

PIMCO CALIFORNIA MUNICIPAL INCOME FUND II
Form N-CSR
August 09, 2005

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 811-21077

PIMCO California Municipal Income Fund II

(Exact name of registrant as specified in charter)

1345 Avenue of the Americas, New York, New York 10105

(Address of principal executive offices) (Zip code)

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

(Name and address of agent for service)

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

Date of fiscal year end: May 31, 2005

Date of reporting period: May 31, 2005

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

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

ITEM 1. REPORT TO SHAREHOLDERS

PIMCO Municipal Income Fund II
PIMCO California Municipal Income Fund II
PIMCO New York Municipal Income Fund II

Annual Report
May 31, 2005

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PIMCO Municipal Income Funds II Letter to Shareholders

July 19, 2005

Dear Shareholder:

We are pleased to provide you with the annual report of PIMCO Municipal Income Fund II, PIMCO California Municipal Income Fund II, and PIMCO New York Municipal Income Fund II (PIMCO Municipal Income Funds II or the Funds) for the year ended May 31, 2005.

Please refer to the following pages for specific information for each of the PIMCO Municipal Income Funds II. If you have any questions regarding the information provided, we encourage you to contact your financial advisor or call the Funds transfer agent at 1-800-331-1710. Also note that a wide range of information and resources can be accessed through our Web site, www.allianzinvestors.com.

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

We remain dedicated to serving your investment needs.

Sincerely,

Robert E. Connor
Chairman

Brian S. Shlissel
President & Chief Executive Officer

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of the income generated by the Fund may be subject to federal, state and local taxes, and may at times be subject to the alternative minimum tax. Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. Net asset value is total assets applicable to common shareholders less total liabilities divided by the number of common shares outstanding. Holdings are subject to change daily.

(3) Market Price Yield is determined by dividing the annualized current monthly per share dividend payable to common shareholders by the market price per common share at May 31, 2005.

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PIMCO California Municipal Income Fund II Performance & Statistics

May 31, 2005 (unaudited)

Symbol:

PCK

Primary Investments:

Municipal fixed-income securities, the interest from which is exempt from federal and California State income tax.

Inception Date:

June 28, 2002

Objective:

To provide income exempt from federal and California State income tax.

Total Net Assets ⁽¹⁾:

\$701.6 million

Portfolio Manager:

Mark McCray

Total Return⁽²⁾:

Six Months
1 Year
Commencement of Operations (6/28/02) to 5/31/05

Market Price Net Asset Value (NAV)

9.51% 7.39%
19.14% 15.68%
6.22% 7.50%

Common Share Market Price/NAV Performance:

Commencement of Operations (6/28/02) to 5/31/05

Market Price/NAV:

Market Price \$14.76

NAV \$14.61

Premium to NAV 1.03%

Market Price Yield⁽³⁾ 6.61%

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

(1) Inclusive of net assets attributable to Preferred Shares outstanding.

(2) **Past performance is no guarantee of future results.** Total return is calculated by subtracting the value of an investment in the Fund at the beginning of each specified period from the value at the end of the period and dividing the remainder by the value of the investment at the beginning of the period and expressing the result as a percentage. The calculation assumes that all income dividends have been reinvested at prices obtained under the Fund's dividend reinvestment plan. Total return does not reflect broker commissions or sales charges. Total return for a period of greater than one year represents the average annual total return. Total return for a period of less than one year is not annualized.

An investment in the Fund involves risk, including the loss of principal. Total return, price, yield and net asset value will fluctuate with changes in market conditions. This data is provided for information only and is not intended for trading purposes. A portion of the income generated by the Fund may be subject to federal, state and local taxes, and may at times be subject to the alternative minimum tax. Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public

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offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. Net asset value is total assets applicable to common shareholders less total liabilities divided by the number of common shares outstanding. Holdings are subject to change daily.

(3) Market Price Yield is determined by dividing the annualized current monthly per share dividend payable to common shareholders by the market price per common share at May 31, 2005.

5.31.05 | PIMCO Municipal Income Funds II Annual Report **3**

PIMCO New York Municipal Income Fund II Performance & Statistics

May 31, 2005 (unaudited)

Symbol:

PNI

Primary Investments:

Municipal fixed-income securities, the interest from which is exempt from federal, New York State and New York City income tax.

Inception Date:

June 28, 2002

Objective:

Seeks to provide current income exempt from federal, New York State and New York City income tax.

Total Net Assets ⁽¹⁾:

\$242.8 million

Portfolio Manager:

Mark McCray

Total Return⁽²⁾:

| | Market Price | Net Asset Value (NAV) |
|---|---------------------|------------------------------|
| Six Months | 7.03% | 8.47% |
| 1 Year | 21.45% | 15.69% |
| Commencement of Operations (6/28/02) to 5/31/05 | 6.29% | 7.51% |

Common Share Market Price/NAV Performance:

Commencement of Operations (6/28/02) to 5/31/05

Market Price/NAV:

| | |
|-----------------------------------|---------|
| Market Price | \$14.80 |
| NAV | \$14.62 |
| Premium to NAV | 1.23% |
| Market Price Yield ⁽³⁾ | 6.59% |

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

(1) Inclusive of net assets attributable to Preferred Shares outstanding.

(2) **Past performance is no guarantee of future results.** Total return is calculated by subtracting the value of an investment in the Fund at the beginning of each specified period from the value at the end of the period and dividing the remainder by the value of the investment at the beginning of the period and expressing the result as a percentage. The calculation assumes that all income dividends have been reinvested at prices obtained under the Fund's dividend reinvestment plan. Total return does not reflect broker commissions or sales charges. Total return for a period of greater than one year represents the average annual total return. Total return for a period of less than one year is not annualized.

An investment in the Fund involves risk, including the loss of principal. Investment return, price, yield and net asset value will fluctuate with changes in market conditions. This data is provided for information only and is not intended for trading purposes. A portion of the income generated by the Fund may be subject to federal, state and local taxes, and may at times be subject to the alternative minimum tax. Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public

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offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. Net asset value is total assets applicable to common shareholders less total liabilities divided by the number of common shares outstanding. Holdings are subject to change daily.

(3) Market Price Yield is determined by dividing the annualized current monthly per share dividend payable to common shareholders by the market price per common share at May 31, 2005.

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PIMCO Municipal Income Fund II Schedule of Investments

May 31, 2005

| Principal Amount (000) | | Credit Rating (Moody[s/S&P])* | Value |
|--|---|-------------------------------|-------------------|
| MUNICIPAL BONDS & NOTES 88.9% | | | |
| Alabama 2.3% | | | |
| | Birmingham Waterworks & Sewer Board Rev., | | |
| \$ 1,145 | 5.00%, 1/1/27, Ser. B (MBIA) | Aaa/AAA | \$ 1,204,643 |
| 10,000 | 5.00%, 1/1/37, Ser. B (MBIA) | Aaa/AAA | 10,441,700 |
| 1,750 | Huntsville Health Care Auth. Rev., 5.75%, 6/1/32, Ser. B | A2/NR | 1,892,835 |
| 16,580 | Jefferson Cnty. Sewer Rev., 4.75%, 2/1/38, Ser. B (FGIC) (Pre-refunded @ \$100, 8/1/12) (a) | Aaa/AAA | 18,101,547 |
| | | | <u>31,640,725</u> |
| Alaska 0.3% | | | |
| 3,550 | State Housing Finance Corp. Rev., 5.25%, 6/1/32, Ser. C (MBIA) | Aaa/AAA | <u>3,621,355</u> |
| Arizona 0.1% | | | |
| 1,300 | Health Fac. Auth. Hospital System Rev., 5.75%, 12/1/32 | NR/BBB | <u>1,379,729</u> |
| California 4.1% | | | |
| 9,610 | Alameda Corridor Transportation Auth. Rev., zero coupon, 10/1/16, Ser. A (AMBAC) | Aaa/AAA | 5,968,002 |
| | Golden State Tobacco Securitization Corp., Tobacco Settlement Rev., | | |
| 3,300 | 6.25%, 6/1/33, Ser. 2003-A-1 | Baa3/BBB | 3,491,136 |
| 9,000 | 6.75%, 6/1/39, Ser. 2003-A-1 | Baa3/BBB | 9,810,900 |
| 1,000 | Rancho Cucamonga Community Facs. Dist. Special Tax, 6.30%, 9/1/23, Ser. A | NR/NR | 1,039,900 |
| 4,000 | Southern California Public Power Auth., Transmission Project Rev., zero coupon, 7/1/13 | Aa3/A+ | 2,934,880 |
| 28,775 | State Economic Recovery, GO, 5.00%, 7/1/11, Ser. A (MBIA) | Aaa/AAA | <u>31,681,275</u> |
| | | | <u>54,926,093</u> |
| Colorado 5.1% | | | |
| 30,000 | Dawson Ridge Dist. No. 1, GO, zero coupon, 10/1/22, Ser. A | Aaa/NR | 13,413,000 |
| 5,000 | Denver City & Cnty., CP, 5.50%, 12/1/25, Ser. B (AMBAC) (Pre-refunded @ \$101, 12/1/10) (a) | Aaa/AAA | 5,638,800 |
| 25,000 | Health Fac. Auth. Rev., Catholic Health Initiatives, 5.50%, 3/1/32 | Aa2/AA | 27,490,500 |
| 18,305 | Health Fac. Auth. Rev., Exempla, Inc., 5.625%, 1/1/33, Ser. A | A1/A- | 19,337,402 |
| 6,500 | Health Fac. Auth., Retirement Fac. Rev., Liberty Height, zero coupon, 7/15/22 | Aaa/AAA | 2,934,750 |

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68,814,452

District of Columbia 1.3%

| | | | |
|--------|--|---------|------------|
| 17,500 | Washington DC Convention Center Auth. Tax Rev., 4.75%, 10/1/28, (AMBAC) | Aaa/AAA | 17,697,400 |
|--------|--|---------|------------|

Florida 3.2%

| | | | |
|-------|---|-----------|-----------|
| 8,000 | Highlands Cnty. Health Fac. Auth. Rev., 6.00%, 11/15/31, Ser. A | A2/A | 8,772,240 |
| 2,335 | Hillsborough Cnty. Industrial Dev. Auth., Pollution Control Rev., Tampa Electric Co. Project, 5.50%, 10/1/23 | Baa2/BBB- | 2,428,960 |

PIMCO Municipal Income Fund II Schedule of Investments

May 31, 2005

| Principal Amount (000) | | Credit Rating (Moody's/S&P)* | Value |
|----------------------------|--|------------------------------|------------|
| Florida (continued) | | | |
| \$ 635 | Hillsborough Cnty. Industrial Dev. Rev., Health Fac. Project, 5.625%, 8/15/23, Ser. A | Baa2/BBB | \$ 659,987 |
| 7,135 | Jacksonville Health Facs. Auth. Rev., 5.25%, 11/15/32, Ser. A | Aa2/AA | 7,543,479 |
| 11,500 | Lakeland Hospital System Rev., Regional Health System, 5.50%, 11/15/32 | A1/NR | 12,317,305 |
| 3,000 | Leesburg Hospital Rev., Leesburg Regional Medical Center Project, 5.50%, 7/1/32 | A3/A- | 3,137,460 |
| 2,550 | Orange Cnty. Health Fac. Auth. Rev., Adventist Health System, 5.625%, 11/15/32 | A2/A | 2,748,110 |
| 5,000 | 6.25%, 11/15/24 | A2/A | 5,670,300 |
| 1,500 | Winter Springs Water & Sewer Rev., zero coupon, 10/1/29 (FGIC) | Aaa/AAA | 479,880 |
| | | | 43,757,721 |
| Georgia 0.8% | | | |
| 4,000 | Atlanta Water & Wastewater Rev., 5.00%, 11/1/39, Ser. A (MBIA) | Aaa/AAA | 4,160,880 |
| 1,500 | Grantor Trust Govt, CP, 4.75%, 6/1/28, Ser. A (MBIA) | Aaa/AAA | 1,616,265 |
| 9,600 | Richmond Cnty. Dev. Auth. Rev., zero coupon, 12/1/21 | Aaa/NR | 4,475,904 |
| | | | 10,253,049 |
| Hawaii 1.4% | | | |
| 19,170 | Honolulu City & Cnty. Wastewater System Rev., First Board Resolution, 4.75%, 7/1/28 (FGIC) | Aaa/NR | 19,646,950 |
| Illinois 19.2% | | | |
| 3,610 | Central Lake Cnty. Water Agency Rev., 5.125%, 5/1/28, Ser. A (AMBAC) | Aaa/NR | 3,834,831 |
| 8,150 | 5.125%, 5/1/32, Ser. A (AMBAC) | Aaa/NR | 8,593,686 |
| 15,535 | Chicago Board of Education School Reform, GO, zero coupon, 12/1/16, Ser. A (FGIC) | Aaa/AAA | 9,483,651 |
| 5,000 | zero coupon, 12/1/28, Ser. A (FGIC) | Aaa/AAA | 1,614,400 |
| 4,500 | zero coupon, 12/1/31 (FGIC) | Aaa/AAA | 1,235,115 |
| 32,670 | Chicago City Colleges, GO, zero coupon, 1/1/37 (FGIC) | Aaa/AAA | 6,975,372 |
| 29,145 | zero coupon, 1/1/38 (FGIC) | Aaa/AAA | 5,888,164 |
| 32,670 | zero coupon, 1/1/39 (FGIC) | Aaa/AAA | 6,284,074 |
| 7,000 | Chicago Midway Airport Rev., 5.00%, 1/1/31, Ser. B (MBIA) | Aaa/AAA | 7,232,540 |
| | Chicago, GO, | | |

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| | | | |
|---------|---|---------|------------|
| 5,110 | 5.00%, 1/1/33 (AMBAC) | Aaa/AAA | 5,352,981 |
| 5,050 | 5.125%, 1/1/29, Ser. A (FGIC) | Aaa/AAA | 5,329,770 |
| | Chicago, Lake Shore East, Special Assessment, | | |
| 3,162 | 6.625%, 12/1/22 | NR/NR | 3,346,851 |
| 6,700 | 6.75%, 12/1/32 | NR/NR | 7,119,487 |
| 5,000 | Cicero, GO, 5.25%, 12/1/31 (MBIA) | Aaa/AAA | 5,377,850 |
| | Dev. Finance Auth. Retirement Housing Rev., | | |
| 10,000 | zero coupon, 7/15/23 | NR/AAA | 4,287,200 |
| 134,650 | zero coupon, 7/15/25 | NR/AAA | 52,061,076 |

PIMCO Municipal Income Fund II Schedule of Investments

May 31, 2005

| Principal Amount (000) | | Credit Rating (Moody's/S&P)* | Value |
|-----------------------------|--|------------------------------|--------------------|
| Illinois (continued) | | | |
| \$ 20,100 | Health Facs. Auth. Rev., Elmurst Memorial Healthcare, 5.625%, 1/1/28 | A2/NR | \$ 21,365,094 |
| 1,000 | McHenry & Kane Cnty. Community Consolidated School Dist. 158, GO, zero coupon, 1/1/12 (FGIC) | Aaa/AAA | 779,150 |
| 60,000 | Metropolitan Pier & Exposition Auth. Rev., zero coupon, 12/15/30 (MBIA) | Aaa/AAA | 18,141,000 |
| 50,000 | zero coupon, 12/15/33 (MBIA) | Aaa/AAA | 13,026,000 |
| 2,460 | zero coupon, 6/15/38 (MBIA) | Aaa/AAA | 511,729 |
| 4,500 | Schaumburg, GO, 5.00%, 12/1/41, Ser. B (FGIC) | Aaa/AAA | 4,725,540 |
| 68,470 | State Sports Facs. Auth. Rev., zero coupon, 6/15/30 (AMBAC) | Aaa/AAA | 57,062,898 |
| 10,000 | State, GO, 5.00%, 3/1/34, Ser. A | Aa3/AA | 10,475,400 |
| | | | <u>260,103,859</u> |
| Indiana 0.6% | | | |
| 1,000 | Brownsburg 1999 School Building Corp. Rev., 5.00%, 9/15/25, Ser. A (FSA) | Aaa/AAA | 1,058,290 |
| 2,000 | 5.25%, 3/15/25, Ser. A (FSA) | Aaa/AAA | 2,173,200 |
| 4,125 | Fort Wayne Pollution Control Rev., 6.20%, 10/15/25 | Baa3/BB | 3,999,518 |
| 500 | State Bank Rev., 5.25%, 4/1/30, Ser. D (AMBAC) | Aaa/AAA | 532,075 |
| | | | <u>7,763,083</u> |
| Iowa 0.6% | | | |
| 8,850 | Tobacco Settlement Auth. Rev., 5.60%, 6/1/35, Ser. B | Baa3/BBB | 8,607,068 |
| Kansas 0.2% | | | |
| 2,800 | Univ. of Kansas, Hospital Auth. Health Facs. Rev., 5.625%, 9/1/32 | NR/A- | 2,971,360 |
| Kentucky 0.9% | | | |
| 2,500 | Economic Dev. Finance Auth. Hospital Facs. Rev., 5.25%, 10/1/30 | A1/AA- | 2,618,950 |
| 8,210 | 6.00%, 10/1/19 | A3/A | 9,151,933 |
| | | | <u>11,770,883</u> |
| Louisiana 4.3% | | | |
| 20,400 | Public Facs. Auth. Rev., Ochsner Clinic Foundation, 5.50%, 5/15/32, Ser. B | A3/NR | 21,485,484 |
| 36,395 | Tobacco Settlement Financing Corp. Rev., 5.875%, 5/15/39, Ser. 2001 B | Baa3/BBB | 36,754,947 |

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| | | | 58,240,431 |
|---------------------------|---|---------|------------|
| Maryland 0.1% | | | |
| 1,000 | State Health & Higher Educational Fac. Auth. Rev., Adventist Healthcare, 5.75%, 1/1/25, Ser. A | Baa1/NR | 1,074,610 |
| Massachusetts 3.1% | | | |
| 1,300 | Bay Transportation Auth. Rev., 4.75%, 3/1/21, Ser. A (MBIA) | Aaa/AAA | 1,338,740 |
| 5,560 | State College Building Auth. Project Rev., 5.50%, 5/1/28, Ser. B (XLCA) | Aaa/AAA | 6,508,036 |
| 7,645 | 5.50%, 5/1/33, Ser. B (XLCA) | Aaa/AAA | 8,975,001 |
| 5,000 | 5.50%, 5/1/39, Ser. B (XLCA) | Aaa/AAA | 5,954,050 |

