

PIMCO CALIFORNIA MUNICIPAL INCOME FUND
Form N-CSR
July 07, 2011

OMB APPROVAL
OMB Number: 3235-0570
Expires: January 31, 2014
Estimated average burden
hours per response... 20.6

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number 811-10379

PIMCO California Municipal Income Fund

(Exact name of registrant as specified in charter)

1633 Broadway, New York, NY

10019

(Address of principal executive offices)

(Zip code)

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

(Name and address of agent for service)

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

Date of fiscal year end: April 30, 2011

Date of reporting period: April 30, 2011

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, 100 F Street, NE, Washington DC 20549-2001. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

ITEM 1. REPORT TO SHAREHOLDERS

April 30, 2011

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

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Dear Shareholder:

Municipal bonds encountered significant volatility during the fiscal year ended April 30, 2011. On an annual basis, municipal prices declined but a rally in the latter months of the reporting period suggested that the municipal market had stabilized.

The Year in Review

For the fiscal year ended April 30, 2011:

PIMCO Municipal Income Fund declined 0.65% on net asset value (NAV) and advanced 1.54% on market price.

PIMCO California Municipal Income Fund declined 4.89% on NAV and 2.79% on market price.

PIMCO New York Municipal Income Fund declined 0.70% on NAV and 5.57% on market price.

The U.S. economy, as measured by Gross Domestic Product (GDP) grew steadily throughout the fiscal year. Between April and June of 2010, GDP expanded at an annual rate of 1.7%. This accelerated to a rate of 2.6% and 3.1%, respectively, in the succeeding two quarters before easing to a rate of 1.8% between January and March of 2011.

The disappointing returns for municipal bonds were largely the result of events that occurred in the last few months of calendar year 2010. Notably, the federal government's Build America Bonds (BAB) program ended on December 31, 2010. The BAB program, part of the Obama administration's stimulus program, was designed to help cash-strapped states and cities cope with the economic downturn by subsidizing borrowing costs for municipal projects. After the Republicans won the House of Representatives and made large gains in the Senate, it became clear that the BAB program would not be extended. Realizing this, many state and city governments flooded the municipal market with a final push of BABs. Investors were unable to absorb this sudden oversupply, which triggered municipal bond prices to fall.

Certain municipal bonds were adversely affected by the second round of quantitative easing by the Federal Reserve (the Fed). In an attempt to lower

Hans W. Kertess
Chairman

Brian S. Shlissel
President & CEO

interest rates, the Fed said it would purchase approximately \$600 billion worth of U.S. Treasury securities. The Fed excluded Treasury bonds with longer maturities from this program, causing their prices to fall. Consequently, since longer term municipal bonds often closely correlate with such Treasury bonds, they fell as well.

The oversupply of new municipal bonds that weighed down prices in late 2010 was followed by the lightest three-month period, January to March 2011, for the issuance of new municipal securities in 11 years. This sparked a rally in the municipal market that lasted for the remainder of the fiscal year.

The Road Ahead

Although Bush-era tax cuts have been extended through December 31, 2012, the severe fiscal situation at all levels of government (federal, state and local) implies higher taxes in the years ahead. We believe, municipal bonds are, and will continue to be, compelling investment vehicles.

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

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

We remain dedicated to serving your investment needs.

Sincerely,

Hans W. Kertess
Chairman

Brian S. Shlissel
President & Chief Executive Officer

PIMCO Municipal Income Funds Fund Insights

April 30, 2011 (unaudited)

For the fiscal year ended April 30, 2011, PIMCO Municipal Income Fund returned 0.65% on net asset value (NAV) and 1.54% on market price.

For the fiscal year ended April 30, 2011, PIMCO California Municipal Income Fund returned 4.89% on net asset value (NAV) and 2.79% on market price.

For the fiscal year ended April 30, 2011, PIMCO New York Municipal Income Fund returned 0.70% on net asset value (NAV) and 5.57% on market price.

It was a challenging period for the municipal bond market during the fiscal year ended April 30, 2011. The overall municipal market (as measured by the Barclays Capital Municipal Bond Index) posted a positive return during the first half of the fiscal year, aided by overall solid demand from investors seeking tax-free income. A decline in new issuance of tax-free bonds was also beneficial. The municipal market then produced poor results over much of the second half of the reporting period. A confluence of events dragged down municipal bonds, including the rising interest rate environment, concerns regarding increased municipal defaults, a large increase in issuance of Build America Bonds at the end of 2010, and substantial redemptions from mutual fund shareholders. However, the municipal market rallied in April 2011, as tax revenues increased, new issuance fell sharply and a number of states took meaningful steps to improve their balance sheets.

Municipal:

During the fiscal year, exposure to the housing and power sectors was positive for performance as these sectors held up relatively well during periods of weakness in the municipal market. A higher credit quality bias was also rewarded, as lower rated credits underperformed their higher quality counterparts given concerns for an increase in municipal defaults. Finally, a shorter duration than that of the benchmark was beneficial, as municipal yields generally rose across the curve during the reporting period.

In contrast, exposure to the tobacco sector detracted from performance. During the fourth quarter of 2010, a number of municipal tobacco settlement trusts were downgraded to below investment grade status. This led to a sharp sell-off, which was exacerbated by forced selling into an illiquid market by mutual funds that are not permitted to hold non-investment grade securities. Exposure to the corporate-backed sector adversely impacted performance as it lagged the benchmark.

California Municipal:

During the fiscal year, exposure to the tobacco sector detracted from performance. During the fourth quarter of 2010, a number of municipal tobacco settlement trusts were downgraded to below investment grade status. This led to a sharp sell-off, which was exacerbated by forced selling into an illiquid market by mutual funds that are not allowed to hold non-investment grade securities. Exposure to the corporate-backed sector was also negative for performance as it lagged the benchmark. Finally, having a slightly longer duration than that of the benchmark was detrimental, as municipal yields generally rose across the curve during the reporting period.

In contrast, exposure to the housing and power sectors was positive for performance as they held up relatively well during periods of weakness in the municipal market. A higher credit quality bias was also rewarded, as lower rated credits underperformed their higher quality counterpart given concerns for an increase in municipal defaults.

New York Municipal:

During the fiscal year, exposure to the housing and power sectors was positive for performance as they held up relatively well during periods of weakness in the municipal market. A higher credit quality bias was also rewarded, as lower rated credits underperformed their higher quality counterpart given concerns for an increase in municipal defaults. Finally, having a shorter duration than that of the benchmark was beneficial, as municipal yields generally rose across the curve during the reporting period.

In contrast, the Fund's exposure to the tobacco sector detracted from performance. During the fourth quarter of 2010, a number of municipal tobacco settlement trusts were downgraded to below investment grade status. This led to a sharp sell-off, which was exacerbated by forced selling into an illiquid market by mutual funds that are not allowed to hold non-investment grade securities. Exposure to the corporate-backed sector was also negative for performance as it lagged the benchmark.

PIMCO Municipal Income Funds Fund Performance & Statistics

April 30, 2011 (unaudited)

Municipal:

Total Return⁽¹⁾:	Market Price	NAV
1 Year	1.54%	0.65%
5 Year	2.77%	2.07%
Commencement of Operations (6/29/01) to 4/30/11	5.61%	4.58%

Market Price/NAV Performance:

Commencement of Operations (6/29/01) to 4/30/11

Market Price/NAV:

Market Price	\$12.92
NAV	\$10.72
Premium to NAV	20.52%
Market Price Yield ⁽²⁾	7.55%

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

California Municipal:

Total Return⁽¹⁾:	Market Price	NAV
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1 Year	2.79%	4.89%
5 Year	1.39%	2.36%
Commencement of Operations (6/29/01) to 4/30/11	4.51%	4.50%

Market Price/NAV Performance:

Commencement of Operations (6/29/01) to 4/30/11

Market Price/NAV:

Market Price	\$11.99
NAV	\$11.32
Premium to NAV	5.92%
Market Price Yield ⁽²⁾	7.71%

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

PIMCO Municipal Income Funds Fund Performance & Statistics

April 30, 2011 (unaudited) (continued)

New York Municipal:

Total Return⁽¹⁾:	Market Price	NAV
1 Year	5.57%	0.70%
5 Year	1.56%	0.08%
Commencement of Operations (6/29/01) to 4/30/11	2.10%	2.63%

Market Price/NAV Performance:Commencement of Operations (6/29/01)
to 4/30/11**Market Price/NAV:**

Market Price	\$9.89
NAV	\$9.92
Discount to NAV	0.30%
Market Price Yield ⁽²⁾	6.92%

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

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

represents the average annual total return.

Performance at market price will differ from results at NAV. Although market price returns typically reflect investment results over time, during shorter periods returns at market price can also be influenced by factors such as changing views about the Funds, market conditions, supply and demand for the Funds' shares, or changes in Funds dividends.

An investment in the Funds involves risk, including the loss of principal. Total return, market price, market price yield and NAV will fluctuate with changes in market conditions. This data is provided for information purposes only and is not intended for trading purposes. Closed-end funds, unlike open-end funds, are not continuously offered. There is a onetime public offering and once issued, shares of closed-end funds are traded in the open market through a stock exchange. NAV is equal to total assets attributable to common shareholders less total liabilities divided by the number of common shares outstanding. Holdings are subject to change daily.

(2) Market Price Yield is determined by dividing the annualized current monthly per share dividend (comprised of net investment income) payable to common shareholders by the market price per common share at April 30, 2011.

PIMCO Municipal Income Fund Schedule of Investments

April 30, 2011

Principal Amount (000s)		Credit Rating (Moody s/S&P)*	Value
MUNICIPAL BONDS & NOTES 97.5%			
Alabama 0.9%			
\$ 2,500	Birmingham-Baptist Medical Centers Special Care Facs. Financing Auth. Rev., Baptist Health Systems, Inc., 5.875%, 11/15/24, Ser. A	Baa2/NR	\$ 2,428,475
250	Huntsville-Redstone Village Special Care Facs. Financing Auth. Rev., Redstone Village Project, 5.50%, 1/1/28	NR/NR	205,537
885	5.50%, 1/1/43	NR/NR	646,289
1,350	Montgomery Medical Clinic Board Rev., Jackson Hospital & Clinic, 5.25%, 3/1/31	Baa2/BBB	1,153,926
			4,434,227
Alaska 1.1%			
3,280	Borough of Matanuska-Susitna Rev., Goose Creek Correctional Center, 6.00%, 9/1/32 (AGC)	Aa1/AA+	3,566,016
900	Industrial Dev. & Export Auth. Rev., Boys & Girls Home, 6.00%, 12/1/36	NR/NR	495,000
2,400	Northern Tobacco Securitization Corp. Rev., 5.00%, 6/1/46, Ser. A	Baa3/NR	1,407,456
			5,468,472
Arizona 5.0%			
5,000	Apache Cnty. Industrial Dev. Auth. Rev., Tucson Electric Power Co. Project, 5.875%, 3/1/33, Ser. B	Baa3/BBB-	4,999,650
2,050	Health Facs. Auth. Rev., Banner Health, 5.50%, 1/1/38, Ser. D	NR/A+	1,983,068
2,750	Beatitudes Campus Project, 5.20%, 10/1/37	NR/NR	1,952,308
1,500	Maricopa Cnty. Pollution Control Corp. Rev., Southern California Edison Co., 5.00%, 6/1/35, Ser. A	A1/A	1,455,000
750	Pima Cnty. Industrial Dev. Auth. Rev., Tucson Electric Power Co., Ser. A, 5.25%, 10/1/40	Baa3/BBB-	685,192
4,150	6.375%, 9/1/29	Baa3/BBB-	4,198,928
5,000	Salt River Project Agricultural Improvement & Power Dist. Rev., 5.00%, 1/1/39, Ser. A (k)	Aa1/AA	5,044,000
4,200	Salt Verde Financial Corp. Rev., 5.00%, 12/1/37	A3/A	3,463,026

23,781,172

Arkansas 0.5%

8,500	Dev. Finance Auth. Rev., Arkansas Cancer Research Center Project, zero coupon, 7/1/36 (AMBAC)	Aa2/NR	2,181,865
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California 15.3%

2,875	Bay Area Toll Auth. Rev., 5.00%, 10/1/34	A1/A+	2,658,541
3,255	San Francisco Bay Area, 5.00%, 10/1/42	A1/A+	2,953,392

PIMCO Municipal Income Fund Schedule of Investments

April 30, 2011 (continued)

