

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT  
INVESTMENT COMPANIES

Investment Company Act file number 811-21077

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

1345 AVENUE OF THE AMERICAS, NEW YORK, NEW YORK 10105  
(Address of principal executive offices) (Zip code)

LAWRENCE G. ALTADONNA - 1345 AVENUE OF THE AMERICAS, NEW YORK, NEW YORK 10105  
(Name and address of agent for service)

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

Date of fiscal year end: MAY 31

Date of reporting period: MAY 31

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

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

ITEM 1. REPORT TO SHAREHOLDERS

Annual Report  
5.31.04

PIMCO MUNICIPAL INCOME FUND II  
PIMCO CALIFORNIA MUNICIPAL INCOME FUND II  
PIMCO NEW YORK MUNICIPAL INCOME FUND II

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[PIMCO ADVISORS LOGO]

PIMCO MUNICIPAL INCOME FUNDS II LETTER TO SHAREHOLDERS

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July 7, 2004

Dear Shareholder:

We are pleased to provide you with the annual report of PIMCO Municipal Income Fund II, PIMCO California Municipal Income Fund II, and PIMCO New York Municipal Income Fund II ("PIMCO Municipal Income Funds II" or the "Funds") for the fiscal year ended May 31, 2004.

Please refer to the following pages for specific information for each of the PIMCO Municipal Income Funds II. If you have any questions regarding the information provided, please contact your financial advisor or call our shareholder services area at 1-800-331-1710. Please note that a wide range of information and resources can be accessed through our Web site, [www.pimcoadvisors.com](http://www.pimcoadvisors.com).

We at the Funds, together with PA Fund Management LLC (formerly, PIMCO Advisors Fund Management LLC), the Funds' investment manager and Pacific Investment Management Co. LLC, the Funds' sub-adviser, thank you for investing with us. We remain dedicated to serving your investment needs.

Sincerely,

/s/ Stephen Treadway

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/s/ Brian S. Shlissel

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Stephen Treadway  
CHAIRMAN

Brian S. Shlissel  
PRESIDENT, CHIEF EXECUTIVE OFFICER

5.31.04 | PIMCO Municipal Income Funds II Annual Report 1

PIMCO MUNICIPAL INCOME FUND II PERFORMANCE SUMMARY AND STATISTICS  
May 31, 2004 (unaudited)

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SYMBOL:  
PML

OBJECTIVE:  
To provide income exempt from federal income tax.

PRIMARY INVESTMENTS:  
Municipal fixed-income securities, the interest from which is exempt  
from federal income tax.

INCEPTION DATE:  
June 28, 2002

TOTAL NET ASSETS(1):  
\$1,317.7 million

PORTFOLIO MANAGER:  
Mark McCray

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TOTAL RETURN(2):	MARKET PRICE	NAV
1 Year	(3.69)%	2.24%
Commencement of Operations (6/28/02) to 5/31/04	0.68%	5.84%

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COMMON SHARE PRICE PERFORMANCE:  
Commencement of Operations (6/28/02) to 5/31/04  
[ ] at Market Price

[Data below represents line chart in the printed piece]

	at NAV	at Market Price
6/28/02	14.33	15.00
	14.32	15.08
	14.35	15.17
	14.37	15.19
	14.46	15.03
	14.46	15.03
	14.52	15.06
	14.57	15.00
	14.50	15.02
	14.63	15.04
	14.77	15.02
	14.89	15.11
	15.10	15.04
	15.13	15.00
	15.17	15.06
	15.09	15.06
	14.28	14.80
	14.15	14.42
	14.41	14.74
	14.66	14.68
	14.53	14.59
	14.33	14.40
	14.22	14.34
	14.51	14.29
	14.58	14.10
	14.66	14.12
	14.50	14.20
	14.64	14.54
	14.52	14.41
	14.49	14.45
	14.41	14.43
	14.38	14.23
	14.39	14.41
	14.55	14.50
	14.57	14.41
	14.39	14.31
	14.60	14.31
	14.68	14.37
	14.48	14.29
	14.55	14.25
	14.27	14.35
	14.35	14.34
	14.54	14.49
	14.53	14.36
	14.57	14.48
	14.64	14.64
	14.70	14.80
	14.68	14.72
	14.66	14.80
	14.69	14.90
	14.77	14.89
	14.64	14.75
	14.54	14.84
	14.56	14.86
	14.55	14.67
	14.36	14.33
	14.06	14.15
	13.42	13.64
	13.73	14.00
	13.51	13.81
	13.54	13.66
	13.62	13.63
	13.77	14.00
	13.79	13.81
	14.03	13.82
	14.08	13.79
	14.05	13.95
	13.93	13.8
	13.91	13.68
	14.13	13.73
	14.19	13.77
	14.25	13.95
	14.38	13.84

14.52	13.92
14.64	13.82
14.50	13.98
14.57	13.80
14.65	13.93
14.65	13.90
14.81	13.99
14.97	14.48
14.87	14.61
14.90	14.53
14.79	14.80
14.90	14.84
14.96	14.73
15.01	14.52
14.90	14.75
14.94	14.97
14.89	14.90
14.80	14.80
14.62	14.79
14.46	14.74
14.60	14.25
14.48	13.98
14.43	13.71
14.28	13.69
14.08	13.28
13.81	13.20
13.84	13.02
5/31/04	14.01
	13.31

MARKET PRICE/NET ASSET VALUE:

Market Price	\$13.31
Net Asset Value	\$14.01
Discount to Net Asset Value	5.00%
Market Price Yield(3)	7.61%

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

(2) PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. Total return is determined by subtracting the initial investment from the value at the end of the period and dividing the remainder by the initial investment and expressing the result as a percentage. The calculation assumes that all income dividends and capital gain distributions have been reinvested at prices obtained under the Fund's dividend reinvestment plan. Total return does not reflect broker commissions or sales charges. Total return for a period of greater than one year represents the average annual total return.

