

PIMCO MUNICIPAL INCOME FUND
Form N-Q
September 25, 2009

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM N-Q
QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act File Number: 811-10377

Registrant Name: PIMCO Municipal Income Fund

Address of Principal Executive Offices: 1345 Avenue of the Americas,
New York, NY 10105

Name and Address of Agent for Service: Lawrence G. Altadonna
1345 Avenue of the Americas,
New York, NY 10105

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

Date of Fiscal Year End: April 30, 2010

Date of Reporting Period: July 31, 2009

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (§§ 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to the collection of information contained in Form N-Q 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 the Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-2001. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

Item 1. Schedule of Investments**PIMCO Municipal Income Fund Schedule of Investments**

July 31, 2009 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody s/S&P) | Value* |
|--|---|--------------------------------|--------------|
| MUNICIPAL BONDS & NOTES 93.3% | | | |
| | Alabama 0.9% | | |
| \$ 2,500 | Birmingham Baptist Medical Centers Special Care Facs. Financing Auth. Rev., Baptist Health Systems, 5.875%, 11/15/24, Ser. A | Baa2/NR | \$ 2,247,000 |
| | Huntsville-Redstone Village Special Care Facs. Financing Auth. Rev., | | |
| 250 | 5.50%, 1/1/28 | NR/NR | 183,395 |
| 885 | 5.50%, 1/1/43 | NR/NR | 585,746 |
| 1,350 | Montgomery Medical Clinic Board Rev., Jackson Hospital & Clinic, 5.25%, 3/1/31 | Baa2/BBB- | 1,080,041 |
| | | | 4,096,182 |
| | Alaska 1.2% | | |
| 3,280 | Boro of Matanuska-Susitna Rev., Goose Creek Correctional Center, 6.00%, 9/1/32 | Aa2/AAA | 3,534,233 |
| 900 | Industrial Dev. & Export Auth. Boys & Girls Home Rev., 6.00%, 12/1/36 | NR/NR | 579,978 |
| 2,400 | Northern Tobacco Securitization Corp. Rev., 5.00%, 6/1/46, Ser. A | Baa3/NR | 1,279,176 |
| | | | 5,393,387 |
| | Arizona 4.3% | | |
| 5,000 | Apache Cnty. Industrial Dev. Auth. Pollution Control Rev., Tucson Electric Power Co. Project, 5.875%, 3/1/33, Ser. B Health Facs. Auth. Rev., | Baa3/BBB- | 4,401,800 |
| 2,050 | Banner Health, 5.50%, 1/1/38, Ser. D | NR/A+ | 1,916,402 |
| 2,750 | Beatitudes Campus Project, 5.20%, 10/1/37 | NR/NR | 1,747,927 |
| 4,150 | Pima Cnty. Industrial Dev. Auth. Rev., Tucson Electric Power, 6.375%, 9/1/29, Ser. A | Baa3/BBB- | 4,015,374 |
| 5,000 | Salt River Project Agricultural Improvement & Power Dist. Rev., 5.00%, 1/1/39, Ser. A (i) | Aa1/AA | 4,961,700 |
| 4,200 | Salt Verde Financial Corp. Rev., 5.00%, 12/1/37 | A3/A | 3,145,296 |
| | | | 20,188,499 |

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Arkansas 0.4%

| | | | |
|-------|--|--------|-----------|
| 8,500 | Dev. Finance Auth. Rev., Arkansas Cancer Research Center Project, zero coupon, 7/1/36 (AMBAC) | Aa3/NR | 1,974,295 |
|-------|--|--------|-----------|

California 7.7%

| | | | |
|-------|---|----------|------------|
| 3,000 | Chula Vista Rev., 5.875%, 2/15/34, Ser. B | A1/A+ | 2,948,310 |
| 6,000 | Golden State Tobacco Securitization Corp. Rev., 5.00%, 6/1/33, Ser. A-1 | Baa3/BBB | 4,003,020 |
| 2,000 | Health Facs. Financing Auth. Rev., Catholic Healthcare West, 6.00%, 7/1/39, Ser. A | A2/A | 1,902,040 |
| 4,175 | Montebello Unified School Dist., GO, 5.00%, 8/1/33 (FSA) | Aa3/AAA | 3,968,003 |
| 5,000 | Orange Cnty. Rev., 5.25%, 7/1/39, Ser. A | Aa3/AA- | 4,768,050 |
| 300 | State, GO, 5.00%, 6/1/37 | Baa1/A | 273,957 |
| 4,200 | 6.00%, 4/1/38 | Baa1/A | 4,342,632 |
| 1,000 | Statewide Communities Dev. Auth. Rev., Catholic Healthcare West, 5.50%, 7/1/31, Ser. E | A2/A | 927,220 |
| 2,600 | Methodist Hospital Project (FHA), 6.625%, 8/1/29 | Aa2/AA | 2,824,562 |
| 9,500 | 6.75%, 2/1/38 | Aa2/AA | 10,244,230 |
| | | | 36,202,024 |