Principal Amount (000s)		Credit Rating (Moody s/S&P)*	Value
California (continued)			
\$ 3,000	Chula Vista Rev., San Diego Gas & Electric, 5.875%, 2/15/34, Ser. B	Aa3/A+	\$ 3,132,000
6,000	Golden State Tobacco Securitization Corp. Rev., Ser. A-1, 5.00%, 6/1/33	Baa3/BB+	3,944,040
1,500	5.75%, 6/1/47	Baa3/BB+	1,017,165
2,000	Health Facs. Financing Auth. Rev., Catholic Healthcare West, 6.00%, 7/1/39, Ser. A	A2/A	2,016,480
1,500	Sutter Health, 6.00%, 8/15/42, Ser. B	Aa3/AA-	1,522,215
5,300	Los Angeles Community College Dist., GO, 5.00%, 8/1/32, Ser. A (FGIC-NPFGC)	Aa1/AA	5,278,959
2,000	Los Angeles Unified School Dist., GO, 5.00%, 7/1/30, Ser. E (AMBAC)	Aa2/AA-	2,002,100
4,175	Montebello Unified School Dist., GO, 5.00%, 8/1/33 (AGM)	Aa3/AA+	4,163,560
1,600	Municipal Finance Auth. Rev., Azusa Pacific Univ. Project, 7.75%, 4/1/31, Ser. B	NR/NR	1,630,240
5,000	Orange Cnty. Airport Rev., 5.25%, 7/1/39, Ser. A	Aa3/AA-	4,941,650
500	San Diego Cnty. Regional Airport Auth. Rev., 5.00%, 7/1/24, Ser. A	A2/A	514,405
2,500	State, GO, 4.50%, 8/1/27	A1/A-	2,351,900
5,000	4.50%, 8/1/30	A1/A-	4,483,150
2,400	4.50%, 10/1/36	A1/A-	2,035,608
700	5.00%, 11/1/32	A1/A-	680,239
1,200	5.00%, 6/1/37	A1/A-	1,113,084
2,300	5.125%, 8/1/36	A1/A-	2,210,139
1,250	5.25%, 3/1/38	A1/A-	1,206,338
1,900	5.25%, 11/1/40	A1/A-	1,828,389
500	5.50%, 3/1/40	A1/A-	504,130
4,200	6.00%, 4/1/38	A1/A-	4,395,972
1,000	Statewide Communities Dev. Auth. Rev., Catholic Healthcare West, 5.50%, 7/1/31, Ser. E	A2/A	974,960
2,600	Methodist Hospital Project (FHA), 6.625%, 8/1/29	Aa2/NR	2,929,030
9,500	6.75%, 2/1/38	Aa2/NR	10,402,595
1,500	Torrance Rev., Memorial Medical Center, 5.00%, 9/1/40, Ser. A	A2/A+	1,240,725
500	Univ. Rev., 5.00%, 5/15/41, Ser. D (FGIC-NPFGC)	Aa2/AA-	470,430
2,000	Whittier Union High School Dist., GO, zero coupon, 8/1/25	NR/AA-	844,080

73,445,516

Colorado 0.7%

500	Confluence Metropolitan Dist. Rev., 5.45%, 12/1/34	NR/NR	346,145
450	Denver Health & Hospital Auth. Rev., 5.625%, 12/1/40	NR/BBB	409,459

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PIMCO Municipal Income Fund Schedule of Investments

April 30, 2011 (continued)

Principal Amount (000s)		Credit Rating (Moody s/S&P)*	Value
Colorado (continued)			
\$ 500	Public Auth. for Colorado Energy Rev., 6.50%, 11/15/38	A2/A	\$ 502,545
400	Regional Transportation Dist., CP, 5.375%, 6/1/31, Ser. A	Aa3/A-	407,024
1,500	Univ. of Colorado Rev., 5.375%, 6/1/38, Ser. A	Aa2/AA-	1,536,930
			3,202,103
Connecticut 0.2%			
1,000	State Dev. Auth. Rev., Connecticut Light & Power Co., 5.85%, 9/1/28, Ser. A	Baa1/BBB	1,010,460
District of Columbia 1.4%			
2,500	Dist. of Columbia Rev., Brookings Institution, 5.75%, 10/1/39	Aa3/A+	2,581,550
3,895	Tobacco Settlement Financing Corp. Rev., 6.25%, 5/15/24	Baa3/BBB	3,902,946
			6,484,496
Florida 2.8%			
850	Beacon Lakes Community Dev. Dist., Special Assessment, 6.00%, 5/1/38, Ser. A	NR/NR	697,433
4,000	Broward Cnty. Water & Sewer Rev., 5.25%, 10/1/34, Ser. A (k)	Aa2/AA	4,083,440
500	Lee Cnty. Industrial Dev. Auth. Rev., Sara Lee Charter Foundation, 5.375%, 6/15/37, Ser. A	NR/BB+	375,805
3,000	Miami-Dade Cnty. Airport Rev., 5.50%, 10/1/36, Ser. A	A2/A-	2,931,600
1,250	Miami-Dade Cnty. School Board, CP, 5.375%, 2/1/34, Ser. A (AGC)	Aa3/AA+	1,229,750
3,900	State Board of Education, GO, 5.00%, 6/1/38, Ser. D (k)	Aa1/AAA	3,933,384
			13,251,412
Georgia 0.4%			
2,300	Medical Center Hospital Auth. Rev., Spring Harbor Green Island Project, 5.25%, 7/1/37	NR/NR	1,735,649
Illinois 5.4%			
5,000	Chicago, GO, 5.00%, 1/1/34, Ser. C (k)	Aa3/A+	4,579,800
1,250	Chicago Motor Fuel Tax Rev., 5.00%, 1/1/38, Ser. A (AGC) Finance Auth. Rev.,	Aa3/AA+	1,203,600
1,000	Memorial Health Systems, 5.50%, 4/1/39	A1/A+	931,340

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400	OSF Healthcare System, 7.125%, 11/15/37, Ser. A Univ. of Chicago,	A3/A	418,232
190	5.25%, 7/1/41, Ser. 05-A	Aa1/AA	187,718
15,000	5.50%, 7/1/37, Ser. B (k)	Aa1/AA	15,273,900
1,900	Springfield Electric Rev., 5.00%, 3/1/36	A1/AA-	1,745,568
1,495	Univ. of Illinois Rev., 5.25%, 4/1/32, Ser. B (FGIC-NPFGC)	Aa2/AA-	1,463,366
			25,803,524

PIMCO Municipal Income Fund Schedule of Investments

April 30, 2011 (continued)

Principal Amount (000s)		Credit Rating (Moody s/S&P)*	Value
Indiana 1.2%			
	Finance Auth. Rev.,		
\$ 1,500	Duke Energy Indiana, Inc., 6.00%, 8/1/39, Ser. B	NR/A	\$ 1,560,090
1,000	U.S. Steel Corp., 6.00%, 12/1/26	Ba2/BB	1,010,390
1,000	Municipal Power Agcy. Rev., 6.00%, 1/1/39, Ser. B	A1/A+	1,030,820
1,900	Vigo Cnty. Hospital Auth. Rev., Union Hospital, Inc., 7.50%, 9/1/22	NR/NR	1,935,207
			5,536,507
Iowa 1.8%			
	Finance Auth. Rev.,		
4,890	Deerfield Retirement Community, Inc., 5.50%, 11/15/37, Ser. A	NR/NR	3,112,778
	Edgewater LLC Project,		
3,500	6.75%, 11/15/37	NR/NR	3,097,675
1,500	6.75%, 11/15/42	NR/NR	1,300,560
1,600	Wedum Walnut Ridge LLC Project, 5.625%, 12/1/45, Ser. A	NR/NR	930,048
			8,441,061
Kansas 1.5%			
1,000	Dev. Finance Auth. Rev., Adventist Health, 5.75%, 11/15/38	Aa3/AA-	1,044,490
1,000	Lenexa City, Tax Allocation, Center East Project, 6.00%, 4/1/27	NR/NR	716,470
650	Manhattan Rev., Meadowlark Hills Retirement, 5.125%, 5/15/42, Ser. B	NR/NR	477,250
5,000	Wichita Hospital Rev., Facs. Improvements, 5.625%, 11/15/31, Ser. III	NR/A+	5,003,150
			7,241,360
Kentucky 0.5%			
700	Dev. Finance Auth. Rev., St. Luke s Hospital, 6.00%, 10/1/19, Ser. B	A3/A	702,534
1,000	Economic Dev. Finance Auth. Rev., Owensboro Medical Healthcare Systems, 6.375%, 6/1/40, Ser. A	Baa2/NR	947,580
1,000	Ohio Cnty. Pollution Control Rev., Big Rivers Electric Corp., 6.00%, 7/15/31, Ser. A	Baa1/BBB-	964,110

2,614,224

Louisiana 5.7%

	Local Gov t Environmental Facs. & Community Dev. Auth. Rev.,		
3,930	Capital Projects & Equipment Acquisition, 6.55%, 9/1/25 (ACA)	NR/NR	3,959,357
400	Westlake Chemical Corp., 6.50%, 11/1/35, Ser. A-2	Ba2/BBB-	402,244
750	Woman s Hospital Foundation, 5.875%, 10/1/40, Ser. A	A3/BBB+	694,350
24,395	Tobacco Settlement Financing Corp. Rev., 5.875%, 5/15/39, Ser. 2001-B	Baa3/A-	22,148,708
			27,204,659

PIMCO Municipal Income Fund Schedule of Investments

April 30, 2011 (continued)

Principal Amount (000s)		Credit Rating (Moody s/S&P)*	Value
Maryland 0.4%			
\$ 1,500	Economic Dev. Corp. Rev., 5.75%, 6/1/35, Ser. B	Baa3/NR	\$ 1,379,280
650	Health & Higher Educational Facs. Auth. Rev., Charlestown Community, 6.25%, 1/1/41	NR/NR	626,204
			2,005,484
Massachusetts 0.6%			
	Dev. Finance Agcy. Rev.,		
750	Foxborough Regional Charter School, 7.00%, 7/1/42, Ser. A	NR/BBB	755,948
550	Linden Ponds, Inc. Fac., 5.75%, 11/15/35, Ser. A	NR/NR	336,253
1,500	State College Building Auth. Rev., 5.50%, 5/1/39, Ser. A	Aa2/AA-	1,526,175
			2,618,376
Michigan 1.6%			
1,000	Detroit, GO, 5.375%, 4/1/17, Ser. A-1 (NPFGC)	Baa1/BBB	970,870
4,550	Garden City Hospital Finance Auth. Rev., 5.00%, 8/15/38, Ser. A	NR/NR	2,919,963
	Royal Oak Hospital Finance Auth. Rev., William Beaumont Hospital,		
50	5.25%, 11/15/35, Ser. M (NPFGC)	A1/A	42,738
1,500	8.25%, 9/1/39	A1/A	1,705,110
2,000	Strategic Fund Rev., Detroit Edison Co. Pollution Control, 5.45%, 9/1/29, Ser. C	A2/A	2,001,280
			7,639,961
Minnesota 0.4%			
95	Agricultural & Economic Dev. Board Rev., Health Care Systems, 6.375%, 11/15/29, Ser. A	A2/A	95,431
100	Duluth Housing & Redev. Auth. Rev., 5.875%, 11/1/40, Ser. A	NR/BBB-	86,483
1,500	St. Louis Park Rev., Nicollett Health Services, 5.75%, 7/1/39	NR/A	1,406,715
500	Washington Cnty. Housing & Redev. Auth. Rev., Birchwood & Woodbury Projects, 5.625%, 6/1/37, Ser. A	NR/NR	427,605
			2,016,234
Missouri 0.2%			
1,000		NR/NR	933,240

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Joplin Industrial Dev. Auth. Rev., Christian Homes, Inc.,
5.75%, 5/15/26, Ser. F

Nevada 4.0%

	Clark Cnty., GO,		
5,230	4.75%, 11/1/35 (FGIC-NPFGC) (k)	Aa1/AA+	4,862,749
5,000	4.75%, 6/1/30 (AGM)	Aa1/AA+	4,907,550
9,755	Washoe Cnty., Water & Sewer, GO, 5.00%, 1/1/35 (NPFGC)	Aa1/AA	9,477,568
			19,247,867

PIMCO Municipal Income Fund Schedule of Investments

April 30, 2011 (continued)