An investment in the Fund involves risk, including the loss of principal. Total return, price, yield and net asset value will fluctuate with changes in market conditions. This data is provided for information only and is not intended for trading purposes. A portion of the income generated by the Fund may be subject to federal, state and local taxes, and may at times be subject to the alternative minimum tax. Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. Net asset value is total assets applicable to common shareholders less total liabilities divided by the number of common shares outstanding. Holdings are subject to change daily.

(3) Market Price Yield is determined by dividing the annualized current monthly per share dividend payable to common shareholders by the market price per common share at May 31, 2004.

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PIMCO CALIFORNIA MUNICIPAL INCOME FUND II PERFORMANCE SUMMARY AND STATISTICS  
May 31, 2004 (unaudited)

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SYMBOL:  
PCK

OBJECTIVE:

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

**Primary Investments:**

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

**INCEPTION DATE:**

June 28, 2002

**TOTAL NET ASSETS(1) :**

\$667.7 million

**PORTFOLIO MANAGER:**

Mark McCray

**TOTAL RETURN(2) :**

MARKET PRICE NAV

1 Year	(3.92)%	(1.31)%
Commencement of Operations (6/28/02) to May 31, 2004	0.07%	3.49%

**COMMON SHARE PRICE PERFORMANCE:**

Commencement of Operations (6/28/02) to May 31, 2004

[ ] at Market Price

[ ] at NAV

[Data below represents line chart in the printed piece]

	at NAV	at Market Price
6/28/02	14.33	15.00
	14.33	15.10
	14.42	15.28
	14.42	15.26
	14.47	15.04
	14.44	15.29
	14.49	15.28
	14.56	15.28
	14.48	15.22
	14.60	15.05
	14.70	15.18
	14.86	15.25
	15.02	15.25
	15.02	15.10
	14.98	15.07
	14.80	15.07
	14.07	14.26
	13.93	14.42
	14.25	14.72
	14.54	14.80
	14.34	14.67
	14.16	14.27
	14.03	14.35
	14.26	14.10
	14.36	14.18
	14.48	14.18
	14.45	14.25
	14.48	14.25
	14.32	14.11
	14.23	14.05
	14.17	14.08
	14.12	14.05
	14.13	14.12
	14.25	14.06
	14.26	14.10
	14.20	14.19
	14.47	14.50
	14.54	14.36
	14.32	14.36
	14.38	14.40
	14.06	14.31
	14.12	14.24
	14.34	14.25
	14.33	14.28
	14.42	14.54
	14.47	14.64
	14.59	14.78

14.69	14.82
14.66	14.78
14.70	14.96
14.83	15.00
14.57	14.85
14.35	14.59
14.36	14.75
14.29	14.35
13.97	14.10
13.62	13.88
13.06	13.21
13.31	13.66
13.03	13.37
13.09	13.43
13.14	13.62
13.32	13.77
13.33	13.92
13.57	13.98
13.64	13.90
13.59	13.92
13.45	13.88
13.52	13.65
13.68	13.81
13.76	13.88
13.81	13.96
13.94	13.82
14.08	13.74
14.20	13.79
14.04	13.81
14.12	13.51
14.22	13.59
14.23	13.60
14.35	13.65
14.54	13.78
14.44	13.98
14.41	13.96
14.28	14.03
14.41	14.14
14.49	14.09
14.56	14.09
14.48	14.17
14.56	14.37
14.51	14.44
14.41	14.30
14.16	14.31
14.03	13.97
14.13	13.70
13.93	13.53
13.94	13.20
13.79	13.10
13.57	12.91
13.28	12.76
13.33	13.03
5/31/04	13.53
	13.27

MARKET PRICE/NET ASSET VALUE:

Market Price	\$13.27
Net Asset Value	\$13.53
Discount to Net Asset Value	1.92%
Market Price Yield(3)	7.35%

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

(2) PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. Total return is determined by subtracting the initial investment from the value at the end of the period and dividing the remainder by the initial investment and expressing the result as a percentage. The calculation assumes that all income dividends have been reinvested at prices obtained under the Fund's dividend reinvestment plan. Total return does not reflect broker commissions or sales charges. Total return for a period of greater than one year represents the average annual total return.

An investment in the Fund involves risk, including the loss of principal. Total return, price, yield and net asset value will fluctuate with changes in market

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

(3) Market Price Yield is determined by dividing the annualized current monthly per share dividend payable to common shareholders by the market price per common share at May 31, 2004.

