have recorded no liability for net unrecognized tax benefits relating to uncertain income tax positions they have taken. The Funds' federal income tax returns for the prior three years remain subject to examination by the Internal Revenue Service.

**(e) Dividends and Distributions    Comm**