PIMCO Municipal Income Fund Schedule of Investments

July 31, 2009 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody s/S&P) | Value* |
|----------------------------------|---|--------------------------------|------------|
| Colorado 0.5% | | | |
| \$ 500 | Confluence Metropolitan Dist. Rev., 5.45%, 12/1/34 | NR/NR | \$ 316,005 |
| 500 | Public Auth. for Colorado Energy Rev., 6.50%, 11/15/38 | A2/A | 487,800 |
| 1,500 | Univ. of Colorado Rev., 5.375%, 6/1/38, Ser. A | Aa3/AA- | 1,553,730 |
| | | | 2,357,535 |
| Connecticut 0.2% | | | |
| 1,000 | State Dev. Auth. Pollution Control Rev., Connecticut Light & Power Co., 5.85%, 9/1/28 | Baa1/BBB | 1,006,480 |
| District of Columbia 1.4% | | | |
| 2,500 | Dist. of Columbia Rev., Brookings Institution, 5.75%, 10/1/39 | Aa3/A+ | 2,580,150 |
| 4,175 | Tobacco Settlement Financing Corp. Rev., 6.25%, 5/15/24 | Baa3/BBB | 3,962,492 |
| | | | 6,542,642 |
| Florida 4.1% | | | |
| 905 | Beacon Lakes Community Dev. Dist., Special Assessment, 6.00%, 5/1/38, Ser. A | NR/NR | 537,977 |
| 4,000 | Broward Cnty. Water & Sewer Utility Rev., 5.25%, 10/1/34, Ser. A (i) | Aa3/AA | 4,019,920 |
| 500 | Lee Cnty. Industrial Dev. Auth. Rev., 5.375%, 6/15/37, Ser. A | NR/BB | 304,695 |
| 3,000 | Miami-Dade Cnty. Rev., 5.50%, 10/1/36, Ser. A | A2/A- | 2,929,500 |
| 1,250 | Miami-Dade Cnty. School Board, CP, 5.375%, 2/1/34, Ser. A | Aa2/AAA | 1,262,488 |
| 3,900 | State Board of Education, GO, 5.00%, 6/1/38, Ser. D (i) | Aa1/AAA | 3,858,582 |
| 5,685 | State Board of Governors Rev., Florida Univ., 6.50%, 7/1/33 | Aa2/AA | 6,293,579 |
| | | | 19,206,741 |
| Georgia 0.3% | | | |
| 2,300 | Medical Center Hospital Auth. Rev., Spring Harbor Green Island Project, 5.25%, 7/1/37 | NR/NR | 1,593,946 |
| Hawaii 1.5% | | | |

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| | | | |
|----------------------|---|---------|------------|
| 6,935 | City & Cnty. of Honolulu Sewer Rev., 5.00%, 7/1/23 (FGIC)(NPFGC) | A1/A | 6,974,321 |
| Illinois 6.3% | | | |
| 5,000 | Chicago, GO, 5.00%, 1/1/34, Ser. C (i) | Aa3/AA- | 4,916,700 |
| 2,935 | 5.375%, 1/1/34, Ser. A (FGIC)(NPFGC) | Aa3/AA- | 2,936,732 |
| 10,115 | Chicago Board of Education School Reform, GO, zero coupon, 12/1/31, Ser. A (FGIC)(NPFGC) | A1/AA- | 2,423,453 |
| 1,250 | Chicago Motor Fuel Tax Rev., 5.00%, 1/1/38, Ser. A | Aa2/AAA | 1,227,612 |
| 190 | Educational Facs. Auth. Rev., Univ. of Chicago, 5.25%, 7/1/41, Ser. A | Aa1/AA | 191,260 |
| 400 | Finance Auth. Rev., OSF Healthcare Systems, 7.125%, 11/15/37, Ser. A | A2/A | 420,784 |
| 10,000 | Univ. of Chicago, 5.50%, 7/1/37, Ser. B (i) | Aa1/AA | 10,369,900 |
| 3,345 | Regional Transportation Auth. Rev., 5.50%, 6/1/23, Ser. B (FGIC)(NPFGC) | Aa2/AA+ | 3,789,718 |
| 1,900 | Springfield Power Rev., 5.00%, 3/1/36 | Aa3/AA- | 1,850,866 |
| 1,495 | Univ. Rev., 5.25%, 4/1/32, Ser. B (FGIC)(NPFGC) | Aa3/AA- | 1,497,945 |
| | | | 29,624,970 |
| Indiana 0.5% | | | |
| 1,500 | Finance Auth. Rev., Duke Energy Indiana, Inc., 6.00%, 8/1/39, Ser. B | A3/A | 1,506,690 |
| 1,000 | Municipal Power Agency Rev., 6.00%, 1/1/39, Ser. B | A1/A+ | 1,020,090 |
| | | | 2,526,780 |

