

PIMCO MUNICIPAL INCOME FUND II  
Form N-Q  
April 20, 2012

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, DC 20549**

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED**  
**MANAGEMENT INVESTMENT COMPANY**

|   |  |
|---|--|
| <b>Investment Company Act File Number:</b>          | <b>811-21076</b>   |
| <b>Registrant Name:</b>                             | PIMCO Municipal Income Fund II                                   |
| Address of Principal Executive Offices:             | 1633 Broadway,<br>New York, New York 10019                       |
| Name and Address of Agent for Service:              | Lawrence G. Altadonna 1633 Broadway,<br>New York, New York 10019 |
| Registrant's telephone number, including area code: | 212-739-3371   |
| Date of Fiscal Year End:                            | May 31, 2012   |
| Date of Reporting Period:                           | February 29, 2012  |

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

February 29, 2012 (unaudited)

Principal

Amount

| (000s)                                   |  | Value*       |
|--|--|--------------|
| <b>MUNICIPAL BONDS &amp; NOTES 97.9%</b> |  |              |
| <b>Alabama 1.4%</b>                      |  |              |
| \$ 10,000                                | Birmingham-Baptist Medical Centers Special Care Facs. Financing Auth. Rev.,<br>Baptist Health Systems, Inc., 5.00%, 11/15/30, Ser. A | \$ 9,692,200 |
| 1,235                                    | Montgomery BMC Special Care Facs. Financing Auth. Rev.,<br>5.00%, 11/15/29, Ser. B (NPFGC)   | 1,234,938    |
| 2,000                                    | State Docks Department Rev., 6.00%, 10/1/40  | 2,186,060    |
| 2,650                                    | Tuscaloosa Public Educational Building Auth. Rev., Stillman College Project,<br>5.00%, 6/1/26, Ser. A                                | 2,176,816    |
|  |  | 15,290,014   |
| <b>Arizona 7.1%</b>                      |  |              |
|  | Health Facs. Auth. Rev., Banner Health,  |              |
| 3,500                                    | 5.00%, 1/1/35, Ser. A  | 3,661,490    |
| 2,860                                    | 5.50%, 1/1/38, Ser. D  | 3,094,577    |
| 29,700                                   | Pima Cnty. Industrial Dev. Auth. Rev.,<br>5.00%, 9/1/39  | 30,629,016   |
|  | Pinal Cnty. Electric Dist. No. 3 Rev.,   |              |
| 1,750                                    | 5.25%, 7/1/36  | 1,872,308    |
| 3,700                                    | 5.25%, 7/1/41  | 3,932,323    |
| 10,000                                   | Salt River Project Agricultural Improvement & Power Dist. Rev.,<br>5.00%, 1/1/39, Ser. A (f)   | 10,998,400   |
| 22,400                                   | Salt Verde Financial Corp. Rev., 5.00%, 12/1/37  | 22,495,200   |
| 1,500                                    | Tuscon Electric Power Co., 5.25%, 10/1/40, Ser. A  | 1,532,640    |
|  |  | 78,215,954   |
| <b>California 14.0%</b>                  |  |              |
|  | Bay Area Toll Auth. Rev., San Francisco Bay Area,  |              |
| 6,000                                    | 5.00%, 10/1/29   | 6,718,020    |
| 1,430                                    | 5.00%, 4/1/34, Ser. F-1  | 1,566,865    |
| 1,565                                    | Foothill-Eastern Transportation Corridor Agcy. Rev.,<br>5.875%, 1/15/26 (IBC-NPFGC)  | 1,594,829    |
|  | Golden State Tobacco Securitization Corp. Rev., Ser. A-1,  |              |
| 8,750                                    | 5.00%, 6/1/33  | 6,694,012    |
| 7,000                                    | 5.75%, 6/1/47  | 5,377,050    |
| 2,000                                    | Hayward Unified School Dist., GO, 5.00%, 8/1/33  | 2,055,560    |
|  | Health Facs. Financing Auth. Rev.,   |              |
| 1,500                                    | Scripps Health, 5.00%, 11/15/36, Ser. A  | 1,609,725    |
|  | Sutter Health,   |              |
| 6,300                                    | 5.00%, 11/15/42, Ser. A (IBC-NPFGC)  | 6,520,500    |
| 3,000                                    | 6.00%, 8/15/42, Ser. B   | 3,463,500    |
| 1,500                                    | Indian Wells Redev. Agcy., Tax Allocation, Whitewater Project,   |              |

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|       |   |           |
|-------|---|-----------|
|       | 4.75%, 9/1/34, Ser. A (AMBAC)   | 1,381,245 |
| 2,000 | Los Angeles Community College Dist., GO,<br>5.00%, 8/1/32, Ser. A (FGIC-NPFGC)      | 2,190,860 |
| 4,000 | Los Angeles Department of Water & Power Rev.,<br>5.00%, 7/1/39, Ser. A-1 (AMBAC)    | 4,250,920 |
| 5,000 | Los Angeles Unified School Dist., GO, 5.00%, 7/1/30, Ser. E (AMBAC)                 | 5,407,600 |
| 2,000 | Montebello Unified School Dist., GO, 5.00%, 8/1/33 (AGM)                            | 2,161,220 |
| 1,750 | M-S-R Energy Auth. Rev., 6.50%, 11/1/39, Ser. B                                     | 2,159,168 |
| 3,300 | Municipal Finance Auth. Rev., Azusa Pacific Univ. Project,<br>7.75%, 4/1/31, Ser. B | 3,701,775 |