Principal Amount (000s)		Credit Rating (Moody s/S&P)*	Value
New Jersey 6.3%			
\$ 16,550	Economic Dev. Auth., Special Assessment, Kapkowski Road Landfill Project, 5.75%, 4/1/31	Ba2/NR	\$ 15,277,636
2,000	Economic Dev. Auth. Rev., School Facs. Construction, 5.50%, 12/15/34, Ser. Z (AGC)	Aa3/AA+	2,047,300
500	Health Care Facs. Financing Auth. Rev., AHS Hospital Corp., 6.00%, 7/1/37 (e)	A1/A	503,355
1,000	Trinitas Hospital, 5.25%, 7/1/30, Ser. A	Baa3/BBB-	872,970
2,000	State Turnpike Auth. Rev., 5.25%, 1/1/40, Ser. E	A3/A+	1,999,860
6,600	Tobacco Settlement Financing Corp. Rev., Ser. 1-A, 4.75%, 6/1/34	Baa3/BB+	4,091,208
9,100	5.00%, 6/1/41	Baa3/BB-	5,658,835
			30,451,164
New Mexico 1.4%			
1,000	Farmington Pollution Control Rev., 5.90%, 6/1/40, Ser. D	Baa3/BB+	933,080
6,400	Hospital Equipment Loan Council Rev., Presbyterian Healthcare, 5.00%, 8/1/39	Aa3/AA-	5,908,928
			6,842,008
New York 6.7%			
7,500	Liberty Dev. Corp. Rev., Goldman Sachs Headquarters, 5.25%, 10/1/35	A1/A	7,328,175
3,000	5.50%, 10/1/37	A1/A	3,067,380
4,200	Nassau Cnty. Industrial Dev. Agcy. Rev., Amsterdam at Harborside, 6.70%, 1/1/43, Ser. A	NR/NR	3,799,656
9,150	New York City Municipal Water Finance Auth. Water & Sewer Rev., 5.00%, 6/15/26, Ser. E (k)	Aa1/AAA	9,166,012
670	5.00%, 6/15/37, Ser. D (k)	Aa1/AAA	673,920
3,000	Second Generation Resolutions, 5.00%, 6/15/39, Ser. GG-1	Aa2/AA+	3,005,790
3,500	State Dormitory Auth. Rev., The New School, 5.50%, 7/1/40	A3/A-	3,529,785
1,625	Westchester Cnty. Healthcare Corp. Rev., 5.875%, 11/1/25, Ser. A	A3/BBB	1,603,957
			32,174,675
North Carolina 0.8%			

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570	Capital Facs. Finance Agcy. Rev., Duke Univ. Project, 5.125%, 10/1/41, Ser. A	Aa1/AA+	570,872
	Medical Care Commission Rev.,		
2,500	Novant Health, 5.00%, 11/1/43, Ser. A	A1/A+	2,138,250
1,500	Village at Brookwood, 5.25%, 1/1/32	NR/NR	1,075,575
			3,784,697

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PIMCO Municipal Income Fund Schedule of Investments

April 30, 2011 (continued)

Principal Amount (000s)		Credit Rating (Moody s/S&P)*	Value
Ohio 1.9%			
\$ 11,000	Buckeye Tobacco Settlement Financing Auth. Rev., 5.875%, 6/1/47, Ser. A-2	Baa3/BB-	\$ 7,380,340
500	Higher Educational Fac. Commission Rev., Univ. Hospital Health Systems, 6.75%, 1/15/39, Ser. 2009-A	A2/A	517,225
500	Lorain Cnty. Port Auth. Rev., U.S. Steel Corp. Project, 6.75%, 12/1/40	Ba2/BB	514,150
500	Montgomery Cnty. Rev., Miami Valley Hospital, 6.25%, 11/15/39, Ser. A	Aa3/NR	511,070
250	State Rev., Ashland Univ. Project, 6.25%, 9/1/24	Ba1/NR	245,548
			9,168,333
Oregon 0.5%			
2,000	Oregon Health & Science Univ. Rev., 5.75%, 7/1/39, Ser. A	A1/A	2,024,480
600	State Department of Administrative Services, CP, 5.25%, 5/1/39, Ser. A	Aa2/AA	603,498
			2,627,978
Pennsylvania 4.8%			
5,000	Geisinger Auth. Rev., 5.25%, 6/1/39, Ser. A	Aa2/AA	4,949,050
2,000	Harrisburg Auth. Rev., Harrisburg Univ. of Science, 6.00%, 9/1/36, Ser. B	NR/NR	1,689,440
	Higher Educational Facs. Auth. Rev.,		
500	Edinboro Univ. Foundation, 6.00%, 7/1/43	Baa3/BBB-	482,045
350	Thomas Jefferson Univ., 5.00%, 3/1/40	A1/AA-	336,546
	Lancaster Cnty. Hospital Auth. Rev., Brethren Village Project, Ser. A,		
750	6.25%, 7/1/26	NR/NR	725,708
85	6.375%, 7/1/30	NR/NR	81,768
1,100	Luzerne Cnty. Industrial Dev. Auth. Rev., Pennsylvania American Water Co., 5.50%, 12/1/39	A2/A	1,099,945
7,000	Philadelphia, GO, 5.25%, 12/15/32, Ser. A (AGM)	Aa3/AA+	6,937,070
4,700	Philadelphia Hospitals & Higher Education Facs. Auth. Rev., Temple Univ. Hospital, 6.625%, 11/15/23, Ser. A	Baa3/BBB	4,700,282
500	Philadelphia Water Rev., 5.25%, 1/1/36, Ser. A	A1/A	487,145
2,000	Turnpike Commission Rev., 5.125%, 12/1/40, Ser. D	A3/A-	1,888,160
			23,377,159

Puerto Rico 0.6%

135	Commonwealth of Puerto Rico, Public Improvements, GO, 5.00%, 7/1/35, Ser. B	A3/BBB	116,805
3,000	Sales Tax Financing Corp. Rev., 5.375%, 8/1/38, Ser. C	A1/A+	2,806,770
			2,923,575

Rhode Island 4.3%

23,800	Tobacco Settlement Financing Corp. Rev., 6.25%, 6/1/42, Ser. A	Baa3/BBB	20,717,900
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PIMCO Municipal Income Fund Schedule of Investments

April 30, 2011 (continued)

Principal Amount (000s)		Credit Rating (Moody s/S&P)*	Value
South Carolina 1.7%			
\$ 3,500	Greenwood Cnty. Hospital Rev., Self Memorial Hospital, 5.50%, 10/1/21	A2/A+	\$ 3,512,425
2,000	5.50%, 10/1/26	A2/A+	2,001,780
450	Jobs-Economic Dev. Auth. Rev., Lutheran Homes, 5.50%, 5/1/28	NR/NR	375,300
2,200	State Ports Auth. Rev., 5.25%, 7/1/40	A1/A+	2,177,142
			8,066,647
Tennessee 4.7%			
940	Memphis Health Educational & Housing Fac. Board Rev., Wesley Housing Corp. Project, 6.95%, 1/1/20 (a)(b)(f)(m) (acquisition cost \$935,300; purchased 6/29/01)	NR/NR	472,350
5,000	Metropolitan Gov t Nashville & Davidson Cnty. Health & Educational Facs. Board Rev., Vanderbilt Univ., 5.00%, 10/1/39, Ser. B (k)	Aa2/AA	5,082,150
370	Tennessee Energy Acquisition Corp. Rev., 5.00%, 2/1/21, Ser. C	Baa3/BBB	359,166
5,000	5.00%, 2/1/27, Ser. C	Baa3/BBB	4,643,450
6,460	5.25%, 9/1/17, Ser. A	Ba3/B	6,518,269
600	5.25%, 9/1/21, Ser. A	Ba3/B	585,486
300	5.25%, 9/1/22, Ser. A	Ba3/B	293,715
5,000	5.25%, 9/1/24, Ser. A	Ba3/B	4,782,300
			22,736,886
Texas 8.1%			
1,200	Dallas Rev., Dallas Civic Center, 5.25%, 8/15/38 (AGC)	Aa3/AA+	1,205,496
20	Duncanville Independent School Dist., GO, 5.25%, 2/15/32, Ser. B (PSF-GTD)	Aaa/AAA	20,172
4,200	North Harris Cnty. Regional Water Auth. Rev., 5.25%, 12/15/33	A1/A+	4,254,978
4,200	5.50%, 12/15/38	A1/A+	4,251,786
3,000	North Texas Tollway Auth. Rev., 5.25%, 1/1/44, Ser. C	A2/A-	2,667,450
600	5.50%, 9/1/41, Ser. A	NR/AA	611,790
6,050	5.625%, 1/1/33, Ser. A	A2/A-	6,061,132
600	5.75%, 1/1/33, Ser. F	A3/BBB+	597,006
250		NR/BBB	251,510

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	San Juan Higher Education Finance Auth. Rev., 6.70%, 8/15/40, Ser. A		
400	State Public Finance Auth. Rev., Charter School Finance Corp., 5.875%, 12/1/36, Ser. A	Baa3/BBB-	339,240

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PIMCO Municipal Income Fund Schedule of Investments

April 30, 2011 (continued)

Principal Amount (000s)		Credit Rating (Moody s/S&P)*	Value
Texas (continued)			
\$ 4,000	Tarrant Cnty. Cultural Education Facs. Finance Corp. Rev., Baylor Health Care Systems Project, 6.25%, 11/15/29	Aa2/AA-	\$ 4,297,520
6,500	Texas Municipal Gas Acquisition & Supply Corp. I Rev., 5.25%, 12/15/23, Ser. A	A2/A	6,211,725
150	5.25%, 12/15/25, Ser. A	A2/A	140,162
6,500	6.25%, 12/15/26, Ser. D	A2/A	6,642,805
1,000	Uptown Dev. Auth., Tax Allocation, Infrastructure Improvement Facs., 5.50%, 9/1/29	NR/BBB	981,810
500	Wise Cnty. Rev., Parker Cnty Junior College Dist., 8.00%, 8/15/34	NR/NR	502,680
			39,037,262
U. S. Virgin Islands 0.1%			
500	Virgin Islands Public Finance Auth. Rev., 5.00%, 10/1/39, Ser. A-1	Baa2/BBB	423,205
Utah 1.5%			
7,000	Salt Lake Cnty. Rev., IHC Health Services, 5.125%, 2/15/33 (AMBAC)	WR/AA+	7,085,260
Virginia 0.6%			
1,000	Fairfax Cnty. Industrial Dev. Auth. Rev., Inova Health Systems, 5.50%, 5/15/35, Ser. A	Aa2/AA+	1,009,020
1,985	Peninsula Town Center Community Dev. Auth. Rev., 6.45%, 9/1/37	NR/NR	1,797,160
			2,806,180
Washington 1.1%			
700	Health Care Facs. Auth. Rev., Multicare Health Systems, 6.00%, 8/15/39, Ser. B (AGC)	Aa3/AA+	720,146
250	Seattle Cancer Care Alliance, 7.375%, 3/1/38	A3/NR	268,605
2,000	Virginia Mason Medical Center, 6.125%, 8/15/37, Ser. A	Baa2/BBB	1,877,220
	State Housing Finance Commission Rev., Skyline at First Hill Project, Ser. A,		
275	5.25%, 1/1/17	NR/NR	240,064
3,600	5.625%, 1/1/38	NR/NR	2,240,604

			5,346,639
	West Virginia 0.2%		
1,000	Hospital Finance Auth. Rev., Highland Hospital, 9.125%, 10/1/41	NR/NR	1,008,700
	Wisconsin 0.6%		
2,230	Health & Educational Facs. Auth. Rev., Kenosha Hospital & Medical Center Project, 5.625%, 5/15/29	NR/A	2,194,008
500	Prohealth Care, Inc., 6.625%, 2/15/39	A1/A+	522,300
			2,716,308
	Total Municipal Bonds & Notes (cost \$473,928,937)		467,592,444

PIMCO Municipal Income Fund Schedule of Investments

April 30, 2011 (continued)

Principal Amount (000s)		Credit Rating (Moody s/S&P)*	Value
VARIABLE RATE NOTES (a)(d)(g)(h) 2.3%			
Illinois 0.5%			
\$ 3,000	Metropolitan Pier & Exposition Auth. Rev., 9.76%, 6/15/50, Ser. 3217	NR/AAA	\$ 2,304,240
Texas 0.4%			
1,000	JPMorgan Chase Putters/Drivers Trust, GO, 9.29%, 2/1/17, Ser. 3480	NR/AA+	1,051,180
200	JPMorgan Chase Putters/Drivers Trust Rev., 9.80%, 2/1/27, Ser. 3224	Aa1/NR	226,312
600	9.899%, 10/1/31, Ser. 3227	NR/AAA	688,086
			1,965,578
Washington 1.4%			
6,670	JPMorgan Chase Putters/Drivers Trust, GO, 13.525%, 8/1/28, Ser. 3388	NR/AA+	7,112,621
	Total Variable Rate Notes (cost \$11,351,952)		11,382,439
SHORT-TERM INVESTMENTS 0.2%			
U.S. Treasury Obligations (j)(n) 0.2%			
830	U.S. Treasury Bills, 0.106%-0.132%, 9/8/11-9/15/11 (cost \$829,691)		829,691
	Total Investments (cost \$486,110,580) 100.0%		\$ 479,804,574