PIMCO Municipal Income Fund Schedule of Investments

July 31, 2009 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody s/S&P) | Value* |
|---------------------------|---|--------------------------------|--------------|
| Iowa 1.6% | | | |
| | Finance Auth. Rev., | | |
| \$ 4,890 | Deerfield Retirement Community, Inc., 5.50%, 11/15/37 | NR/NR | \$ 2,762,801 |
| | Edgewater LLC Project, | | |
| 3,500 | 6.75%, 11/15/37 | NR/NR | 2,767,380 |
| 1,500 | 6.75%, 11/15/42 | NR/NR | 1,168,905 |
| 1,700 | Wedum Walnut Ridge LLC Project, 5.625%, 12/1/45, Ser. A | NR/NR | 766,241 |
| | | | 7,465,327 |
| Kansas 4.6% | | | |
| 1,000 | Dev. Finance Auth. Rev., Adventist Health, 5.75%, 11/15/38 | A1/A+ | 1,003,750 |
| 1,000 | Lenexa City Center East, Tax Allocation, 6.00%, 4/1/27 | NR/NR | 762,200 |
| 650 | Manhattan Rev., Meadowlark Hills Retirement, 5.125%, 5/15/42, Ser. B | NR/NR | 440,713 |
| | Wichita Hospital Rev., | | |
| 5,000 | 5.625%, 11/15/31, Ser. III | NR/A+ | 4,909,250 |
| 14,370 | 6.25%, 11/15/24, Ser. XI | NR/A+ | 14,547,326 |
| | | | 21,663,239 |
| Kentucky 0.7% | | | |
| | Economic Dev. Finance Auth. Hospital Facs. Rev., Baptist Healthcare | | |
| | System, Ser. A, | | |
| 1,000 | 5.375%, 8/15/24 | Aa3/NR | 1,060,030 |
| 1,200 | 5.625%, 8/15/27 | Aa3/NR | 1,249,908 |
| 810 | Economic Dev. Finance Auth. Rev., St. Luke s Hospital, 6.00%, 10/1/19, Ser. B | A3/A | 810,024 |
| | | | 3,119,962 |
| Louisiana 5.5% | | | |
| 4,300 | Local Gov t Environmental Facs. & Community Dev. Auth. Rev., 6.55%, 9/1/25 (ACA) | NR/NR | 3,668,803 |
| 27,895 | Tobacco Settlement Financing Corp. Rev., 5.875%, 5/15/39, Ser.2001- B | Baa3/BBB | 22,113,761 |
| | | | 25,782,564 |
| Massachusetts 0.4% | | | |

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| | | | |
|-------|--|---------|------------|
| 550 | Dev. Finance Agcy. Rev., Linden Ponds, Inc., 5.75%, 11/15/35, Ser. A | NR/NR | 351,015 |
| 1,500 | State College Building Auth. Rev., 5.50%, 5/1/39, Ser. A | A1/A+ | 1,508,850 |
| | | | 1,859,865 |
| | Michigan 2.3% | | |
| 1,000 | Detroit, GO, 5.375%, 4/1/17, Ser. A-1 (NPFGC) | Baa1/A | 932,320 |
| 4,550 | Garden City Hospital Finance Auth. Rev., 5.00%, 8/15/38, Ser. A | NR/NR | 2,250,293 |
| | Royal Oak Hospital Finance Auth. Rev., William Beaumont Hospital, | | |
| 50 | 5.25%, 11/15/35, Ser. M (NPFGC) | A1/A | 40,180 |
| 1,500 | 8.25%, 9/1/39 | A1/A | 1,709,715 |
| 4,000 | State Hospital Finance Auth. Rev., Detroit Medical Center, 6.25%, 8/15/13, Ser. A | Ba3/BB- | 3,918,000 |
| 2,000 | Strategic Fund Ltd. Obligation Rev., Detroit Edison Pollution Control Co., 5.45%, 9/1/29, Ser. C | A3/A- | 1,983,040 |
| | | | 10,833,548 |
| | Minnesota 0.1% | | |
| 95 | Agricultural & Economic Dev. Board Rev., Health Care System, 6.375%, 11/15/29, Ser. A | A2/A | 96,058 |
| 500 | Washington Cnty. Housing & Redev. Auth. Rev., Birchwood & Woodbury Projects, 5.625%, 6/1/37, Ser. A | NR/NR | 373,515 |
| | | | 469,573 |