PIMCO Municipal Income Fund II Schedule of Investments

May 31, 2005

| Principal Amount (000) | | Credit Rating (Moody's/S&P)* | Value |
|----------------------------------|---|---------------------------------|-------------------|
| Massachusetts (continued) | | | |
| \$ 4,295 | State Turnpike Auth. Rev., 4.75%, 1/1/34, Ser. A (AMBAC) | Aaa/AAA | \$ 4,365,481 |
| 2,300 | State Water Res. Auth. Rev., 4.75%, 12/1/21, Ser. B (MBIA) | Aaa/AAA | 2,341,653 |
| 12,050 | 4.75%, 8/1/37, Ser. A (FSA) | Aaa/AAA | 12,172,548 |
| | | | <u>41,655,509</u> |
| Michigan 2.6% | | | |
| 8,500 | Detroit City School Dist., GO, 5.00%, 5/1/32, Ser. A (FGIC) | Aaa/AAA | 8,918,370 |
| 1,750 | 5.125%, 5/1/31, Ser. A (FSA) | Aaa/AAA | 1,846,162 |
| 2,500 | Detroit Water Supply System Rev., 5.00%, 7/1/30, Ser. A (FGIC) | Aaa/AAA | 2,600,775 |
| 5,000 | State Hospital Finance Auth. Rev., Ascension Health, 5.25%, 11/15/26, Ser. B | Aa2/AA | 5,268,250 |
| 13,500 | State Hospital Finance Auth. Rev., Oakwood Obligation Group, 5.75%, 4/1/32, Ser. A | A2/A | 14,391,135 |
| 1,925 | 6.00%, 4/1/22, Ser. A | A2/A | 2,124,276 |
| | | | <u>35,148,968</u> |
| Mississippi 0.3% | | | |
| 3,605 | Business Finance Corp., Pollution Control Rev., 5.875%, 4/1/22 | Ba1 /BBB- | 3,666,393 |
| 1,000 | Dev Bank Special Obligation, Projects & Equipment Acquisitions Rev., 5.00%, 7/1/24 (AMBAC) | Aaa/AAA | 1,129,660 |
| | | | <u>4,796,053</u> |
| Missouri 0.1% | | | |
| 1,500 | St. Louis Parking Facs. Rev., Downtown Parking Facility, 6.00%, 2/1/28 | NR/NR | 1,557,300 |
| Nevada 1.8% | | | |
| 3,400 | Clark Cnty., GO, 5.00%, 6/1/31, (FGIC) | Aaa/AAA | 3,539,162 |
| 3,960 | Reno Transportation Project Rev., 5.125%, 6/1/27 (AMBAC) | Aaa/AAA | 4,189,838 |
| 2,000 | 5.125%, 6/1/32 (AMBAC) | Aaa/AAA | 2,107,400 |
| 3,500 | 5.125%, 6/1/37 (AMBAC) | Aaa/AAA | 3,683,610 |
| 7,570 | 5.25%, 6/1/41 (AMBAC) | Aaa/AAA | 7,967,728 |
| 3,290 | Truckee Meadows Water Auth. Rev., 5.125%, 7/1/30, Ser. A (FSA) | Aaa/AAA | 3,467,890 |

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24,955,628

New Hampshire 0.2%

| | | | |
|-------|--|-----------|-----------|
| 3,000 | Health & Education Fac. Auth. Hospital Rev., 6.125%, 7/1/32 | Baa1/BBB+ | 3,157,800 |
|-------|--|-----------|-----------|

New Jersey 2.6%

| | | | |
|-----|--|----------|---------|
| 20 | Camden Cnty. Improvement Auth. Rev., Cooper Health, 5.875%, 2/15/15 | Baa3/BBB | 20,949 |
| 40 | 6.00%, 2/15/27 | Baa3/BBB | 41,020 |
| 525 | Economic Dev. Auth. Rev., Arbor Glen, 6.00%, 5/15/28 | NR/NR | 529,940 |
| 225 | 6.00%, 5/15/28, Ser. A (Pre-refunded @ \$102, 5/15/09) (a) | NR/NR | 253,244 |

PIMCO Municipal Income Fund II Schedule of Investments

May 31, 2005

| Principal Amount (000) | | Credit Rating (Moody's/S&P)* | Value |
|-------------------------------|--|---------------------------------|--------------|
| New Jersey (continued) | | | |
| | Economic Dev. Auth., Kapkowski Road Landfill Project, Special Assessment, | | |
| \$ 4,000 | 5.75%, 10/1/21 | Baa3/NR | \$ 4,350,520 |
| 11,405 | 5.75%, 4/1/31 | Baa3/NR | 12,637,082 |
| 3,500 | State Educational Fac. Auth. Rev., 6.00%, 7/1/25, Ser. D Tobacco Settlement Financing Corp. Rev., | NR/NR | 3,790,535 |
| 1,285 | 6.00%, 6/1/37 | Baa3/BBB | 1,303,286 |
| 3,095 | 6.125%, 6/1/42 | Baa3/BBB | 3,169,992 |
| 6,150 | 6.25%, 6/1/43 | Baa3/BBB | 6,352,827 |
| 2,500 | 6.75%, 6/1/39 | Baa3/BBB | 2,716,775 |
| | | | 35,166,170 |
| New Mexico 0.4% | | | |
| 5,000 | Farmington Pollution Control Rev., 5.80%, 4/1/22 | Baa2/BBB | 5,103,350 |
| New York 3.2% | | | |
| | Metropolitan Transportation Auth. Rev., | | |
| 10,600 | 5.00%, 11/15/30, Ser. A (FSA) | Aaa/AAA | 11,151,306 |
| 10,000 | 5.25%, 11/15/32, Ser. B | A2/A | 10,740,200 |
| | New York City Municipal Water Finance Auth., Water & Sewer System Rev., | | |
| 4,750 | 5.00%, 6/15/37, Ser. D | Aa2/AA+ | 5,026,545 |
| 7,000 | 5.00%, 6/15/39, Ser. A | Aa2/AA+ | 7,363,510 |
| 6,700 | State Dormitory Auth. Rev., 5.00%, 7/1/34, Ser. 1 | Aa2/AA | 6,952,121 |
| 2,000 | State Environmental Facilities Corp. Rev., 5.00%, 6/15/28 | Aaa/AAA | 2,113,700 |
| | | | 43,347,382 |
| Ohio 0.6% | | | |
| 7,500 | Lorain Cnty. Hospital Rev., 5.375%, 10/1/30 | A1/AA- | 7,867,125 |
| Pennsylvania 3.2% | | | |
| | Allegheny Cnty. Hospital Dev. Auth. Rev., | | |
| 550 | 9.25%, 11/15/15, Ser. B | B1/B | 669,873 |
| 1,000 | 9.25%, 11/15/22, Ser. B | B1/B | 1,212,590 |
| 5,700 | 9.25%, 11/15/30, Ser. B | B1/B | 6,883,833 |
| 4,500 | Cumberland Cnty. Auth. Retirement Community Rev., 7.25%, 1/1/35, Ser. A | NR/NR | 4,878,945 |
| | Montgomery Cnty. Higher Education & Health Auth. Hospital Rev., | | |
| 5,000 | 5.125%, 6/1/27, Ser. A | NR/A | 5,218,100 |

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| | | | |
|-------|---|----------|------------|
| 3,750 | 5.125%, 6/1/32, Ser. A | NR/A | 3,890,587 |
| 5,000 | Philadelphia Auth. Industrial Dev. Lease Rev., 5.25%, 10/1/30, Ser. B (FSA) | Aaa/AAA | 5,308,450 |
| 8,520 | Philadelphia Hospitals & Higher Education Fac. Auth. Rev., 6.85%, 7/1/22 | Baa2/BBB | 8,723,628 |
| 3,000 | Philadelphia, GO, 5.25%, 9/15/25 (FSA) | Aaa/AAA | 3,199,710 |
| 500 | Pittsburgh & Allegheny Cnty. Public Auditorium Auth. Rev., 5.00%, 2/1/29 (AMBAC) | Aaa/AAA | 516,250 |
| 2,500 | Radnor Township School Dist., GO, 5.00%, 2/15/35, Ser. B (FSA) | Aaa/NR | 2,670,825 |
| | | | <hr/> |
| | | | 43,172,791 |
| | | | <hr/> |

PIMCO Municipal Income Fund II Schedule of Investments

May 31, 2005

| Principal Amount (000) | | Credit Rating (Moody's/S&P)* | Value |
|------------------------|--|------------------------------|--------------|
| | Puerto Rico 0.3% | | |
| \$ 4,200 | Electric Power Auth. Power Rev., 5.125%, 7/1/29, Ser. NN | A3/A- | \$ 4,463,676 |
| | Rhode Island 4.7% | | |
| 62,000 | Tobacco Settlement Financing Corp. Rev., 6.25%, 6/1/42, Ser. A | Baa3/BBB | 63,406,780 |
| | South Carolina 5.8% | | |
| 27,745 | Greenville Cnty. School Dist. Rev., 5.50%, 12/1/28 | Aa3/AA- | 30,190,722 |
| 18,120 | Jobs Economic Dev. Auth. Rev., 5.625%, 11/15/30 | A3/A- | 19,011,866 |
| 15,000 | Lexington Cnty., Health Services Dist. Hospital Rev., 5.50%, 11/1/32 | A2 /A | 16,050,900 |
| 3,500 | 5.50%, 5/1/37 | A2/A | 3,757,110 |
| 5,000 | 5.75%, 11/1/28 | A2/A | 5,477,400 |
| 3,250 | Tobacco Settlement Rev. Management Auth., 6.375%, 5/15/28, Ser. B | Baa3/BBB | 3,393,260 |
| 1,180 | Transportation Infrastructure Rev., 5.00%, 10/1/29, Ser. A (AMBAC) (Pre-refunded @ \$100, 10/1/11) (a) | Aaa/NR | 1,302,885 |
| | | | 79,184,143 |
| | Tennessee 3.1% | | |
| 3,750 | Knox Cnty. Health Educational & Housing Facs. Board Hospital Facs. Rev., 5.25%, 10/1/30 | A1/AA- | 3,940,388 |
| 1,815 | Knox Cnty., GO, 5.00%, 2/1/17, Ser. A | Aa2/AA | 2,029,442 |
| 32,785 | Memphis Electric System Rev., 5.00%, 12/1/11, Ser. A (MBIA) | Aaa/AAA | 35,818,924 |
| | | | 41,788,754 |
| | Texas 10.6% | | |
| 1,000 | Arlington Independent School Dist., GO, 5.00%, 2/15/24 (PSF-GTD) | Aaa/NR | 1,035,410 |
| 4,480 | Aubrey Independent School Dist., GO, 5.50%, 2/15/33 (PSF-GTD) | Aaa/NR | 4,938,304 |
| 6,500 | Brazos Cnty. Health Facs. Dev. Corp., Franciscan Services Corp. Rev., 5.375%, 1/1/32 | NR/A- | 6,773,910 |
| 2,700 | Comal Cnty. Health Facs., Mckenna Memorial Hospital Project Rev., 6.25%, 2/1/32 | Baa2/BBB | 2,914,191 |
| 5,000 | Dallas Area Rapid Transit Rev., 5.00%, 12/1/31 (AMBAC) | Aaa/AAA | 5,202,250 |
| 20,000 | Frisco Independent School Dist., GO, zero coupon, 8/15/34 (PSF-GTD) | Aaa/NR | 4,728,800 |
| 5,250 | Harris Cnty. Health Facs. Dev. Corp. Rev., | | |

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| | | | |
|--------|--|---------|------------|
| 25,000 | 5.375%, 2/15/26, Ser. A Harris Cnty. Senior Lien Toll Road Rev., | NR/AA- | 5,495,753 |
| 19,750 | 5.00%, 8/15/30 (FSA) Harris Cnty., GO, 5.125%, 8/15/31 (Pre-refunded @ \$100, 8/15/12) (a) | Aaa/AAA | 26,103,750 |
| 7,500 | 4.875%, 8/15/31 (PSF-GTD) Keller Independent School Dist., GO, | Aa1/AA+ | 22,042,185 |
| 3,170 | 5.30%, 8/15/29, Ser. A (PSF-GTD) Little Elm Independent School Dist., GO, | Aaa/AAA | 7,626,150 |
| 6,250 | 4.75%, 1/1/29, (FGIC) North Dallas Thruway Auth. Rev., | NR/AAA | 3,423,283 |
| | | Aaa/AAA | 6,344,187 |

PIMCO Municipal Income Fund II Schedule of Investments

May 31, 2005

| Principal Amount (000) | | Credit Rating (Moody's/S&P)* | Value |
|--|--|------------------------------|----------------------|
| Texas (continued) | | | |
| \$ 5,000 | Quinlan Independent School Dist., GO, 5.10%, 2/15/32, (PSF-GTD) | Aaa/NR | \$ 5,233,350 |
| 14,000 | State Affordable Housing Corp. Multifamily Housing Rev., 5.40%, 9/1/22, Ser. A (MBIA) | Aaa/AAA | 14,175,560 |
| 10,000 | State Turnpike Auth. Central Turnpike System Rev., zero coupon, 8/15/19, Ser. A (AMBAC) | Aaa/AAA | 5,382,600 |
| 8,880 | 5.00%, 8/15/42, Ser. A (AMBAC) | Aaa/AAA | 9,199,591 |
| 3,250 | State Water Financial Assistance, GO, 5.00%, 8/1/36 | Aa1/AA | 3,388,775 |
| 1,650 | 5.25%, 8/1/35 | Aa1/AA | 1,756,920 |
| 8,000 | Wichita Falls Water & Sewer Rev., 5.00%, 8/1/27 (AMBAC) | Aaa/AAA | 8,361,520 |
| | | | <u>144,126,489</u> |
| Virginia 0.5% | | | |
| 2,500 | Fredericksburg Industrial Dev. Medicorp Health System Rev., 5.125%, 6/15/33, Ser. B | A3/NR | 2,565,975 |
| 4,000 | 5.25%, 6/15/27, Ser. B | A3/NR | 4,157,080 |
| | | | <u>6,723,055</u> |
| Washington 0.4% | | | |
| 5,000 | Tacoma Sewer Rev., 5.00%, 12/1/31, Ser. A (FGIC) | Aaa/AAA | 5,205,100 |
| Wisconsin 0.9% | | | |
| 1,125 | Badger Tobacco Asset Securitization Corp. Rev., 6.00%, 6/1/17 | Baa3/BBB | 1,167,199 |
| 9,050 | 6.125%, 6/1/27 | Baa3/BBB | 9,411,457 |
| 1,000 | State Health & Educational Facs. Auth. Rev., 5.375%, 10/1/30 | NR/AA- | 1,045,150 |
| | | | <u>11,623,806</u> |
| | Total Municipal Bonds & Notes (cost-\$1,105,446,363) | | <u>1,204,718,647</u> |
| VARIABLE RATE NOTES (c) (d) 10.1% | | | |
| Alabama 1.6% | | | |
| 9,000 | Birmingham Waterworks & Sewer Board Rev., 7.28%, 1/1/33, Ser. 947(MBIA) (b) | Aaa/NR | 10,263,420 |
| 6,675 | Jefferson Cnty. Sewer Rev., | | |

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| | | | |
|-------|---|------------------|------------------------|
| 2,100 | 9.96%, 2/1/36, Ser. 352 (FGIC) (b) Montgomery Special Care Fac., Financing Auth. Rev., 9.17%, 11/15/29, Ser. 435 (MBIA) (b) | Aaa/NR Aaa/NR | 8,558,285 2,352,273 |
| | | | <hr/> 21,173,978 <hr/> |
| | Colorado 0.2% | | |
| 2,813 | Denver City & Cnty. Airport Rev., 10.34%, 11/15/25, Ser. 425 (FSA) (b) | Aaa/NR | 3,236,400 |
| | Florida 0.6% | | |
| 2,228 | Orange Cnty. School Board, CP, 10.31%, 8/1/24, Ser. 328 (MBIA) (b) | Aaa/NR | 2,767,713 |
| 4,051 | State Governmental Utilities Auth. Rev., 10.31%, 10/1/29, Ser. 327 (AMBAC) (b) | Aaa/NR | 4,779,311 |
| | | | <hr/> 7,547,024 <hr/> |

PIMCO Municipal Income Fund II Schedule of Investments

May 31, 2005

| Principal Amount (000) | | Credit Rating (Moody's/S&P)* | Value |
|---------------------------|---|------------------------------|-------------------|
| Illinois 1.3% | | | |
| | Chicago, GO, | | |
| \$ 4,450 | 7.01%, 1/1/28, Ser. 332 (MBIA) (b) | Aaa/NR | \$ 5,030,280 |
| 3,300 | 10.84%, 1/1/40, Ser. 426 (FGIC) (b) | Aaa/NR | 4,294,521 |
| 1,932 | Cook Cnty., GO, 9.17%, 11/15/28, Ser. 403 (FGIC) (b) | Aaa/NR | 2,316,236 |
| 5,000 | State, GO, 7.28%, 4/1/27, Ser. 783 (FSA) (b) | Aaa/NR | 5,758,400 |
| | | | <u>17,399,437</u> |
| Louisiana 0.3% | | | |
| 4,000 | Tobacco Settlement Financing Corp. Rev., 7.642%, 5/15/39 (b) | NR/NR | <u>4,079,120</u> |
| Massachusetts 2.8% | | | |
| 2,100 | Boston Water & Sewer Community Rev., 9.20%, 11/1/28, Ser. 434 (FGIC) (b) | Aaa/NR | 2,457,252 |
| 14,163 | State Turnpike Auth. Rev., 6.79%, 1/1/39, Ser. 335 (AMBAC) (b) | Aaa/NR | 15,072,582 |
| 11,049 | 9.20%, 1/1/37, Ser. 334 (MBIA) (b) | Aaa/NR | 12,314,000 |
| 4,500 | 9.20%, 1/1/37, Ser. 489 (MBIA) (b) | NR/AAA | 5,015,205 |
| 2,420 | State, GO, 12.52%, 11/1/30, Ser. 785 (FGIC-TCRS) (b) | Aaa/NR | 3,627,338 |
| | | | <u>38,486,377</u> |
| Nevada 0.3% | | | |
| 3,300 | State, GO, 9.13%, 5/15/28, Ser. 344 (FGIC) (b) | Aaa/NR | <u>3,553,737</u> |
| New Mexico 0.2% | | | |
| 2,000 | State Finance Auth., Transportation Rev., 6.78%, 6/15/12, Ser. 949 (AMBAC) (b) | Aaa/NR | <u>2,407,840</u> |
| Ohio 0.2% | | | |
| 1,975 | Hamilton Cnty. Sales Tax Rev., 10.40%, 12/1/27, Ser. 356 (MBIA) (b) | Aaa/NR | <u>2,354,990</u> |
| Pennsylvania 0.7% | | | |
| 3,050 | Philadelphia Auth. Industrial Dev. Rev., Doubletree, 6.50%, 10/1/27 | NR/NR | 3,168,554 |
| 2,505 | Philadelphia School Dist., GO, 8.29%, 4/1/27, Ser. 345 (MBIA) (b) | Aaa/NR | 2,662,389 |
| 4,016 | 8.34%, 4/1/27, Ser. 496 (MBIA) (b) | NR/AAA | 4,267,794 |
| | | | <u>10,098,737</u> |

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Tennessee 0.5%

| | | | |
|-------|--|--------|-----------|
| 6,000 | Memphis Electric System Rev., 6.78%, 12/1/11, Ser. 880 (MBIA) (b) | Aaa/NR | 7,110,480 |
|-------|--|--------|-----------|

Texas 1.1%

| | | | |
|-------|---|--------|-----------|
| 3,075 | Denton Utility System Rev., 10.87%, 12/1/29, Ser. 428 (MBIA) (b) | Aaa/NR | 3,644,613 |
| 1,650 | Houston Airport System Rev., 9.06%, 7/1/25, Ser. 404 (FGIC) (b) | Aaa/NR | 1,809,225 |
| 2,750 | Houston Water & Sewer System Rev., 10.37%, 12/1/28, Ser. 427 (FSA) (b) | Aaa/NR | 3,639,680 |
| 3,838 | 11.37%, 12/1/30, Ser. 495 (FGIC) (b) | NR/AAA | 5,435,895 |