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PIMCO NEW YORK MUNICIPAL INCOME FUND II PERFORMANCE SUMMARY AND STATISTICS  
May 31, 2004 (unaudited)

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SYMBOL:  
PNI

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

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

INCEPTION DATE:  
June 28, 2002

TOTAL NET ASSETS(1):  
\$231.0 million

PORTFOLIO MANAGER:  
Mark McCray

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	MARKET PRICE	NAV
1 Year	(5.15)%	0.13%
Commencement of Operations (6/28/02) to May 31, 2004	(0.82)%	3.49%

COMMON SHARE PRICE PERFORMANCE:  
Commencement of Operations (6/28/02) to May 31, 2004  
[ ] at Market Price  
[ ] at NAV

[Data below represents line chart in the printed piece]

	at NAV	at Market Price
6/28/02	14.33	15.00
	14.31	15.20
	14.36	15.11
	14.38	15.35
	14.42	15.02
	14.46	15.35
	14.52	15.08
	14.56	15.00
	14.48	15.16
	14.59	15.06
	14.69	15.14
	14.76	15.12
	14.91	15.14
	14.91	15.03
	15.02	15.06
	14.95	14.97
	14.29	14.65
	14.16	14.25
	14.35	14.06
	14.62	14.32

14.51	14.30
14.33	14.13
14.19	14.22
14.44	14.06
14.55	14.10
14.63	14.05
14.62	14.02
14.71	14.15
14.544	14.17
14.541	14.09
14.416	13.95
14.403	14.03
14.44	14.00
14.53	14.03
14.48	14.20
14.38	14.23
14.51	14.34
14.62	14.26
14.36	14.22
14.43	14.23
13.78	14.29
13.86	14.15
14.11	14.10
14.02	14.18
14.08	14.16
14.20	14.40
14.25	14.75
14.39	14.65
14.44	14.71
14.47	14.67
14.59	14.70
14.38	14.55
14.31	14.81
14.30	14.92
14.26	14.71
14.01	14.64
13.75	14.08
13.05	14.00
13.39	13.84
13.12	13.85
13.10	13.71
13.18	13.80
13.30	13.98
13.28	13.90
13.72	13.57
13.87	13.69
13.78	13.84
13.65	13.64
13.62	13.79
13.85	13.72
13.88	13.80
13.94	13.85
14.10	13.75
14.23	13.71
14.35	13.89
14.26	13.90
14.37	14.02
14.45	13.80
14.45	13.84
14.54	13.82
14.72	14.19
14.64	14.33
14.65	14.38
14.55	14.45
14.64	14.58
14.71	14.42
14.76	14.60
14.68	14.76
14.76	14.81
14.71	14.66
14.68	14.80
14.54	14.76
14.38	14.59
14.46	14.09
14.31	13.95
14.19	13.48
14.05	13.45
13.75	13.12
13.43	12.71

13.44	12.74
5/31/04	13.54
	13.05

**MARKET PRICE/NET ASSET VALUE:**

Market Price	\$13.05
Net Asset Value	\$13.54
Discount to Net Asset Value	3.62%
Market Price Yield(3)	7.47%

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

(2) PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. Total return is determined by subtracting the initial investment from the value at the end of the period and dividing the remainder by the initial investment and expressing the result as a percentage. The calculation assumes that all income dividends have been reinvested at prices obtained under the Fund's dividend reinvestment plan. Total return does not reflect broker commissions or sales charges. Total return for a period of greater than one year represents the average annual total return.

An investment in the Fund involves risk, including the loss of principal. Investment return, price, yield and net asset value will fluctuate with changes in market conditions. This data is provided for information only and is not intended for trading purposes. A portion of the income generated by the Fund may be subject to federal, state and local taxes, and may at times be subject to the alternative minimum tax. Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. Net asset value is total assets applicable to common shareholders less total liabilities divided by the number of common shares outstanding. Holdings are subject to change daily.

(3) Market Price Yield is determined by dividing the annualized current monthly per share dividend payable to common shareholders by the market price per common share at May 31, 2004.

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**PIMCO MUNICIPAL INCOME FUND II SCHEDULE OF INVESTMENTS  
May 31, 2004**

	Principal Amount (000)	Credit Rating Moody's/S&P*	Value
<b>MUNICIPAL BONDS &amp; NOTES-88.0%</b>			
<b>ALABAMA--3.8%</b>			
\$ 29,145	Birmingham Waterworks & Sewer Board. Rev., Ser. B, 5.00%-5.25%, 1/1/27-1/1/37 (MBIA)	Aaa/AAA	\$29,160,868
1,750	Huntsville Health Care Auth., 5.75%, 6/1/32, Ser. B	A2/NR	1,790,670
16,580	Jefferson Cnty. Sewer Rev., 4.75%, 2/1/38, Ser. B (FGIC)	Aaa/AAA	17,783,874
			48,735,412
<b>ALASKA--1.3%</b>			
13,885	State Housing Fin. Corp., 5.00%, 12/1/39, Ser. A	Aaa/AAA	13,454,704
3,550	5.25%, 6/1/32, Ser. C (MBIA)	Aaa/AAA	3,485,639
			16,940,343
<b>ARIZONA--0.1%</b>			
1,300	State Health Fac. Auth. Hosp. Rev., 5.75%, 12/1/32	NR/BBB	1,222,208