PIMCO California Municipal Income Fund Schedule of Investments

April 30, 2011

Principal Amount (000s)		Credit Rating (Moody s/S&P)*	Value
CALIFORNIA MUNICIPAL BONDS & NOTES 94.7%			
\$ 10,000	Bay Area Toll Auth. Rev., San Francisco Bay Area, 5.00%, 4/1/34, Ser. F-1	Aa3/AA	\$ 9,799,100
5,000	Chula Vista Rev., San Diego Gas & Electric, 5.875%, 2/15/34, Ser. B	Aa3/A+	5,220,000
650	City & Cnty. of San Francisco, Capital Improvement Projects, CP, 5.25%, 4/1/31, Ser. A	A1/AA-	659,204
720	City & Cnty. of San Francisco Redev. Agcy., Special Tax, 6.125%, 8/1/31, Ser. B	NR/NR	678,953
350	Contra Costa Cnty. Public Financing Auth., Tax Allocation, 5.85%, 8/1/33, Ser. A	NR/BBB+	301,738
3,635	Cucamonga Valley Water Dist., CP, 5.125%, 9/1/35 (FGIC-NPFGC)	Aa3/AA-	3,538,636
5,000	Desert Community College Dist., GO, 5.00%, 8/1/37, Ser. C (AGM)	Aa2/AA+	4,761,100
310	Dublin Unified School Dist., GO, zero coupon, 8/1/23, Ser. E	Aa2/AA-	157,663
6,300	Eastern Municipal Water Dist., CP, 5.00%, 7/1/35, Ser. H Educational Facs. Auth. Rev. (k),	Aa2/AA	6,052,032
10,200	Claremont McKenna College, 5.00%, 1/1/39	Aa2/NR	9,843,816
10,000	Univ. of Southern California, 5.00%, 10/1/39, Ser. A	Aa1/AA+	10,073,400
2,975	El Dorado Irrigation Dist. & El Dorado Water Agcy., CP, 5.75%, 8/1/39, Ser. A (AGC)	Aa3/AA+	2,993,891
10,790	El Monte, Department of Public Social Services Fac., CP (AMBAC), 4.75%, 6/1/30	A2/A+	10,244,134
14,425	Phase II, 5.25%, 1/1/34	A2/NR	13,324,950
1,000	Folsom Redev. Agcy., Tax Allocation, 5.50%, 8/1/36 Fremont Community Facs. Dist. No. 1, Special Tax,	NR/A	844,060
165	6.00%, 9/1/18	NR/NR	165,441
505	6.00%, 9/1/19	NR/NR	506,202
3,500	6.30%, 9/1/31	NR/NR	3,491,670
12,000	Golden State Tobacco Securitization Corp. Rev., 5.00%, 6/1/33, Ser. A-1	Baa3/BB+	7,888,080
3,000	5.00%, 6/1/35, Ser. A (FGIC)	A2/BBB+	2,567,100
6,000	5.00%, 6/1/38, Ser. A (FGIC)	A2/BBB+	5,029,440
1,600	5.00%, 6/1/45 (AMBAC-TCRS)	A2/BBB+	1,302,688
8,300	5.125%, 6/1/47, Ser. A-1	Baa3/BB+	5,058,601
20,175	5.75%, 6/1/47, Ser. A-1	Baa3/BB+	13,680,869
500	Hartnell Community College Dist., GO, zero coupon, 8/1/34, Ser. 2002-D (1)	Aa2/AA-	243,175

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	Health Facs. Financing Auth. Rev., Adventist Health System, Ser. A,		
4,630	5.00%, 3/1/33	NR/A	4,043,981
2,000	5.75%, 9/1/39	NR/A	1,908,560
	Catholic Healthcare West,		
70	5.00%, 7/1/28, Ser. 2005-A	A2/A	65,917

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PIMCO California Municipal Income Fund Schedule of Investments

April 30, 2011 (continued)

Principal Amount (000s)		Credit Rating (Moody's/S&P)*	Value
\$ 2,000	6.00%, 7/1/34, Ser. A	A2/A	2,015,220
4,000	6.00%, 7/1/39, Ser. A	A2/A	4,032,960
750	Children's Hospital of Los Angeles, 5.25%, 7/1/38 (AGM)	Aa3/AA+	665,198
1,000	Children's Hospital of Orange Cnty., 6.50%, 11/1/38, Ser. A	NR/A	1,028,200
1,450	Scripps Health, 5.00%, 11/15/36, Ser. A	Aa3/AA-	1,279,886
	Sutter Health, 5.00%,		
1,600	5.00%, 11/15/42, Ser. A (IBC-NPFGC)	Aa3/AA-	1,372,160
2,800	6.00%, 8/15/42, Ser. B	Aa3/AA-	2,841,468
10,590	Kern Cnty., Capital Improvements Projects, CP, 5.75%, 8/1/35, Ser. A (AGC)	Aa3/AA+	10,634,902
7,000	La Quinta Redev. Agcy., Tax Allocation, 5.10%, 9/1/31 (AMBAC)	WR/A+	5,826,660
500	Lancaster Redev. Agcy. Rev., Capital Improvements Projects, 5.90%, 12/1/35	NR/A	437,990
500	Lancaster Redev. Agcy., Tax Allocation, 6.875%, 8/1/39	NR/BBB+	489,270
1,495	Lincoln Public Financing Auth. Rev., Twelve Bridges, 6.125%, 9/2/27	NR/NR	1,378,255
	Long Beach Bond Finance Auth. Rev., Long Beach Natural Gas, Ser. A,		
1,000	5.50%, 11/15/27	A2/A	979,790
3,900	5.50%, 11/15/37	A2/A	3,505,554
	Los Angeles Department of Water & Power Rev. (k),		
5,000	4.75%, 7/1/30, Ser. A-2 (AGM)	Aa3/AA+	5,005,300
3,000	5.375%, 7/1/34, Ser. A	Aa2/AA	3,084,090
7,000	5.375%, 7/1/38, Ser. A	Aa2/AA	7,160,370
	Los Angeles Unified School Dist., GO,		
10,000	5.00%, 7/1/29, Ser. I (k)	Aa2/AA-	9,975,700
2,000	5.00%, 7/1/30, Ser. E (AMBAC)	Aa2/AA-	2,002,100
5,000	5.00%, 1/1/34, Ser. I (k)	Aa2/AA-	4,771,450
13,000	5.00%, 1/1/34, Ser. I	Aa2/AA-	12,405,770
250	5.30%, 1/1/34, Ser. D	Aa2/AA-	249,980
700	Malibu, City Hall Project, CP, 5.00%, 7/1/39, Ser. A	NR/AA+	671,384
200	M-S-R Energy Auth. Rev., 6.50%, 11/1/39, Ser. B	NR/A	204,460
	Municipal Finance Auth. Rev.,		
1,200	Azusa Pacific Univ. Project, 7.75%, 4/1/31, Ser. B	NR/NR	1,222,680
2,900	Biola Univ., 5.875%, 10/1/34	Baa1/NR	2,683,341
2,145	Patterson Public Financing Auth. Rev., Waste Water System Financing Project, 5.50%, 6/1/39 (AGC)	NR/AA+	2,141,847
1,250	Peralta Community College Dist., GO, 5.00%, 8/1/39, Ser. C	NR/AA-	1,142,462
	Pollution Control Financing Auth. Rev.,		

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1,250	American Water Capital Corp. Project, 5.25%, 8/1/40 (a)(d)	Baa2/BBB+	1,180,450
2,000	San Jose Water Co. Projects, 5.10%, 6/1/40	NR/A	1,801,740
8,305	Riverside Cnty., CP, 5.125%, 11/1/30 (NPFGC)	A1/AA-	8,012,332

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PIMCO California Municipal Income Fund Schedule of Investments

April 30, 2011 (continued)

Principal Amount (000s)		Credit Rating (Moody s/S&P)*	Value
\$ 545	San Diego Cnty., CP, 5.25%, 10/1/28	A2/NR	545,447
1,000	San Diego Cnty. Water Auth., CP, 5.00%, 5/1/32, Ser. A (NPFGC)	Aa2/AA+	985,930
6,250	5.00%, 5/1/38, Ser. 2008-A (AGM)	Aa2/AA+	5,991,062
3,285	San Diego Regional Building Auth. Rev., Cnty. Operations Center & Annex, 5.375%, 2/1/36, Ser. A	Aa3/AA+	3,296,038
5,000	San Joaquin Hills Transportation Corridor Agcy. Rev., Ser. A, 5.50%, 1/15/28	Ba2/BB-	3,979,400
5,000	5.70%, 1/15/19	Ba2/BB-	4,648,550
230	San Jose, Special Assessment, 5.60%, 9/2/17, Ser. 24-Q	NR/NR	232,173
1,500	San Jose Rev., Convention Center Expansion, 6.50%, 5/1/36	A2/A-	1,503,255
1,815	Santa Clara, Central Park Library Project, CP, 5.00%, 2/1/32 (AMBAC)	Aa2/AA	1,817,850
3,500	Santa Clara Cnty. Financing Auth. Rev., 5.75%, 2/1/41, Ser. A (AMBAC)	A2/A+	3,364,865
1,300	Santa Cruz Cnty. Redev. Agcy., Tax Allocation, Live Oak/Soquel Community, 7.00%, 9/1/36, Ser. A	A1/A	1,341,119
5,885	State, GO, 5.00%, 9/1/35	A1/A-	5,552,674
100	5.00%, 6/1/37	A1/A-	92,757
3,000	5.00%, 12/1/37	A1/A-	2,799,570
2,400	5.25%, 11/1/40	A1/A-	2,309,544
1,500	5.50%, 3/1/40	A1/A-	1,512,390
8,000	6.00%, 4/1/38	A1/A-	8,373,280
2,000	6.00%, 11/1/39	A1/A-	2,097,520
2,000	State Public Works Board Rev., 5.75%, 10/1/30, Ser. G-1	A2/BBB+	2,007,820
2,000	California State Univ., 6.00%, 11/1/34, Ser. J	Aa3/BBB+	2,031,860
2,000	Regents Univ., 5.00%, 4/1/34, Ser. E	Aa2/AA-	1,887,940
1,000	Statewide Communities Dev. Auth. Rev., American Baptist Homes West, 6.25%, 10/1/39	NR/BBB	933,510
900	California Baptist Univ., 5.50%, 11/1/38, Ser. A	NR/NR	731,574
1,000	Catholic Healthcare West, 5.50%, 7/1/31, Ser. D	A2/A	974,960
10,000	Cottage Health, 5.00%, 11/1/40	NR/A+	8,446,100
13,050	Henry Mayo Newhall Memorial Hospital, 5.125%, 10/1/30, Ser. A (CA Mtg. Ins.)	NR/A-	11,892,334
1,000	Kaiser Permanente, 5.25%, 3/1/45, Ser. B	NR/A+	866,400
1,000	Lancer Student Housing Project, 7.50%, 6/1/42	NR/NR	1,002,310
3,000	Los Angeles Jewish Home, 5.50%, 11/15/33 (CA St. Mtg.)	NR/A-	2,880,270

2,100	Methodist Hospital Project (FHA), 6.625%, 8/1/29	Aa2/NR	2,365,755
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PIMCO California Municipal Income Fund Schedule of Investments

April 30, 2011 (continued)

Principal Amount (000s)		Credit Rating (Moody s/S&P)*	Value
\$ 7,700	6.75%, 2/1/38 St. Joseph Health System,	Aa2/NR	8,431,577
100	5.125%, 7/1/24 (NPFGC)	A1/AA-	101,097
3,200	5.75%, 7/1/47, Ser. A (FGIC) Sutter Health,	A1/AA-	2,975,648
4,000	5.50%, 8/15/34, Ser. B	Aa3/AA-	3,842,440
2,000	6.00%, 8/15/42, Ser. A	Aa3/AA-	2,029,620
8,000	The Internext Group, CP, 5.375%, 4/1/30	NR/BBB	6,721,600
910	Windrush School, 5.50%, 7/1/37	NR/NR	644,635
6,300	Torrance Rev., Memorial Medical Center, 5.00%, 9/1/40, Ser. A	A2/A+	5,211,045
2,000	Turlock, Emanuel Medical Center, CP, 5.50%, 10/15/37, Ser. B	NR/BBB	1,606,380
	Tustin Unified School Dist., Special Tax, Ser. B,		
2,345	5.50%, 9/1/22	NR/NR	2,321,456
2,520	5.60%, 9/1/29	NR/NR	2,360,786
2,000	5.625%, 9/1/32 Univ. of California Rev.,	NR/NR	1,836,020
8,000	4.75%, 5/15/35, Ser. F (AGM)(k)	Aa1/AA+	7,295,600
2,000	5.00%, 5/15/33, Ser. A (AMBAC)	Aa1/AA	1,981,520
10,000	5.00%, 5/15/36, Ser. A (AMBAC)	Aa1/AA	9,363,100
1,000	Westlake Village, CP, 5.00%, 6/1/39	NR/AA+	988,060
	Total California Municipal Bonds & Notes (cost \$375,857,943)		368,822,211