14,529,413

PIMCO Municipal Income Fund II Schedule of Investments

May 31, 2005

| Principal Amount (000) | | Credit Rating (Moody's/S&P)* | Value |
|--|---|---------------------------------|-------------------------|
| Washington 0.3% | | | |
| \$ 4,550 | Central Puget Sound Regional Transit Auth. Sales Tax & Motor Rev., 6.26%, 2/1/28, (FGIC) (b) | Aaa/NR | \$ 4,757,935 |
| | Total Variable Rate Notes (cost-\$116,574,916) | | 136,735,468 |
| U.S. TREASURY BILLS (e) 1.2% | | | |
| 16,130 | 2.748%-3.058%, 6/2/05-9/15/05 (cost-\$16,062,313) | Aaa/AAA | 16,062,447 |
| Total Investments before options written (cost-\$1,238,083,592) 100.2% | | | 1,357,516,562 |
| CALL OPTIONS WRITTEN (f) (0.2%) | | | |
| Contracts | | | |
| (676) | U.S. Treasury Notes 10 yr. Futures, Chicago Board of Trade, Strike price \$112.00, expires 8/26/05 | | (1,278,063) |
| (1,404) | Strike price \$113.00, expires 8/26/05 | | (1,776,937) |
| Total Call Options Written (premiums received-\$2,097,615) | | | (3,055,000) |
| PUT OPTION WRITTEN (f) (0.0%) | | | |
| (285) | U.S. Treasury Bond Futures, Chicago Board of Trade, Strike price \$113.00, expires 8/26/05 (premium received-\$150,480) | | (120,234) |
| Total Options Written (premiums received-\$2,248,095) | | | (3,175,234) |
| Total Investments net of options written (cost-\$1,235,835,497) 100.0% | | | \$ 1,354,341,328 |

See accompanying Notes to Financial Statements | 5.31.05 | PIMCO Municipal Income Funds II Annual Report 13

PIMCO California Municipal Income Fund II Schedule of Investments

May 31, 2005

| Principal Amount (000) | | Credit Rating (Moody's/S&P)* | Value |
|---|---|------------------------------|--------------|
| CALIFORNIA MUNICIPAL BONDS & NOTES 86.0% | | | |
| | Association of Bay Area Governments Finance Auth. Rev., Odd Fellows Home, | | |
| \$ 5,300 | 5.20%, 11/15/22 | NR/A | \$ 5,553,022 |
| 26,000 | 5.35%, 11/15/32 | NR/A | 27,655,680 |
| 2,000 | ABC Unified School Dist., GO, zero coupon, 8/1/23, Ser. B (FGIC) | Aaa/AAA | 852,640 |
| 1,000 | Alpine Union School Dist., GO, zero coupon, 8/1/24, Ser. B (FSA) | Aaa/AAA | 412,130 |
| 8,115 | Anaheim City School Dist., GO, 5.00%, 8/1/26 (FGIC) | Aaa/AAA | 8,610,340 |
| 23,000 | Bakersfield, CP, zero coupon, 4/15/21 | NR/AAA | 11,247,000 |
| 1,945 | Bay Area Govt. Assoc. Improvement Board Act 1915, Special Assessment, 6.30%, 9/2/25, Ser. 1999-1 | NR/NR | 2,053,453 |
| 2,000 | Bay Area Govt. Assoc. Lease Rev., 5.00%, 7/1/32, Ser. 2002-1 (AMBAC) | Aaa/AAA | 2,104,400 |
| 1,085 | Capistrano Unified School Dist., Community Fac. Dist. Special Tax, 5.70%, 9/1/20 (Pre-refunded @ \$102, 9/1/09) (a) | NR/NR | 1,219,540 |
| 2,300 | Ceres Unified School Dist., GO, zero coupon, 8/1/27 (FGIC) | Aaa/AAA | 678,408 |
| | Chula Vista Special Tax, | | |
| 1,160 | 6.05%, 9/1/25 | NR/NR | 1,194,788 |
| 2,500 | 6.10%, 9/1/32 | NR/NR | 2,585,375 |
| 1,825 | 6.15%, 9/1/26 | NR/NR | 1,931,087 |
| 4,380 | 6.20%, 9/1/33 | NR/NR | 4,637,106 |
| | Clovis Unified School Dist., GO, | | |
| 2,000 | zero coupon, 8/1/23, Ser. B (FGIC) | Aaa/AAA | 852,640 |
| 3,535 | zero coupon, 8/1/25, Ser. B (FGIC) | Aaa/AAA | 1,350,547 |
| 2,500 | zero coupon, 8/1/27, Ser. B (FGIC) | Aaa/AAA | 855,125 |
| 1,410 | Community College Financing Auth. Lease Rev., 5.00%, 8/1/27, Ser. A (AMBAC) | Aaa/AAA | 1,493,176 |
| | Corona-Norco Unified School Dist., Public Financing Auth. Special Tax, | | |
| 210 | 5.55%, 9/1/15, Ser. A | NR/NR | 214,752 |
| 305 | 5.65%, 9/1/16, Ser. A | NR/NR | 312,061 |
| 160 | 5.75%, 9/1/17, Ser. A | NR/NR | 164,270 |
| 530 | 6.00%, 9/1/20, Ser. A | NR/NR | 546,244 |
| 1,000 | 6.00%, 9/1/25, Ser. A | NR/NR | 1,028,840 |
| 4,150 | 6.10%, 9/1/32, Ser. A | NR/NR | 4,284,211 |
| 1,110 | Corona-Norco Unified School Dist., Special Tax, 5.10%, 9/1/25 (AMBAC) | Aaa/AAA | 1,171,061 |
| 2,800 | Cotati Redev. Agcy. Tax Allocation, 5.00%, 9/1/31, Ser. A (MBIA) | Aaa/AAA | 2,906,148 |

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| | | | |
|-------|---|---------|-----------|
| 3,000 | Dinuba Financing Authority Lease Rev., 5.10%, 8/1/32 (MBIA) | Aaa/AAA | 3,170,670 |
| 3,475 | Educational Facs. Auth. Rev., Loyola Marymount Univ., zero coupon, 10/1/34, (MBIA) | Aaa/NR | 814,123 |

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PIMCO California Municipal Income Fund II Schedule of Investments

May 31, 2005

| Principal Amount (000) | Credit Rating (Moody□s/S&P)* | Value |
|---------------------------|--|------------|
| \$ 1,560 | Empire Union School Dist. Special Tax, zero coupon, 10/1/30 (AMBAC) | \$ 442,198 |
| 1,265 | zero coupon, 10/1/32 (AMBAC) | 323,726 |
| 1,000 | Escondido Union School Dist., GO, zero coupon, 8/1/27 (FSA) | 342,050 |
| 2,440 | Eureka Union School Dist., GO, zero coupon, 8/1/27 (FSA) | 834,602 |
| 1,500 | Foothill Eastern Corridor Agcy. Toll Road Rev., zero coupon, 1/15/27 (MBIA-IBC) | 1,344,375 |
| 7,100 | zero coupon, 1/1/25, Ser. A | 2,953,884 |
| 3,270 | zero coupon, 1/1/26, Ser. A | 1,293,023 |
| 3,780 | zero coupon, 1/1/28, Ser. A | 1,341,900 |
| 17,860 | zero coupon, 1/1/30, Ser. A | 5,633,758 |
| 400 | Franklin-Mckinley School Dist., GO, 5.00%, 8/1/27, Ser. B (FSA) | 425,020 |
| 11,700 | Golden State Tobacco Securitization Corp., Tobacco Settlement Rev., 6.25%, 6/1/33, Ser. 2003-A-1 | 12,377,664 |
| 36,200 | 6.75%, 6/1/39, Ser. 2003-A-1 | 39,461,620 |
| 5,500 | Health Facs. Finance Auth. Rev., 5.125%, 1/1/22 (CA Mtg. Ins.) | 5,849,085 |
| 3,875 | 5.25%, 1/1/26 (CA Mtg. Ins.) | 4,105,640 |
| 2,115 | 5.375%, 11/1/20 (CA Mtg. Ins.) | 2,274,111 |
| 565 | Health Facs. Finance Auth. Rev., Catholic Healthcare Facs., 5.00%, 7/1/28, Ser. A | 571,537 |
| 1,750 | Huntington Beach Community Facs. Dist. Special Tax, 6.30%, 9/1/32 | 1,804,407 |
| 2,080 | Industry Urban Dev. Agcy. Tax Allocation, 4.75%, 5/1/21 (MBIA) | 2,136,659 |
| 7,000 | Irvine Improvement Board Act 1915, Special Assessment, 5.70%, 9/2/26 | 7,216,230 |
| 1,900 | Jurupa Unified School Dist., GO, zero coupon, 5/1/27 (FGIC) | 649,895 |
| 2,450 | Kings Canyon JT Unified School Dist., GO, zero coupon, 8/1/27 (FGIC) | 838,022 |
| 5,300 | Livermore-Amador Valley Water Management Agcy. Rev., 5.00%, 8/1/31, Ser. A (AMBAC) | 5,527,794 |
| 5,935 | Long Beach Unified School Dist., GO, 5.00%, 8/1/27, Ser. C (MBIA) | 6,211,808 |
| 9,895 | Los Angeles, CP, 5.00%, 2/1/27 (MBIA) | 10,385,396 |
| 2,685 | 5.00%, 10/1/27, Ser. AU (MBIA) | 2,829,507 |
| 7,200 | Los Angeles, Wastewater System Rev., | |

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| | | | |
|-------|---|---------|-----------|
| | 5.00%, 6/1/30, Ser. A (FGIC) | Aaa/AAA | 7,550,424 |
| 1,000 | Manhattan Beach Unified School Dist., GO, zero coupon, 9/1/25 (FGIC) | Aaa/AAA | 380,530 |
| 7,295 | Manteca Redev. Agcy. Tax Allocation, 5.00%, 10/1/32 (FSA) | Aaa/AAA | 7,706,511 |

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PIMCO California Municipal Income Fund II Schedule of Investments

May 31, 2005

| Principal Amount (000) | | Credit Rating (Moody's/S&P)* | Value |
|---------------------------|---|---------------------------------|------------|
| \$ 2,365 | Manteca Unified School Dist. Special Tax, zero coupon, 9/1/25 (MBIA) | Aaa/AAA | \$ 891,108 |
| 5,330 | 5.00%, 9/1/29, Ser. C (MBIA) | Aaa/AAA | 5,586,853 |
| 4,000 | Merced Cnty., CP, 5.00%, 6/1/32 (AMBAC) | Aaa/NR | 4,177,400 |
| | Modesto Elementary School Dist. Stanislaus Cnty., GO, | | |
| 2,615 | zero coupon, 8/1/23, Ser. A (FGIC) | Aaa/AAA | 1,104,968 |
| 2,705 | zero coupon, 8/1/24, Ser. A (FGIC) | Aaa/AAA | 1,083,948 |
| 2,000 | zero coupon, 5/1/27, Ser. A (FGIC) | Aaa/AAA | 685,060 |
| 2,150 | Modesto High School Dist. Stanislaus Cnty., GO, zero coupon, 8/1/26, Ser. A (FGIC) | Aaa/AAA | 778,278 |
| 1,000 | Modesto Public Financing Auth. Lease Rev., 5.00%, 9/1/29 (AMBAC) | Aaa/AAA | 1,057,040 |
| 2,385 | Monrovia Financing Auth. Lease Rev., 5.125%, 12/1/31 (AMBAC) | Aaa/AAA | 2,550,495 |
| | Montebello Unified School Dist., GO, | | |
| 1,500 | zero coupon, 8/1/24 (FGIC) | Aaa/AAA | 606,735 |
| 2,830 | zero coupon, 8/1/25 (FGIC) | Aaa/AAA | 1,081,201 |
| 2,775 | zero coupon, 8/1/27 (FGIC) | Aaa/AAA | 949,189 |
| 1,485 | zero coupon, 8/1/24 (FSA) | Aaa/AAA | 600,668 |
| 2,400 | Morgan Hill Unified School Dist., GO, zero coupon, 8/1/23 (FGIC) | Aaa/AAA | 1,023,168 |
| 1,500 | Mountain View-Whisman School Dist., GO, 5.00%, 6/1/27, Ser. D (MBIA) | Aaa/AAA | 1,592,280 |
| 1,800 | Murrieta Redev. Agcy. Tax Allocation, 5.00%, 8/1/32 (MBIA) | Aaa/AAA | 1,900,062 |
| 3,245 | Newark Unified School Dist., GO, zero coupon, 8/1/26, Ser. D (FSA) | Aaa/AAA | 1,174,658 |
| | Oakland Redev. Agcy. Tax Allocation, | | |
| 1,395 | 5.25%, 9/1/27 | NR/A- | 1,452,488 |
| 2,185 | 5.25%, 9/1/33 | NR/A- | 2,270,718 |
| 1,000 | Orange Cnty. Community Facs. Dist. Special Tax, 6.00%, 8/15/25, Ser. A | NR/NR | 1,068,560 |
| 12,000 | Orange Cnty. Sanitation Dist., CP, 5.25%, 2/1/30 (FGIC) | Aaa/AAA | 12,939,720 |
| | Palmdale Community Redev. Agcy. Tax Allocation, | | |
| 1,230 | zero coupon, 12/1/30 (AMBAC) | Aaa/AAA | 350,095 |
| 1,230 | zero coupon, 12/1/31 (AMBAC) | Aaa/AAA | 332,395 |
| 1,225 | zero coupon, 12/1/32 (AMBAC) | Aaa/AAA | 315,095 |
| 1,750 | Paramount Unified School Dist., GO, zero coupon, 9/1/23, Ser. B (FSA) | Aaa/AAA | 743,138 |
| | Perris Public Financing Auth. Rev. Tax Allocation, | | |
| 1,190 | 4.75%, 10/1/23, Ser. B (MBIA) | Aaa/AAA | 1,238,147 |
| 780 | 5.375%, 10/1/20, Ser. C | NR/BBB | 824,164 |
| 1,800 | 5.625%, 10/1/31, Ser. C | NR/BBB | 1,920,240 |
| 10,150 | Placer Union High School Dist., GO, | | |

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zero coupon, 8/1/33 (FSA)

Aaa/AAA

2,519,332

PIMCO California Municipal Income Fund II Schedule of Investments

May 31, 2005

| Principal Amount (000) | | Credit Rating (Moody's/S&P)* | Value |
|------------------------|--|------------------------------|--------------|
| | Poway Unified School Dist. Special Tax, | | |
| \$ 1,500 | 5.50%, 9/1/25 | NR/NR | \$ 1,518,015 |
| 3,000 | 5.60%, 9/1/33 | NR/NR | 3,042,270 |
| 1,000 | 5.65%, 9/1/25 | NR/NR | 1,012,680 |
| 2,200 | 5.70%, 9/1/32 | NR/NR | 2,227,852 |
| 1,000 | 6.05%, 9/1/25 | NR/NR | 1,047,990 |
| 5,500 | 6.125%, 9/1/33 | NR/NR | 5,705,480 |
| 2,000 | Rancho Cucamonga Community Facs. Dist. Special Tax, | | |
| | 6.375%, 9/1/31, Ser. A | NR/NR | 2,078,500 |
| 1,500 | Richmond Wastewater Rev., zero coupon, 8/1/30 (FGIC) | Aaa/AAA | 434,025 |
| 3,510 | Riverside, CP, 5.00%, 9/1/33 (AMBAC) | NR/AAA | 3,686,272 |
| | Rocklin Unified School Dist., GO, | | |
| 5,000 | zero coupon, 8/1/24 (FGIC) | Aaa/AAA | 2,022,450 |
| 4,000 | zero coupon, 8/1/25 (FGIC) | Aaa/AAA | 1,528,200 |
| 4,000 | zero coupon, 8/1/26 (FGIC) | Aaa/AAA | 1,447,960 |
| 4,500 | zero coupon, 8/1/27 (FGIC) | Aaa/AAA | 1,539,225 |
| | Roseville Redev. Agcy. Tax Allocation, | | |
| 3,730 | 5.00%, 9/1/27 (MBIA) | Aaa/AAA | 3,944,475 |
| 3,365 | 5.00%, 9/1/32 (MBIA) | Aaa/AAA | 3,543,379 |
| 2,155 | 5.00%, 9/1/33 (MBIA) | Aaa/AAA | 2,267,857 |
| | Sacramento City Financing Auth. Rev., | | |
| 4,835 | 6.25%, 9/1/23, Ser. A | NR/NR | 5,047,305 |
| 4,500 | 5.00%, 12/1/32, Ser. A (FSA) | Aaa/AAA | 4,711,725 |
| 12,490 | Sacramento Cnty. Airport Syst. Rev., | | |
| | 5.00%, 7/1/32, Ser. A (FSA) | Aaa/AAA | 13,049,177 |
| | San Diego Cnty. Water Auth. Water Rev., CP, | | |
| 8,285 | 5.00%, 5/1/28, Ser. A (MBIA) | Aaa/AAA | 8,726,922 |
| 8,000 | 5.00%, 5/1/29, Ser. A (MBIA) | Aaa/AAA | 8,411,280 |
| | San Diego Public Facs. Financing Auth. Lease Rev., | | |
| 1,000 | 5.00%, 5/15/29, Ser. A (FGIC) | Aaa/AAA | 1,043,990 |
| 1,500 | 5.00%, 4/1/32 (MBIA) | Aaa/AAA | 1,565,070 |
| 14,000 | San Diego Public Facs. Financing Auth. Water Rev., | | |
| | 5.00%, 8/1/32, (MBIA) | Aaa/AAA | 14,632,800 |
| | San Francisco City & Cnty. Airport Community, | | |
| | Int'l Airport Rev., | | |
| 5,585 | 4.50%, 5/1/28, Ser. 15B (MBIA) | Aaa/AAA | 5,607,731 |
| 20,300 | 5.00%, 5/1/32, Ser. 28B (MBIA) | Aaa/AAA | 21,190,358 |
| 10,405 | San Joaquin Hills Transportation Corridor Agcy. | | |
| | Toll Road Rev., | | |
| | zero coupon, 1/1/25 | Aaa/AAA | 4,328,896 |
| 10,190 | San Jose, GO, 5.125%, 9/1/31 | Aa1/AA+ | 10,742,400 |
| | San Juan Unified School Dist., GO, | | |
| 1,770 | zero coupon, 8/1/23 (FSA) | Aaa/AAA | 754,586 |
| 6,105 | zero coupon, 8/1/26 (FSA) | Aaa/AAA | 2,209,949 |

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| | | | |
|-------|--|---------|-----------|
| 4,835 | San Mateo Foster City School Dist., GO, 5.10%, 8/1/31 (FGIC) | Aaa/AAA | 5,122,924 |
| 2,300 | San Mateo Union High School Dist., GO, zero coupon, 9/1/20 (FGIC) | Aaa/AAA | 1,149,816 |

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PIMCO California Municipal Income Fund II Schedule of Investments