PIMCO Municipal Income Fund Schedule of Investments

July 31, 2009 (unaudited)

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|---------------------------|---|--------------------------------|------------|
| | Missouri 0.2% | | |
| \$ 1,000 | Joplin Industrial Dev. Auth. Rev., Christian Homes, Inc., 5.75%, 5/15/26, Ser. F | NR/NR | \$ 748,430 |
| | Nevada 3.6% | | |
| 5,000 | Clark Cnty., GO, 4.75%, 6/1/30 (FSA) | Aa1/AAA | 4,649,550 |
| 12,185 | Washoe Cnty., GO, 5.00%, 1/1/35 (NPFGC) | Aa2/AA | 12,217,534 |
| | | | 16,867,084 |
| | New Hampshire 0.7% | | |
| 3,000 | Business Finance Auth. Pollution Control Rev., Connecticut Light & Power Co., 5.85%, 12/1/22, Ser. A | Baa1/BBB | 3,048,690 |
| | New Jersey 4.8% | | |
| 16,550 | Economic Dev. Auth., Special Assessment, Kapkowski Road Landfill Project, 5.75%, 4/1/31 | Baa3/NR | 12,647,841 |
| 2,000 | Economic Dev. Auth. Rev., 5.50%, 12/15/34, Ser. Z | Aa2/AAA | 2,084,520 |
| 1,000 | Health Care Facs. Financing Auth. Rev., Trinitas Hospital, 5.25%, 7/1/30, Ser. A | Baa3/BBB- | 753,190 |
| 2,000 | State Turnpike Auth. Rev., 5.25%, 1/1/40, Ser. E | A3/A+ | 2,007,260 |
| 9,100 | Tobacco Settlement Financing Corp. Rev., 5.00%, 6/1/41, Ser. 1A | Baa3/BBB | 4,905,901 |
| | | | 22,398,712 |
| | New Mexico 0.5% | | |
| 2,500 | Farmington Pollution Control Rev., 5.80%, 4/1/22, Ser. A | Baa3/BB+ | 2,342,150 |
| | New York 6.4% | | |
| 5,000 | Liberty Dev. Corp. Rev., Goldman Sachs Headquarters, 5.25%, 10/1/35 | A1/A | 4,728,050 |
| 3,000 | 5.50%, 10/1/37 | A1/A | 2,899,800 |
| 4,200 | Nassau Cnty. Industrial Dev. Agcy. Rev., Amsterdam at Harborside, 6.70%, 1/1/43, Ser. A | NR/NR | 3,228,624 |
| | New York City Municipal Water Finance Auth., Water & Sewer System Rev. (i), | | |

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| | | | |
|--------|--|-----------|------------|
| 13,000 | 5.00%, 6/15/26, Ser. E | Aa2/AAA | 13,183,690 |
| 670 | 5.00%, 6/15/37, Ser. D | Aa2/AAA | 665,967 |
| 3,000 | New York City Municipal Water Finance Auth. Rev., Second Gen. Resolution, 5.00%, 6/15/39, Ser. GG-1 | Aa3/AA+ | 2,963,130 |
| 1,000 | State Dormitory Auth. Rev., 5.00%, 3/15/38, Ser. A | NR/AAA | 990,930 |
| 1,625 | Westchester Cnty. Healthcare Corp. Rev., 5.875%, 11/1/25, Ser. A | Baa3/BBB- | 1,502,410 |
| | | | 30,162,601 |
| | North Carolina 0.3% | | |
| 570 | Capital Facs. Finance Agcy. Rev., Duke Univ. Project, 5.125%, 10/1/41, Ser. A | Aa1/AA+ | 574,412 |
| 1,500 | Medical Care Commission Rev., Village at Brookwood, 5.25%, 1/1/32 | NR/NR | 961,815 |
| | | | 1,536,227 |
| | Ohio 2.7% | | |
| 11,000 | Buckeye Tobacco Settlement Financing Auth. Rev., 5.875%, 6/1/47, Ser. A-2 | Baa3/BBB | 6,315,540 |
| 500 | Cnty. of Montgomery Rev., Miami Valley Hospital, 6.25%, 11/15/39, Ser. A | Aa3/AA- | 508,690 |