**PIMCO Municipal Income Fund II Schedule of Investments**

February 29, 2012 (unaudited) (continued)

| Principal Amount (000s) |   | Value*      |
|-------------------------|---|-------------|
|                         | <b>California (continued)</b>   |             |
| \$ 650                  | Murrieta Valley Unified School Dist. Public Financing Auth., Special Tax, 4.75%, 9/1/36, Ser. A (AGC) | \$ 658,378  |
| 3,000                   | Newport Beach Rev., Hoag Memorial Hospital Presbyterian, 5.875%, 12/1/30                              | 3,561,720   |
| 500                     | Peralta Community College Dist., GO, 5.00%, 8/1/39, Ser. C  | 527,165     |
| 2,000                   | San Diego Cnty. Water Auth., CP, 5.00%, 5/1/38, Ser. 2008-A (AGM)                                     | 2,129,400   |
| 3,300                   | San Marcos Unified School Dist., GO, 5.00%, 8/1/38, Ser. A  | 3,564,495   |
| 2,000                   | Santa Clara Cnty. Financing Auth. Rev., El Camino Hospital, 5.75%, 2/1/41, Ser. A (AMBAC)             | 2,140,460   |
|                         | State, GO,  |             |
| 2,925                   | 5.00%, 11/1/32  | 3,179,504   |
| 1,590                   | 5.00%, 6/1/37   | 1,679,008   |
| 5,200                   | 5.125%, 8/1/36  | 5,572,996   |
| 2,500                   | 5.25%, 3/1/38   | 2,671,825   |
| 5,945                   | 5.25%, 11/1/40  | 6,479,337   |
| 5,750                   | 5.50%, 3/1/40   | 6,347,195   |
| 9,500                   | 6.00%, 4/1/38   | 10,931,270  |
|                         | Statewide Communities Dev. Auth. Rev., California Baptist Univ.,                                      |             |
| 3,390                   | 5.75%, 11/1/17, Ser. B (a)(b)   | 3,491,802   |
| 850                     | 6.50%, 11/1/21  | 954,950     |
| 1,000                   | Cottage Health, 5.00%, 11/1/40  | 1,042,740   |
|                         | Methodist Hospital Project (FHA),   |             |
| 5,500                   | 6.625%, 8/1/29  | 6,877,145   |
| 19,500                  | 6.75%, 2/1/38   | 23,602,020  |
| 5,690                   | Sutter Health, 6.00%, 8/15/42, Ser. A   | 6,569,105   |
| 4,725                   | Torrance Rev., Memorial Medical Center, 5.00%, 9/1/40, Ser. A   | 4,869,963   |
|                         |   | 153,703,327 |
|                         | <b>Colorado 1.7%</b>  |             |
| 5,800                   | Aurora Rev., Children's Hospital Assoc., 5.00%, 12/1/40   | 6,074,688   |
| 1,000                   | Denver Health & Hospital Auth. Rev., 5.625%, 12/1/40  | 1,041,570   |
|                         | Health Facs. Auth. Rev.,  |             |
| 1,000                   | American Baptist Homes, 5.90%, 8/1/37, Ser. A   | 885,200     |
| 2,500                   | Catholic Health Initiatives, 5.00%, 2/1/41, Ser. A  | 2,674,075   |
| 500                     | Evangelical Lutheran, 6.125%, 6/1/38, Ser. A  | 514,930     |
| 6,045                   | Sisters of Charity of Leavenworth Health System, 5.00%, 1/1/40  | 6,368,347   |
| 1,430                   | Public Auth. for Colorado Energy Rev., 6.50%, 11/15/38  | 1,796,080   |
|                         |   | 19,354,890  |
|                         | <b>Connecticut 0.3%</b>   |             |
| 1,250                   | Harbor Point Infrastructure Improvement Dist., Tax Allocation, 7.875%, 4/1/39, Ser. A                 | 1,394,762   |
| 2,000                   | State Health & Educational Fac. Auth. Rev., Hartford Healthcare, 5.00%, 7/1/41, Ser. A                | 2,100,200   |

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3,494,962

**Florida 3.7%**

|       |   |           |
|-------|---|-----------|
| 1,000 | Brevard Cnty. Health Facs. Auth. Rev., Health First, Inc. Project,<br>7.00%, 4/1/39 | 1,168,420 |
| 600   | Broward Cnty. Airport Rev., 5.375%, 10/1/29, Ser. O                                 | 678,936   |