OTHER MUNICIPAL BONDS & NOTES 3.3%**Iowa 1.8%**

8,700	Tobacco Settlement Auth. Rev., 5.60%, 6/1/34, Ser. B	Baa3/BBB	6,890,487
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Louisiana 0.1%

250	Tobacco Settlement Financing Corp. Rev., 5.875%, 5/15/39, Ser. 2001-B	Baa3/A-	226,980
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New York 0.1%

450	New York City Municipal Water Finance Auth. Water & Sewer Rev., 5.00%, 6/15/37, Ser. D (k)	Aa1/AAA	452,633
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Ohio 0.4%

2,250	Buckeye Tobacco Settlement Financing Auth. Rev., 5.875%, 6/1/47, Ser. A-2	Baa3/BB-	1,509,615
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Puerto Rico 0.9%

1,000	Electric Power Auth. Rev., 5.25%, 7/1/40, Ser. XX	A3/BBB+	876,120
3,000	Sales Tax Financing Corp. Rev., 5.50%, 8/1/42, Ser. A	A1/A+	2,797,110

3,673,230

Total Other Municipal Bonds & Notes (cost \$15,015,686)			12,752,945
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PIMCO California Municipal Income Fund Schedule of Investments

April 30, 2011 (continued)

Principal Amount (000s)		Credit Rating (Moody s/S&P)*	Value
CALIFORNIA VARIABLE RATE NOTES (a)(d)(g)(h) 1.7%			
	Health Facs. Financing Auth. Rev.,		
\$ 1,000	9.35%, 11/15/36, Ser. 3193	NR/NR	850,760
6,000	11.49%, 11/15/42, Ser. 3255	NR/AA-	3,862,080
1,670	Sacramento Cnty. Sanitation Dists. Financing Auth. Rev., 13.491%, 8/1/13, Ser. 1034 (NPFGC)	NR/AA	1,778,750
	Total California Variable Rate Notes (cost \$6,451,685)		6,491,590
SHORT-TERM INVESTMENTS 0.3%			
	U.S. Treasury Obligations (j)(n) 0.3%		
	U.S. Treasury Bills,		
1,342	0.121%-0.154%, 8/25/11-9/15/11 (cost \$1,341,359)		1,341,359
	Total Investments (cost \$398,666,673) 100.0%		\$ 389,408,105

PIMCO New York Municipal Income Fund Schedule of Investments

April 30, 2011

Principal Amount (000s)		Credit Rating (Moody s/S&P)*	Value
NEW YORK MUNICIPAL BONDS & NOTES 90.4%			
\$ 1,600	Erie Cnty. Industrial Dev. Agcy. Rev., Orchard Park, Inc. Project, 6.00%, 11/15/36, Ser. A Liberty Dev. Corp. Rev., 6.375%, 7/15/49	NR/NR	\$ 1,126,560
1,500	Goldman Sachs Headquarters, 5.25%, 10/1/35	NR/BBB-	1,500,315
120	5.25%, 10/1/35 (k)	A1/A	117,251
11,290	5.50%, 10/1/37	A1/A	11,031,346
1,925	Long Island Power Auth. Rev., Ser. A, 5.00%, 9/1/34 (AMBAC)	A1/A	1,968,235
750	5.75%, 4/1/39	A3/A-	749,948
4,500	Metropolitan Transportation Auth. Rev., 5.00%, 7/1/30, Ser. A (AMBAC)	A3/A-	4,611,690
6,650	5.125%, 1/1/29, Ser. A	Aa3/AA-	6,654,722
1,375	5.25%, 11/15/31, Ser. E	Aa3/AA-	1,379,428
2,000	Nassau Cnty. Industrial Dev. Agcy. Rev., Amsterdam at Harborside, 6.70%, 1/1/43, Ser. A	A2/A	2,003,460
1,600	New York City, GO, 5.25%, 6/1/28, Ser. J, (Pre-refunded @ \$100, 6/1/13) (c)	NR/NR	1,447,488
5	New York City Health & Hospital Corp. Rev., 5.00%, 2/15/30, Ser. A	Aa2/AAA	5,492
3,500	New York City Industrial Dev. Agcy. Rev., Liberty Interactive Corp., 5.00%, 9/1/35	Aa3/A+	3,404,170
1,000	Queens Baseball Stadium, 6.50%, 1/1/46 (AGC)	Ba2/BB+	869,370
900	Vaughn College Aeronautics, 5.25%, 12/1/36, Ser. B	Aa3/AA+	931,122
1,820	Yankee Stadium, 7.00%, 3/1/49 (AGC)	NR/BB+	1,437,800
3,200	New York City Municipal Water Finance Auth. Rev., 5.25%, 6/15/25, Ser. D	Aa3/AA+	3,486,720
3,595	New York City Municipal Water Finance Auth. Water & Sewer Rev., 5.00%, 6/15/32, Ser. A	Aa1/AAA	3,651,693
3,000	5.00%, 6/15/40, Ser. FF-2	Aa1/AAA	3,000,780
2,500	Second Generation Resolutions, 4.75%, 6/15/35, Ser. DD (k)	Aa2/AA+	2,504,825
5,000	New York City Transitional Finance Auth. Rev., 4.75%, 11/1/23, Ser. B	Aa2/AA+	4,880,500
15	5.25%, 1/15/39, Ser. S-3	Aaa/AAA	15,035
5,000	New York City Trust for Cultural Res. Rev., Julliard School, 5.00%, 1/1/34, Ser. A	Aa3/AA-	5,043,700
300	Niagara Falls Public Water Auth. Water & Sewer Rev.,	Aa2/AA	305,715
1,000		Baa1/BBB	926,430

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5.00%, 7/15/34, Ser. A (NPFGC)

Port Auth. of New York & New Jersey Rev.,

2,000

5.00%, 9/1/29, Ser. 132

Aa2/AA-

2,047,320

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PIMCO New York Municipal Income Fund Schedule of Investments

April 30, 2011 (continued)

Principal Amount (000s)		Credit Rating (Moody s/S&P)*	Value
\$ 4,300	5.00%, 9/1/38, Ser. 132	Aa2/AA-	\$ 4,316,297
1,000	JFK International Air Terminal, 6.00%, 12/1/36	Baa3/BBB-	969,470
500	State Dormitory Auth. Rev., 5.00%, 7/1/35, Ser. A	Aa2/NR	504,355
1,000	5.00%, 3/15/38, Ser. A	NR/AAA	1,006,400
3,000	Columbia Univ., 5.00%, 10/1/41	Aaa/AAA	3,099,330
1,000	Fordham Univ., 5.50%, 7/1/36, Ser. A	A2/A	1,017,840
3,850	Lenox Hill Hospital, 5.50%, 7/1/30	Baa3/NR	3,644,756
1,300	Mount Sinai School of Medicine, 5.125%, 7/1/39	A3/A-	1,252,108
4,500	New York Univ., 5.00%, 7/1/38, Ser. C	Aa3/AA-	4,505,085
1,225	New York Univ. Hospitals Center, 6.00%, 7/1/40, Ser. A	Baa1/BBB+	1,227,450
300	North Shore-Long Island Jewish Health System, 5.50%, 5/1/37, Ser. A	Baa1/A-	291,519
2,900	Orange Regional Medical Center, 6.25%, 12/1/37	Ba1/NR	2,678,266
1,000	Pratt Institute, 5.125%, 7/1/39, Ser. C (AGC)	Aa3/NR	987,450
	Sloan-Kettering Center Memorial,		
2,500	4.50%, 7/1/35, Ser. A-1	Aa2/AA	2,268,225
4,000	5.00%, 7/1/34, Ser. 1	Aa2/AA	3,988,840
	Teachers College,		
1,500	5.00%, 7/1/32 (NPFGC)	A1/NR	1,505,250
1,800	5.50%, 3/1/39	A1/NR	1,819,224
1,250	The New School, 5.50%, 7/1/40	A3/A-	1,260,638
1,275	Winthrop Univ. Hospital Assoc., 5.25%, 7/1/31, Ser. A (AMBAC)	WR/NR	1,275,191
	State Environmental Facs. Corp. Rev.,		
2,800	5.25%, 12/15/23, Ser. A	NR/AAA	3,138,828
2,000	New York City Municipal Water Project, 5.125%, 6/15/31, Ser. D	Aaa/AAA	2,020,260
1,800	State Urban Dev. Corp. Rev., 5.00%, 3/15/36, Ser. B-1 (k)	NR/AAA	1,815,030
250	Suffolk Cnty. Industrial Dev. Agcy. Rev.,		
	New York Institute of Technology, 5.00%, 3/1/26	Baa2/BBB+	240,360
3,000	Triborough Bridge & Tunnel Auth. Rev., 5.25%, 11/15/34, Ser. A-2 (k)	Aa2/AA-	3,074,910
800	Troy Rev., Rensselaer Polytechnic Institute, 5.125%, 9/1/40, Ser. A	A3/A	736,888
1,455	TSACS, Inc. Rev., 5.125%, 6/1/42, Ser. 1	NR/BBB-	969,365
2,945	Warren & Washington Cntys. Industrial Dev. Agcy. Rev.,		
	Glens Falls Hospital Project, 5.00%, 12/1/27, Ser. C (AGM)	Aa3/AA+	2,993,916
910		A3/BBB	898,834

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	Westchester Cnty. Healthcare Corp. Rev., 6.125%, 11/1/37, Ser. C-2		
200	Yonkers Economic Dev. Corp. Rev., 6.00%, 10/15/30, Ser. A	NR/BB+	182,670
400	Yonkers Industrial Dev. Agcy. Rev., Sarah Lawrence College Project, 6.00%, 6/1/41, Ser. A	WR/BBB	402,008
	Total New York Municipal Bonds & Notes (cost \$120,180,206)		119,191,878

PIMCO New York Municipal Income Fund Schedule of Investments

April 30, 2011 (continued)

Principal Amount (000s)		Credit Rating (Moody s/S&P)*	Value
OTHER MUNICIPAL BONDS & NOTES 8.3%			
Louisiana 0.5%			
\$ 750	Tobacco Settlement Financing Corp. Rev., 5.875%, 5/15/39, Ser. 2001-B	Baa3/A-	\$ 680,940
New Jersey 0.5%			
1,000	Tobacco Settlement Financing Corp. Rev., 4.75%, 6/1/34, Ser. 1-A	Baa3/BB+	619,880
Ohio 1.0%			
2,000	Buckeye Tobacco Settlement Financing Auth. Rev., 5.875%, 6/1/47, Ser. A-2	Baa3/BB-	1,341,880
Puerto Rico 6.0%			
1,000	Aqueduct & Sewer Auth. Rev., 6.00%, 7/1/44, Ser. A	Baa1/BBB-	938,630
1,000	Electric Power Auth. Rev., 5.25%, 7/1/40, Ser. XX Sales Tax Financing Corp. Rev.,	A3/BBB+	876,120
3,000	5.25%, 8/1/41, Ser. C	A1/A+	2,706,690
2,000	5.50%, 8/1/42, Ser. A	A1/A+	1,864,740
1,500	5.75%, 8/1/37, Ser. A	A1/A+	1,491,795
			7,877,975
U. S. Virgin Islands 0.3%			
500	Virgin Islands Public Finance Auth. Rev., 5.00%, 10/1/39, Ser. A-1	Baa2/BBB	423,205
	Total Other Municipal Bonds & Notes (cost \$11,437,574)		10,943,880
SHORT-TERM INVESTMENTS 1.3%			
New York Variable Rate Demand Notes (h)(i) 1.1%			
1,400	New York City, GO, 0.20%, 5/2/11 (final maturity 4/1/32), Ser. L-6 (cost \$1,400,000)	VMIG1/A-1+	1,400,000
U.S. Treasury Obligations (j)(n) 0.2%			
300	U.S. Treasury Bill, 0.137%, 9/15/11 (cost \$299,845)		299,845

Total Short-Term Investments (cost \$1,699,845)	1,699,845
Total Investments (cost \$133,317,625) 100.0%	\$ 131,835,603

PIMCO Municipal Income Funds Notes to Schedules of Investments

April 30, 2011

- * Unaudited.
- (a) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$11,854,789, representing 2.5% of total investments for Municipal and \$7,672,040, representing 2.0% of total investments for California Municipal.
 - (b) Illiquid.
 - (c) Pre-refunded bonds are collateralized by U.S. Government or other eligible securities which are held in escrow and used to pay principal and interest and retire the bonds at the earliest refunding date (payment date) and/or whose interest rates vary with changes in a designated base rate (such as the prime interest rate).
 - (d) 144A Exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, typically only to qualified institutional buyers. Unless otherwise indicated, these securities are not considered to be illiquid.
 - (e) When-issued. To be settled after April 30, 2011.
 - (f) In default.
 - (g) Inverse Floater The interest rate shown bears an inverse relationship to the interest rate on another security or the value of an index. The interest rate disclosed reflects the rate in effect on April 30, 2011.
 - (h) Variable Rate Notes Instruments whose interest rates change on specified date (such as a coupon date or interest payment date) and/or whose interest rates vary with changes in a designated base rate (such as the prime interest rate). The interest rate disclosed reflects the rate in effect on April 30, 2011.
 - (i) Date shown is date of next put.
 - (j) All or partial amount segregated for the benefit of the counterparty as collateral for derivatives.
 - (k) Residual Interest Bonds held in Trust Securities represent underlying bonds transferred to a separate securitization trust established in a tender option bond transaction in which each Fund acquired the residual interest certificates. These securities serve as collateral in a financing transaction.
 - (l) Step Bond Coupon is a fixed rate for an initial period then resets at a specific date and rate.
 - (m) Restricted. The aggregate acquisition cost of such securities is \$935,300 in Municipal. The aggregate market value is \$472,350, representing 0.1% of total investments in Municipal.
 - (n) Rates reflect the effective yields at purchase date.