PIMCO Municipal Income Fund Schedule of Investments

July 31, 2009 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody s/S&P) | Value* |
|---------------------------|--|--------------------------------|--------------|
| Ohio (continued) | | | |
| \$ 2,500 | Lorain Cnty. Hospital Rev., Catholic Healthcare, Ser. A, 5.625%, 10/1/17 | A1/AA- | \$ 2,575,025 |
| 2,565 | 5.75%, 10/1/18 | A1/AA- | 2,637,846 |
| 500 | State Higher Educational Fac. Commission Rev., Univ. Hospital Health Systems, 6.75%, 1/15/39, Ser. A | A2/A | 509,980 |
| | | | 12,547,081 |
| Oregon 0.6% | | | |
| 2,000 | Oregon Health & Science Univ. Rev., 5.75%, 7/1/39, Ser. A | A2/BBB+ | 2,046,880 |
| 600 | State Department of Administrative Services, CP, 5.25%, 5/1/39, Ser. A | Aa3/AA- | 609,096 |
| | | | 2,655,976 |
| Pennsylvania 5.7% | | | |
| 1,000 | Allegheny Cnty. Industrial Dev. Auth. Rev., USX Corp., 5.60%, 9/1/30 | Baa1/BBB+ | 895,350 |
| 5,000 | Geisinger Auth. Rev., 5.25%, 6/1/39, Ser. A | Aa2/AA | 4,896,300 |
| 2,000 | Harrisburg Auth. Rev., Harrisburg Univ. of Science, 6.00%, 9/1/36, Ser. B | NR/NR | 1,646,460 |
| 6,200 | Higher Educational Facs. Auth. Rev., UPMC Health System, 6.00%, 1/15/31, Ser. A | Aa3/A+ | 6,329,332 |
| 750 | Lancaster Cnty. Hospital Auth. Rev., Brethren Village Project, Ser. A, 6.25%, 7/1/26 | NR/NR | 699,608 |
| 85 | 6.375%, 7/1/30 | NR/NR | 77,388 |
| 7,000 | Philadelphia, GO, 5.25%, 12/15/32, Ser. A (FSA) | Aa3/AAA | 6,906,760 |
| 4,700 | Philadelphia Hospitals & Higher Education Facs. Auth. Rev., Temple Univ. Hospital, 6.625%, 11/15/23, Ser. A | Baa3/BBB | 4,620,758 |
| 500 | Philadelphia Water Rev., 5.25%, 1/1/36, Ser. A | A3/A | 486,740 |
| | | | 26,558,696 |
| Puerto Rico 0.7% | | | |
| 135 | Commonwealth of Puerto Rico, GO, 5.00%, 7/1/35, Ser. B | Baa3/BBB- | 112,421 |
| 32,550 | Sales Tax Financing Corp. Rev., Ser. A, zero coupon, 8/1/54 (AMBAC) | A1/AA- | 1,745,657 |
| 29,200 | zero coupon, 8/1/56 | Aa3/AA- | 1,375,028 |
| | | | 3,233,106 |

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Rhode Island 3.7%

| | | | |
|--------|--|----------|------------|
| 23,800 | Tobacco Settlement Financing Corp. Rev., 6.25%, 6/1/42, Ser. A | Baa3/BBB | 17,405,416 |
|--------|--|----------|------------|

South Carolina 1.5%

| | | | |
|-------|--|---------|-----------|
| | Greenwood Cnty. Hospital Rev., Self Memorial Hospital, | | |
| 3,500 | 5.50%, 10/1/21 | A2/A | 3,518,060 |
| 2,000 | 5.50%, 10/1/26 | A2/A | 1,939,400 |
| 450 | Jobs Economic Dev. Auth. Rev., Lutheran Homes, 5.50%, 5/1/28 | NR/NR | 327,488 |
| 1,000 | State Public Service Auth. Rev., 5.25%, 1/1/39, Ser. A | Aa2/AA- | 1,026,080 |
| | | | 6,811,028 |