	CALIFORNIA--5.2%			
9,610	Alameda Corridor Transportation Auth. Rev., zero coupon, 10/1/16, Ser. A	Aaa/AAA	5,234,087	
43,775	Economic Recovery GO, 5.00%, 7/1/08-7/1/23, Ser. A	Aa3/AA-	47,510,216	
12,300	Golden State Tobacco Securitization Corp., Tobacco Settlement Rev., 6.25%-6.75%, 6/1/33-6/1/39, Ser. 2003-A-1	Baa3/BBB	10,945,476	
1,000	Rancho Cucamonga Community Facs. Dist., 6.30%, 9/1/23, Ser. A	NR/NR	1,008,180	
4,000	Southern California Public Power Auth. Project Rev., zero coupon, 7/1/13	Aa3/A+	2,633,000	
			-----	
			67,330,959	
			=====	
	COLORADO--4.9%			
30,000	Dawson Ridge Dist. No. 1, GO, zero coupon, 10/1/22, Ser. A	Aaa/NR	11,419,500	
5,000	Denver Co. City & Cnty. Cert. of Participation, 5.50%, 12/1/25, Ser. B (AMBAC)	Aaa/AAA	5,613,250	
25,000	Health Fac. Auth. Rev., Catholic Health Initiatives-A, 5.50%, 3/1/32	Aa2/AA	25,423,250	
18,305	Health Fac. Auth. Rev., Exempla Inc., 5.625%, 1/1/33, Ser. A	A1/A-	18,334,837	
6,500	Health Fac. Auth. Rev., Liberty Height Retirement Fac., zero coupon, 7/15/22	Aaa/AAA	2,501,915	
			-----	
			63,292,752	
			=====	
	DISTRICT OF COLUMBIA--1.3%			
17,500	Washington DC Convention Ctr. Auth. Tax Rev., 4.75%, 10/1/28 (AMBAC)	Aaa/AAA	16,487,800	
			=====	

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PIMCO MUNICIPAL INCOME FUND II SCHEDULE OF INVESTMENTS  
May 31, 2004

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5.31.04 | PIMCO Municipal Income Funds II Annual Report 5

PIMCO MUNICIPAL INCOME FUND II SCHEDULE OF INVESTMENTS  
May 31, 2004

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Principal Amount (000)		Credit Rating Moody's/S&P*	Value			
<b>=====</b>						
\$ 8,000	FLORIDA--3.8%					
	Highlands Cnty. Health Fac. Auth. Rev., 6.00%, 11/15/31, Ser. A	A3/A	\$ 8,369,760			
635	Hillsborough Cnty. Health Fac. Indl. Dev. Rev., 5.625%, 8/15/23	Baa2/BBB	594,512			
2,335	Hillsborough Cnty. Pollution Control Rev., Tampa Electric Co. Proj. 5.50%, 10/1/23	Baa2/BBB-	2,254,022			
7,135	Jacksonville Health Facs. Auth. Rev., 5.25%, 11/15/32, Ser. A	Aa2/AA	7,051,663			
7,500	JEA St. Johns River Power Park Syst. Rev., 5.00%, 10/1/09	Aa2/AA-	8,091,300			
11,500	Lakeland Hosp. Syst. Rev., Regional Health Sys., 5.50%, 11/15/32	A1/NR	11,320,830			
3,000	Leesburg Hosp. Rev., Leesburg Regional Medical Center, 5.50%, 7/1/32	A3/A	2,936,880			
7,550	Orange Cnty. Health Fac., Adventist Health Sys., 5.625%-6.25%, 11/15/24-11/15/32	A3/A	7,944,498			
1,500	Winter Springs Water & Sewer Rev., zero coupon, 10/1/29 (FGIC)	Aaa/AAA	375,840			
	<b>=====</b>					
	48,939,305					
<b>=====</b>						
GEORGIA--0.7%						
4,000	Atlanta Water & Wastewater, 5.00%, 11/1/39, Ser. A (MBIA)	Aaa/AAA	3,908,920			
1,500	Grantor Trust Gov't CP, 4.75%, 6/1/28, Ser. A (MBIA)	Aaa/AAA	1,417,890			
9,600	Richmond Cnty. Dev Auth. Rev., zero coupon, 12/1/21	Aaa/NR	3,875,328			
	<b>=====</b>					
	9,202,138					
<b>=====</b>						
HAWAII--1.4%						
19,170	Honolulu City & Cnty. Wastewater Syst. Rev., First Board Resolution, 4.75%, 7/1/28 (FGIC)	Aaa/NR	18,373,103			
	<b>=====</b>					
ILLINOIS--16.6%						
11,760	Central Lake Cnty. Water Agy. Rev., 5.125%, 5/1/28-5/1/32, Ser. A (AMBAC)	Aaa/NR	11,730,648			
5,000	Cicero Corp. GO, 5.25%, 12/1/31 (MBIA)	Aaa/AAA	5,059,650			
94,485	Chicago City Colleges GO, zero coupon, 1/1/37-1/1/39 (FGIC)	Aaa/AAA	13,751,530			
15,535	Chicago Board of Education School Reform GO, Ser. A, zero coupon, 12/1/16	Aaa/AAA	8,422,766			
5,000	Ser. A, zero coupon, 12/1/28 (FGIC)	Aaa/AAA	1,247,150			
4,500	zero coupon, 12/1/31 (FGIC)	Aaa/AAA	941,850			
10,160	Chicago GO, 5.00%-5.125%, 1/1/29-1/1/33, (AMBAC)	Aaa/AAA	9,965,156			

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PIMCO MUNICIPAL INCOME FUND II SCHEDULE OF INVESTMENTS  
May 31, 2004

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PIMCO MUNICIPAL INCOME FUND II SCHEDULE OF INVESTMENTS  
May 31, 2004