May 31, 2005

| Principal Amount (000) | | Credit Rating (Moody[S/S&P]*) | Value |
|------------------------|---|-------------------------------|--------------|
| \$ 1,730 | San Rafael City High School Dist., GO, 5.00%, 8/1/27, Ser. B (FSA) | Aaa/AAA | \$ 1,826,776 |
| 3,280 | San Rafael Elementary School Dist., GO, 5.00%, 8/1/27, Ser. B (FSA) | Aaa/AAA | 3,463,483 |
| 2,755 | Santa Clara Unified School Dist., GO, 5.00%, 7/1/25 (MBIA) | Aaa/AAA | 2,926,774 |
| 2,895 | 5.00%, 7/1/26 (MBIA) | Aaa/AAA | 3,070,003 |
| 3,040 | 5.00%, 7/1/27 (MBIA) | Aaa/AAA | 3,208,416 |
| 1,260 | Santa Cruz Cnty., CP, 5.25%, 8/1/32 | A3/NR | 1,337,036 |
| 2,000 | Santa Margarita Water Dist. Special Tax, 6.00%, 9/1/30 | NR/NR | 2,149,120 |
| 3,000 | 6.25%, 9/1/29 | NR/NR | 3,216,450 |
| 1,140 | Saugus Hart School Facs. Financing Auth. Special Tax, 6.10%, 9/1/32 | NR/NR | 1,179,877 |
| 2,290 | 6.125%, 9/1/33 | NR/NR | 2,370,036 |
| 1,000 | Shasta Union High School Dist., GO, zero coupon, 8/1/24 (FGIC) | Aaa/AAA | 404,490 |
| 2,745 | South Tahoe JT Powers Parking Financing Auth. Rev., 7.00%, 12/1/27, Ser. A | NR/NR | 2,748,761 |
| 1,800 | Southern Mono Health Care Dist., GO, zero coupon, 8/1/26 (MBIA) | Aaa/AAA | 638,262 |
| 4,500 | State Department of Water Resources Rev., 5.00%, 12/1/15, Ser. AC (MBIA) | Aaa/AAA | 5,014,350 |
| 900 | 5.00%, 12/1/25, Ser. AC (MBIA) | Aaa/AAA | 968,310 |
| 35,000 | State Economic Recovery, GO, 5.00%, 7/1/11, Ser. A (MBIA) | Aaa/AAA | 38,535,000 |
| 200 | State Infrastructure & Economic Dev. Bk. Rev., Bay Area Toll, 5.00%, 7/1/36, (AMBAC) | Aaa/AAA | 211,278 |
| 9,605 | State Public Works Board Lease Rev., 5.00%, 10/1/22, Ser. A (FSA) | Aaa/AAA | 10,134,428 |
| 1,710 | State Univ. Rev., 5.00%, 11/1/33, Ser. A (AMBAC) | Aaa/AAA | 1,794,064 |
| 1,000 | State Univ. Rev. & Colleges, 5.00%, 11/1/13, Ser. A (FSA) | Aaa/AAA | 1,118,490 |
| 2,770 | Statewide Community Dev. Auth. Rev., 5.50%, 11/1/32, Ser. A | A3/A+ | 2,941,020 |
| 9,700 | 5.50%, 11/15/33, (CA ST Mtg.) | NR/A | 10,517,225 |
| 3,000 | 6.75%, 10/1/30 | NR/NR | 3,186,240 |
| 3,555 | 6.75%, 7/1/32 (g) | NR/NR | 3,868,764 |
| 1,170 | Statewide Community Dev. Auth., CP, 6.10%, 11/1/15 (g) | NR/NR | 1,175,499 |
| 1,795 | Statewide Financing Auth. Tobacco Settlement Rev., 5.625%, 5/1/29 | Baa3/NR | 1,807,655 |
| 7,750 | Tamalpais Union High School Dist., GO, 5.00%, 8/1/27, (FSA) | Aaa/AAA | 8,208,258 |
| 4,335 | Tobacco Securitization Agcy. Rev., 5.625%, 6/1/23 | Baa3/BBB | 4,342,153 |

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| | | | |
|--------|--|----------|------------|
| 1,800 | 5.875%, 6/1/43, Ser. A | Baa3/NR | 1,817,946 |
| 10,000 | 6.00%, 6/1/35 | Baa3/BBB | 10,199,900 |
| 4,500 | 6.00%, 6/1/42 | Baa3/NR | 4,576,950 |
| 995 | Tracy Community Facs. Dist. Special Tax, 6.00%, 9/1/27 | NR/NR | 1,022,492 |
| 6,250 | University Rev., 5.00%, 5/15/11, Ser. A (AMBAC) | Aaa/AAA | 6,887,063 |

PIMCO California Municipal Income Fund II Schedule of Investments

May 31, 2005

| Principal Amount (000) | | Credit Rating (Moody□s/S&P)* | Value |
|--|--|------------------------------|--------------------|
| \$ 10,000 | Ventura Cnty. Community College Dist., GO, 5.00%, 8/1/27, Ser. A (MBIA) | Aaa/AAA | \$ 10,625,500 |
| 1,555 | Ventura Unified School Dist., GO, 5.00%, 8/1/32, Ser. F (FSA) | Aaa/AAA | 1,640,012 |
| 2,000 | Vernon Electric System Rev., 5.50%, 4/1/33, (Pre-refunded @ \$100, 4/1/08) (a) | Aaa/NR | 2,145,740 |
| 1,125 | Victor Elementary School Dist., GO, zero coupon, 8/1/24, Ser. A (FGIC) | Aaa/AAA | 455,051 |
| 2,410 | zero coupon, 8/1/26, Ser. A (FGIC) | Aaa/AAA | 872,396 |
| 1,000 | Vista Unified School Dist., GO, zero coupon, 8/1/26, Ser. A (FSA) | Aaa/AAA | 361,990 |
| 2,740 | West Contra Costa University School Dist., GO, 5.00%, 8/1/26, Ser. A (MBIA) | Aaa/AAA | 2,871,465 |
| 2,690 | 5.00%, 8/1/28, Ser. A (MBIA) | Aaa/AAA | 2,814,170 |
| 1,890 | 5.00%, 8/1/31, Ser. A (MBIA) | Aaa/AAA | 1,968,303 |
| 3,375 | Westlands Water Dist. Rev., CP, 5.00%, 9/1/34 (MBIA) | Aaa/AAA | 3,544,493 |
| 2,000 | William S. Hart JT School Financing Auth. Rev., 5.625%, 9/1/34 | NR/BBB+ | 2,138,900 |
| 2,110 | Yuba City Unified School Dist., GO, zero coupon, 9/1/25 (FGIC) | Aaa/AAA | 802,918 |
| | Total California Municipal Bonds & Notes (cost-\$559,699,779) | | <u>597,976,482</u> |
| OTHER MUNICIPAL BONDS & NOTES □4.4% | | | |
| New York □0.6% | | | |
| 3,250 | State Dormitory Auth. Rev., 6.25%, 8/15/15 (FHA) | Aa2/AAA | <u>3,823,333</u> |
| Puerto Rico □0.7% | | | |
| 2,000 | Electric Power Auth. Power Rev., 5.125%, 7/1/29, Ser. NN | A3/A- | 2,125,560 |
| 2,505 | Public Building Auth. Rev., 5.00%, 7/1/36, Ser. I (GTD) | Baa2/BBB | 2,627,870 |
| | | | <u>4,753,430</u> |
| Tennessee □1.3% | | | |
| 8,535 | Memphis Electric System Rev., 5.00%, 12/1/16, Ser. A (MBIA) | Aaa/AAA | <u>9,285,568</u> |
| Texas □1.8% | | | |
| 11,170 | State Univ. Rev., 5.25%, 8/15/12, Ser. A | Aaa/AAA | <u>12,486,943</u> |
| | Total Other Municipal Bonds & Notes (cost-\$29,654,967) | | <u>30,349,274</u> |

CALIFORNIA VARIABLE RATE NOTES (b) (c) (d) 5.2%

| | | | |
|-------|--|--------|-----------|
| 4,238 | Los Angeles Dept. of Water & Power, Waterworks Rev., 10.90%, 7/1/41, Ser. 754 (FGIC-TCRS) | Aaa/NR | 4,996,351 |
| 1,875 | Modesto Public Financing Auth. Lease Rev., 10.43%, 9/1/29, Ser. 354 (AMBAC) | Aaa/NR | 2,302,800 |
| 4,952 | Oakland, GO, 10.43%, 1/15/32, Ser. 756 (FGIC) | Aaa/NR | 5,677,241 |
| 1,944 | San Diego Unified School Dist., GO, 10.43%, 7/1/27, Ser. 758 (FGIC) | Aaa/NR | 2,710,325 |
| 2,287 | San Jose Unified School Dist. Santa Clara Cnty., GO, 10.43%, 8/1/27, Ser. 761 (FSA) | Aaa/NR | 2,828,540 |

PIMCO California Municipal Income Fund II Schedule of Investments

May 31, 2005

| Principal Amount (000) | | Credit Rating (Moody/S&P)* | Value |
|---|---|----------------------------|--------------|
| \$ 3,742 | San Jose, GO, 10.43%, 9/1/32, Ser. 760 (MBIA) | Aaa/NR | \$ 4,568,994 |
| 10,000 | Statewide Financing Auth. Rev., 7.904%, 5/1/37 | NR/NR | 10,394,800 |
| 2,500 | University Rev., 10.43%, 9/1/28, Ser. 762 (FGIC) | Aaa/NR | 3,014,925 |
| Total California Variable Rate Notes (cost-\$31,726,324) | | | 36,493,976 |
| OTHER VARIABLE RATE NOTES (d) 2.6% | | | |
| Puerto Rico 2.6% | | | |
| 11,000 | Public Building Auth. Rev., 5.00%, 7/1/36, Ser. J (AMBAC-GTD) | Aaa/AAA | 12,120,460 |
| 5,300 | Public Finance Corp. Rev., 5.75%, 8/1/27, Ser. A | Baa3/BBB | 5,935,947 |
| Total Other Variable Rate Notes (cost-\$17,553,124) | | | 18,056,407 |
| CORPORATE NOTE (h) 0.5% | | | |
| Financial Services 0.5% | | | |
| 3,700 | General Motors Acceptance Corp., 4.10%, 7/16/07 (cost-\$3,511,851) | Baa2/BB | 3,479,114 |
| CALIFORNIA VARIABLE RATE DEMAND NOTE (d) (i) 0.2% | | | |
| 1,500 | Metropolitan Water Dist. of Southern California, Water Works Rev., 2.89%, 6/1/05, Ser. B-3 (cost-\$1,500,000) | Aa2/A-1+ | 1,500,000 |
| U.S. TREASURY BILLS (e) 1.4% | | | |
| 9,645 | 2.748%-3.058%, 6/2/05-9/15/05 (cost-\$9,589,870) | Aaa/AAA | 9,591,119 |
| Total Investments before options written (cost-\$653,235,915) 100.3% | | | 697,446,372 |
| CALL OPTIONS WRITTEN (f) (0.3%) | | | |
| <u>Contracts</u> | U.S. Treasury Notes 10 yr. Futures, Chicago Board of Trade, | | |
| (174) | Strike price \$112, expires 8/26/05 | | (328,969) |
| (1,442) | Strike price \$113, expires 8/26/05 | | (1,825,031) |
| Total Call Options Written (premiums received-\$1,465,061) | | | (2,154,000) |

PUT OPTIONS WRITTEN (f) (0.0%)

| | | |
|-------|---|--------------------|
| | U.S. Treasury Bond Futures, Chicago Board of Trade, | |
| (775) | Strike price \$113, expires 8/26/05 (premium received-\$448,512) | (326,953) |
| | | |
| | Total Options Written (premiums received-\$1,913,573) | (2,480,953) |
| | | |
| | Total Investments net of options written (cost-\$651,322,342) 100.0% | 694,965,419 |
| | | |

PIMCO New York Municipal Income Fund II Schedule of Investments

May 31, 2005

| Principal Amount (000) | | Credit Rating (Moody's/S&P)* | Value |
|---|---|------------------------------|------------|
| NEW YORK MUNICIPAL BONDS & NOTES 77.2% | | | |
| \$ 250 | Buffalo Municipal Water Finance Auth., Water System Rev., 5.00%, 7/1/27, Ser. B (FSA) | Aaa/AAA | \$ 264,165 |
| 1,000 | 5.125%, 7/1/32, Ser. B (FSA) | Aaa/AAA | 1,059,240 |
| 5,000 | City of New York, GO, 5.00%, 6/1/33, Ser. O | A1/A+ | 5,261,150 |
| 5,000 | Dormitory Auth. Rev., Rochester General Hospital, 5.00%, 12/1/35 (Radian) (j) | Aa3/AA | 5,215,800 |
| 10,000 | Erie Cnty. Tobacco Asset Securitization Corp. Rev., 6.50%, 7/15/32, Class A | Ba1/BBB | 10,561,500 |
| 1,850 | Metropolitan Transportation Auth. Rev., 5.00%, 11/15/30, Ser. A (FSA) | Aaa/AAA | 1,946,219 |
| 10,000 | 5.25%, 11/15/31, Ser. E | A2/A | 10,672,100 |
| 7,000 | Metropolitan Transportation Auth. Service Contract Rev., 5.35%, 7/1/31, Ser. B | A2/AAA | 7,492,660 |
| 4,000 | New York City, GO, 5.00%, 3/1/33, Ser. I | A1/A+ | 4,169,120 |
| 1,100 | New York City Health & Hospital Corp. Rev., 5.375%, 2/15/26, Ser. A | A2/BBB+ | 1,153,119 |
| 2,000 | 5.45%, 2/15/26, Ser. A | A2/BBB+ | 2,115,820 |
| 1,500 | New York City Industrial Dev. Agcy., Civic Fac. Rev., 5.00%, 7/1/27 | Aa2/NR | 1,599,075 |
| 1,240 | 6.45%, 7/1/32 | Ba3/NR | 1,257,757 |
| 1,000 | New York City Industrial Dev. Agcy. Rev., 4.95%, 11/20/32 (GNMA) | NR/AA+ | 1,046,430 |
| 3,055 | New York City Municipal Water Finance Auth., Water & Sewer System Rev., 4.75%, 6/15/25, Ser. D (MBIA-IBC) | Aaa/AAA | 3,120,102 |
| 10,000 | New York City Transitional Finance Auth. Rev., 5.00%, 11/1/27, Ser. B | Aa1/AAA | 10,524,100 |
| 3,600 | Port Auth. New York & New Jersey Rev., 5.00%, 4/15/32, Ser. 125 (FSA) | Aaa/AAA | 3,808,188 |
| 3,445 | Sachem Central School Dist. of Holbrook, GO, 5.00%, 6/15/28 (MBIA) | Aaa/AAA | 3,657,763 |
| 2,895 | 5.00%, 6/15/29 (MBIA) | Aaa/AAA | 3,069,713 |
| 7,500 | State Dormitory Auth. Lease Rev., State Univ. Dormitory Facs., 5.00%, 7/1/32, (Pre-refunded @ \$100, 7/1/12) (a) | A1/AA- | 8,323,725 |
| 2,600 | State Dormitory Auth. Rev., Catholic Health of Long Island, 5.10%, 7/1/34 | Baa1/BBB | 2,685,748 |
| 2,000 | State Dormitory Auth. Rev., Kaleida Health Hospital, 5.05%, 2/15/25 (FHA) | NR/AAA | 2,134,720 |
| 5,300 | State Dormitory Auth. Rev., Lenox Hill Hospital, 5.50%, 7/1/30 | Baa2/NR | 5,513,749 |
| 1,400 | State Dormitory Auth. Rev., Long Island Univ., 5.25%, 9/1/28 (Radian) | Baa3/AA | 1,480,542 |
| 1,500 | State Dormitory Auth. Rev., Memorial Sloan-Kettering Center, | | |

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| | | | |
|-------|--|---------|-----------|
| 8,850 | 5.00%, 7/1/34, Ser. 1 State Dormitory Auth. Rev., North General Hospital, | Aa2/AA | 1,556,445 |
| 3,225 | 5.00%, 2/15/25 State Dormitory Auth. Rev., NY & Presbyterian Hospital, | NR/AA- | 9,228,337 |
| | 4.75%, 8/1/27 (AMBAC-FHA) | Aaa/AAA | 3,292,370 |

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PIMCO New York Municipal Income Fund II Schedule of Investments

May 31, 2005

| Principal Amount (000) | | Credit Rating (Moody's/S&P)* | Value |
|---|---|------------------------------|--------------------|
| \$ 5,000 | State Dormitory Auth. Rev., Saint Barnabas Hospital, 5.00%, 2/1/31, Ser. A (FHA-AMBAC) | Aaa/AAA | \$ 5,216,600 |
| 8,600 | State Dormitory Auth. Rev., State Personal Income Tax, 5.00%, 3/15/32 (Pre-refunded @ \$100, 3/15/13) (a) | A1/AA | 9,546,086 |
| 1,250 | State Dormitory Auth. Rev., Student Housing Corp., 5.125%, 7/1/34 (FGIC) | Aaa/AAA | 1,340,387 |
| 4,270 | State Dormitory Auth. Rev., Teachers College, 5.00%, 7/1/32 (MBIA) | Aaa/NR | 4,477,138 |
| 2,000 | State Dormitory Auth. Rev., Yeshiva Univ., 5.125%, 7/1/34 (AMBAC) | Aaa/NR | 2,144,620 |
| 2,000 | State Environmental Facs. Corp., State Clean Water & Drinking Rev., 5.125%, 6/15/31 | Aaa/AAA | 2,125,380 |
| 5,000 | State Municipal Board Bank Agcy. Special School Purpose Rev., 5.00%, 6/1/23, Ser. C | NR/A+ | 5,255,400 |
| 6,100 | State Urban Dev. Corp. Personal Income Tax Rev., 5.00%, 3/15/33, Ser. C-1 (Pre-refunded @ \$100, 3/15/13) (a) | A1/AA | 6,771,061 |
| 25,000 | TOB Settlement Asset Backed, Inc. Rev., 5.75%, 7/15/32, Ser. 1 | Baa3/BBB | 25,539,250 |
| 10,000 | 6.375%, 7/15/39, Ser. 1 | Baa3/BBB | 10,402,900 |
| 4,700 | Triborough Bridge & Tunnel Auth. Rev., 5.00%, 1/1/32, Ser. A (FGIC-TCRS) | Aaa/AAA | 4,913,991 |
| 2,000 | Warren & Washington Cnty. Industrial Dev. Agcy. Fac. Rev., 5.00%, 12/1/35, Ser. A (FSA) | Aaa/AAA | 2,097,280 |
| 750 | Westchester Cnty. Industrial Dev. Agcy. Continuing Care Retirement Rev., 6.50%, 1/1/34 | NR/NR | 785,993 |
| | Total New York Municipal Bonds & Notes (cost-\$181,700,563) | | <u>192,825,743</u> |
| OTHER MUNICIPAL BONDS & NOTES 4.8% | | | |
| California 1.5% | | | |
| 3,500 | Alameda Unified School Dist., Alameda Cnty., GO, zero coupon, 8/1/24, Ser. A (FSA) | Aaa/AAA | 1,415,715 |
| 3,000 | zero coupon, 8/1/25, Ser. A (FSA) | Aaa/AAA | 1,146,150 |
| 3,130 | Covina Valley Unified School Dist., GO, zero coupon, 6/1/25, Ser. B (FGIC) | Aaa/AAA | 1,205,363 |
| | | | <u>3,767,228</u> |
| Colorado 0.0% | | | |
| 210 | Dawson Ridge Metropolitan Dist. No. 1, GO, | | |