## PIMCO Municipal Income Fund II Schedule of Investments

February 29, 2012 (unaudited) (continued)

| Principal Amount (000s) |  | Value*       |
|-------------------------|--|--------------|
|                         | <b>Florida (continued)</b>   |              |
| \$ 8,500                | Broward Cnty. Water & Sewer Rev., 5.25%, 10/1/34, Ser. A (f)                               | \$ 9,471,890 |
| 1,000                   | Clearwater Water & Sewer Rev., 5.25%, 12/1/39, Ser. A                                      | 1,119,130    |
| 340                     | Dev. Finance Corp. Rev., Renaissance Charter School, 6.50%, 6/15/21, Ser. A                | 356,606      |
| 3,000                   | Highlands Cnty. Health Facs. Auth. Rev., Adventist Health System, 5.625%, 11/15/37, Ser. B | 3,301,170    |
| 7,135                   | Jacksonville Health Facs. Auth. Rev., Ascension Health, 5.25%, 11/15/32, Ser. A            | 7,312,590    |
| 3,000                   | Leesburg Hospital Rev., Leesburg Regional Medical Center Project, 5.50%, 7/1/32            | 3,003,720    |
| 500                     | Sarasota Cnty. Health Facs. Auth. Rev., 5.75%, 7/1/37                                      | 367,565      |
| 7,900                   | State Board of Education, GO, 5.00%, 6/1/38, Ser. D (f)                                    | 8,682,811    |
| 5,000                   | Sumter Landing Community Dev. Dist. Rev., 4.75%, 10/1/35, Ser. A (NPFGC)                   | 4,814,450    |
|                         |  | 40,277,288   |
|                         | <b>Georgia 0.4%</b>  |              |
| 1,500                   | Atlanta Airport Rev., 5.00%, 1/1/40, Ser. A  | 1,593,600    |
| 2,775                   | Medical Center Hospital Auth. Rev., Spring Harbor Green Island Project, 5.25%, 7/1/37      | 2,459,482    |
|                         |  | 4,053,082    |
|                         | <b>Illinois 7.7%</b>   |              |
| 10,000                  | Chicago, GO, 5.00%, 1/1/34, Ser. C (f)   | 10,591,400   |
| 2,849                   | Chicago, Special Assessment, Lake Shore East, 6.625%, 12/1/22                              | 2,944,840    |
| 6,019                   | Chicago Motor Fuel Tax Rev., 5.00%, 1/1/38, Ser. A (AGC)                                   | 6,211,247    |
| 1,250                   | Cicero, GO, 5.25%, 12/1/31 (NPFGC)   | 1,308,988    |
| 5,000                   | Finance Auth. Rev.,  | 5,096,600    |
| 2,500                   | Christian Homes, Inc., 5.75%, 5/15/31, Ser. A  | 2,494,000    |
| 250                     | Leafs Hockey Club Project, 6.00%, 3/1/37, Ser. A (c)                                       | 75,770       |
| 700                     | OSF Healthcare System, 7.125%, 11/15/37, Ser. A  | 824,992      |
| 2,000                   | Provena Health, 6.00%, 5/1/28, Ser. A  | 2,247,780    |
| 5,000                   | Univ. of Chicago, 5.50%, 7/1/37, Ser. B (f)  | 5,619,800    |
| 37,000                  | Sports Facs. Auth. Rev., 5.50%, 6/15/30 (AMBAC)  | 40,541,640   |
| 4,240                   | Village of Hillside, Tax Allocation, Mannheim Redev. Project, 6.55%, 1/1/20                | 4,143,413    |
| 2,900                   | 7.00%, 1/1/28  | 2,680,876    |
|                         |  | 84,781,346   |
|                         | <b>Indiana 0.5%</b>  |              |
| 1,500                   | Finance Auth. Rev., Duke Energy Indiana, Inc., 6.00%, 8/1/39, Ser. B                       | 1,687,515    |
|                         | Vigo Cnty. Hospital Auth. Rev., Union Hospital, Inc.,                                      |              |

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|       |                      |           |
|-------|----------------------|-----------|
| 990   | 5.80%, 9/1/47 (a)(b) | 951,232   |
| 1,900 | 7.50%, 9/1/22        | 2,373,005 |
|       |                      | 5,011,752 |

**Iowa 4.2%**

|   |                 |         |
|---|-----------------|---------|
| Finance Auth. Rev.,                           |                 |         |
| Deerfield Retirement Community, Inc., Ser. A, |                 |         |
| 250   | 5.50%, 11/15/27 | 201,728 |
| 1,075   | 5.50%, 11/15/37 | 798,488 |

**PIMCO Municipal Income Fund II Schedule of Investments**

February 29, 2012 (unaudited) (continued)