Principal Amount (000)		Credit Rating Moody's/S&P*	Value
<b>ILLINOIS--(CONCLUDED)</b>			
\$ 7,000	Chicago Midway Arpt. Rev., 5.00%, 1/1/31, Ser. B (MBIA)	Aaa/AAA	\$ 6,868,470
9,862	Chicago Special Assessment, Lake Shore East 6.625%-6.75%, 12/1/22-12/1/32	NR/NR	10,028,179
144,650	Dev. Fin. Auth. Retirement Housing Rev., zero coupon, 7/15/23-7/15/25	NR/AAA	44,340,538
20,100	Health Facs. Auth. Rev., Elmhurst Memorial Healthcare, 5.625%, 1/1/28	A2/NR	20,269,041
1,000	McHenry & Kane Cnty. Community Consolidated School Dist. 158, zero coupon 1/12/12	Aaa/AAA	718,530
110,000	Metropolitan Pier & Exposition Auth., zero coupon, 12/15/30-12/15/33 (MBIA)	Aaa/AAA	22,556,100
10,000	State GO, 5.00%, 3/1/34	Aa3/AA	9,698,100
68,470	State Sports Facs. Auth., zero coupon, 6/15/10 (AMBAC)	Aaa/AAA	50,006,380
			215,604,088
<b>=====</b>			
<b>INDIANA--0.6%</b>			
3,000	Brownsburg 1999 School Building Corp., 5.00%-5.25%, 3/15/25-9/15/25 (FSA)	Aaa/AAA	3,036,540
4,125	Fort Wayne Pollution Control Rev., 6.20%, 10/15/25	Baa1/BBB	4,259,351
500	State Bank Rev., 5.25%, 4/1/30, Ser. D (AMBAC)	Aaa/AAA	504,755
			7,800,646
<b>=====</b>			
<b>IOWA--0.5%</b>			
8,850	Tobacco Settlement Auth., 5.60%, 6/1/35, Ser. B	Baa2/BBB	6,546,522
<b>=====</b>			
<b>KANSAS--0.2%</b>			
2,800	Univ. of Kansas, Hosp. Auth. Health Facs. Rev., 5.625%, 9/1/32	NR/A-	2,818,984
<b>=====</b>			
<b>KENTUCKY--0.9%</b>			
8,545	Economic Dev. Finance Auth. Hospital Facs. Rev., 5.25%, 10/1/19	A3/A	9,311,059
2,500	5.25%, 10/1/30	A1/AA-	2,485,675
			11,796,734
<b>=====</b>			
<b>LOUISIANA--4.2%</b>			
20,400	Ochsner Clinic Foundation Pub. Facs. Auth. Rev., 5.50%, 5/15/32, Ser. B	A3/NR	20,341,452
44,395	Tobacco Settlement Financing Corp., 5.875%, 5/15/39, Ser. 2001B	Baa3/BBB	34,708,011
			55,049,463
<b>=====</b>			
<b>MARYLAND--0.1%</b>			
1,000	State Health & Higher Educational. Fac. Auth. Rev., Adventist Healthcare, 5.75%, 1/1/ 25, Ser. A,	Baa1/NR	972,920
<b>=====</b>			

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PIMCO MUNICIPAL INCOME FUND II SCHEDULE OF INVESTMENTS  
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PIMCO MUNICIPAL INCOME FUND II SCHEDULE OF INVESTMENTS  
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Principal Amount (000)		Credit Rating Moody's/S&P*	Value
<b>=====</b>			
	<b>MASSACHUSETTS--2.2%</b>		
\$ 1,300	Massachusetts Bay Trans. Auth., 4.75%, 3/1/21, Ser. A (MBIA)	Aaa/AAA	\$ 1,292,486
9,000	State GO, 5.00%, 8/1/11, Ser. A	Aaa/AAA	9,806,490
4,295	State Turnpike Auth., 4.75%, 1/1/34 Ser. A (AMBAC)	Aaa/AAA	4,022,998
	State Water Reserve Auth.,		
12,050	4.75%, 8/1/37, Ser. A	Aaa/AAA	11,250,482
2,300	4.75%, 12/1/21, Ser. B	Aaa/AAA	2,301,449
			<b>-----</b>
			<b>28,673,905</b>
<b>=====</b>			
	<b>MICHIGAN--2.7%</b>		
10,250	Detroit City School Dist., 5.00%-5.125%, 5/1/31-5/1/32, Ser. A	Aaa/AAA	10,154,890
2,500	Detroit Water Supply Sys., 5.00%, 7/1/30, Ser. A (FGIC)	Aaa/AAA	2,478,300
2,000	State GO, 5.25%, 12/1/09	Aa1/AA+	2,193,460
5,000	State Hosp. Fin. Auth. Rev., Ascension Health, 5.25%, 11/15/26, Ser. B	Aa2/AA	4,960,750
15,425	State Hosp. Fin. Auth. Rev., Oakwood Obligation Group, 5.75%-6.00%, 4/1/32, Ser. A	A2/A	15,629,545
			<b>-----</b>
			<b>35,416,945</b>
<b>=====</b>			
	<b>MISSISSIPPI--0.3%</b>		
3,605	Business Finance Corp., Pollution Control Rev., 5.875%, 4/1/22	Ba1/BBB-	3,618,086
1,000	State Dev. Bank Oblig., Projects & Equipment Acquisitions, 5.00%, 7/1/24 (AMBAC)	Aaa/AAA	1,015,210
			<b>-----</b>
			<b>4,633,296</b>
<b>=====</b>			
	<b>MISSOURI--0.1%</b>		
1,500	St. Louis Parking Facs. Rev., Downtown Parking Facility, 6.00%, 2/1/28	NR/NR	1,506,240
			<b>=====</b>
	<b>NEVADA--1.8%</b>		
3,400	Clark Cnty. GO, 5.00%, 6/1/31 (FGIC)	Aaa/AAA	3,365,184
17,030	Reno Lien Trans., 5.125%-5.25%, 6/1/27-6/1/41 (AMBAC)	Aaa/AAA	17,088,184
3,290	Truckee Meadows Water Auth Rev., 5.125%, 7/1/30, Ser. A (FSA)	Aaa/AAA	3,331,717
			<b>-----</b>
			<b>23,785,085</b>
<b>=====</b>			
	<b>NEW HAMPSHIRE--0.2%</b>		
3,000	Health & Educational Facs. Auth. Rev., 6.125%, 7/1/32	Baa1/BBB+	2,973,990
			<b>=====</b>