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| | | | |
|-------|--|----------|------------|
| | zero coupon, 10/1/22, Ser. A | Aaa/NR | 93,891 |
| | | | <hr/> |
| | Puerto Rico 3.3% | | |
| 5,675 | Children Trust Fund Tobacco Settlement Rev., 5.625%, 5/15/43 | Baa3/BBB | 5,715,349 |
| 1,500 | Commonwealth Highway & Transportation Auth. Rev., 5.25%, 7/1/38, Ser. D | Baa2/A | 1,593,630 |
| 750 | Electric Power Auth. Power Rev., 5.125%, 7/1/29, Ser. NN | A3/A- | 797,085 |
| | | | <hr/> |
| | | | 8,106,064 |
| | | | <hr/> |
| | Total Other Municipal Bonds & Notes (cost-\$11,267,858) | | 11,967,183 |
| | | | <hr/> |

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PIMCO New York Municipal Income Fund II Schedule of Investments

May 31, 2005

| Principal Amount (000) | | Credit Rating (Moody's/S&P)* | Value |
|--|---|------------------------------|--------------|
| NEW YORK VARIABLE RATE NOTES (b) (c) (d) 6.9% | | | |
| \$ 6,994 | Long Island Power Auth. Electric System Rev., 11.43%, 12/1/26, Ser. 339 (MBIA-IBC) | Aaa/NR | \$ 8,749,774 |
| 1,250 | New York City Municipal Water Finance Auth., Water & Sewer System Rev., 8.976%, 6/15/32 (g) | NR/NR | 1,444,950 |
| 3,750 | 9.476%, 6/15/34 (g) | NR/NR | 4,568,550 |
| 1,950 | New York City Trust for Cultural Resources Rev., 9.001%, 2/1/34, (FGIC) (g) | NR/NR | 2,392,026 |
| Total New York Variable Rate Notes (cost-\$15,404,077) | | | 17,155,300 |
| OTHER VARIABLE RATE NOTES (c) (d) 1.9% | | | |
| California 1.0% | | | |
| 1,800 | State Economic Recovery, GO, 13.495%, 1/1/10 (b) | Aa3/NR | 2,615,670 |
| Puerto Rico 0.9% | | | |
| 1,900 | Public Finance Corp. Rev., 5.75%, 8/1/27, Ser. A | Baa3/BBB | 2,127,981 |
| Total Other Variable Rate Notes (cost-\$4,443,245) | | | 4,743,651 |
| NEW YORK VARIABLE RATE DEMAND NOTES (d) (i) 8.5% | | | |
| 7,000 | Jay Street Development Corp. Lease Rev., 2.94%, 6/1/05, Ser. A-3 | VMIG1/A-1+ | 7,000,000 |
| 2,500 | Long Island Power Auth. Electric System Rev., 2.95%, 6/1/05, Ser. 1B | VMIG1/A-1+ | 2,500,000 |
| 2,805 | Nassau Cnty. Industrial Dev. Agcy., Civic Fac. Rev., 2.95%, 6/1/05 | NR/A-1+ | 2,805,000 |
| 1,000 | New York City Municipal Water Finance Auth., Water & Sewer Syst. Rev., 2.87%, 6/1/05, Ser. F-2 | VMIG1/A-1+ | 1,000,000 |
| 1,445 | New York City Transitional Finance Auth. Rev., 2.87%, 6/1/05, Ser. C4 | VMIG1/A-1+ | 1,445,000 |
| 1,500 | 3.05%, 6/1/05, Ser. 3-3B | VMIG1/A-1+ | 1,500,000 |
| 100 | New York Local Government Assistance Corp. Rev., 2.87%, 6/1/05, Ser. A (FGIC) | Aaa/A-1+ | 100,000 |
| 5,000 | 2.89%, 6/1/05, Ser. A (FSA) | Aaa/A-1+ | 5,000,000 |
| Total New York Variable Rate Demand Notes (cost-\$21,350,000) | | | 21,350,000 |

| | | | |
|---|---|---------------|-------------|
| U.S. TREASURY BILLS (e) | 1.1% | | |
| 2,740 | 2.92%-3.058%, 6/2/05-9/15/05 (cost-\$2,726,956) | Aaa/AAA | 2,727,235 |
| | | | <hr/> |
| Total Investments before options written | (cost-\$236,892,699) | 100.4% | 250,769,112 |
| | | | <hr/> |

PIMCO New York Municipal Income Fund II Schedule of Investments

May 31, 2005

| Contracts | Value |
|--|-----------------------|
| CALL OPTIONS WRITTEN (f)(0.3%) | |
| (119) U.S. Treasury Notes 10 yr. Futures, Chicago Board of Trade, Strike price \$112, expires 8/26/05 | \$ (224,984) |
| (425) U.S. Treasury Notes 10 yr. Futures, Chicago Board of Trade, Strike price \$113, expires 8/26/05 | (537,891) |
| <hr/> | |
| Total Call Options Written (premiums received-\$521,513) | (762,875) |
| <hr/> | |
| PUT OPTION WRITTEN (f)(0.1%) | |
| (269) U.S. Treasury Bond Futures, Chicago Board of Trade, Strike price \$113, expires 8/26/05 (premium received-\$155,657) | (113,484) |
| <hr/> | |
| Total Options Written (premiums received-\$677,170) | (876,359) |
| <hr/> | |
| Total Investments net of options written (cost-\$236,215,529) 100.0% | \$ 249,892,753 |

Notes to Schedules of Investments:

- * Unaudited
- (a) Pre-refunded bonds are collateralized by U.S. Government or other eligible securities which are held in escrow and used to pay principal and interest and retire the bonds at the earliest refunding date.
 - (b) 144A Security □ Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, typically only to qualified institutional investors.
 - (c) Residual Interest/Tax Exempt Municipal Bonds. The interest rate shown bears an inverse relationship to the interest rate on another security or the value of an index.
 - (d) Variable Rate Notes □ Instruments whose interest rates change on a 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).
 - (e) All or partial amount segregated as initial margin on futures contracts.
 - (f) Non-income producing.
 - (g) Illiquid security.
 - (h) Floating Rate Security □ Interest rate shown is the rate in effect at May 31, 2005.
 - (i) Maturity date shown is date of next put.
 - (j) When-Issued security. To be delivered/settled after May 31, 2005.

Glossary:

AMBAC □ insured by American Municipal Bond Assurance Corp.
CA Mtg. Ins. □ insured by California Mortgage Insurance
CA ST Mtg. □ insured by California State Mortgage
CP □ Certificates of Participation

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FGIC □ insured by Financial Guaranty Insurance Co.
FHA □ Federal Housing Administration
FSA □ insured by Financial Security Assurance, Inc.
GNMA □ Government National Mortgage Association
GO □ General Obligation Bond
GTD □ Guaranteed
IBC □ Insurance Bond Certificate
MBIA □ insured by Municipal Bond Investors Assurance
NR □ Not Rated
PSF □ Public School Fund
Radian □ insured by Radian Guaranty Inc.
TCRS □ insured by Temporary Custodian Receipts
XLCA □ insured by XL Capital Assurance

24 PIMCO Municipal Income Funds II Annual Report | 5.31.05 | **See accompanying Notes to Financial Statements**

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PIMCO Municipal Income Funds II Statements of Assets and Liabilities

May 31, 2005

| | Municipal II | California Municipal II | New York Municipal II |
|---|-----------------------|------------------------------------|----------------------------------|
| Assets: | | | |
| Investments, at value (cost □ \$1,238,083,592, \$653,235,915 and \$236,892,699, respectively) | \$ 1,357,516,562 | \$ 697,446,372 | \$ 250,769,112 |
| Cash | 4,490,046 | 616,062 | 977,482 |
| Interest receivable | 19,362,260 | 10,113,703 | 3,788,303 |
| Prepaid expenses | 39,985 | 24,362 | 17,379 |
| Receivable for investments sold | □ | 370,000 | □ |
| Total Assets | 1,381,408,853 | 708,570,499 | 255,552,276 |
| Liabilities: | | | |
| Dividends payable to common and preferred shareholders | 5,046,243 | 2,516,383 | 867,680 |
| Payable for variation margin on futures contracts | 3,973,406 | 1,581,938 | 379,500 |
| Options written, at value (premiums received □ \$2,248,095, \$1,913,573, and \$677,170) | 3,175,234 | 2,480,953 | 876,359 |
| Payable for investments purchased | 1,196,091 | □ | 10,461,776 |
| Investment management fees payable | 580,131 | 297,370 | 103,035 |
| Accrued expenses | 147,763 | 98,077 | 51,792 |
| Total Liabilities | 14,118,868 | 6,974,721 | 12,740,142 |
| Preferred Shares (\$0.00001 par value and \$25,000 net asset and liquidation value per share applicable to an aggregate of 20,200, 10,400 and 3,600 shares issued and outstanding, respectively) | 505,000,000 | 260,000,000 | 90,000,000 |
| Net Assets Applicable to Common Shareholders | \$ 862,289,985 | \$ 441,595,778 | \$ 152,812,134 |

**Composition of Net Assets Applicable to
Common Shareholders:**

Common Stock:

| | | | |
|---|-----------------------|-----------------------|-----------------------|
| Par value (\$0.00001 per share) | \$ 582 | \$ 302 | \$ 105 |
| Paid-in-capital in excess of par | 827,872,738 | 429,363,250 | 148,350,233 |
| Undistributed (dividends in excess of) net investment income | 5,483,978 | 1,703,352 | (41,926) |
| Accumulated net realized loss | (72,234,644) | (26,429,015) | (7,479,315) |
| Net unrealized appreciation of investments, futures contracts and options written | 101,167,331 | 36,957,889 | 11,983,037 |
| Net Assets Applicable to Common Shareholders | \$ 862,289,985 | \$ 441,595,778 | \$ 152,812,134 |
| Common Shares Outstanding | 58,240,144 | 30,224,783 | 10,451,534 |
| Net Asset Value Per Common Share | \$ 14.81 | \$ 14.61 | \$ 14.62 |

PIMCO Municipal Income Funds II Statements of Operations

For the year ended May 31, 2005

| | Municipal II | California Municipal II | New York Municipal II |
|---|---------------------|------------------------------------|----------------------------------|
| Investment Income: | | | |
| Interest | \$ 73,342,143 | \$ 35,989,563 | \$ 12,773,139 |
| Expenses: | | | |
| Investment management fees | 8,746,721 | 4,470,734 | 1,543,797 |
| Auction agent fees and commissions | 1,289,609 | 676,409 | 235,858 |
| Custodian and accounting agent fees | 140,280 | 138,502 | 89,974 |
| Shareholder reports and notices | 119,105 | 55,295 | 24,542 |
| Audit and tax services | 77,240 | 55,580 | 40,320 |
| Trustees' fees and expenses | 70,145 | 37,435 | 17,111 |
| New York Stock Exchange listing fees | 57,852 | 30,163 | 26,629 |
| Transfer agent fees | 35,285 | 34,405 | 33,035 |
| Legal fees | 31,955 | 17,000 | 6,287 |
| Insurance expense | 25,380 | 14,588 | 6,897 |
| Miscellaneous | 20,596 | 12,598 | 10,122 |
| Investor relations | 14,605 | 6,720 | 2,038 |
| Total expenses | 10,628,773 | 5,549,429 | 2,036,610 |
| Less: investment management fees waived | (2,018,474) | (1,031,708) | (356,261) |
| custody credits earned on cash balances | (75,795) | (39,732) | (21,552) |
| Net expenses | 8,534,504 | 4,477,989 | 1,658,797 |
| Net Investment Income | 64,807,639 | 31,511,574 | 11,114,342 |

Realized and Unrealized Gain (Loss):

Net realized gain (loss) on:

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| | | | |
|--|----------------|---------------|---------------|
| Investments | (452,182) | 951,759 | 1,745,558 |
| Futures contracts | (61,149,720) | (19,610,257) | (6,612,410) |
| Options written | 5,109,275 | 2,804,068 | 928,827 |
| Net change in unrealized appreciation/depreciation of: | | | |
| Investments | 128,511,382 | 60,555,886 | 18,034,865 |
| Futures contracts | (22,411,773) | (9,725,532) | (2,169,562) |
| Options written | (1,318,139) | (764,580) | (267,189) |
| Net realized and unrealized gain on investments, futures contracts and options written | 48,288,843 | 34,211,344 | 11,660,089 |
| Net Increase in Net Assets Resulting from Investment Operations | 113,096,482 | 65,722,918 | 22,774,431 |
| Dividends on Preferred Shares from Net Investment Income | (8,269,559) | (3,645,115) | (1,342,842) |
| Net Increase in Net Assets Applicable to Common Shareholders Resulting from Investment Operations | \$ 104,826,923 | \$ 62,077,803 | \$ 21,431,589 |

See accompanying Notes to Financial Statements | 5.31.05 | PIMCO Municipal Income Funds II Annual Report 27

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

| | Municipal II | |
|--|---------------------|----------------|
| | Year ended | |
| | May 31, 2005 | May 31, 2004 |
| Investment Operations: | | |
| Net investment income | \$ 64,807,639 | \$ 67,925,448 |
| Net realized gain (loss) on investments, futures contracts and options written | (56,492,627) | 24,210,728 |
| Net change in unrealized appreciation/depreciation of investments, futures contracts and options written | 104,781,470 | (68,517,484) |
| Net increase (decrease) in net assets resulting from investment operations | 113,096,482 | 23,618,692 |
| Dividends on Preferred Shares from Net Investment Income | (8,269,559) | (4,680,202) |
| Net increase (decrease) in net assets applicable to common shareholders resulting from investment operations | 104,826,923 | 18,938,490 |
| Dividends to Common Shareholders from Net Investment Income | (58,819,603) | (56,205,302) |
| Capital Share Transactions: | | |
| Reinvestment of dividends and distributions | 3,612,366 | 3,051,924 |
| Total increase (decrease) in net assets applicable to common shareholders | 49,619,686 | (34,214,888) |
| Net Assets Applicable to Common Shareholders: | | |
| Beginning of year | 812,670,299 | 846,885,187 |
| End of year (including undistributed (dividends in excess of) net investment income of \$5,483,978 and \$7,765,501; \$1,703,352 and \$3,271,140; \$(41,926) and \$356,073; respectively) | \$ 862,289,985 | \$ 812,670,299 |
| Common Shares Issued in Reinvestment of Dividends: | 247,531 | 211,747 |

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| California Municipal II | | New York Municipal II | |
|--------------------------------|----------------|------------------------------|----------------|
| Year ended | | Year ended | |
| May 31, 2005 | May 31, 2004 | May 31, 2005 | May 31, 2004 |
| \$ 31,511,574 | \$ 33,940,350 | \$ 11,114,342 | \$ 11,106,041 |
| (15,854,430) | 5,655,818 | (3,938,025) | 1,168,992 |
| 50,065,774 | (43,456,385) | 15,598,114 | (11,274,316) |
| 65,722,918 | (3,860,217) | 22,774,431 | 1,000,717 |
| (3,645,115) | (2,082,467) | (1,342,842) | (718,744) |
| 62,077,803 | (5,942,684) | 21,431,589 | 281,973 |
| (29,434,247) | (28,120,948) | (10,169,499) | (9,708,825) |
| 1,293,066 | 1,752,390 | 592,411 | 778,884 |
| 33,936,622 | (32,311,242) | 11,854,501 | (8,647,968) |
| 407,659,156 | 439,970,398 | 140,957,633 | 149,605,601 |
| \$ 441,595,778 | \$ 407,659,156 | \$ 152,812,134 | \$ 140,957,633 |
| 91,921 | 125,989 | 41,816 | 55,136 |

PIMCO Municipal Income Funds II Notes to Financial Statements

May 31, 2005

1. Organization and Significant Accounting Policies

PIMCO Municipal Income Fund II (the "Municipal II"), PIMCO California Municipal Income Fund II (the "California Municipal II") and PIMCO New York Municipal Income Fund II (the "New York Municipal II") collectively referred to as the "Funds" or "PIMCO Municipal Income Funds II", were organized as Massachusetts business trusts on March 29, 2002. Prior to commencing operations on June 28, 2002, the Funds had no operations other than matters relating to their organization and registration as 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"), formerly PA Fund Management LLC, serves as the Funds' Investment Manager and is an indirect wholly-owned subsidiary of Allianz Global Investors of America L.P. (the "Allianz Global"). Allianz Global is an indirect, majority-owned subsidiary of Allianz AG. The Funds have an unlimited amount of \$0.00001 par value common stock authorized.

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

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

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

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

(a) Valuation of Investments

Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. Portfolio securities and other financial instruments for which market quotations are not readily available or if a development/event occurs that may significantly impact the value of the security, may be fair-valued, in good faith, pursuant to guidelines established by the Board of Trustees. The Funds' investments are valued daily by an independent pricing service. The independent pricing service uses information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics. Exchange traded options and futures, are valued at the settlement price determined by the relevant exchange. Short-term investments maturing in 60 days or less are valued at amortized cost, if their original 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. Securities purchased on a when-issued or delayed-delivery basis are marked to market daily until settlement at the forward settlement value. The prices used by the Funds to value securities may differ from the value that would be realized if the securities were sold and the differences could be material to the financial statements. The Funds' net asset values are determined daily at the close of regular trading (normally 4:00 p.m. Eastern time) on the New York Stock Exchange.

(b) Investment Transactions and Investment Income

Investment transactions are accounted for on the trade date. Realized gains and losses on investments are determined on the identified cost basis. Interest income is recorded on an accrual basis. Original issue discounts or premiums on debt securities purchased are accreted or amortized daily to non-taxable interest income. Market discount, if any, is accreted daily to taxable income.

(c) Federal Income Taxes

The Funds intend to distribute all of their taxable income and to comply with the other requirements of the U.S. Internal Revenue Code of 1986, as amended, applicable to regulated investment companies. Accordingly, no provision for U.S. federal income taxes is required. In addition, by distributing substantially all of their taxable ordinary income and long-term capital gains, if any, during each calendar year, the Funds intend not to be subject to U.S. federal excise tax.

PIMCO Municipal Income Funds II Notes to Financial Statements

May 31, 2005

1. Organization and Significant Accounting Policies (continued)**(d) Dividends and Distributions—Common Stock**

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

(e) Futures Contracts

A futures contract is an agreement between two parties to buy and sell a financial instrument at a set price on a future date. Upon entering into such a contract, the Funds are required to pledge to the broker an amount of cash or securities, equal to the minimum □initial margin□ requirements of the exchange. Pursuant to the contracts, the Funds agree to receive from or pay to the broker an amount of cash or securities equal to the daily fluctuation in the value of the contracts. Such receipts or payments are known as □variation margin□ and are recorded by the Funds as unrealized appreciation or depreciation. When the contracts are closed, the Funds record a realized gain or loss equal to the difference between the value of the contracts at the time they were opened and the value at the time they were closed. Any unrealized appreciation or depreciation recorded is simultaneously reversed. The use of futures transactions involves the risk of an imperfect correlation in the movements in the price of futures contracts, interest rates and the underlying hedged assets, and the possible inability of counterparties to meet the terms of their contracts.