| Principal Amount (000s) |   | Value*       |
|-------------------------|---|--------------|
|                         | <b>Iowa (continued)</b>   |              |
| \$ 4,500                | Edgewater LLC Project, 6.75%, 11/15/42                                | \$ 4,177,215 |
| 46,000                  | Tobacco Settlement Auth. Rev., 5.60%, 6/1/34, Ser. B                  | 40,572,460   |
|                         |   | 45,749,891   |
|                         | <b>Kansas 0.1%</b>  |              |
| 500                     | Dev. Finance Auth. Rev., Adventist Health, 5.75%, 11/15/38            | 564,490      |
| 850                     | Manhattan Rev., Meadowlark Hills Retirement, 5.00%, 5/15/36, Ser. A   | 769,242      |
|                         |   | 1,333,732    |
|                         | <b>Kentucky 0.3%</b>  |              |
|                         | Economic Dev. Finance Auth. Rev.,                                     |              |
| 2,500                   | Catholic Healthcare Partners, 5.25%, 10/1/30                          | 2,521,525    |
| 1,000                   | Owensboro Medical Healthcare Systems, 6.375%, 6/1/40, Ser. A          | 1,125,600    |
|                         |   | 3,647,125    |
|                         | <b>Louisiana 3.8%</b>   |              |
|                         | Local Gov't Environmental Facs. & Community Dev. Auth. Rev.,          |              |
| 450                     | Westlake Chemical Corp., 6.50%, 11/1/35, Ser. A-2                     | 494,266      |
|                         | Woman's Hospital Foundation, Ser. A,                                  |              |
| 750                     | 5.875%, 10/1/40   | 813,765      |
| 1,000                   | 6.00%, 10/1/44  | 1,090,080    |
|                         | Public Facs. Auth. Rev., Ochsner Clinic Foundation Project,           |              |
| 3,300                   | 5.50%, 5/15/47, Ser. B  | 3,357,783    |
| 2,000                   | 6.50%, 5/15/37  | 2,229,720    |
| 33,395                  | Tobacco Settlement Financing Corp. Rev., 5.875%, 5/15/39, Ser. 2001-B | 33,730,954   |
|                         |   | 41,716,568   |
|                         | <b>Maryland 0.9%</b>  |              |
|                         | Health & Higher Educational Facs. Auth. Rev.,                         |              |
| 1,000                   | Adventist Healthcare, 5.75%, 1/1/25, Ser. A                           | 1,023,470    |
| 1,400                   | Charlestown Community, 6.25%, 1/1/41                                  | 1,536,052    |
| 1,010                   | King Farm Presbyterian Community, 5.30%, 1/1/37, Ser. A               | 824,301      |
| 2,380                   | Medstar Health, 5.00%, 8/15/41  | 2,527,132    |
| 4,050                   | Washington Cnty. Hospital, 6.00%, 1/1/43                              | 4,243,752    |
|                         |   | 10,154,707   |
|                         | <b>Massachusetts 0.9%</b>   |              |
|                         | Dev. Finance Agcy. Rev.,  |              |
|                         | Adventcare Project,   |              |
| 4,610                   | 6.75%, 10/15/37, Ser. A   | 4,643,699    |



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|                      |   |           |
|----------------------|---|-----------|
| 580                  | 7.625%, 10/15/37  | 618,912   |
| 1,000                | Foxborough Regional Charter School, 7.00%, 7/1/42, Ser. A | 1,083,020 |
| 2,900                | State College Building Auth. Rev., 5.50%, 5/1/39, Ser. A  | 3,260,267 |
|                      |   | 9,605,898 |
| <b>Michigan 2.2%</b> |   |           |
| 1,000                | Detroit, GO, 5.25%, 11/1/35                               | 1,057,620 |
| 5,000                | Detroit Water Supply System Rev., 5.25%, 7/1/41, Ser. A   | 5,232,200 |

**PIMCO Municipal Income Fund II Schedule of Investments**

February 29, 2012 (unaudited) (continued)

| Principal Amount (000s) |  | Value*     |
|-------------------------|--|------------|
|                         | <b>Michigan (continued)</b>  |            |
| \$ 800                  | Public Educational Facs. Auth. Rev., Bradford Academy, 6.50%, 9/1/37 (a)(b)                                    | \$ 507,528 |
| 3,000                   | Royal Oak Hospital Finance Auth. Rev., William Beaumont Hospital, 8.25%, 9/1/39                                | 3,779,070  |
| 3,000                   | State Hospital Finance Auth. Rev., Oakwood Group, Ser. A, 5.75%, 4/1/32  | 3,057,960  |
| 1,925                   | 6.00%, 4/1/22  | 2,021,212  |
| 11,510                  | Tobacco Settlement Finance Auth. Rev., 6.00%, 6/1/48, Ser. A   | 8,723,774  |
|                         |  | 24,379,364 |
|                         | <b>Minnesota 0.6%</b>  |            |
| 150                     | Duluth Housing & Redev. Auth. Rev., 5.875%, 11/1/40, Ser. A  | 146,834    |
| 1,500                   | Minneapolis Rev., Providence Project, 5.75%, 10/1/37, Ser. A   | 1,426,785  |
| 2,640                   | North Oaks Rev., Presbyterian Homes North Oaks, 6.00%, 10/1/33   | 2,682,240  |
| 1,530                   | 6.125%, 10/1/39  | 1,559,131  |
| 500                     | Oronoco Rev., Wedum Shorewood Campus Project, 5.40%, 6/1/41  | 464,665    |
| 400                     | St. Louis Park Rev., Nicollett Health Services, 5.75%, 7/1/39  | 438,972    |
|                         |  | 6,718,627  |
|                         | <b>Mississippi 0.0%</b>  |            |
| 350                     | Dev. Bank Special Obligation Rev., Capital Projects and Equipment Acquisition, 5.00%, 7/1/24, Ser. A-2 (AMBAC) | 349,338    |
|                         | <b>Missouri 0.1%</b>   |            |
| 750                     | Lee s Summit, Tax Allocation, Summit Fair Project, 5.625%, 10/1/23   | 778,508    |
|                         | <b>Nevada 0.9%</b>   |            |
| 10,000                  | Clark Cnty., GO, 4.75%, 11/1/35 (FGIC-NPFGC) (f)   | 10,377,100 |
|                         | <b>New Hampshire 0.2%</b>  |            |
| 2,000                   | Business Finance Auth. Rev., Elliot Hospital, 6.125%, 10/1/39, Ser. A  | 2,105,540  |
| 360                     | Health & Education Facs. Auth. Rev., Catholic Medical Center, 6.125%, 7/1/32, Ser. A                           | 364,918    |
|                         |  | 2,470,458  |
|                         | <b>New Jersey 5.6%</b>   |            |
| 950                     | Burlington Cnty. Bridge Commission Rev., The Evergreens Project, 5.625%, 1/1/38                                | 940,338    |
| 4,000                   | Economic Dev. Auth., Special Assessment, Kapkowski Road Landfill Project, 5.75%, 10/1/21                       | 4,207,200  |
| 11,405                  | 5.75%, 4/1/31  | 11,643,707 |
|                         | Economic Dev. Auth. Rev.,  |            |