Glossary:

ACA insured by American Capital Access Holding Ltd.
AGC insured by Assured Guaranty Corp.
AGM insured by Assured Guaranty Municipal Corp.
AMBAC insured by American Municipal Bond Assurance Corp.
CA Mtg. Ins. insured by California Mortgage Insurance
CA St. Mtg. insured by California State Mortgage
CP Certificates of Participation
FGIC insured by Financial Guaranty Insurance Co.
FHA insured by Federal Housing Administration
GO General Obligation Bond
GTD Guaranteed
IBC Insurance Bond Certificate
NPFGC insured by National Public Finance Guarantee Corp.

NR Not Rated

PSF Public School Fund

TCRS Temporary Custodian Receipts

WR Withdrawn Rating

See accompanying Notes to Financial Statements ĩ 4.30.11 ĩ PIMCO Municipal Income Funds Annual Report **25**

PIMCO Municipal Income Funds Statements of Assets and Liabilities

April 30, 2011

	Municipal	California Municipal	New York Municipal
Assets:			
Investments, at value (cost \$486,110,580, \$398,666,673 and \$133,317,625, respectively)	\$479,804,574	\$389,408,105	\$131,835,603
Cash		913,195	
Interest receivable	9,170,481	7,190,615	2,016,648
Receivable for investments sold	7,197,820		
Swap premiums paid	70,400	233,750	6,320
Prepaid expenses and other assets	3,083,773	897,762	1,368,468
Total Assets	499,327,048	398,643,427	135,227,039
Liabilities:			
Payable for floating rate notes issued	31,060,403	35,911,418	10,476,876
Payable for investments purchased	3,260,271		
Dividends payable to common and preferred shareholders	2,053,532	1,423,430	437,151
Payable to custodian for cash overdraft	1,232,419		904,470
Unrealized depreciation on swaps	911,084	2,315,148	372,095
Swap premiums received	280,800	335,400	150,108
Investment management fees payable	242,582	187,980	64,750
Interest payable	212,570	91,489	19,082
Accrued expenses and other liabilities	157,478	231,271	74,585
Total Liabilities	39,411,139	40,496,136	12,499,117
Preferred Shares (\$25,000 liquidation preference per share applicable to an aggregate of 7,600, 6,000 and 1,880 shares issued and outstanding, respectively)	190,000,000	150,000,000	47,000,000

Net Assets Applicable to Common Shareholders	\$269,915,909	\$208,147,291	\$75,727,922
Composition of Net Assets Applicable to Common Shareholders:			
Common Shares (no par value):			
Paid-in-capital	\$344,494,516	\$253,483,740	\$104,187,327
Undistributed net investment income	5,154,164	7,054,241	1,845,161
Accumulated net realized loss on investments and swaps	(72,742,976)	(40,567,345)	(27,375,229)
Net unrealized depreciation of investments and swaps	(6,989,795)	(11,823,345)	(2,929,337)
Net Assets Applicable to Common Shareholders	\$269,915,909	\$208,147,291	\$75,727,922
Common Shares Issued and Outstanding	25,167,680	18,386,627	7,632,187
Net Asset Value Per Common Share	\$10.72	\$11.32	\$9.92

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PIMCO Municipal Income Funds Statements of Operations

Year ended April 30, 2011

	Municipal	California Municipal	New York Municipal
Investment Income:			
Interest	\$31,038,805	\$24,044,129	\$7,313,477
Expenses:			
Investment management fees	3,091,180	2,436,272	821,544
Auction agent fees and commissions	316,909	246,698	81,880
Interest expense	288,990	312,691	67,109
Custodian and accounting agent fees	116,372	92,694	58,861
Audit and tax services	97,637	79,139	58,323
Shareholder communications	53,215	44,217	23,426
Trustees' fees and expenses	45,748	33,239	10,851
Transfer agent fees	32,588	30,409	30,989
Legal fees	22,080	16,560	7,360
New York Stock Exchange listing fees	21,623	21,464	22,105
Insurance expense	13,150	10,888	4,103
Miscellaneous	12,704	11,912	11,389
Total Expenses	4,112,196	3,336,183	1,197,940
Less: custody credits earned on cash balances	(1,095)	(537)	(659)
Net Expenses	4,111,101	3,335,646	1,197,281
Net Investment Income	26,927,704	20,708,483	6,116,196
Realized and Change in Unrealized Gain (Loss):			
Net realized gain (loss) on:			
Investments	(1,829,218)	(2,535,504)	883,501

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Swaps	(383,490)		(265,965)
Net change in unrealized appreciation/depreciation of: Investments	(24,661,090)	(26,116,760)	(6,683,868)
Swaps	(911,084)	(2,315,148)	(372,095)
Net realized and change in unrealized loss on investments and swaps	(27,784,882)	(30,967,412)	(6,438,427)
Net Decrease in Net Assets Resulting from Investment Operations	(857,178)	(10,258,929)	(322,231)
Dividends on Preferred Shares from Net Investment Income	(805,715)	(638,444)	(202,506)
Net Decrease in Net Assets Applicable to Common Shareholders Resulting from Investment Operations	\$(1,662,893)	\$(10,897,373)	\$(524,737)

See accompanying Notes to Financial Statements ĩ 4.30.11 ĩ PIMCO Municipal Income Funds Annual Report 27

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

	Municipal	
	Year ended April 30, 2011	Year ended April 30, 2010
Investment Operations:		
Net investment income	\$26,927,704	\$29,300,454
Net realized gain (loss) on investments and swaps	(2,212,708)	603,647
Net change in unrealized appreciation/depreciation of investments and swaps	(25,572,174)	54,536,158
Net increase (decrease) in net assets resulting from investment operations	(857,178)	84,440,259
Dividends on Preferred Shares from Net Investment Income	(805,715)	(901,693)
Net increase (decrease) in net assets applicable to common shareholders resulting from investment operations	(1,662,893)	83,538,566
Dividends to Common Shareholders from Net Investment Income	(24,482,358)	(24,354,251)
Common Share Transactions:		
Reinvestment of dividends	1,604,452	1,765,250
Total increase (decrease) in net assets applicable to common shareholders	(24,540,799)	60,949,565
Net Assets Applicable to Common Shareholders:		
Beginning of year	294,456,708	233,507,143
End of year (including undistributed net investment income of \$5,154,164 and \$2,289,499; \$7,054,241 and \$3,372,324; \$1,845,161 and \$906,774; respectively)	\$269,915,909	\$294,456,708
Common Shares Issued in Reinvestment of Dividends	123,701	146,491

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

California Municipal		New York Municipal	
Year ended	Year ended	Year ended	Year ended
April 30, 2011	April 30, 2010	April 30, 2011	April 30, 2010
\$20,708,483	\$22,076,765	\$6,116,196	\$6,665,205
(2,535,504)	1,327,677	617,536	178,676
(28,431,908)	34,686,166	(7,055,963)	9,772,086
(10,258,929)	58,090,608	(322,231)	16,615,967
(638,444)	(712,775)	(202,506)	(223,823)
(10,897,373)	57,377,833	(524,737)	16,392,144
(16,948,939)	(16,851,241)	(5,210,008)	(5,183,647)
1,201,620	1,416,293	388,870	382,886
(26,644,692)	41,942,885	(5,345,875)	11,591,383
234,791,983	192,849,098	81,073,797	69,482,414
\$208,147,291	\$234,791,983	\$75,727,922	\$81,073,797
96,054	117,624	36,764	38,039

See accompanying Notes to Financial Statements i 4.30.11 i PIMCO Municipal Income Funds Annual Report 29

PIMCO California Municipal Income Fund Statement of Cash Flows

Year ended April 30, 2011

Increase in Cash from:**Cash Flows provided by Operating Activities:**

Net decrease in net assets resulting from investment operations	\$(10,258,929)
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Adjustments to Reconcile Net Decrease in Net Assets Resulting from Investment Operations to Net Cash provided by Operating Activities:

Purchases of long-term investments	(78,981,929)
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Proceeds from sales of long-term investments	76,974,701
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Proceeds from sales of short-term portfolio investments, net	6,958,675
--	-----------

Net change in unrealized appreciation/depreciation of investments and swaps	28,483,429
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Net realized loss on investments	2,535,504
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Net amortization on investments	(961,658)
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Decrease in receivable for investments sold	45,000
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Increase in interest receivable	(648,727)
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Decrease in prepaid expenses and other assets	168
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Periodic and termination payments of swaps, net	101,650
---	---------

Decrease in investment management fees payable	(15,047)
--	----------

Decrease in interest payable for reverse repurchase agreements	(3,237)
--	---------

Increase in accrued expenses and other liabilities	15,058
--	--------

Net cash provided by operating activities*	24,244,658
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Cash Flows used for Financing Activities:

Decrease in payable for reverse repurchase agreements	(7,470,000)
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Cash dividends paid (excluding reinvestment of dividends of \$1,201,620)	(16,377,924)
--	--------------

Net cash used for financing activities	(23,847,924)
---	---------------------

Net increase in cash	396,734
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Cash at beginning of year	516,461
Cash at end of year	\$913,195

Municipal and New York Municipal are not required to provide a Statement of Cash Flows.

- * Included in operating expenses is cash paid by California Municipal for interest related to participation in reverse repurchase agreement transactions of \$19,710.

30 PIMCO Municipal Income Funds Annual Report 4.30.11 **See accompanying Notes to Financial Statements**

PIMCO Municipal Income Funds Notes to Financial Statements

April 30, 2011

1. Organization and Significant Accounting Policies

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

Under normal market conditions, Municipal invests substantially all of its assets in a portfolio of municipal bonds, the interest from which is exempt from federal income taxes. Under normal market conditions, California Municipal invests substantially all of its assets in municipal bonds which pay interest that is exempt from federal and California state income taxes. Under normal market conditions, New York Municipal invests substantially all of its assets in municipal bonds which pay interest that is exempt from federal, New York State and New York City income taxes. There is no guarantee that the Funds will meet their stated objectives. The Funds will generally seek to avoid investing in bonds generating interest income which could potentially subject individuals to alternative minimum tax. The issuers' abilities to meet their obligations may be affected by economic and political developments in a specific state or region.

The preparation of the 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 each Fund's financial statements. Actual results could differ from those estimates.

In the normal course of business, the Funds enter into contracts that contain a variety of representations that provide general indemnifications. The Funds' maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Funds that have not yet occurred.

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

(a) Valuation of Investments

Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. Market value is generally determined on the basis of last reported sales prices, or if no sales are reported, on the basis of quotes obtained from a quotation reporting system, established market makers, or independent pricing services.

Portfolio securities and other financial instruments for which market quotations are not readily available, or for which a development/event occurs that may significantly impact the value of a security, are fair-valued, in good faith, pursuant to procedures established by the Board of Trustees, or persons acting at their discretion pursuant to procedures established by the Board of Trustees. The Funds' investments are valued daily using prices supplied by an independent pricing service or dealer quotations, or by using the last sale price on the exchange that is the primary market for such securities, or the mean between the last quoted bid and ask price. Independent pricing services use information provided by market makers or estimates of market values obtained from yield data relating to investments

or securities with similar characteristics. Securities purchased on a when-issued basis are marked to market daily until settlement at the forward settlement date. Short-term securities maturing in 60 days or less are valued at amortized cost, if their original term to maturity was 60 days or less, or by amortizing their value on the 61st day prior to maturity, if the original term to maturity exceeded 60 days.

The prices used by the Funds to value securities may differ from the value that would be realized if the securities were sold and these differences could be material to the Funds' financial statements. Each Fund's net asset value (NAV) is normally determined as of the close of regular trading (normally, 4:00 p.m. Eastern time) on the New York Stock Exchange (NYSE) on each day the NYSE is open for business.