Tennessee 3.7%

| | | | |
|-------|---|--------|-----------|
| 940 | Memphis Health Educational & Housing Fac. Rev., Wesley Housing Corp. Project, 6.95%, 1/1/20 (a)(b)(d) | NR/NR | 470,000 |
| 5,000 | Metropolitan Gov t Nashville & Davidson Cnty. Health & Educational Facs. Rev., Vanderbilt Univ., 5.00%, 10/1/39, Ser. B (i) | Aa2/AA | 5,039,300 |

PIMCO Municipal Income Fund Schedule of Investments

July 31, 2009 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody s/S&P) | Value* |
|------------------------------|---|--------------------------------|------------|
| Tennessee (continued) | | | |
| \$ 370 | State Energy Acquisition Corp. Rev., 5.00%, 2/1/21, Ser. C | Baa1/A | \$ 338,221 |
| 6,460 | 5.25%, 9/1/17, Ser. A | Ba3/BBB | 6,334,999 |
| 600 | 5.25%, 9/1/21, Ser. A | Ba3/BBB | 559,620 |
| 300 | 5.25%, 9/1/22, Ser. A | Ba3/BBB | 276,510 |
| 5,000 | 5.25%, 9/1/24, Ser. A | Ba3/BBB | 4,505,750 |
| | | | 17,524,400 |
| Texas 7.8% | | | |
| 10,000 | Coppell Independent School Dist., GO, zero coupon, 8/15/29, (PSF-GTD) | Aaa/AAA | 3,800,000 |
| 1,200 | Dallas Water Rev., 5.25%, 8/15/38 | Aa2/AAA | 1,199,976 |
| 20 | Duncanville Independent School Dist., GO, 5.25%, 2/15/32, Ser. B (PSF-GTD) | Aaa/AAA | 20,340 |
| 285 | Mansfield Independent School Dist., GO, 5.25%, 2/15/23 (PSF-GTD) | Aaa/AAA | 292,396 |
| 150 | Municipal Gas Acquisition & Supply Corp. I Rev., 5.25%, 12/15/25, Ser. A | A2/A | 128,495 |
| 6,500 | 6.25%, 12/15/26, Ser. D | A2/A | 6,338,280 |
| 4,200 | North Harris Cnty. Regional Water Auth. Rev., 5.25%, 12/15/33 | A3/A+ | 4,032,504 |
| 4,200 | 5.50%, 12/15/38 | A3/A+ | 4,092,270 |
| 6,050 | North Texas Tollway Auth. Rev., 5.625%, 1/1/33, Ser. A | A2/A- | 5,953,018 |
| 600 | 5.75%, 1/1/33, Ser. F | A3/BBB+ | 581,226 |
| 6,500 | State Municipal Gas Acquisition & Supply Corp. I Rev., 5.25%, 12/15/23, Ser. A | A2/A | 5,676,580 |
| 400 | State Public Finance Auth. Rev., 5.875%, 12/1/36, Ser. A | Baa3/BBB- | 290,100 |
| 4,000 | Tarrant Cnty. Cultural Education Facs. Finance Corp. Rev., Baylor Health Care Systems Project, 6.25%, 11/15/29 | Aa2/AA- | 4,124,440 |
| | | | 36,529,625 |
| Utah 1.5% | | | |
| 7,000 | Salt Lake Cnty. Hospital Rev., IHC Health Services, 5.125%, 2/15/33 (AMBAC) | NR/AA+ | 7,204,540 |

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Virginia 0.5%

| | | | |
|-------|--|---------|-----------|
| 1,000 | Fairfax Cnty. Industrial Dev. Auth. Rev., Inova Health Systems, 5.50%, 5/15/35, Ser. A | Aa2/AA+ | 1,023,450 |
| 2,000 | Peninsula Town Center Community Dev. Auth. Rev., 6.45%, 9/1/37 | NR/NR | 1,506,780 |
| | | | 2,530,230 |

Washington 1.1%

| | | | |
|-------|---|----------|-----------|
| | Health Care Facs. Auth. Rev., | | |
| 700 | Multicare Health Systems, 6.00%, 8/15/39, Ser. B | Aa2/AAA | 704,172 |
| 250 | Seattle Cancer Care Alliance, 7.375%, 3/1/38 | A3/NR | 265,575 |
| 2,000 | Virginia Mason Medical Center, 6.125%, 8/15/37, Ser. A | Baa2/BBB | 1,740,300 |
| | State Housing Finance Commission Rev., Skyline at First Hill Project, Ser. A, | | |
| 275 | 5.25%, 1/1/17 | NR/NR | 233,698 |
| 3,600 | 5.625%, 1/1/38 | NR/NR | 2,347,488 |
| | | | 5,291,233 |