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|        |  |            |
|--------|--|------------|
| 525    | Arbor Glen, 6.00%, 5/15/28, Ser. A                 | 496,377    |
| 2,000  | MSU Student Housing Project, 5.875%, 6/1/42        | 2,151,760  |
|        | Health Care Facs. Financing Auth. Rev.,            |            |
| 1,500  | AHS Hospital Corp., 6.00%, 7/1/37                  | 1,737,765  |
| 1,500  | St. Peters Univ. Hospital, 5.75%, 7/1/37           | 1,547,100  |
| 2,000  | State Turnpike Auth. Rev., 5.25%, 1/1/40, Ser. E   | 2,236,400  |
|        | Tobacco Settlement Financing Corp. Rev., Ser. 1-A, |            |
| 3,300  | 4.75%, 6/1/34                                      | 2,489,751  |
| 22,805 | 5.00%, 6/1/41                                      | 17,363,955 |

**PIMCO Municipal Income Fund II Schedule of Investments**

February 29, 2012 (unaudited) (continued)

| Principal<br>Amount<br>(000s) |  | Value*        |
|-------------------------------|--|---------------|
| <b>New Jersey (continued)</b> |  |               |
| \$ 15,000                     | Transportation Trust Fund Auth. Rev., 5.00%, 6/15/42, Ser. B                                     | \$ 16,371,000 |
|                               |  | 61,185,353    |
| <b>New Mexico 0.2%</b>        |  |               |
| 2,000                         | Farmington Pollution Control Rev., 5.90%, 6/1/40, Ser. D   | 2,103,620     |
| <b>New York 12.6%</b>         |  |               |
| 1,200                         | Erie Cnty. Industrial Dev. Agcy. Rev., Orchard Park, Inc. Project,<br>6.00%, 11/15/36, Ser. A    | 1,072,644     |
| 29,500                        | Hudson Yards Infrastructure Corp. Rev., 5.25%, 2/15/47, Ser. A<br>Liberty Dev. Corp. Rev.,       | 31,857,640    |
| 1,000                         | 5.125%, 1/15/44  | 1,062,710     |
| 2,500                         | 5.625%, 7/15/47  | 2,653,750     |
| 10,000                        | 1 World Trade Center Project, 5.00%, 12/15/41  | 10,963,300    |
| 1,250                         | Bank of America Tower at One Bryant Park Project, 6.375%, 7/15/49<br>Goldman Sachs Headquarters, | 1,355,425     |
| 1,505                         | 5.25%, 10/1/35   | 1,665,584     |
| 10,000                        | 5.25%, 10/1/35 (f)   | 11,067,000    |
| 3,880                         | Metropolitan Transportation Auth. Rev., 5.00%, 11/15/36, Ser. D                                  | 4,163,240     |
| 1,100                         | Nassau Cnty. Industrial Dev. Agcy. Rev., Amsterdam at Harborside,<br>6.70%, 1/1/43, Ser. A       | 888,778       |
| 2,830                         | New York City Municipal Water Finance Auth. Water & Sewer Rev.,<br>5.00%, 6/15/37, Ser. D (f)    | 3,106,491     |
| 4,000                         | Second Generation Resolutions,<br>4.75%, 6/15/35, Ser. DD (f)                                    | 4,244,800     |
| 2,000                         | 5.00%, 6/15/39, Ser. GG-1  | 2,176,420     |
| 54,000                        | New York Liberty Dev. Corp. Rev., World Trade Center Project,<br>5.75%, 11/15/51                 | 60,926,580    |
| 1,750                         | State Dormitory Auth. Rev., The New School, 5.50%, 7/1/40  | 1,926,347     |
|                               |  | 139,130,709   |
| <b>North Carolina 0.1%</b>    |  |               |
| 550                           | Medical Care Commission Rev.,<br>Salem towne, 5.10%, 10/1/30                                     | 542,833       |
| 1,000                         | Village at Brookwood, 5.25%, 1/1/32  | 861,710       |
|                               |  | 1,404,543     |
| <b>North Dakota 0.3%</b>      |  |               |
| 3,710                         | Stark Cnty. Healthcare Rev., Benedictine Living Communities,<br>6.75%, 1/1/33                    | 3,765,687     |
| <b>Ohio 2.0%</b>              |  |               |
|                               | Buckeye Tobacco Settlement Financing Auth. Rev., Ser. A-2,                                       |               |