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Principal Amount (000)		Credit Rating Moody's/S&P*	Value
<hr/>			
\$ 60	NEW JERSEY--2.2%		
	Camden Cnty. Impt. Auth. Rev., Cooper Health, 5.875%-6.00%, 2/15/15-2/15/27	Ba2/NR	\$ 54,542
750	Economic Dev. Auth., Arbor Glen, 6.00%, 5/15/28, Ser. A	NR/NR	670,605
15,405	Economic Dev. Auth., Kapkowski Landfill Proj., 5.75%, 10/1/21-4/1/31	Baa3/NR	15,687,123
3,500	State Educational Fac. Auth. Rev., 6.00%, 7/1/25, Ser. D	NR/NR	3,507,070
10,030	Tobacco Settlement Financing Corp., Rev., 6.00%-6.75%, 6/1/37-6/1/43	Baa3/BBB	8,259,811
			<hr/>
5,000	NEW MEXICO--0.4%		
	Farmington Pollution Control Rev., 5.80%, 4/1/22Baa2/BBB		5,008,000
	<hr/>		<hr/>
NEW YORK--2.2%			
10,600	Metropolitan Trans. Auth., 5.00%, 11/15/30, Ser. A (FSA)	Aaa/AAA	10,461,882
10,000	5.25%, 11/15/32	A2/A	10,014,500
6,700	State Dormitory Auth. Rev., 5.00%, 7/1/34, Ser. 1	Aa2/AA	6,556,888
2,000	State Environmental Facilities Corp., 5.00%, 6/15/28	Aaa/AAA	2,005,720
			<hr/>
7,500	OHIO--0.6%		
	Lorain Cnty. Hospital Rev., 5.375%, 10/1/30	A1/AA-	7,479,450
	<hr/>		<hr/>
PENNSYLVANIA--3.2%			
7,250	Allegheny Cnty. Hosp. Dev. Auth. Rev., 9.25%, 11/15/15-11/15/30, Ser. B	B2/B	8,153,568
4,500	Cumberland Cnty. Auth. Rev., 7.25%, 1/1/35, Ser. A	NR/NR	4,477,680
8,750	Montgomery Cnty. Higher Education & Health Auth. Hosp. Rev., 5.125%, 6/1/27-6/1/32, Ser. A	NR/A	8,442,525
5,000	Philadelphia Auth. Dev. Lease Rev., 5.25%, 10/1/30, Ser. B (FSA)	Aaa/AAA	5,046,600
3,050	Philadelphia Auth. Indl. Dev. Rev., Doubletree, 6.50%, 10/1/27	NR/NR	3,075,193
3,000	Philadelphia GO, 5.25%, 9/15/25 (FSA)	Aaa/AAA	3,054,540
8,520	Philadelphia Hosp. & Higher Ed. Facs. Auth. Rev., 6.85%, 7/1/22	Baa2/BBB	8,642,603
500	Pittsburgh & Allegheny Cnty. Pub. Auditorium, 5.00%, 2/1/29 (AMBAC)	Aaa/AAA	488,875
			<hr/>
	41,381,584		<hr/>

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PIMCO MUNICIPAL INCOME FUND II SCHEDULE OF INVESTMENTS  
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Principal Amount (000)		Credit Rating Moody's/S&P*	Value
<hr/>			
\$ 4,200	PUERTO RICO--0.3% Electric Power Auth. Power Rev., 5.125%, 7/1/29, Ser. NN	A3/A-	\$ 4,150,146
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65,000	RHODE ISLAND--4.1% Tobacco Settlement Financing. Corp., 6.25%, 6/1/42, Ser. A	Baa3/BBB	52,788,450
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27,745	SOUTH CAROLINA--5.6% Greenville Cnty. School District, 5.50%, 12/1/28	A1/AA-	28,075,720
18,120	Jobs Economic Dev. Auth. Economic Dev. Rev., 5.625%, 11/15/30	A3/A-	17,565,528
23,500	Lexington Cnty. Health Services Dist. Inc. Hosp. Rev., 5.50%-5.75%, 11/1/28-5/1/37	A2/A	23,617,790
3,250	Tobacco Settlement Rev., 6.375%, 5/15/28, Ser. B	Baa3/BBB	2,804,198
1,180	Trans. Infrastructure Rev., 5.00%, 10/1/29, Ser. A (AMBAC)	Aaa/NR	1,291,085
<hr/>			
3,750	TENNESSEE--5.2% Knox Cnty. Health Educational & Housing Facs. Board, Hospital Facs. Rev., 5.25%, 10/1/30	A1/AA-	3,759,750
58,785	Memphis Electric Sys. Rev., 5.00%, 12/1/11, Ser. A (MBIA)	Aaa/AAA	63,787,016
<hr/>			
1,000	TEXAS--9.2% Arlington Indpt. School Dist. GO, 5.00%, 2/15/24	Aaa/NR	1,001,170
4,480	Aubrey Indpt. School Dist. GO, 5.50%, 2/15/33	Aaa/NR	4,558,042
6,500	Brazos Cnty. Health Facs. Dev. Corp., Franciscan Services Corp., 5.375%, 1/1/32	NR/A-	6,277,765
2,700	Comal Cnty. Health Facs., Mckenna Memorial Hosp., 6.25%, 2/1/32	Baa2/BBB	2,682,126
5,000	Dallas Area Rapid Transit., 5.00%, 12/1/31 (AMBAC)	Aaa/AAA	4,912,000
20,000	Frisco Indpt. School Dist. GO, zero coupon, 8/15/34	Aaa/NR	3,536,600
19,750	Harris Cnty. GO, 5.125%, 8/15/31	Aa1/AA+	19,676,530
5,250	Harris Cnty. Health Facs. Dev. Corp. Rev., 5.375%, 2/15/26, Ser. A	NR/AA-	5,263,545
25,000	Harris Cnty. Senior Lien Toll Road, 5.00%, 8/15/30 (FSA)	Aaa/AAA	24,603,500
7,500	Keller Indpt. School Dist. GO, 4.875%, 8/15/31	Aaa/AAA	7,167,750
3,170	Little Elm Indpt. School Dist. GO, 5.30%, 8/15/29, Ser. A	NR/AAA	3,222,844
6,250	North Dallas Thruway Auth., 4.75%, 1/1/29 (FGIC)	Aaa/AAA	5,936,812
5,000	Quinlin Indpt. School Dist. GO, 5.10%, 2/15/32	Aaa/NR	4,977,550
10,000	State Turnpike Auth. Highway Imps. Rev., zero coupon, 8/15/19 (AMBAC)	Aaa/AAA	4,548,900
8,880	5.00%, 8/15/42 (AMBAC)	Aaa/AAA	8,543,093
4,900	State Water Financial Assistance GO, 5.00%-5.25%, 8/1/35-8/1/36	Aa1/AA	4,806,008
8,000	Wichita Falls Water & Sewer Rev., 5.00%, 8/1/27 (AMBAC)	Aaa/AAA	7,902,160
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119,616,395			