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July 31, 2009 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody s/S&P) | Value* |
|------------------------------|---|--------------------------------|--------------|
| | Wisconsin 2.8% | | |
| \$ 2,230 | Health & Educational Facs. Auth. Rev., Kenosha Hospital & Medical Center Project, 5.625%, 5/15/29 | NR/A | \$ 2,106,592 |
| 500 | Prohealth Care, Inc., 6.625%, 2/15/39 | A1/A+ | 514,380 |
| 10,000 | State Rev., 6.00%, 5/1/36, Ser. A | A1/AA- | 10,573,000 |
| | | | 13,193,972 |
| | Total Municipal Bonds & Notes (cost \$463,016,303) | | 437,471,077 |
| | VARIABLE RATE NOTES (a)(c)(f) 3.4% | | |
| | Illinois 1.5% | | |
| 7,253 | Cook Cnty., GO, 7.53%, 11/15/28, Ser. 458 (FGIC) (e) | Aa3/NR | 7,269,398 |
| | Texas 0.4% | | |
| 1,000 | JPMorgan Chase Putters/Drivers Trust, GO, 7.761%, 2/1/17, Ser. 3480 (b) | NR/AA | 1,004,790 |
| 200 | JPMorgan Chase Putters/Drivers Trust Rev., 8.307%, 2/1/27, Ser. 3224 | Aa1/NR | 222,888 |
| 600 | 8.391%, 10/1/31, Ser. 3227 | NR/AAA | 672,252 |
| | | | 1,899,930 |
| | Washington 1.5% | | |
| 6,670 | JPMorgan Chase Putters/Drivers Trust, GO, 11.198%, 8/1/28, Ser. 3388 | NR/AA+ | 6,846,555 |
| | Total Variable Rate Notes (cost \$15,300,739) | | 16,015,883 |
| | CORPORATE BONDS & NOTES (h) 2.2% | | |
| | Financial Services 2.2% | | |
| 10,000 | American General Finance Corp., 4.625%, 9/1/10 | Baa2/BB+ | 7,716,160 |
| 4,500 | CIT Group, Inc., 5.80%, 7/28/11 | Ca/CC | 2,535,579 |
| | Total Corporate Bonds & Notes (cost \$10,699,534) | | 10,251,739 |

Shares

COMMON STOCK 0.0%**Airlines 0.0%**

| | | |
|-----|--------------------------------------|-------|
| 457 | Delta Air Lines, Inc. (g) (cost \$0) | 3,167 |
|-----|--------------------------------------|-------|

SHORT-TERM INVESTMENTS 1.1%

Principal

Amount

(000)

Corporate Notes (h) 1.1%**Financial Services 1.1%**

| | | | |
|----------|--|-----------|-----------|
| \$ 1,600 | American General Finance Corp., 0.945%, 10/2/09, FRN | Baa2/BB+ | 1,488,040 |
| 4,400 | CIT Group, Inc., 4.125%, 11/3/09 | Ca/CC | 2,603,242 |
| 600 | International Lease Finance Corp., FRN, 0.881%, 5/24/10 | Baa2/BBB+ | 522,422 |
| 500 | 0.909%, 1/15/10 | Baa2/BBB+ | 477,377 |
| | Total Corporate Notes (cost \$6,763,055) | | 5,091,081 |

| | | |
|--------------------------|------------------------------------|-----------------------|
| Total Investments | (cost \$495,779,631) 100.0% | \$ 468,832,947 |
|--------------------------|------------------------------------|-----------------------|

Notes to Schedule 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.

Portfolio securities and other financial instruments for which market quotations are not readily available or for which a development/event occurs that may significantly impact the value of a security, are fair-valued, in good faith, pursuant to procedures established by the Board of Trustees, or persons acting at their discretion pursuant to procedures established by the Board of Trustees. The Fund's 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.

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 Fund to value securities may differ from the value that would be realized if the securities were sold and these differences could be

material. The 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.

- (a) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$16,485,883, representing 3.52% of total investments.
- (b) Illiquid security.
- (c) 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.
- (d) In default.
- (e) 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 July 31, 2009.

- (f) 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 July 31, 2009.
- (g) Non-income producing.
- (h) All or partial amount segregated as collateral for reverse repurchase agreements.
- (i) 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.