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|       |  |           |
|-------|--|-----------|
| 1,865 | 5.75%, 6/1/34  | 1,373,721 |
| 3,570 | 5.875%, 6/1/30   | 2,771,427 |
| 500   | 5.875%, 6/1/47   | 372,300   |
| 3,900 | Hamilton Cnty. Rev., 5.00%, 12/1/30, Ser. A  | 4,241,328 |
| 1,000 | Higher Educational Fac. Commission Rev., Univ. Hospital Health Systems,<br>6.75%, 1/15/39, Ser. 2009-A | 1,077,790 |
| 7,500 | Lorain Cnty. Hospital Rev., Catholic Healthcare, 5.375%, 10/1/30                                       | 7,577,100 |

**PIMCO Municipal Income Fund II Schedule of Investments**

February 29, 2012 (unaudited) (continued)

| Principal Amount (000s) |   | Value*       |
|-------------------------|---|--------------|
|                         | <b>Ohio (continued)</b>   |              |
| \$ 1,000                | Montgomery Cnty. Rev., Miami Valley Hospital, 6.25%, 11/15/39, Ser. A                                       | \$ 1,064,490 |
| 3,000                   | State Rev., Cleveland Clinic Health System, 5.50%, 1/1/39, Ser. B   | 3,266,190    |
|                         |   | 21,744,346   |
|                         | <b>Oregon 0.2%</b>  |              |
| 1,000                   | Clackamas Cnty. Hospital Fac. Auth. Rev., Legacy Health System, 5.50%, 7/15/35, Ser. A                      | 1,096,780    |
| 1,155                   | State Department of Administrative Services, CP, 5.25%, 5/1/39, Ser. A                                      | 1,266,585    |
|                         |   | 2,363,365    |
|                         | <b>Pennsylvania 4.6%</b>  |              |
| 750                     | Cumberland Cnty. Municipal Auth. Rev., Messiah Village Project, Ser. A, 5.625%, 7/1/28                      | 748,740      |
| 670                     | 6.00%, 7/1/35   | 672,378      |
| 3,250                   | Harrisburg Auth. Rev., Harrisburg Univ. of Science, 6.00%, 9/1/36, Ser. B                                   | 2,675,888    |
| 850                     | Higher Educational Facs. Auth. Rev., Edinboro Univ. Foundation, 6.00%, 7/1/43                               | 902,462      |
| 400                     | Thomas Jefferson Univ., 5.00%, 3/1/40   | 428,532      |
| 500                     | Luzerne Cnty. Industrial Dev. Auth. Rev., Pennsylvania American Water Co., 5.50%, 12/1/39                   | 548,070      |
| 3,750                   | Montgomery Cnty. Higher Education & Health Auth. Rev., Abington Memorial Hospital, 5.125%, 6/1/32, Ser. A   | 3,806,513    |
| 8,500                   | Montgomery Cnty. Industrial Dev. Auth. Rev., New Regional Medical Center, 5.375%, 8/1/38 (FHA)              | 9,333,340    |
| 17,000                  | Philadelphia, GO, 5.25%, 12/15/32, Ser. A (AGM)   | 18,704,930   |
| 11,015                  | Philadelphia Hospitals & Higher Education Facs. Auth. Rev., Temple Univ. Hospital, 6.625%, 11/15/23, Ser. A | 11,032,844   |
| 500                     | Philadelphia Water Rev., 5.25%, 1/1/36, Ser. A  | 537,895      |
| 1,000                   | Westmoreland Cnty. Industrial Dev. Auth. Rev., Excelsa Health Project, 5.125%, 7/1/30                       | 1,052,850    |
|                         |   | 50,444,442   |
|                         | <b>Puerto Rico 0.5%</b>   |              |
| 5,000                   | Sales Tax Financing Corp. Rev., 5.25%, 8/1/41, Ser. C   | 5,383,050    |
|                         | <b>Rhode Island 5.1%</b>  |              |
| 56,200                  | Tobacco Settlement Financing Corp. Rev., 6.25%, 6/1/42, Ser. A  | 56,203,934   |
|                         | <b>South Carolina 1.4%</b>  |              |
| 1,000                   | Greenwood Cnty. Rev., Self Regional Healthcare, 5.375%, 10/1/39   | 1,064,830    |
| 13,850                  | Jobs-Economic Dev. Auth. Rev., Bon Secours Health System,   |              |

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5.625%, 11/15/30, Ser. B

14,007,474

15,072,304

**Tennessee 1.2%**

1,750 Claiborne Cnty. Industrial Dev. Board Rev., Lincoln Memorial Univ. Project,  
6.625%, 10/1/39

1,916,967

1,000 Johnson City Health & Educational Facs. Board Rev., Mountain States Health Alliance,  
6.00%, 7/1/38, Ser. A