(b) Fair Value Measurements

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

Level 1 quoted prices in active markets for identical investments that the Funds have the ability to access

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

PIMCO Municipal Income Funds Notes to Financial Statements

April 30, 2011

1. Organization and Significant Accounting Policies (continued)

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

An investment asset's or liability's level within the fair value hierarchy is based on the lowest level input, individually or in aggregate, that is significant to fair value measurement. The objective of fair value measurement remains the same even when there is a significant decrease in the volume and level of activity for an asset or liability and regardless of the valuation technique used.

The valuation techniques used by the Funds to measure fair value during the year ended April 30, 2011 maximized the use of observable inputs and minimized the use of unobservable inputs.

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

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

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

Interest Rate Swaps Interest rate swaps are valued by independent pricing services using pricing models that are based on real-time intraday snapshots of relevant interest rate curves that are built using the most actively traded securities for a given maturity. The pricing models also incorporate cash and money market rates. In addition, market data pertaining to interest rate swaps is monitored regularly to ensure that interest rates are properly depicting the current market rate. To the extent that these inputs are observable, the values of interest rate swaps are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

The Funds' policy is to recognize transfers between levels at the end of the reporting period.

PIMCO Municipal Income Funds Notes to Financial Statements

April 30, 2011

1. Organization and Significant Accounting Policies (continued)

A summary of the inputs used at April 30, 2011 in valuing each Fund's assets and liabilities is listed below:

Municipal:

	Level 1 - Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Value at 4/30/11
Investments in Securities Assets				
Municipal Bonds & Notes:				
Tennessee		\$ 22,264,536	\$472,350	\$ 22,736,886
All Other		444,855,558		444,855,558
Variable Rate Notes		11,382,439		11,382,439
Short-Term Investments		829,691		829,691
Total Investments in Securities Assets		\$ 479,332,224	\$472,350	\$ 479,804,574
Other Financial Instruments*				
Liabilities				
Interest Rate Contracts		\$ (911,084)		\$ (911,084)
Total Investments		\$ 478,421,140	\$472,350	\$ 478,893,490

California Municipal:

	Level 1 - Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Value at 4/30/11
Investments in Securities Assets				
California Municipal Bonds & Notes		\$ 368,822,211		\$ 368,822,211
Other Municipal Bonds & Notes		12,752,945		12,752,945

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California Variable Rate Notes		6,491,590	6,491,590
Short-Term Investments		1,341,359	1,341,359
Total Investments in Securities	Assets	\$ 389,408,105	\$ 389,408,105
Other Financial Instruments*			
Liabilities			
Interest Rate Contracts		\$ (2,315,148)	\$ (2,315,148)
Total Investments		\$ 387,092,957	\$ 387,092,957

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PIMCO Municipal Income Funds Notes to Financial Statements

April 30, 2011

1. Organization and Significant Accounting Policies (continued)New York Municipal:

	Level 1 - Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Value at 4/30/11
Investments in Securities Assets				
New York Municipal Bonds & Notes		\$ 119,191,878		\$ 119,191,878
Other Municipal Bonds & Notes		10,943,880		10,943,880
Short-Term Investments		1,699,845		1,699,845
Total Investments in Securities Assets		\$ 131,835,603		\$ 131,835,603
Other Financial Instruments* Liabilities				
Interest Rate Contracts		\$ (372,095)		\$ (372,095)
Total Investments		\$ 131,463,508		\$ 131,463,508

* Other Financial Instruments are derivatives not reflected in the Schedules of Investments, such as swap agreements, which are valued at the unrealized appreciation (depreciation) of the instrument.

There were no significant transfers between Levels 1 and 2 during the year ended April 30, 2011.

A roll forward of fair value measurements using significant unobservable inputs (Level 3) for Municipal for the year ended April 30, 2011, was as follows:

Municipal:

Beginning Balance 4/30/10	Net Change in Unrealized Appreciation/ Depreciation	Transfers into Level 3	Transfers out of Level 3	Ending Balance 4/30/11

Investments in Securities	Assets		
Municipal Bonds & Notes:			
Tennessee	\$470,000	\$2,350	\$472,350
Total Investments	\$470,000	\$2,350	\$472,350

The net change in unrealized appreciation/depreciation of Level 3 investments which Municipal held at April 30, 2011, was \$2,350. Net change in unrealized appreciation/depreciation is reflected on the Statements of Operations.

(c) Investment Transactions and Investment Income

Investment transactions are accounted for on the trade date. Securities purchased and sold on a when-issued basis may be settled a month or more after the trade date. Realized gains and losses on investments are determined on an identified cost basis. Interest income adjusted for the accretion of discounts and amortization of premiums is recorded on an accrual basis. Discounts or premiums on debt securities purchased are accreted or amortized, respectively, to interest income over the lives of the respective securities.

(d) Federal Income Taxes

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

Accounting for uncertainty in income taxes establishes for all entities, including pass-through entities such as the Funds, a minimum threshold for financial statement recognition of the benefit of positions taken in filing tax returns (including whether an entity is taxable in a particular jurisdiction), and requires certain expanded tax disclosures. The Funds management has determined that its evaluation has resulted in no material impact to the Funds financial statements at

PIMCO Municipal Income Funds Notes to Financial Statements

April 30, 2011

1. Organization and Significant Accounting Policies (continued)

April 30, 2011. The Funds' federal tax returns for the prior three years remain subject to examination by the Internal Revenue Service.

(e) Dividends and Distributions – Common Shares

The Funds declare dividends from net investment income monthly to common shareholders. Distributions of net realized capital gains, if any, are paid at least annually. The Funds record dividends and distributions to their respective 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 GAAP. 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 to shareholders from return of capital.

(f) Reverse Repurchase Agreements

In a reverse repurchase agreement, the Funds sell securities to a bank or broker-dealer and agree to repurchase the securities at a mutually agreed upon date and price. Generally, the effect of such a transaction is that the Funds can recover and reinvest all or most of the cash invested in portfolio securities involved during the term of the reverse repurchase agreement and still be entitled to the returns associated with those portfolio securities. Such transactions are advantageous if the interest cost to the Funds of the reverse repurchase transaction is less than the returns it obtains on investments purchased with the cash. To the extent the Funds do not cover their positions in reverse repurchase agreements (by segregating liquid assets at least equal in amount to the forward purchase commitment), the Funds' uncovered obligations under the agreements will be subject to the Funds' limitations on borrowings. Reverse repurchase agreements involve leverage risk and also the risk that the market value of the securities that the Funds are obligated to repurchase under the agreements may decline below the repurchase price. In the event the buyer of securities under a reverse repurchase agreement files for bankruptcy or becomes insolvent, the Funds' use of the proceeds of the agreement may be restricted pending determination by the other party, or their trustee or receiver, whether to enforce the Funds' obligation to repurchase the securities.

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

The Funds invest in RIBs and RITEs (Inverse Floaters), whose interest rates bear an inverse relationship to the interest rate on another security or the value of an index. In inverse floating rate transactions, the Funds sell a fixed rate municipal bond (Fixed Rate Bond) to a broker who places the Fixed Rate Bond in a special purpose trust (Trust) from which floating rate bonds (Floating Rate Notes) and Inverse Floaters are issued. The Funds simultaneously or within a short period of time, purchase the Inverse Floaters from the broker. The Inverse Floaters held by the Funds provide the Funds with the right to: (1) cause the holders of the Floating Rate Notes to tender their notes at par, and (2) cause the broker to transfer the Fixed-Rate Bond held by the Trust to the Funds, thereby collapsing the Trust. The Funds account for the transaction described above as a secured borrowing by including the Fixed Rate Bond in their Schedules of Investments, and account for the Floating Rate Notes as a liability under the caption Payable for floating rate notes issued in the Funds' Statements of Assets and Liabilities. The Floating Rate Notes have interest rates that generally reset weekly by an index or auction process and their holders have the option to tender their notes to the broker for redemption at par at each reset date.

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

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

PIMCO Municipal Income Funds Notes to Financial Statements

April 30, 2011

1. Organization and Significant Accounting Policies (continued)

The Funds' restrictions on borrowings may not necessarily apply to the secured borrowings deemed under ASC 860 to have occurred for accounting purposes. Inverse Floaters held by the Funds are exempt from registration under Rule 144A of the Securities Act of 1933.

In addition to general market risks, the Funds' investments in Inverse Floaters may involve greater risk and volatility than an investment in a fixed rate bond, and the value of Inverse Floaters may decrease significantly when market interest rates increase. Inverse Floaters have varying degrees of liquidity, and the market for these securities may be volatile. These securities tend to underperform the market for fixed rate bonds in a rising interest rate environment, but tend to outperform the market for fixed rate bonds when interest rates decline or remain relatively stable. Although volatile, Inverse Floaters typically offer the potential for yields exceeding the yields available on fixed rate bonds with comparable credit quality, coupon, call provisions and maturity. Trusts in which Inverse Floaters may be held could be terminated due to market, credit or other events beyond the Funds' control, which could require the Funds to reduce leverage and dispose of portfolio investments at inopportune times and prices.

(h) When-Issued/Delayed-Delivery Transactions

When-issued or delayed-delivery transactions involve a commitment to purchase or sell securities for a predetermined price or yield, with payment and delivery taking place beyond the customary settlement period. When delayed-delivery purchases are outstanding, the Funds will set aside and maintain until the settlement date in a designated account, liquid assets in an amount sufficient to meet the purchase price. When purchasing a security on a delayed-delivery basis, the Funds assume the rights and risks of ownership of the security, including the risk of price and yield fluctuations; consequently, such fluctuations are taken into account when determining the 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 is sold on a delayed-delivery basis, the Funds do not participate in future gains and losses with respect to the security.

(i) Restricted Securities

The Funds are permitted to invest in securities that are subject to legal or contractual restrictions on resale. These securities generally may be resold in transactions exempt from registration or to the public if the securities are registered. Disposal of these securities may involve time-consuming negotiations and expenses, and prompt sale at an acceptable price may be difficult.

(j) Custody Credits on Cash Balances

The Funds benefit from an expense offset arrangement with their custodian bank, whereby uninvested cash balances earn credits that 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. Cash overdraft charges, if any, are included in custodian and accounting agent fees.

(k) Interest Expense

Interest expense primarily relates to the Funds' participation in floating rate notes held by third parties in conjunction with Inverse Floater transactions and reverse repurchase agreement transactions. Interest expense on reverse repurchase agreements is recorded as incurred.

2. Principal Risks

In the normal course of business, the Funds trade financial instruments and enter into financial transactions where risk of potential loss exists due to, among other things, changes in the market (market risk) or failure of the other party to a transaction to perform (counterparty risk). The Funds are also exposed to other risks such as, but not limited to, interest rate and credit risks.

Interest rate risk is the risk that fixed income securities will decline in value because of changes in interest rates. As nominal interest rates rise, the value of certain fixed income securities held by the Funds are likely to decrease. A nominal interest rate can be described as the sum of a real interest rate and an expected inflation rate. Fixed income securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. Duration is used primarily as a measure of the sensitivity of a fixed income security's market price to interest rate (*i.e.* yield) movements.

Variable and floating rate securities generally are less sensitive to interest rate changes but may decline in value if their interest rates do not rise as much, or as quickly, as interest rates in general. Conversely, floating rate securities will not generally increase in value if interest rates decline. Inverse floating rate securities may decrease in value if interest rates

PIMCO Municipal Income Funds Notes to Financial Statements

April 30, 2011

2. Principal Risks (continued)

increase. Inverse floating rate securities may also exhibit greater price volatility than a fixed rate obligation with similar credit quality. When the Funds hold variable or floating rate securities, a decrease (or, in the case of inverse floating rate securities, an increase) in market interest rates will adversely affect the income received from such securities and the NAV of the Funds' shares.

The Funds are exposed to credit risk, which is the risk of losing money if the issuer or guarantor of a fixed income security is unable or unwilling, or is perceived (whether by market participants, rating agencies, pricing services or otherwise) as unable or unwilling, to make timely principal and/or interest payments, or to otherwise honor its obligations. Securities are subject to varying degrees of credit risk, which are often reflected in credit ratings.

The Funds are exposed to counterparty risk, or the risk that an institution or other entity with which the Funds have unsettled or open transactions will default. The potential loss to the Funds could exceed the value of the financial assets recorded in the Funds' financial statements. Financial assets, which potentially expose the Funds to counterparty risk, consist principally of cash due from counterparties and investments. The Funds' Sub-Adviser, Pacific Investment Management Company LLC (the Sub-Adviser), an affiliate of the Investment Manager, seeks to minimize the Funds' counterparty risk by performing reviews of each counterparty and by minimizing concentration of counterparty risk by undertaking transactions with multiple customers and counterparties on recognized and reputable exchanges. Delivery of securities sold is only made once the Funds have received payment. Payment is made on a purchase once the securities have been delivered by the counterparty. The trade will fail if either party fails to meet its obligation.