(f) Option Transactions

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

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

(g) Residual Interest Municipal Bonds (□RIBS□)/Residual Interest Tax Exempt Bonds (□RITES□)

The Funds invest in RIBS and RITES whose interest rates bear an inverse relationship to the interest rate on another security or the value of an index. RIBS and RITES are created by dividing the income stream provided by the underlying bonds to create two securities, one short-term and one long-term. The interest rate on the short-term component is reset by an index or auction process normally every seven to 35 days. After income is paid on the short-term securities at current rates, the residual income from the underlying bond(s) goes to the long-term securities. Therefore, rising short-term interest rates result in lower income for the longer-term portion, and visa versa. The longer-term bonds may be more volatile and less liquid than other municipal bonds of comparable maturity. Investments in RIBS and RITES typically will involve greater risk than an investment in a fixed-rate bond.

(h) When-Issued/Delayed-Delivery Transactions

The Funds may purchase or sell securities on a when-issued or delayed-delivery basis. The transactions involve a commitment to purchase or sell securities for a predetermined price or yield, with payment and delivery taking place beyond

PIMCO Municipal Income Funds II Notes to Financial Statements

May 31, 2005

1. Organization and Significant Accounting Policies (continued)

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

(i) Custody Credits Earned on Cash Balances

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

2. Investment Manager /Sub-Adviser

Each Fund has entered into an Investment Management Agreement (the "Agreements") with the Investment Manager. Subject to the supervision by each Fund's Board of Trustees, the Investment Manager is responsible for managing, either directly or through others selected by it, the Fund's investment activities, business affairs and other administrative matters. Pursuant to the Agreements, the Investment Manager receives an annual fee, payable monthly, at the annual rate of 0.65% of each Fund's average daily net assets, inclusive of net assets attributable to any preferred shares that may be outstanding. In order to reduce each Fund's expenses, the Investment Manager has contractually agreed to waive a portion of its investment management fee for each Fund at the annual rate of 0.15% of each Fund's average daily net assets, including net assets attributable to any preferred shares that may be outstanding, from the commencement of operations through June 30, 2007, and for a declining amount thereafter through June 30, 2009.

The Investment Manager has retained its affiliate, Pacific Investment Management Company LLC (the "Sub-Adviser") to manage each Fund's investments. Subject to the supervision of the Investment Manager, the Sub-Adviser makes all investment decisions for the Funds. The Investment Manager, not the Funds, pays a portion of the fees it receives to the Sub-Adviser in return for its services, at the maximum annual rate of 0.50% of each Fund's average daily net assets, inclusive of net assets attributable to any preferred shares that may be outstanding. The Sub-Adviser has contractually agreed to waive a portion of the fees it is entitled to receive from the Investment Manager, such that the Sub-Adviser will receive 0.26% of each Fund's average daily net assets, including net assets attributable to any preferred shares that may be outstanding, from the commencement of the Funds' operations through June 30, 2007, and will receive an increasing amount not to exceed 0.50% of each Fund's average daily net assets, including net assets attributable to any preferred shares that may be outstanding thereafter through June 30, 2009. The Investment Manager informed the Funds that it paid the Sub-Adviser \$3,498,688, \$1,788,293 and \$617,519 in connection with sub-advisory services for Municipal II, California Municipal II, and New York Municipal II, respectively, for the year ended May 31, 2005.

3. Investments in Securities

(a) For the year ended May 31, 2005, purchases and sales of investments, other than short-term securities, were:

| | Municipal II | California Municipal II | New York Municipal II |
|-----------|---------------|----------------------------|--------------------------|
| Purchases | \$119,540,471 | \$71,449,073 | \$41,125,230 |
| Sales | \$146,279,827 | \$56,923,139 | \$54,206,352 |

PIMCO Municipal Income Funds II Notes to Financial Statements

May 31, 2005

3. Investments in Securities (continued)

b) Futures contracts outstanding at May 31, 2005:

| Fund | Type | Notional Value (000) | Expiration Date | Unrealized Depreciation |
|-------------------------|-----------------------------------|----------------------------|--------------------|----------------------------|
| Municipal II | Short: U.S. Treasury 30 Year Bond | \$ (385,300) | 6/21/05 | \$ 17,338,500 |
| California Municipal II | Short: U.S. Treasury 30 Year Bond | (153,400) | 6/21/05 | \$ 6,685,188 |
| New York Municipal II | Short: U.S. Treasury 30 Year Bond | (36,800) | 6/21/05 | \$ 1,694,187 |

(c) Transactions in options written for the year ended May 31, 2005:

| | Contracts | Premiums |
|---|-----------|--------------|
| <u>Municipal II:</u> | | |
| Options outstanding, May 31, 2004 | 1,150 | \$ 759,359 |
| Options written | 14,507 | 20,937,730 |
| Options expired | (2,119) | (1,054,953) |
| Options terminated in closing purchase transactions | (10,756) | (18,095,886) |
| Options exercised | (417) | (298,155) |
| Options outstanding, May 31, 2005 | 2,365 | \$ 2,248,095 |
| <u>California Municipal II:</u> | | |
| Options outstanding, May 31, 2004 | 580 | \$ 382,981 |
| Options written | 11,273 | 13,809,317 |
| Options expired | (2,145) | (1,304,753) |
| Options terminated in closing purchase transactions | (7,106) | (10,823,107) |
| Options exercised | (211) | (150,865) |
| Options outstanding, May 31, 2005 | 2,391 | \$ 1,913,573 |
| <u>New York Municipal II:</u> | | |
| Options outstanding, May 31, 2004 | 200 | \$ 132,063 |
| Options written | 3,666 | 4,328,875 |
| Options expired | (695) | (426,753) |
| Options terminated in closing purchase transactions | (2,285) | (3,304,820) |
| Options exercised | (73) | (52,195) |
| Options outstanding, May 31, 2005 | 813 | \$ 677,170 |

4. Income Tax Information

Municipal II:

The tax character of dividends paid were:

| | Year ended May 31, 2005 | Year ended May 31, 2004 |
|-------------------|----------------------------|----------------------------|
| Ordinary Income | \$ 3,247,605 | \$ 2,962,868 |
| Tax Exempt Income | 63,841,557 | 57,922,636 |

PIMCO Municipal Income Funds II Notes to Financial Statements

May 31, 2005

4. Income Tax Information (continued)

At May 31, 2005, the tax character of distributable earnings of \$5,483,978 was comprised entirely of tax exempt income.

At May 31, 2005, Municipal II had a capital loss carryforward of \$64,766,329, (\$10,260,913 of which will expire in 2012 and \$54,505,416 which will expire in 2013), available as a reduction, to the extent provided in the regulations, of any future net realized capital gains. To the extent that these losses are used to offset future realized capital gains, such gains will not be distributed.

The difference between book and tax basis unrealized appreciation/depreciation is attributable to wash sales.

In accordance with U.S. Treasury regulations, Municipal II elected to defer realized capital losses arising after October 31, 2004 of \$25,717,123. Such losses are treated for tax purposes as arising on June 1, 2005.

California Municipal II:

The tax character of dividends paid were:

| | Year ended May 31, 2005 | Year ended May 31, 2004 |
|-------------------|----------------------------|----------------------------|
| Ordinary Income | \$ 766,357 | \$ 649,740 |
| Tax Exempt Income | 32,313,005 | 29,553,675 |

At May 31, 2005, the tax character of distributable earnings of \$1,703,352 was comprised entirely of tax exempt income.

At May 31, 2005, California Municipal II had a capital loss carryforward of \$23,665,963 (\$1,122,615 of which will expire in 2011, \$6,214,426 of which will expire in 2012 and \$16,328,922 of which will expire in 2013), available as a reduction, to the extent provided in the regulations, of any future net realized capital gains. To the extent that these losses are used to offset future realized capital gains, such gains will not be distributed.

In accordance with U.S. Treasury regulations, California Municipal II elected to defer realized capital losses arising after October 31, 2004 of \$10,015,620. Such losses are treated for tax purposes as arising on June 1, 2005.

New York Municipal II:

The tax character of dividends paid were:

| | Year ended May 31, 2005 | Year ended May 31, 2004 |
|-------------------|----------------------------|----------------------------|
| Ordinary Income | \$ 146,663 | \$ 66,166 |
| Tax Exempt Income | 11,365,678 | 10,361,403 |

At May 31, 2005, New York Municipal II did not have any distributable earnings.

At May 31, 2005, New York Municipal II had a capital loss carryforward of \$8,753,592 (\$214,685 of which will expire in 2011, \$2,783,230 of which will expire in 2012 and \$5,755,677 of which will expire in 2013), available as a reduction, to the extent provided in the regulations, of any future net realized capital gains. To the extent that these losses are used to offset future realized capital gains, such gains will not be distributed.

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In accordance with U.S. Treasury regulations, New York Municipal II elected to defer realized capital losses arising after October 31, 2004 of \$619,099. Such losses are treated for tax purposes as arising on June 1, 2005.

The cost of investments for federal income tax purposes and gross unrealized appreciation and gross unrealized depreciation of investments at May 31, 2005 were:

| | Cost of Investments | Gross Unrealized Appreciation | Gross Unrealized Depreciation | Net Unrealized Appreciation |
|-------------------------|------------------------|-------------------------------------|-------------------------------------|-----------------------------------|
| Municipal II | \$1,238,100,423 | \$120,070,949 | \$654,810 | \$119,416,139 |
| California Municipal II | 653,235,915 | 44,316,983 | 106,526 | 44,210,457 |
| New York Municipal II | 236,892,699 | 13,892,696 | 16,283 | 13,876,413 |

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PIMCO Municipal Income Funds II Notes to Financial Statements

May 31, 2005

5. Auction Preferred Shares

Municipal II has issued 4,040 shares of Preferred Shares Series A, 4,040 shares of Preferred Shares Series B, 4,040 shares of Preferred Shares Series C, 4,040 shares of Preferred Shares Series D and 4,040 shares of Preferred Shares Series E, each with a net asset and liquidation value of \$25,000 per share plus accrued dividends.

California Municipal II has issued 2,080 shares of Preferred Shares Series A, 2,080 shares of Preferred Shares Series B, 2,080 shares of Preferred Shares Series C, 2,080 shares of Preferred Shares Series D and 2,080 shares of Preferred Shares Series E, each with a net asset and liquidation value of \$25,000 per share plus accrued dividends.

New York Municipal II has issued 1,800 shares of Preferred Shares Series A and 1,800 shares of Preferred Shares Series B, each with a net asset and liquidation value of \$25,000 per share, plus accrued dividends.

Dividends are accumulated daily at an annual rate set through auction procedures. Distributions of net realized capital gains, if any, are paid annually.

For the year ended May 31, 2005, the annualized dividend rates ranged from:

| | High | Low | At May 31, 2005 |
|---------------------------------|-------|-------|-----------------|
| <u>Municipal II:</u> | | | |
| Series A | 2.75% | 0.99% | 2.55% |
| Series B | 2.80% | 1.00% | 2.60% |
| Series C | 2.35% | 0.70% | 2.00% |
| Series D | 2.75% | 0.99% | 2.55% |
| Series E | 2.82% | 1.00% | 2.25% |
| <u>California Municipal II:</u> | | | |
| Series A | 2.75% | 0.62% | 1.85% |
| Series B | 2.60% | 0.70% | 2.00% |
| Series C | 2.75% | 0.75% | 2.55% |
| Series D | 2.35% | 0.98% | 1.84% |
| Series E | 2.40% | 0.70% | 2.20% |
| <u>New York Municipal II:</u> | | | |
| Series A | 2.63% | 0.90% | 2.20% |
| Series B | 2.50% | 0.60% | 1.80% |

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

6. Subsequent Common Dividend Declarations

On June 1, 2005, the following dividends were declared to common shareholders payable July 1, 2005 to shareholders of record on June 10, 2005:

| | |
|-------------------------|-----------------------------|
| Municipal II | \$0.084375 per common share |
| California Municipal II | \$0.08125 per common share |
| New York Municipal II | \$0.08125 per common share |

PIMCO Municipal Income Funds II Notes to Financial Statements

May 31, 2005

6. Subsequent Common Dividend Declarations (continued)

On July 1, 2005, the following dividends were declared to common shareholders payable August 1, 2005 to shareholders of record on July 15, 2005:

| | |
|-------------------------|-----------------------------|
| Municipal II | \$0.084375 per common share |
| California Municipal II | \$0.08125 per common share |
| New York Municipal II | \$0.08125 per common share |

7. Legal Proceedings

On September 13, 2004, the Securities and Exchange Commission (the "Commission") announced that the Investment Manager and certain of its affiliates (together with the Investment Manager, the "Affiliates") had agreed to a settlement of charges that they and certain of their officers had, among other things, violated various antifraud provisions of the federal securities laws in connection with an alleged market-timing arrangement involving trading of shares of certain open-end investment companies (open-end funds) advised or distributed by these certain affiliates. In their settlement with the Commission, the Affiliates consented to the entry of an order by the Commission and, without admitting or denying the findings contained in the order, agreed to implement certain compliance and governance changes and consented to cease-and-desist orders and censures. In addition, the Affiliates agreed to pay civil money penalties in the aggregate amount of \$40 million and to pay disgorgement in the amount of \$10 million, for an aggregate payment of \$50 million. In connection with the settlement, the Affiliates have been dismissed from the related complaint the Commission filed on May 6, 2004 in the U.S. District Court in the Southern District of New York. Neither the complaint nor the order alleges any inappropriate activity took place with respect to the Funds.

In a related action on June 1, 2004, the Attorney General of the State of New Jersey (NJAG) announced that it had entered into a settlement agreement with Allianz Global and the Affiliates, in connection with a complaint filed by the NJAG on February 17, 2004. The NJAG dismissed claims against the Sub-Adviser, which had been part of the same complaint. In the settlement, Allianz Global and other named affiliates neither admitted nor denied the allegations or conclusions of law, but did agree to pay New Jersey a civil fine of \$15 million and \$3 million for investigative costs and further potential enforcement initiatives against unrelated parties. They also undertook to implement certain governance changes. The complaint relating to the settlement contained allegations arising out of the same matters that were the subject of the Commission order regarding market-timing described above and does not allege any inappropriate activity took place with respect to the Funds.

On September 15, 2004, the Commission announced that the Affiliates had agreed to settle an enforcement action in connection with charges that they violated various antifraud and other provisions of federal securities laws as a result of, among other things, their failure to disclose to the board of trustees and shareholders of various open-end funds advised or distributed by the Affiliates material facts and conflicts of interest that arose from their use of brokerage commissions on portfolio transactions to pay for so-called shelf space arrangements with certain broker-dealers. In their settlement with the Commission, the Affiliates consented to the entry of an order by the Commission without admitting or denying the findings contained in the order. In connection with the settlement, the Affiliates agreed to undertake certain compliance and disclosure reforms and consented to cease-and-desist orders and censures. In addition, the Affiliates agreed to pay a civil money penalty of \$5 million and to pay disgorgement of approximately \$6.6 million based upon the aggregate amount of brokerage commissions alleged to have been paid by such open-end funds in connection with these shelf-space arrangements (and related interest). In a related action, the California Attorney General announced on September 15, 2004 that it had entered into an agreement with an affiliate of the Investment Manager in resolution of an investigation into matters that are similar to those discussed in the Commission order. The settlement agreement resolves matters described in a complaint filed contemporaneously by the California Attorney General in the Superior Court of the State of California alleging, among other things, that this affiliate violated certain antifraud provisions of California law by failing to disclose matters related to the shelf-space arrangements described above. In the settlement agreement, the affiliate did not admit to any liability but agreed to pay \$5 million in civil penalties and \$4 million in recognition of the California Attorney General's fees and costs associated with the investigation and related matters. Neither the Commission order nor the California Attorney General's complaint alleges any inappropriate activity took place with respect to the Funds.

On April 11, 2005, the Attorney General of the State of West Virginia filed a complaint in the Circuit Court of Marshall County, West Virginia (the "West Virginia Complaint") against the Investment Manager and certain Affiliates based on

PIMCO Municipal Income Funds II Notes to Financial Statements

May 31, 2005

7. Legal Proceedings (continued)

the same circumstances as those cited in the 2004 settlements with the Commission and NJAG involving alleged "market timing" activities described above. The West Virginia Complaint alleges, among other things, that the Investment Manager and certain Affiliates improperly allowed broker-dealers, hedge funds and investment advisors to engage in frequent trading of various open-end funds advised or distributed by the Affiliates in violation of the open end funds' stated restrictions on "market timing." As of the date of this report, the West Virginia Complaint has not been formally served upon the Investment Manager or the Affiliates. The West Virginia Complaint also names numerous other defendants unaffiliated with the Affiliates in separate claims alleging improper market timing and/or late trading of open-ended investment companies advised or distributed by such other defendants. The West Virginia Complaint seeks injunctive relief, civil monetary penalties, investigative costs and attorney's fees. The West Virginia Complaint does not allege that any inappropriate activity took place with respect to the Funds.

Since February 2004, certain of the Affiliates and their employees have been named as defendants in a total of 14 lawsuits filed in one of the following: U.S. District Court in the Southern District of New York, the Central District of California and the Districts of New Jersey and Connecticut. Ten of those lawsuits concern "market timing," and they have been transferred to and consolidated for pre-trial proceedings in the U.S. District Court for the District of Maryland; the remaining four lawsuits concern "revenue sharing" with brokers offering "shelf space" and have been consolidated into a single action in the U.S. District Court for the District of Connecticut. The lawsuits have been commenced as putative class actions on behalf of investors who purchased, held or redeemed shares of affiliated funds during specified periods or as derivative actions on behalf of the funds.

The lawsuits generally relate to the same facts that are the subject of the regulatory proceedings discussed above. The lawsuits seek, among other things, unspecified compensatory damages plus interest and, in some cases, punitive damages, the rescission of investment advisory contracts, the return of fees paid under those contracts and restitution. The Investment Manager believes that other similar lawsuits may be filed in federal or state courts naming as defendants the Investment Adviser, the Affiliates, Allianz Global, the Funds, other open- and closed-end funds advised or distributed by the Investment Manager and/or its affiliates, the boards of directors or trustees of those funds, and/or other affiliates and their employees. Under Section 9(a) of the 1940 Act, if any of the various regulatory proceedings or lawsuits were to result in a court injunction against the Investment Manager, Allianz Global and/or their affiliates, they and their affiliates would, in the absence of exemptive relief granted by the Commission, be barred from serving as an investment manager/sub-adviser or principal underwriter for any registered investment company, including the Funds. In connection with an inquiry from the Commission concerning the status of the New Jersey settlement described above under Section 9(a), the Investment Manager and certain of its affiliates (together, the "Applicants") have sought exemptive relief from the Commission under Section 9(c) of the 1940 Act.