1,111,890

## PIMCO Municipal Income Fund II Schedule of Investments

February 29, 2012 (unaudited) (continued)

| Principal Amount (000s) |   | Value*      |
|-------------------------|---|-------------|
|                         | <b>Tennessee (continued)</b>  |             |
| \$ 500                  | Sullivan Cnty. Health Educational & Housing Facs. Board Rev.,<br>Wellmont Health Systems Project, 5.25%, 9/1/36, Ser. C | \$ 511,010  |
| 3,000                   | Tennessee Energy Acquisition Corp. Rev., Ser. C,<br>5.00%, 2/1/23   | 3,189,240   |
| 6,000                   | 5.00%, 2/1/27   | 6,197,580   |
|                         |   | 12,926,687  |
|                         | <b>Texas 11.1%</b>  |             |
| 130                     | Aubrey Independent School Dist., GO, 5.50%, 2/15/33 (PSF-GTD)   | 138,489     |
| 6,500                   | Brazos Cnty. Health Facs. Dev. Corp. Rev., 5.375%, 1/1/32   | 6,613,945   |
| 2,500                   | Dallas Rev., Dallas Civic Center, 5.25%, 8/15/38 (AGC)  | 2,729,700   |
|                         | Harris Cnty. Cultural Education Facs. Finance Corp. Rev.,<br>Texas Children's Hospital Project,<br>5.25%, 10/1/29       | 4,257,825   |
| 12,700                  | 5.50%, 10/1/39  | 14,135,227  |
| 700                     | HFDC of Central Texas, Inc. Rev., Village at Gleannloch Farms,<br>5.50%, 2/15/37, Ser. A                                | 545,643     |
| 10,300                  | North Harris Cnty. Regional Water Auth. Rev.,<br>5.25%, 12/15/33  | 11,307,031  |
| 10,300                  | 5.50%, 12/15/38   | 11,324,129  |
|                         | North Texas Tollway Auth. Rev.,<br>5.00%, 1/1/38  | 6,120,760   |
| 1,300                   | 5.50%, 9/1/41, Ser. A   | 1,495,923   |
| 5,000                   | 5.625%, 1/1/33, Ser. B  | 5,486,000   |
| 1,200                   | 5.75%, 1/1/33, Ser. F   | 1,300,260   |
| 2,000                   | Sabine River Auth. Pollution Control Rev., 5.20%, 5/1/28, Ser. C  | 250,220     |
| 250                     | San Juan Higher Education Finance Auth. Rev., 6.70%, 8/15/40, Ser. A  | 280,805     |
|                         | State, Mobility Fund, GO (f),<br>4.75%, 4/1/35, Ser. A  | 10,801,938  |
| 17,500                  | 4.75%, 4/1/36   | 18,734,800  |
| 1,000                   | State Public Finance Auth., Rev., Charter School Finance Corp.,<br>5.875%, 12/1/36, Ser. A                              | 1,038,050   |
| 3,000                   | Tarrant Cnty. Cultural Education Facs. Finance Corp. Rev.,<br>Baylor Health Care Systems Project, 6.25%, 11/15/29       | 3,511,800   |
| 15,300                  | Texas Municipal Gas Acquisition & Supply Corp. I Rev.,<br>6.25%, 12/15/26, Ser. D                                       | 18,221,076  |
| 1,920                   | Texas Private Activity Bond Surface Transportation Corp. Rev.,<br>7.00%, 6/30/40  | 2,182,771   |
| 1,000                   | Wise Cnty. Rev., Parker Cnty. Junior College Dist., 8.00%, 8/15/34  | 1,096,440   |
|                         |   | 121,572,832 |
|                         | <b>Virginia 0.2%</b>  |             |
| 1,000                   | Fairfax Cnty. Industrial Dev. Auth. Rev., Inova Health Systems,<br>5.50%, 5/15/35, Ser. A                               | 1,124,150   |
| 2,050                   | James City Cnty. Economic Dev. Auth. Rev., United Methodist Homes,<br>5.50%, 7/1/37, Ser. A                             | 1,543,199   |



2,667,349

| <b>Washington 1.5%</b> |  |           |
|------------------------|--|-----------|
|                        | Health Care Facs. Auth. Rev.,                          |           |
| 1,300                  | Multicare Health Systems, 6.00%, 8/15/39, Ser. B (AGC) | 1,443,845 |
| 1,000                  | Seattle Cancer Care Alliance, 7.375%, 3/1/38           | 1,171,420 |

**PIMCO Municipal Income Fund II Schedule of Investments**

February 29, 2012 (unaudited) (continued)

| Principal<br>Amount<br>(000s) |  | Value*                  |
|-------------------------------|--|-------------------------|
|                               | <b>Washington (continued)</b>  |                         |
| \$ 13,000                     | Virginia Mason Medical Center, 6.125%, 8/15/37, Ser. A                                       | \$ 13,532,090           |
|                               |  | 16,147,355              |
|                               | <b>West Virginia 0.2%</b>  |                         |
| 2,000                         | Hospital Finance Auth. Rev., Highland Hospital, 9.125%, 10/1/41                              | 2,257,460               |
|                               | <b>Wisconsin 0.1%</b>  |                         |
|                               | Health & Educational Facs. Auth. Rev.,   |                         |
| 90                            | Froedert & Community Health, 5.375%, 10/1/30   | 91,041                  |
| 1,000                         | Prohealth Care, Inc., 6.625%, 2/15/39  | 1,140,850               |
|                               |  | 1,231,891               |
|                               | Total Municipal Bonds & Notes (cost \$1,003,345,586)   | 1,077,068,858           |
|                               | <b>VARIABLE RATE NOTES (e) 2.1%</b>  |                         |
|                               | <b>California 0.5%</b>   |                         |
| 5,000                         | Health Facs. Financing Auth. Rev., 10.84%, 11/15/36, Ser. 3193 (a)(b)(d)                     | 5,830,050               |
|                               | <b>Florida 0.2%</b>  |                         |
| 1,830                         | Highlands Cnty. Health Facs. Auth. Rev., Adventist Health System,<br>5.00%, 11/15/31, Ser. C | 1,911,984               |
|                               | <b>Illinois 0.6%</b>   |                         |
| 6,000                         | Chicago, GO, 13.36%, 1/1/34, Ser. 3190 (a)(b)(d)   | 6,880,140               |
|                               | <b>Texas 0.6%</b>  |                         |
| 5,365                         | State, GO, 10.25%, 4/1/37, Ser. 3197 (a)(b)(d)   | 6,336,602               |
|                               | <b>West Virginia 0.2%</b>  |                         |
| 2,000                         | Economic Dev. Auth. Rev., Appalachian Power, 5.375%, 12/1/38, Ser. A                         | 2,105,940               |
|                               | Total Variable Rate Notes (cost \$20,303,589)  | 23,064,716              |
|                               | <b>Total Investments (cost \$1,023,649,175) (g) 100.0%</b>                                   | <b>\$ 1,100,133,574</b> |