The Funds are party to International Swaps and Derivatives Association, Inc. Master Agreements (ISDA Master Agreements) with select counterparties that govern transactions, over-the-counter derivatives and foreign exchange contracts entered into by the Funds and those counterparties. The ISDA Master Agreements contain provisions for general obligations, representations, agreements, collateral and events of default or termination. Events of termination include conditions that may entitle counterparties to elect to terminate early and cause settlement of all outstanding transactions under the applicable ISDA Master Agreement. Any election to terminate early could be material to the financial statements of the Funds.

3. Financial Derivative Instruments

Disclosure about derivatives and hedging activities requires qualitative disclosure regarding objectives and strategies for using derivatives, quantitative disclosure about fair value amounts of gains and losses on derivatives, and disclosure about credit-risk-related contingent features in derivative agreements. The disclosure requirements distinguish between derivatives which are accounted for as hedges and those that do not qualify for such accounting. Although the Funds sometimes use derivatives for hedging purposes, the Funds reflect derivatives at fair value and recognize changes in fair value through the Funds' Statements of Operations, and such derivatives do not qualify for hedge accounting treatment.

(a) Swap Agreements

Swap agreements are privately negotiated agreements between the Funds and a counterparty to exchange or swap investment cash flows, assets, foreign currencies or market-linked returns at specified, future intervals. The Funds enter into credit default, cross-currency, interest rate, total return, variance and other forms of swap agreements in order to manage its exposure to credit, currency and interest rate risk. In connection with these agreements, securities may be identified as collateral in accordance with the terms of the respective swap agreements to provide assets of

value and recourse in the event of default or bankruptcy/insolvency.

Payments received or made at the beginning of the measurement period are reflected as such on the Funds' Statements of Assets and Liabilities and represent payments made or received upon entering into the swap agreement to compensate for differences between the stated terms of the swap agreement and prevailing market conditions (credit spreads, currency exchange rates, interest rates, and other relevant factors). These upfront payments are recorded as realized gains or losses on the Funds' Statements of Operations upon termination or maturity of the swap. A liquidation payment received or made at the termination of the swap is recorded as realized gain or loss on the Funds' Statements of Operations. Net periodic payments received or paid by the Funds are included as part of realized gains or losses on the Funds' Statements of Operations.

Entering into these agreements involves, to varying degrees, elements of credit, legal, market and documentation risk in excess of the amounts recognized on the Funds' Statements of Assets and Liabilities. Such risks include the possibility that there will be no liquid market for these agreements, that the counterparties to the agreements may default on their obligation to perform or disagree as to the meaning of contractual terms in the agreements and that there may be unfavorable changes in interest rates.

PIMCO Municipal Income Funds Notes to Financial Statements

April 30, 2011

3. Financial Derivative Instruments (continued)

Interest Rate Swap Agreements Interest rate swap agreements involve the exchange by the Funds with a counterparty of their respective commitments to pay or receive interest, e.g., an exchange of floating rate payments for fixed rate payments, with respect to the notional amount of principal. Certain forms of interest rate swap agreements may include: (i) interest rate caps, under which, in return for a premium, one party agrees to make payments to the other to the extent that interest rates exceed a specified rate, or cap, (ii) interest rate floors, under which, in return for a premium, one party agrees to make payments to the other to the extent that interest rates fall below a specified rate, or floor, (iii) interest rate collars, under which a party sells a cap and purchases a floor or vice versa in an attempt to protect itself against interest rate movements exceeding given minimum or maximum levels, (iv) callable interest rate swaps, under which the counterparty may terminate the swap transaction in whole at zero cost by a predetermined date and time prior to the maturity date, (v) spreadlocks, which allow the interest rate swap users to lock in the forward differential (or spread) between the interest rate swap rate and a specified benchmark, or (vi) basis swaps, under which two parties can exchange variable interest rates based on different money markets.

The following is a summary of the fair valuation of the Funds' derivatives categorized by risk exposure.

The effect of derivatives on the Funds' Statements of Assets and Liabilities at April 30, 2011:

Municipal:

Location	Interest Rate Contracts
Liability derivatives:	
Unrealized depreciation on swaps	\$(911,084)

California Municipal:

Location	Interest Rate Contracts
Liability derivatives:	
Unrealized depreciation on swaps	\$(2,315,148)

New York Municipal:

Location	Interest Rate Contracts
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Liability derivatives:

Unrealized depreciation on swaps	\$(372,095)
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The effect of derivatives on the Funds Statements of Operations for the year ended April 30, 2011:

Municipal:

Location	Interest Rate Contracts
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Realized loss on:

Swaps	\$(383,490)
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Net change in unrealized appreciation/depreciation of:

Swaps	\$(911,084)
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California Municipal:

Location	Interest Rate Contracts
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Net change in unrealized appreciation/depreciation of:

Swaps	\$(2,315,148)
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PIMCO Municipal Income Funds Notes to Financial Statements

April 30, 2011

3. Financial Derivative Instruments (continued)New York Municipal:

Location	Interest Rate Contracts
Realized loss on:	
Swaps	\$(265,965)
Net change in unrealized appreciation/depreciation of:	
Swaps	\$(372,095)

The average volumes of derivative activities during the year ended April 30, 2011 were:

	Interest Rate Swap Agreements*
Municipal	\$6,880
California Municipal	10,860
New York Municipal	2,600

* *Notional amount (in thousands)*

4. Investment Manager/Sub-Adviser

Each Fund has an Investment Management Agreement (each an Agreement) with the Investment Manager. Subject to the supervision of the Funds' Board of Trustees, the Investment Manager is responsible for managing, either directly or through others selected by it, the Funds' investment activities, business affairs and administrative matters. Pursuant to each Agreement, the Investment Manager receives an annual fee, payable monthly, at an annual rate of 0.65% of each Fund's average daily net assets, inclusive of net assets attributable to any Preferred Shares outstanding.

The Investment Manager has retained the Sub-Adviser to manage the Funds' investments. Subject to the supervision of the Investment Manager, the Sub-Adviser is responsible for making all of the Funds' investment decisions. The Investment Manager, and not the Funds, pays a portion of the fees it receives as Investment Manager to the Sub-Adviser in return for its services.

5. Investments in Securities

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Purchases and sales of investments, other than short-term securities, for the year ended April 30, 2011, were:

	Municipal	California Municipal	New York Municipal
Purchases	\$80,588,288	\$78,981,929	\$40,440,694
Sales	77,345,499	76,974,701	38,423,854

(a) Interest rate swap agreements outstanding at April 30, 2011:

Municipal:

Swap Counterparty	Notional Amount (000s)	Termination Date	Payments Made	Rate Type Payments Received	Market Value	Upfront Premiums Paid(Received)	Unrealized Depreciation
Citigroup	\$15,600	6/20/42	4.75%	3-Month USD-LIBOR	\$(874,758)	\$(280,800)	\$(593,958)
Morgan Stanley	4,400	6/20/42	4.75%	3-Month USD-LIBOR	(246,726)	70,400	(317,126)
					\$(1,121,484)	\$(210,400)	\$(911,084)

PIMCO Municipal Income Funds Notes to Financial Statements

April 30, 2011

5. Investments in Securities (continued)California Municipal:

Swap Counterparty	Notional Amount (000s)	Termination Date	Payments Made	Rate Type Payments Received	Market Value	Upfront Premiums Paid(Received)	Unrealized Depreciation
Bank of America	\$12,000	6/20/42	4.75%	3-Month USD-LIBOR	\$(672,890)	\$(111,000)	\$(561,890)
Citigroup	13,200	6/20/42	4.75%	3-Month USD-LIBOR	(740,180)	(224,400)	(515,780)
Goldman Sachs	6,500	6/20/42	4.75%	3-Month USD-LIBOR	(364,482)	51,350	(415,832)
Morgan Stanley	11,400	6/20/42	4.75%	3-Month USD-LIBOR	(639,246)	182,400	(821,646)
					\$(2,416,798)	\$(101,650)	\$(2,315,148)

New York Municipal:

Swap Counterparty	Notional Amount (000s)	Termination Date	Payments Made	Rate Type Payments Received	Market Value	Upfront Premiums Paid(Received)	Unrealized Depreciation
Citigroup	\$7,000	6/20/42	4.75%	3-Month USD-LIBOR	\$(392,520)	\$(137,200)	\$(255,320)
Goldman Sachs	800	6/20/42	4.75%	3-Month USD-LIBOR	(44,859)	6,320	(51,179)
JPMorgan Chase	1,400	6/20/42	4.75%	3-Month USD-LIBOR	(78,504)	(12,908)	(65,596)
					\$(515,883)	\$(143,788)	\$(372,095)

LIBOR London Inter-Bank Offered Rate

(b) Reverse repurchase agreements:

The weighted average daily balance of reverse repurchase agreements outstanding during the year ended April 30, 2011 for Municipal, California Municipal and New York Municipal was \$9,068,689, \$7,157,724 and \$2,629,920 at a weighted average interest rate of 0.67%, 0.67% and 0.67%, respectively. At April 30, 2011, the Funds had no open reverse repurchase agreements.

(c) Floating rate notes:

The weighted average daily balance of floating rate notes outstanding during the year ended April 30, 2011 for Municipal, California Municipal and New York Municipal was \$27,448,855, \$35,911,418 and \$10,476,876 at a weighted average interest rate, including fees, of 0.98%, 0.82% and 0.58%, respectively.

6. Income Tax Information

For the year ended April 30, 2011, the tax character of dividends paid by the Funds was as follows:

	Ordinary Income	Tax Exempt Income
Municipal	\$2,345,022	\$22,943,051
California Municipal	1,445,397	16,141,986
New York Municipal	464,408	4,948,106

PIMCO Municipal Income Funds Notes to Financial Statements

April 30, 2011

6. Income Tax Information (continued)

For the year ended April 30, 2010, the tax character of dividends paid by the Funds was as follows:

	Ordinary Income	Tax Exempt Income
Municipal	\$3,718,861	\$21,537,083
California Municipal	2,666,885	14,897,131
New York Municipal	879,454	4,528,016

At April 30, 2011, the components of distributable earnings were as follows:

	Tax Exempt Income	Capital Loss Carryforwards ⁽¹⁾	Post-October Deferral ⁽²⁾
Municipal	\$5,154,164	\$69,312,848	\$3,562,419
California Municipal	7,054,241	36,761,394	3,014,294
New York Municipal	1,845,161	27,591,877	512,573

⁽¹⁾ Capital losses available to offset future net capital gains, expiring in varying amounts as shown below.

⁽²⁾ Capital losses realized during the period November 1, 2010 through April 30, 2011 which the Funds elected to defer to the following taxable year pursuant to income tax regulations.

At April 30, 2011, the Funds have capital loss carryforwards expiring in the following years:

	2012	2013	2014	2015	2016	2017	2018
Municipal	\$1,890,888	\$12,156,912	\$1,105,730	\$459,581	\$3,577,024	\$890,721	\$49,231,992
California Municipal	4,391,323	6,552,094	1,951,329				23,866,648
New York Municipal	2,679,047	4,622,781	243,785			3,099,084	16,947,180

For the year ended April 30, 2011, the Funds had capital loss carryforwards which were utilized and/or expired as follows:

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	Utilized	Expired
Municipal	\$940,936	\$11,695,644
California Municipal	478,790	6,754,270
New York Municipal	1,130,109	2,880,311

For the fiscal year ended April 30, 2011, permanent book-tax adjustments were as follows:

	Undistributed Net Investment Income	Accumulated Net Realized Gain	Paid-In Capital In Excess of Par
Municipal(a)(b)(c)	\$1,225,035	\$11,413,495	\$(12,638,530)
California Municipal(a)(b)(c)	560,817	6,702,748	(7,263,565)
New York Municipal(a)(b)(c)	234,705	2,798,538	(3,033,243)

PIMCO Municipal Income Funds Notes to Financial Statements

April 30, 2011

6. Income Tax Information (continued)

These permanent book-tax differences were primarily attributable to:

- (a) Differing treatment of Inverse Floaters
- (b) Expiring Capital Loss Carryforwards
- (c) Taxable Overdistributions

Net investment income, net realized gains or losses, and net assets were not affected by these adjustments.

At April 30, 2011, the aggregate cost basis and the net unrealized appreciation (depreciation) of investments for federal income tax purposes were as follows:

	Federal Tax Cost Basis ⁽³⁾	Unrealized Appreciation	Unrealized Depreciation	Net Unrealized (Depreciation)
Municipal	\$457,485,150	\$18,217,743	\$(25,075,246)	\$(6,857,503)
California Municipal	364,415,503	5,527,018	(18,142,018)	(12,615,000)
New York Municipal	124,373,336	2,798,002	(4,998,122)	