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Principal Amount (000)		Credit Rating Moody's/S&P*	Value
<hr/>			
\$ 6,500	VIRGINIA--0.5% Fredericksburg Industrial Dev., Medicorp Health Syst., 5.125%-5.25%, 6/15/27-6/15/33, Ser. B	A3/NR	\$ 6,405,725
<hr/>			
2,250 5,000	WASHINGTON--0.6% Energy Northwest Electric Revenue, 5.25%, 7/1/09 Ser. A Tacoma Sewer Rev., 5.00%, 12/1/31, Ser. A (FGIC)	Aaa/AAA Aaa/AAA	2,453,513 4,912,000
<hr/>			
9,135 1,125 2,500 1,000	WISCONSIN--1.0% Badger Tobacco Asset Securitization Corp., 6.125%, 6/1/27 6.00%, 6/1/17 State GO, 5.00%, 5/1/09 State Health & Educational Facs. Auth. Rev., 5.375%, 10/1/30	Baa3/BBB Baa3/BBB Aaa/AAA NR/A+	8,132,708 1,021,095 2,701,750 977,200
<hr/>			
Total Municipal Bonds & Notes (cost-\$1,156,025,263)			1,143,250,082
<hr/>			
VARIABLE RATE NOTES--7.4% (a) (b) (g)			
<hr/>			
6,675	ALABAMA--0.8% Jefferson Cnty. Sewer Rev., Residual Ctf., 14.35%, 2/1/36, Ser. 352 (FGIC)	Aaa/NR	8,816,674
2,100	Montgomery Care Fac. Residual Ctf., 13.56%, 11/15/29, Ser. 435 (MBIA)	Aaa/NR	1,893,843
<hr/>			
2,813	COLORADO--0.2% Denver City & Cnty. Airpt Rev., Residual Ctf., 15.87%, 11/15/25, Ser. 425 (FSA)	Aaa/NR	2,695,388
<hr/>			
2,228	FLORIDA--0.5% Orange Cnty. School Board Cert. of Participation, 15.98%, 8/1/24, Ser. 328 (MBIA)	Aaa/NR	2,259,665
4,052	State Governmental Utilities Rev., Residual Ctf., 15.98%, 10/1/29, Ser. 327 (AMBAC)	Aaa/NR	3,935,303
<hr/>			
2,225 3,300 1,932 2,200	ILLINOIS--0.8% Chicago GO, 16.48%, 1/1/28 Ser. 332, (MBIA) 15.23%, 1/1/40 Ser. 426, (FGIC) Cook Cnty., Residual Ctf., 13.56%, 11/15/28, Ser. 403 (FGIC) State GO, Residual Ctf., 19.15%, 4/1/27, Ser. 783	NR/NR Aaa/NR Aaa/NR Aaa/NR	2,110,724 3,479,850 1,824,716 2,346,696
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PIMCO MUNICIPAL INCOME FUND II SCHEDULE OF INVESTMENTS  
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Principal Amount (000)		Credit Rating Moody's/S&P*	Value
<hr/>			
\$ 2,100	MASSACHUSETTS--2.3%		
	Boston Water & Sewer Community Rev., Residual Ctf., 13.68%, 11/1/28, Ser. 434 (FGIC)	Aaa/NR	\$ 2,012,220
2,420	State GO, 19.33%, 11/1/30, Ser. 785 (FGIC)	Aaa/NR	3,425,074
1,750	State College Bldg. Auth. Proj. Rev., 43.843%-45.454%, 11/1/22-11/1/31, (XLCA)	NR/NR	2,636,551
	State Turnpike Auth. Rev., Residual Ctf., 13.68%, 1/1/37, Ser. 334 (AMBAC)	Aaa/NR	10,065,970
11,049	13.68%, 1/1/37, Ser. 489 (AMBAC)	NR/AAA	4,099,635
4,500	13.68%, 1/1/39, Ser. 335 (AMBAC)	Aaa/NR	7,547,480
8,498			<hr/>
			29,786,930
<hr/>			
NEVADA--0.3%			
3,300	State GO, Residual Ctf., 13.54%, 5/15/28, Ser. 344 (FGIC)	Aaa/NR	3,269,211
<hr/>			
OHIO--0.1%			
1,975	Hamilton Cnty. Sales Tax Residual Ctf., 16.01%, 12/1/27, Ser. 356 (MBIA)	Aaa/NR	1,931,708
<hr/>			
PENNSYLVANIA--0.4%			
	Philadelphia School Dist. Residual Ctf., GO,		
2,505	12.70%, 4/1/27, Ser. 345, (MBIA)	Aaa/NR	2,123,739