**Notes to Schedule of Investments:**

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

Portfolio securities and other financial instruments for which market quotations are not readily available, or for which a development/event occurs that may significantly impact the value of a security, are fair-valued, in good faith, pursuant to procedures established by the Board of Trustees, or persons acting at their discretion pursuant to procedures established by the Board of Trustees. The Fund's investments are valued daily using prices supplied by an independent pricing service or dealer quotations, or by using the last sale price on the exchange that is the primary market for such securities, or the 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. Short term securities maturing in 60 days or less are valued at amortized cost, if their original term to maturity was 60 days or less, or by amortizing their value on the 61st day prior to maturity, if the original term to maturity exceeded 60 days.

The prices used by the Fund to value securities may differ from the value that would be realized if the securities were sold and these differences could be material. The Fund's net asset value ( 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.

- (a) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$23,997,354 representing 2.2% of total investments.
- (b) 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.
- (c) In default.
- (d) 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 February 29, 2012.
- (e) 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 February 29, 2012.
- (f) Residual Interest Bonds held in Trust Securities represent underlying bonds transferred to a separate securitization trust established in a tender option bond transaction in which the Fund acquired the residual interest certificates. These securities serve as collateral in a financing transaction.
- (g) At February 29, 2012, the cost basis of portfolio securities for federal income tax purposes was \$972,581,061. Gross unrealized appreciation was \$91,315,055, gross unrealized depreciation was \$13,309,759 and net unrealized appreciation was \$78,005,296. The difference between book and tax cost is attributable to inverse floater transactions.

**Glossary:**

AGC insured by Assured Guaranty Corp.

AGM insured by Assured Guaranty Municipal Corp.

AMBAC insured by American Municipal Bond Assurance Corp.

CP Certificates of Participation

FGIC insured by Financial Guaranty Insurance Co.

FHA insured by Federal Housing Administration

GO General Obligation Bond

GTD Guaranteed

IBC Insurance Bond Certificate

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NPFGC insured by National Public Finance Guarantee Corp.

PSF Public School Fund

**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 Fund has the ability to access

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

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

An investment asset's or liability's level within the fair value hierarchy is based on the lowest level input, individually or in the aggregate, that is significant to fair value measurement. The 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 Fund to measure fair value during the nine months ended February 29, 2012 maximized the use of observable inputs and minimized the use of unobservable inputs.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following are certain inputs and techniques that the Fund generally uses 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.

Municipal Bonds & Notes and Variable Rate Notes Municipal bonds and 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 or note, state of issuance, benchmark yield curves, and bond or note 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.

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

A summary of the inputs used at February 29, 2012 in valuing the Fund's assets and liabilities is listed below (refer to the Schedule of Investments for detailed information on Investments in Securities):

|   | Level 1 -<br>Quoted Prices | Level 2 -<br>Other Significant<br>Observable<br>Inputs | Level 3 -<br>Significant<br>Unobservable<br>Inputs | Value at<br>2/29/12 |
|---|----------------------------|--|--|---------------------|
| <b>Investments in Securities Assets</b> |                            |  |  |                     |
| Municipal Bonds & Notes                 |                            | \$ 1,077,068,858                                       |  | \$ 1,077,068,858    |
| Variable Rate Notes                     |                            | 23,064,716   |  | 23,064,716          |
| <b>Total Investments</b>                |                            | \$ 1,100,133,574                                       |  | \$ 1,100,133,574    |

There were no significant transfers between Levels 1 and 2 during the nine months ended February 29, 2012.

**Item 2. Controls and Procedures**

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

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

**Item 3. Exhibits**

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

**SIGNATURES**

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

Registrant: PIMCO Municipal Income Fund II

By /s/ Brian S. Shlissel

President & Chief Executive Officer

Date: April 20, 2012

By /s/ Lawrence G. Altadonna

Treasurer, Principal Financial & Accounting Officer

Date: April 20, 2012

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

By /s/ Brian S. Shlissel

President & Chief Executive Officer

Date: April 20, 2012

By /s/ Lawrence G. Altadonna

Treasurer, Principal Financial & Accounting Officer

Date: April 20, 2012