Glossary:

ACA insured by American Capital Access Holding Ltd.

AMBAC insured by American Municipal Bond Assurance Corp.

CP Certificates of Participation

FGIC insured by Financial Guaranty Insurance Co.

FHA insured by Federal Housing Administration

FRN Floating Rate Note. The interest rate disclosed reflects the rate in effect on July 31, 2009.

FSA insured by Financial Security Assurance, Inc.

GO General Obligation Bond

GTD Guaranteed

NPFGC insured by National Public Finance Guarantee Corporation

NR Not Rated

PSF Public School Fund

Other Investments:

(A) The weighted average daily balance of reverse repurchase agreements outstanding during the three months ended July 31, 2009 was \$14,728,598 at a weighted average interest rate of 0.78%. The total market value of underlying collateral (refer to the Schedule of Investments for positions segregated as collateral for reverse repurchase agreements) for open reverse repurchase agreements at July 31, 2009 was \$15,342,820. Open reverse repurchase agreements at July 31, 2009:

| Counterparty | Rate | Trade Date | Maturity Date | Principal & Interest | Principal |
|---------------|-------|------------|---------------|----------------------|---------------|
| Barclays Bank | 0.75% | 7/2/09 | 8/4/09 | \$ 4,413,757 | \$ 4,411,000 |
| | 0.75% | 7/6/09 | 8/6/09 | 4,041,188 | 4,039,000 |
| | 0.75% | 7/20/09 | 8/6/09 | 4,581,145 | 4,580,000 |
| | | | | | \$ 13,030,000 |

Fair Value Measurements The Fund has adopted the Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards No. 157, Fair Value Measurements (FAS 157). FAS 157 clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value and requires additional disclosures about the use of the fair value measurements. Under this standard, 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 at the measurement date. The three levels of the fair value hierarchy under FAS 157 are described below:

Level 1 quoted prices in active markets for identical investments that the Fund has the ability to access

Level 2 valuations based on other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.), or quotes from inactive exchanges

Level 3 valuations based on significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The Fund has adopted FASB Staff Position No. 157-4, Determining Fair Value When the Volume and Level of Activity for the Asset or Liability have Significantly Decreased and Identifying Transactions that are not Orderly (FAS-157-4). FAS 157-4 provides guidance on determining when there has been a significant decrease in the volume and level of activity for the asset or liability, when a transaction is not orderly, and how that information must be incorporated into a fair value measurement. FAS 157-4 emphasizes that even if there has been a significant decrease in volume and level activity for the asset or liability and regardless of the valuation techniques used, the objective of a fair value measurement remains the same.

An investment asset or liability's level within the fair value hierarchy is based on the lowest level input, individually or in the aggregate, that is significant to fair value measurement.

The valuation techniques used by the Fund to measure fair value during the three months ended July 31, 2009 maximized the use of observable inputs and minimized the use of unobservable inputs.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

A summary of the inputs used as of July 31, 2009, in valuing the Fund's assets and liabilities is listed below by investment type.

| | Level 1 Quoted Prices | Level 2 Other Significant Observable Inputs | Level 3 Significant Unobservable Inputs | Value at 7/31/09 |
|---|-----------------------------|--|--|----------------------|
| Investments in Securities Assets | | | | |
| Municipal Bonds & Notes | | \$437,471,077 | | \$437,471,077 |
| Variable Rate Notes | | 16,015,883 | | 16,015,883 |
| Corporate Bonds & Notes | | 10,251,739 | | 10,251,739 |
| Common Stock | \$ 3,167 | | | 3,167 |
| Short-Term Investments | | 5,091,081 | | 5,091,081 |
| Total Investments in Securities | \$ 3,167 | \$468,829,780 | | \$468,832,947 |

Item 2. Controls and Procedures

(a) The registrant's President & Chief Executive Officer and Treasurer, Principal Financial & Accounting Officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Act (17 CFR 270.30a -3(c))), are effective based on their evaluation of these controls and procedures as of a date within 90 days of the filing date of this document.

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

Item 3. Exhibits

(a) Exhibit 99.302 Cert. Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

SIGNATURES

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 & Chief Executive Officer
Date: September 25, 2009

By /s/ Lawrence G. Altadonna
Treasurer, Principal Financial &
Accounting Officer
Date: September 25, 2009

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 & Chief Executive Officer
Date: September 25, 2009

By /s/ Lawrence G. Altadonna
Treasurer, Principal Financial & Accounting
Officer
Date: September 25, 2009