The Commission has granted the Applicants a temporary exemption from the provisions of Section 9(a) with respect to the New Jersey settlement until the earlier of (i) September 13, 2006 and (ii) the date on which the Commission takes final action on their application for a permanent order. There is no assurance that the Commission will issue a permanent order. If the West Virginia Attorney General were to obtain a court injunction against the Investment Manager or the Affiliates, the Investment Manager or the Affiliates would, in turn, seek exemptive relief under Section 9(c) with respect to that matter, although there is no assurance that such exemptive relief would be granted.

A putative class action lawsuit captioned *Charles Mutchka et al. v. Brent R. Harris, et al.*, filed in January 2005 by and on behalf of individual shareholders of certain open-end funds that hold equity securities and that are sponsored by the Investment Manager and the Affiliates, is currently pending in the federal district court for the Central District of California. The plaintiff alleges that fund trustees, investment advisers and affiliates breached fiduciary duties and duties of care by failing to ensure that the open-end funds participated in securities class action settlements for which those funds were eligible. The plaintiff has claimed as damages disgorgement of fees paid to the investment advisers, compensatory damages and punitive damages.

The Investment Manager believes that the claims made in the lawsuit against the Investment Manager and the Affiliates are baseless, and the Investment Manager and the Affiliates intend to vigorously defend the lawsuit. As of the date hereof, the Investment Manager believes a decision, if any, against the defendants would have no material adverse effect on the Funds or the ability of the Investment Manager or the Sub-Adviser to perform their duties under the investment management or portfolio management agreements, as the case may be.

PIMCO Municipal Income Funds II Notes to Financial Statements

May 31, 2005

7. Legal Proceedings (continued)

It is possible that these matters and/or other developments resulting from these matters could lead to a decrease in the market price of the Funds' shares or other adverse consequences to the Funds and their shareholders. However, the Investment Manager and the Sub-Adviser believe that these matters are not likely to have a material adverse effect on the Funds or on the Investment Manager's or the Sub-Adviser's ability to perform their respective investment advisory services related to the Funds.

The foregoing speaks only as of the date hereof. There may be additional litigation or regulatory developments in connection with the matters discussed above.

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PIMCO Municipal Income Funds II Financial Highlights

For a share of common stock outstanding throughout each period

| | Municipal II | | |
|---|---------------------|--------------|---|
| | Year Ended | | For the Period |
| | May 31, 2005 | May 31, 2004 | June 28, 2002* through May 31, 2003 |
| Net asset value, beginning of period | \$ 14.01 | \$ 14.66 | \$ 14.33** |
| Income from Investment Operations: | | | |
| Net investment income | 1.11 | 1.17 | 0.93 |
| Net realized and unrealized gain (loss) on investments, futures contracts, and options written | 0.84 | (0.77) | 0.53 |
| Total from investment operations | 1.95 | 0.40 | 1.46 |
| Dividends and Distributions on Preferred Shares from: | | | |
| Net investment income | (0.14) | (0.08) | (0.08) |
| Net realized gains | □ | □ | (0.01) |
| Total dividends and distributions on preferred shares | (0.14) | (0.08) | (0.09) |
| Net increase in net assets applicable to common shareholders resulting from investment operations | 1.81 | 0.32 | 1.37 |
| Dividends and Distributions to Common Shareholders from: | | | |
| Net investment income | (1.01) | (0.97) | (0.84) |
| Net realized gains | □ | □ | (0.09) |
| Total dividends and distributions to common shareholders | (1.01) | (0.97) | (0.93) |
| Capital Share Transactions: | | | |
| Common stock offering costs charged to paid-in capital in excess of par | □ | □ | (0.02) |
| Preferred shares offering costs/underwriting discounts charged to paid-in capital in excess of par | □ | □ | (0.09) |
| Total capital share transactions | □ | □ | (0.11) |
| Net asset value, end of period | \$ 14.81 | \$ 14.01 | \$ 14.66 |

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| | | | |
|--|------------|------------|------------|
| Market price, end of period | \$ 15.02 | \$ 13.31 | \$ 14.80 |
| Total Investment Return (1) | 21.00% | (3.69)% | 5.19% |
| RATIOS/SUPPLEMENTAL DATA: | | | |
| Net assets applicable to common shareholders, end of period (000) | \$ 862,290 | \$ 812,670 | \$ 846,885 |
| Ratio of expenses to average net assets (2)(3)(5) | 1.02% | 1.03% | 0.95%(4) |
| Ratio of net investment income to average net assets (2)(5) | 7.71% | 8.16% | 6.99%(4) |
| Preferred shares asset coverage per share | \$ 67,676 | \$ 65,224 | \$ 66,920 |
| Portfolio turnover | 9% | 26% | 27% |

* Commencement of operations

** Initial public offering price of \$15.00 per share less underwriting discount of \$0.675 per share.

(1) Total investment return is calculated assuming a purchase of shares of common stock at the current market price on the first day of each period and a sale of shares at the current market price on the last day of each period reported.

Dividends and distributions are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment return does not reflect brokerage commissions or sales charges. Total investment return for a period of less than one year is not annualized.

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

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

(4) Annualized.

(5) During the periods indicated above, the Investment manager contractually waived a portion of its investment management fee. If such a waiver had not been in effect, the ratio of expenses to average net assets and the ratio of net investment income to average net assets would have been 1.26% and 7.47%, respectively for the year ended May 31, 2005; 1.28% and 7.92%, respectively for the year ended May 31, 2004 and 1.18% (annualized) and 6.76% (annualized), respectively for the period June 28, 2002 (commencement of operations) through May 31, 2003.

See accompanying Notes to Financial Statements | 5.31.05 | PIMCO Municipal Income Funds II Annual Report 39

PIMCO Municipal Income Funds II Financial Highlights

For a share of common stock outstanding throughout each period

| | California Municipal II | | |
|--|--------------------------------|--------------|---|
| | Year Ended | | For the Period |
| | May 31, 2005 | May 31, 2004 | June 28, 2002* through May 31, 2003 |
| Net asset value, beginning of period | \$ 13.53 | \$ 14.66 | \$ 14.33** |
| Income from Investment Operations: | | | |
| Net investment income | 1.05 | 1.13 | 0.87 |
| Net realized and unrealized gain (loss) on investments, futures contracts, and options written | 1.13 | (1.26) | 0.46 |
| Total from investment operations | 2.18 | (0.13) | 1.33 |
| Dividends on Preferred Shares from Net investment income | | | |
| | (0.12) | (0.07) | (0.07) |
| Net increase (decrease) in net assets applicable to common shareholders resulting from investment operations | 2.06 | (0.20) | 1.26 |
| Dividends to Common Shareholders from Net investment income | | | |
| | (0.98) | (0.93) | (0.81) |
| Capital Share Transactions: | | | |
| Common stock offering costs charged to paid-in capital in excess of par | □ | □ | (0.02) |
| Preferred shares offering costs/underwriting discounts charged to paid-in capital in excess of par | □ | □ | (0.10) |
| Total capital share transactions | □ | □ | (0.12) |
| Net asset value, end of period | \$ 14.61 | \$ 13.53 | \$ 14.66 |
| Market price, end of period | \$ 14.76 | \$ 13.27 | \$ 14.78 |
| Total Investment Return (1) | 19.14% | (3.92)% | 4.23% |
| RATIOS/SUPPLEMENTAL DATA: | | | |
| Net assets applicable to common shareholders, end of period (000) | \$ 441,596 | \$ 407,659 | \$ 439,970 |

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| | | | |
|---|-----------|-----------|-----------|
| Ratio of expenses to average net assets (2)(3)(5) | 1.06% | 1.07% | 0.97%(4) |
| Ratio of net investment income to average net assets (2)(5) | 7.37% | 8.08% | 6.56%(4) |
| Preferred shares asset coverage per share | \$ 67,451 | \$ 64,191 | \$ 67,301 |
| Portfolio turnover | 9% | 43% | 84% |

* Commencement of operations.

** Initial public offering price of \$15.00 per share less underwriting discount of \$0.675 per share.

(1) Total investment return is calculated assuming a purchase of shares of common stock at the current market price on the first day of each period and a sale of shares at the current market price on the last day of each period reported.

Dividends and distributions are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment return does not reflect brokerage commissions or sales charges. Total investment return for a period of less than one year is not annualized.

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

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

(4) Annualized.

(5) During the periods indicated above, the Investment manager contractually waived a portion of its investment management fee. If such a waiver had not been in effect, the ratio of expenses to average net assets and the ratio of net investment income to average net assets would have been 1.30% and 7.13%, respectively for the year ended May 31, 2005; 1.31% and 7.83%, respectively for the year ended May 31, 2004 and 1.20% (annualized) and 6.34% (annualized), respectively for the period June 28, 2002 (commencement of operations) through May 31, 2003.

PIMCO Municipal Income Funds II Financial Highlights

For a share of common stock outstanding throughout each period

| | New York Municipal II | | |
|---|------------------------------|--------------|---|
| | Year Ended | | For the Period |
| | May 31, 2005 | May 31, 2004 | June 28, 2002* through May 31, 2003 |
| Net asset value, beginning of period | \$ 13.54 | \$ 14.45 | \$ 14.33** |
| Income from Investment Operations: | | | |
| Net investment income | 1.07 | 1.06 | 0.86 |
| Net realized and unrealized gain (loss) on investments, futures contracts, and options written | 1.12 | (0.97) | 0.28 |
| Total from investment operations | 2.19 | 0.09 | 1.14 |
| Dividends on Preferred Shares from Net investment income | | | |
| | (0.13) | (0.07) | (0.08) |
| Net increase in net assets applicable to common shareholders resulting from investment operations | 2.06 | 0.02 | 1.06 |
| Dividends to Common Shareholders from Net investment income | | | |
| | (0.98) | (0.93) | (0.81) |
| Capital Share Transactions: | | | |
| Common stock offering costs charged to paid-in capital in excess of par | □ | □ | (0.03) |
| Preferred shares offering costs/underwriting discounts charged to paid-in capital in excess of par | □ | □ | (0.10) |
| Total capital share transactions | □ | □ | (0.13) |
| Net asset value, end of period | \$ 14.62 | \$ 13.54 | \$ 14.45 |
| Market price, end of period | \$ 14.80 | \$ 13.05 | \$ 14.71 |
| Total Investment Return (1) | 21.45% | (5.15)% | 3.76% |
| RATIOS/SUPPLEMENTAL DATA: | | | |
| Net assets applicable to common shareholders, end of period (000) | \$ 152,812 | \$ 140,958 | \$ 149,606 |
| Ratio of expenses to average net assets (2)(3)(5) | 1.14% | 1.15% | 1.02%(4) |

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| | | | |
|--|-----------|-----------|-----------|
| Ratio of net investment income to average net assets (2)(5) | 7.53% | 7.58% | 6.47%(4) |
| Preferred shares asset coverage per share | \$ 67,439 | \$ 64,148 | \$ 66,552 |
| Portfolio turnover | 18% | 18% | 27% |

* Commencement of operations.

** Initial public offering price of \$15.00 per share less underwriting discount of \$0.675 per share.

(1) Total investment return is calculated assuming a purchase of shares of common stock at the current market price on the first day of each period and a sale of shares at the current market price on the last day of each period reported.

Dividends and distributions are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment return does not reflect brokerage commissions or sales charges. Total investment return for a period of less than one year is not annualized.

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

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

(4) Annualized.

(5) During the periods indicated above, the Investment manager contractually waived a portion of its investment management fee. If such a waiver had not been in effect, the ratio of expenses to average net assets and the ratio of net investment income to average net assets would have been 1.38% and 7.29%, respectively for the year ended May 31, 2005; 1.39% and 7.34%, respectively for the year ended May 31, 2004 and 1.25% (annualized) and 6.25% (annualized), respectively for the period June 28, 2002 (commencement of operations) through May 31, 2003.

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**PIMCO Municipal Income
Funds II**

**Report of Independent Registered
Public Accounting Firm**

To the Shareholders and the Board of Trustees of

**PIMCO Municipal Income Fund II
PIMCO California Municipal Income Fund II
PIMCO New York Municipal income Fund II**

In our opinion, the accompanying statements of assets and liabilities, including the schedules of investments, and the related statements of operations and of changes in net assets applicable to common shareholders and the financial highlights present fairly, in all material respects, the financial position of PIMCO Municipal Income Fund II, PIMCO California Municipal Income Fund II and PIMCO New York Municipal Income Fund II (collectively hereafter referred to as the "Funds") at May 31, 2005, the results of each of their operations for the year then ended, the changes in each of their net assets applicable to common shareholders for each of the two years in the period then ended and the financial highlights for each of the two years in the period then ended and for the period June 28, 2002 (commencement of operations) through May 31, 2003, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at May 31, 2005 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
New York, New York
July 22, 2005

**PIMCO Municipal Income
Funds II**

**Privacy Policy, Proxy Voting Policies &
Procedures, Other Information** (unaudited)

Privacy Policy:

Our Commitment to You

We consider customer privacy to be a fundamental aspect of our relationship with clients. We are committed to maintaining the confidentiality, integrity, and security of our current, prospective and former clients' personal information. We have developed policies designed to protect this confidentiality, while allowing client needs to be served.

Obtaining Personal Information

In the course of providing you with products and services, we may obtain non-public personal information about you. This information may come from sources such as account applications and other forms, from other written, electronic or verbal correspondence, from your transactions, from your brokerage or financial advisory firm, financial adviser or consultant, and/or from information captured on our internet web sites.

Respecting Your Privacy

We do not disclose any personal or account information provided by you or gathered by us to non-affiliated third parties, except as required or permitted by law. As is common in the industry, non-affiliated companies may from time to time be used to provide certain services, such as preparing and mailing prospectuses, reports, account statements and other information, conducting research on client satisfaction, and gathering shareholder proxies. We may also retain non-affiliated companies to market our products and enter in joint marketing agreements with other companies. These companies may have access to your personal and account information, but are permitted to use the information solely to provide the specific service or as otherwise permitted by law. We may also provide your personal and account information to your brokerage or financial advisory firm and/or to your financial adviser or consultant.

Sharing Information with Third Parties

We do reserve the right to disclose or report personal information to non-affiliated third parties in limited circumstances where we believe in good faith that disclosure is required under law, to cooperate with regulators or law enforcement authorities, to protect our rights or property, or upon reasonable request by any mutual fund in which you have chosen to invest. In addition, we may disclose information about you or your accounts to a non-affiliated third party at your request or if you consent in writing to the disclosure.

Sharing Information with Affiliates

We may share client information with our affiliates in connection with servicing your account or to provide you with information about products and services that we believe may be of interest to you. The information we share may include, for example, your participation in our mutual funds or other investment programs, your ownership of certain types of accounts (such as IRAs), or other data about your accounts. Our affiliates, in turn, are not permitted to share your information with non-affiliated entities, except as required or permitted by law.

Implementation of Procedures

We take seriously the obligation to safeguard your non-public personal information. We have implemented procedures designed to restrict access to your non-public personal information to our personnel who need to know that information to provide products or services to you. To guard your non-public personal information, physical, electronic, and procedural safeguards are in place.

Proxy Voting Policies & Procedures:

A description of the policies and procedures that the Funds have adopted to determine how to vote proxies relating to portfolio securities and information about how the Funds voted proxies relating to portfolio securities held during the twelve months ended June 30, 2004 is available: (i) without charge, upon request, by calling the Funds' transfer agent at (800) 331-1710; (ii) on the Funds' website at www.allianzinvestors.com; and (iii) on the Securities and Exchange Commission's website at www.sec.gov.

Other Information:

Since May 31, 2004, there have been no: (i) material changes in the Funds' investment objectives or policies; (ii) changes to the Funds' charter or by-laws; (iii) material changes in the principal risk factors associated with investment in the Funds; (iv) change in person primarily responsible for the day-to-day management of the Funds' portfolio.

PIMCO Municipal Income Funds II Tax Information (unaudited)

Subchapter M of the Internal Revenue Code of 1986, as amended, requires the Funds to advise shareholders within 60 days of the Funds' tax year-end (May 31, 2005) as to the federal tax status of dividends and distributions received by shareholders during such tax period. Accordingly, please note that substantially all dividends paid from net investment income from the Funds during the tax period ended May 31, 2005 were federally exempt interest dividends. However, the Funds invested in municipal bonds containing market discount, whose accretion is taxable. Accordingly, the percentage of dividends paid from net investment income during the tax period which are taxable were:

| | |
|-------------------------|-------|
| Municipal II | 4.84% |
| California Municipal II | 2.32% |
| New York Municipal II | 1.27% |

Since the Funds' fiscal year is not the calendar year, another notification will be sent with respect to calendar year 2005. In January 2006, shareholders will be advised on IRS Form 1099 DIV as to the federal tax status of the dividends and distributions received during calendar 2005. The amount that will be reported will be the amount to use on your 2005 federal income tax return and may differ from the amount which must be reported in connection with each Funds' tax year ended May 31, 2005. Shareholders are advised to consult their tax advisers as to the federal, state and local tax status of the income received from the Funds. In January 2006, an allocation of interest income by state will be provided which may be of value in reducing a Shareholder's state and local tax liability, if any.

PIMCO Municipal Income Funds II Dividend Reinvestment Plan (unaudited)

Pursuant to the Funds' Dividend Reinvestment Plan (the "Plan"), all Common Shareholders whose shares are registered in their own names will have all dividends, including any capital gain dividends, reinvested automatically in additional Common Shares by PFPC Inc., as agent for the Common Shareholders (the "Plan Agent"), unless the shareholder elects to receive cash. An election to receive cash may be revoked or reinstated at the option of the shareholder. In the case of record shareholders such as banks, brokers or other nominees that hold Common Shares for others who are the beneficial owners, the Plan Agent will administer the Plan on the basis of the number of Common Shares certified from time to time by the record shareholder as representing the total amount registered in such shareholder's name and held for the account of beneficial owners who are to participate in the Plan. Shareholders whose shares are held in the name of a bank, broker or nominee should contact the bank, broker or nominee for details. All distributions to investors who elect not to participate in the Plan (or whose broker or nominee elects not to participate on the investor's behalf), will be paid cash by check mailed, in the case of direct shareholder, to the record holder by PFPC Inc., as the Funds' dividend disbursement agent.

Unless you (or your broker or nominee) elect not to participate in the Plan, the number of Common Shares you will receive will be determined as follows:

- (1) If Common Shares are trading at or above net asset value on the payment date, the Funds will issue new shares at the greater of (i) the net asset value per Common Share on the payment date or (ii) 95% of the market price per Common Share on the payment date; or
- (2) If Common Shares are trading below net asset value (minus estimated brokerage commissions that would be incurred upon the purchase of Common Shares on the open market) on the payment date, the Plan Agent will receive the dividend or distribution in cash and will purchase Common Shares in the open market, on the New York Stock Exchange or elsewhere, for the participants' accounts. It is possible that the market price for the Common Shares may increase before the Plan Agent has completed its purchases. Therefore, the average purchase price per share paid by the Plan Agent may exceed the market price on the payment date, resulting in the purchase of fewer shares than if the dividend or distribution had been paid in Common Shares issued by the Funds. The Plan Agent will use all dividends and distributions received in cash to purchase Common Shares in the open market on or shortly after the payment date, but in no event later than the ex-dividend date for the next distribution. Interest will not be paid on any uninvested cash payments.

You may withdraw from the Plan at any time by giving notice to the Plan Agent. If you withdraw or the Plan is terminated, you will receive a certificate for each whole share in your account under the Plan and you will receive a cash payment for any fraction of a share in your account. If you wish, the Plan Agent will sell your shares and send you the proceeds, minus brokerage commissions.

The Plan Agent maintains all shareholders' accounts in the Plan and gives written confirmation of all transactions in the accounts, including information you may need for tax records. The Plan Agent will also furnish each person who buys Common Shares with written instructions detailing the procedures for electing not to participate in the Plan and to instead receive distributions in cash. Common Shares in your account will be held by the Plan Agent in non-certificated form. Any proxy you receive will include all Common Shares you have received under the Plan.

There is no brokerage charge for reinvestment of your dividends or distributions in Common Shares. However, all participants will pay a pro rata share of brokerage commissions incurred by the Plan Agent when it makes open market purchases.

Automatically reinvested dividends and distributions are taxed in the same manner as cash dividends and distributions.

The Funds and the Plan Agent reserve the right to amend or terminate the Plan. There is no direct service charge to participants in the Plan; however, the Funds reserve the right to amend the Plan to include a service charge payable by the participants. Additional information about the Plan may be obtained from the Funds' transfer agent, PFPC Inc., P.O.Box 43027, Providence, RI 02940-3027, telephone number 1-800-331-1710.

PIMCO Municipal Income Funds II Board of Trustees (unaudited)

**Name, Age, Position(s) Held with Funds,
Length of Service, Other Trusteeships/
Directorships Held by Trustee; Number of
Portfolios in Fund Complex/Outside Fund
Complexes Currently Overseen by Trustee**

Principal Occupation(s) During Past 5 years:

*The address of each trustee is 1345 Avenue of
the Americas, New York, NY 10105*

Robert E. Connor

Age: 70

Chairman of the Board of Trustees since: 2004

Trustee since: 2002

*Term of office: Expected to stand for re-election
at 2006 annual meeting of shareholders.*

Trustee/Director of 24 funds in Fund Complex

*Trustee/Director of no funds outside of Fund
Complex*

Corporate Affairs Consultant; Formerly, Senior Vice President, Corporate
Office, Smith Barney Inc.

Paul Belica

Age: 83

Trustee since: 2002

*Term of office: Expected to stand for re-election
at 2007 annual meeting of shareholders.*

Trustee/Director of 20 funds in Fund Complex

*Trustee/Director of no funds outside of Fund
Complex*

Director, Student Loan Finance Corp., Education Loans, Inc., Goal
Funding I, Goal Funding II, Inc. and Surety Loan Funding, Inc.; Formerly
senior executive and member of the Board of Smith Barney, Harris Upham
& Co. and CEO of five State of New York Agencies Inc.

John J. Dalessandro II

Age: 67

Trustee since: 2002

*Term of office: Expected to stand for re-election
at 2007 annual meeting of shareholders.*

Trustee of 23 funds in Fund Complex

Trustee of no funds outside of Fund complex

Formerly, President and Director, J.J. Dalessandro II Ltd, registered broker-
dealer and member of the New York Stock Exchange.

David C. Flattum

Age: 40

Trustee since: 2004

*Term of office: Expected to stand for election
at 2005 annual meeting of shareholders.*

Trustee of 52 funds in Fund Complex

Trustee of no funds outside of Fund Complex

Managing Director, Chief Operating Officer, General Counsel and
member of Management Board, Allianz Global Investors of America, L.P.;
Formerly, Partner, Latham & Watkins LLP (1998-2001).

Hans W. Kertess

Age: 65

Trustee since: 2002

President, H Kertess & Co., L.P. Formerly, Managing Director, Royal Bank
of Canada Capital Markets.

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*Term of office: Expected to stand for re-election
at 2006 annual meeting of shareholders.*

Trustee of 23 Funds in Fund Complex;

Trustee of no funds outside of Fund Complex

R. Peter Sullivan III

Age: 63

Trustee since: 2002

*Term of office: Expected to stand for re-election
at 2005 annual meeting of shareholders.*

Trustee of 19 funds in Fund Complex

Trustee of no funds outside of Fund Complex

Formerly, Managing Partner, Bear Wagner Specialists LLC (formerly, Wagner Stott Mercator LLC), specialist firm on the New York Stock Exchange.

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Trustees and Principal Officers

| | |
|---|--|
| Robert E. Connor Chairman of the Board of Trustees | Brian S. Shlissel President & Chief Executive Officer |
| Paul Belica Trustee | Newton B. Schott, Jr. Vice President |
| John J. Dalessandro II Trustee | Mark V. McCray Vice President |
| David C. Flattum Trustee | Lawrence G. Altadonna Treasurer, Principal Financial & Accounting Officer |
| Hans W. Kertess Trustee | Thomas J. Fuccillo Secretary |
| R. Peter Sullivan III Trustee | Youse Guia Chief Compliance Officer |
| | Jennifer A. Patula Assistant Secretary |

Investment Manager

Allianz Global Investors Fund Management LLC
1345 Avenue of the Americas
New York, NY 10105

Sub-Adviser

Pacific Investment Management Company LLC
840 Newport Center Drive
Newport Beach, CA 92660

Custodian & Accounting Agent

State Street Bank & Trust Co.
801 Pennsylvania
Kansas City, MO 64105-1307

Transfer Agent, Dividend Paying Agent and Registrar

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

Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP
300 Madison Avenue
New York, NY 10017

Legal Counsel

Ropes & Gray LLP
One International Place
Boston, MA 02210-2624

This report, including the financial information herein, is transmitted to the shareholders of PIMCO Municipal Income Fund II, PIMCO California Municipal Income Fund II and PIMCO New York Municipal Income Fund II for their information. It is not a prospectus, circular or representation intended for use in the purchase of shares of the Funds or any securities mentioned in this report. Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that from time to time each Fund may purchase shares of its common stock in the open market.

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The Funds file their complete schedules of portfolio holdings with the Securities and Exchange Commission (the "Commission") for the first and third quarters of its fiscal year on Form N-Q. Forms N-Q are available (i) on the Funds' website at www.allianzinvestors.com (ii) on the Commission's website at www.sec.gov, and (iii) at the Commission's Public Reference Room located in Washington, DC, (800) SEC-0330.

On January 24, 2005, each Fund submitted a CEO annual certification to the New York Stock Exchange ("NYSE") on which each Funds' principal executive officer certified that he was not aware, as of that date, of any violation by the Funds of the NYSE's Corporate Governance listing standards. In addition, as required by Section 302 of the Sarbanes-Oxley Act of 2002 and related SEC rules, each Funds' principal executive and principal financial officer made quarterly certifications, included in filings with the SEC on Forms N-CSR and N-Q relating to, among other things, the Funds' disclosure controls and procedures and internal control over financial reporting, as applicable.

Information on the Funds is available at www.allianzinvestors.com or by calling the Funds' transfer agent 1-800-331-1710.

ITEM 2. CODE OF ETHICS

- (a) As of the end of the period covered by this report, the registrant has adopted a code of ethics (the "Section 406 Standards for Investment Companies -- Ethical Standards for Principal Executive and Financial Officers") that applies to the registrant's Principal Executive Officer and Principal Financial Officer; the registrant's Principal Financial Officer also serves as the Principal Accounting Officer. The registrant undertakes to provide a copy of such code of ethics to any person upon request, without charge, by calling 1-800-331-1710.
- (b) During the period covered by this report, there were not any amendments to a provision of the code of ethics adopted in 2(a) above.
- (c) During the period covered by this report, there were not any waivers or implicit waivers to a provision of the code of ethics adopted in 2(a) above.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT The registrant's Board has determined that Mr. Paul Belica, a member of the Board's Audit Oversight Committee is an "audit committee financial expert," and that he is "independent," for purposes of this Item.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES

- a) Audit fees. The aggregate fees billed for each of the last two fiscal years (the "Reporting Periods") for professional services rendered by the Registrant's principal accountant (the "Auditor") for the audit of the Registrant's annual financial statements, or services that are normally provided by the Auditor in connection with the statutory and regulatory filings or engagements for the Reporting Periods, were \$33,085 in 2004 and \$28,657 in 2005.
- b) Audit-Related Fees. The aggregate fees billed in the Reporting Periods for assurance and related services by the principal accountant that are reasonably related to the performance of the audit registrant's financial statements and are not reported under paragraph (e) of this Item were \$6,000 in 2004 and \$7,005 in 2005. These services consist of accounting consultations, agreed upon procedure reports (inclusive of annual review of basic maintenance testing associated with the Preferred Shares), attestation reports and comfort letters.
- c) Tax Fees. The aggregate fees billed in the Reporting Periods for

professional services rendered by the Auditor for tax compliance,

tax service and tax planning ("Tax Services") were \$4,700 in 2004 and \$8,000 in 2005. These services consisted of review or preparation of U.S. federal, state, local and excise tax returns. d) All Other Fees. There were no other fees billed in the Reporting Periods for products and services provided by the Auditor to the Registrant. e) Audit Committee Pre-Approval Policies and Procedures. The Registrant's Audit Committee has established policies and procedures for pre-approval of all audit and permissible non-audit services by the Auditor for the Registrant, as well as the Auditor's engagements for non-audit services to the when the engagement relates directly to the operations and financial reporting of the Registrant. The Registrant's policy is stated below. PIMCO California Municipal Income Funds II (THE "FUNDS") AUDIT OVERSIGHT COMMITTEE POLICY FOR PRE-APPROVAL OF SERVICES PROVIDED BY THE INDEPENDENT ACCOUNTANTS The Funds' Audit Oversight Committee ("Committee") is charged with the oversight of the Funds' financial reporting policies and practices and their internal controls. As part of this responsibility, the Committee must pre-approve any independent accounting firm's engagement to render audit and/or permissible non-audit services, as required by law. In evaluating a proposed engagement by the independent accountants, the Committee will assess the effect that the engagement might reasonably be expected to have on the accountant's independence. The Committee's evaluation will be based on: a review of the nature of the professional services expected to be provided, the fees to be charged in connection with the services expected to be provided, a review of the safeguards put into place by the accounting firm to safeguard independence, and periodic meetings with the accounting firm. POLICY FOR AUDIT AND NON-AUDIT SERVICES TO BE PROVIDED TO THE FUNDS On an annual basis, the Funds' Committee will review and pre-approve the scope of the audits of the Funds and proposed audit fees and permitted non-audit (including audit-related) services that may be performed by the Funds' independent accountants. At least annually, the Committee will receive a report of all audit and non-audit services that were rendered in the previous calendar year pursuant to this Policy. In addition to the Committee's

pre-approval of services pursuant to this Policy, the engagement of the independent accounting firm for any permitted non-audit service provided to the Funds will also require the separate written pre-approval of the President of the Funds, who will confirm, independently, that the accounting firm's engagement will not adversely affect the firm's independence. All non-audit services performed by the independent accounting firm will be disclosed, as required, in filings with the Securities and Exchange Commission. AUDIT SERVICES The categories of audit services and related fees to be reviewed and pre-approved annually by the Committee are: Annual Fund financial statement audits Seed audits (related to new product filings, as required) SEC and regulatory filings and consents Semiannual financial statement reviews AUDIT-RELATED SERVICES The following categories of audit-related services are considered to be consistent with the role of the Fund's independent accountants and services falling under one of these categories will be pre-approved by the Committee on an annual basis if the Committee deems those services to be consistent with the accounting firm's independence: Accounting consultations Fund merger support services Agreed upon procedure reports (inclusive of quarterly review of Basic Maintenance testing associated with issuance of Preferred Shares and semiannual report review) Other attestation reports Comfort letters Other internal control reports Individual audit-related services that fall within one of these categories and are not presented to the Committee as part of the annual pre-approval process described above, may be pre-approved, if deemed consistent with the accounting firm's independence, by the Committee Chair (or any other Committee member who is a disinterested trustee under the Investment Company Act to whom this responsibility has been delegated) so long as the estimated fee for those services does not exceed \$75,000. Any such pre-approval shall be reported to the full Committee at its next regularly scheduled meeting. TAX SERVICES The following categories of tax services are considered to be consistent with the role of the Funds' independent accountants and services falling under one of these categories will be pre-approved by the Committee on an annual basis if the Committee deems those services to be consistent with the accounting firm's

independence: Tax compliance services related to the filing or amendment of the following: Federal, state and local income tax compliance; and, sales and use tax compliance Timely RIC qualification reviews Tax distribution analysis and planning Tax authority examination services Tax appeals support services Accounting methods studies Fund

merger support service Other tax consulting services and related projects Individual tax services that fall within one of these categories and are not presented to the Committee as part of the annual pre-approval process described above, may be pre-approved, if deemed consistent with the accounting firm's independence, by the Committee Chairman (or any other Committee member who is a disinterested trustee under the Investment Company Act to whom this responsibility has been delegated) so long as the estimated fee for those services does not exceed \$100,000. Any such pre-approval shall be reported to the full Committee at its next regularly scheduled meeting. PROSCRIBED SERVICES The Funds' independent accountants will not render services in the following categories of non-audit services: Bookkeeping or other services related to the accounting records or financial statements of the Funds Financial information systems design and implementation Appraisal or valuation services, fairness opinions, or contribution-in-kind reports Actuarial services Internal audit outsourcing services Management functions or human resources Broker or dealer, investment adviser or investment banking services Legal services and expert services unrelated to the audit Any other service that the Public Company Accounting Oversight Board determines, by regulation, is impermissible PRE-APPROVAL OF NON-AUDIT SERVICES PROVIDED TO OTHER ENTITIES WITHIN THE FUND COMPLEX The Committee will pre-approve annually any permitted non-audit services to be provided to Allianz Global Investors Fund Management LLC (Formerly, PA Fund Management LLC) or any other investment manager to the Funds (but not including any sub-adviser whose role is primarily portfolio management and is sub-contracted by the investment manager) (the "Investment Manager") and any entity

controlling, controlled by, or under common control with the Investment Manager that provides ongoing services to the Funds (including affiliated sub-advisers to the Funds), provided, in each case, that the engagement relates directly to the operations and financial reporting of the Funds (such entities, including the Investment Manager, shall be referred to herein as the "Accounting Affiliates"). Individual projects that are not presented to the Committee as part of the annual pre-approval process, may be pre-approved, if deemed consistent with the accounting firm's independence, by the Committee Chairman (or any other Committee member who is a disinterested trustee under the Investment Company Act to whom this responsibility has been delegated) so long as the estimated fee for those services does not exceed \$100,000. Any such pre-approval shall be reported to the full Committee at its next regularly scheduled meeting. Although the Committee will not pre-approve all services provided to the Investment Manager and its affiliates, the Committee will receive an annual report from the Funds' independent accounting firm showing the aggregate fees for all services provided to the Investment Manager and its affiliates. DE MINIMUS EXCEPTION TO REQUIREMENT OF PRE-APPROVAL OF NON-AUDIT SERVICES With respect to the provision of permitted non-audit services to a Fund or Accounting Affiliates, the pre-approval requirement is waived if: (1) The aggregate amount of all such permitted non-audit services provided constitutes no more than (i) with respect to such services provided to the Fund, five percent (5%) of the total amount of revenues paid by the Fund to its independent accountant during the fiscal year in which the services are provided, and (ii) with respect to such services provided to Accounting Affiliates, five percent (5%) of the total amount of revenues paid to the Fund's independent accountant by the Fund and the Accounting Affiliates during the fiscal year in which the services are provided; (2) Such services were not recognized by the Fund at the time of the engagement for such services to be non-audit services; and (3) Such services are promptly brought to the attention of the Committee and approved prior to the completion of the audit by the Committee or by the Committee Chairman (or any other Committee member who is a disinterested trustee under the Investment Company Act to whom this Committee Chairman or other delegate shall be reported to the full Committee at its next regularly scheduled meeting. e) 2. No services were approved pursuant to the procedures contained in paragraph (C) (7) (i) (C) of Rule 2-01 of Registration S-X.

f) Not applicable. g) Non-audit fees. The aggregate non-audit fees billed by the Auditor for services rendered to the Registrant, and rendered to the Adviser, for the 2004 Reporting Period was \$4,065,376 and the 2005 Reporting Period was \$2,548,181. h) Auditor Independence. The Registrant's Audit Oversight Committee has considered whether the provision of non-audit services that were rendered to the Adviser which were not pre-approved is compatible with maintaining the Auditor's independence. ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANT The Fund has a separately designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934. The audit committee of the Fund is comprised of Robert E. Connor, Paul Belica, John J.

Dalessandro II, Hans W. Kertess and R. Peter Sullivan III. ITEM 6. SCHEDULE OF INVESTMENTS Schedule of Investments is included as part of the report to shareholders filed under Item 1 of this form. ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES The registrant has delegated the voting of proxies relating to its voting securities to its sub-adviser, Pacific Investment Management Co. (the "Sub-Adviser"). The Proxy Voting Policies and Procedures of the Sub-Adviser are included as an Exhibit 99.PROXYPOL hereto. ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES Not effective at time of filing. ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED COMPANIES TOTAL NUMBER MAXIMUM NUMBER OF OF SHARES PURCHASED SHARES THAT MAY TOTAL NUMBER AVERAGE AS PART OF PUBLICLY YET BE PURCHASED OF SHARES PRICE PAID ANNOUNCED PLANS OR UNDER THE PLANS PERIOD PURCHASED PER SHARE PROGRAMS OR PROGRAMS ----- June 2004 N/A N/A N/A N/A July 2004 N/A N/A N/A N/A August 2004 N/A 13.70 24,449 N/A September 2004 N/A 14.01 17,313 N/A October 2004 N/A 14.03 17,166 N/A November 2004 N/A 14.22 17,113 N/A December 2004 N/A N/A N/A N/A January 2005 N/A N/A N/A N/A February 2005 N/A N/A N/A N/A March 2005 N/A N/A N/A N/A April 2005 N/A N/A N/A N/A May 2005 N/A 14.57 15,880 N/A ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS There have been no material changes to the procedures by which shareholders may recommend nominees to the Fund's Board of Trustees since the Fund last provided disclosure in response to this item.

ITEM 11. CONTROLS AND PROCEDURES (a) The registrant's President and Chief Executive Officer and Principal Financial Officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-2(c) under the Investment Company Act of 1940, as amended are effective based on their evaluation of these controls and procedures as of a date within 90 days of the filing date of this document. (b) There were no significant changes in the registrant's internal controls or in factors that could affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses. ITEM 12. EXHIBITS (a)(1)Exhibit 99.CODE ETH - Code of Ethics (a)(2)Exhibit 99.Cert. - Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (b) Exhibit 99.906Cert. - Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 Exhibit 99.PROXYPOL - Proxy Voting Policies and Procedures

Signature Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized. (Registrant)PIMCO California Municipal Income Fund II ----- By /s/ Brian S. Shlissel ----- President and Chief Executive Officer Date August 9, 2005 ----- By /s/ Lawrence G. Altadonna ----- Treasurer, Principal Financial & Accounting Officer Date August 9, 2005 ----- Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated. By /s/ Brian S. Shlissel ----- President and Chief Executive Officer Date August 9, 2005 ----- By /s/ Lawrence G. Altadonna ----- Treasurer, Principal Financial & Accounting Officer Date August 9, 2005 -----