4,016	12.73%, 4/1/27, Ser. 496, (MBIA)	Aaa/NR	3,404,341
			<hr/>
			5,528,080
<hr/>			
TENNESSEE--0.5%			
6,000	Memphis Electric Sys. Rev., Residual Ctf., 8.66%, 12/1/11, Ser. 880 (MBIA) (d)	Aaa/NR	7,021,080
<hr/>			
TEXAS--1.3%			
3,075	Denton Util. Sys. Rev., Residual Ctf., 16.51%, 12/1/29, Ser. 428 (MBIA)	Aaa/NR	3,014,238
1,650	Houston Arpt. Sys. Rev., Residual Ctf., 13.44%, 7/1/25, Ser. 404 (FGIC)	Aaa/NR	1,651,271
	Houston Water & Sewer Syst. Rev., Residual Ctf., 17.01%, 12/1/30, Ser. 495		
3,838	16.01%, 12/1/28, Ser. 427	NR/AAA	5,376,645
2,750		Aaa/NR	3,648,260
3,080	State Affordable Housing, American Housing Foundation, 19.87%, 9/1/22, Ser. 780 (MBIA)	Aaa/NR	3,522,996
			<hr/>
			17,213,410
<hr/>			
WASHINGTON--0.2%			
2,730	Central Puget Sound Regl. Tran. Auth. Sales Tax & Motor, Residual Ctf., 12.70%, 2/1/28, Ser. 360	Aaa/NR	2,294,565
			<hr/>
	Total Variable Rate Notes (cost-\$92,711,059)		96,407,843
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Principal Amount (000)		Credit Rating Moody's/S&P*	Value
=====			
	VARIABLE RATE DEMAND NOTES (c) (d)--3.0%		
	-----		
	MASSACHUSETTS--0.1%		
\$ 1,450	State Health & Educational Facilities Auth., 1.09%, 6/1/04, Ser. C	VMIG1/A-1+	\$ 1,450,000
	=====		
	MICHIGAN--0.3%		
4,000	State University Rev., 1.03%, 6/2/04, Ser.	AVMIG1/A-1+	4,000,000
	=====		
	MISSOURI--0.5%		
4,400	State Health & Educational Facilities Auth Rev., 1.06%, 6/3/04	VMIG1/A-1+	4,400,000
1,650	1.10%, 6/1/04, Ser. B	VMIG1/A-1+	1,650,000
	=====		
			6,050,000
	=====		
	NEW YORK--0.5%		
7,000	New York City Municipal Water Finance & Auth. Water & Sewer Syst. Rev., 1.09%, 6/1/04, Ser. C (FGIC)	VMIG1/A-1+	7,000,000
	=====		
	NORTH CAROLINA--1.1%		
3,150	Charlotte Water & Sewer Sys. Rev., 1.08%, 6/3/04, Ser. B	Aa1/AAA	3,150,000
3,980	Mecklenburg Cnty., CP., 1.07, 6/3/04	VMIG1/A-1+	3,980,000
7,000	State GO, 1.03%, 6/2/04, Ser. E	VMIG1/A-1+	7,000,000
	=====		
			14,130,000
	=====		
	OREGON--0.1%		
1,600	State GO, 1.03%, 6/2/04	VMIG1/A-1+	1,600,000
	=====		
	PENNSYLVANIA--0.1%		
1,400	State Hospitals & Higher Education Facilities Auth., 1.08%, 12/1/03 (MBIA)	VMIG1/A-1+	1,400,000
	=====		
	TEXAS--0.2%		
2,200	Harris Cnty Industrial Development Corp., 0.98%, 3/1/24	Aaa/AAA	2,200,000
	=====		
	VIRGINIA--0.1%		
2,000	Loudoun Cnty. Indl. Dev. Auth. Rev., Howard Hughes Med. Ctr., 1.06%, 6/1/04, Ser. C	VMIG1/A-1+	2,000,000
	=====		
	TOTAL VARIABLE RATE DEMAND NOTES (COST-\$39,829,923)		39,830,000
	=====		

-----  
U.S. TREASURY BILLS (f)--1.6%

20,215	1.0148%-1.0899%, 6/3/04-6/17/04 (cost-\$20,210,967)	Aaa/AAA	20,210,875
=====			
	TOTAL INVESTMENTS BEFORE CALL OPTIONS WRITTEN (cost-\$1,308,777,212+)--100%		1,299,698,800
	=====		

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	Value
=====	
CALL OPTIONS WRITTEN (h)--(0.0)%	
-----	
Contracts	
-----	
U.S. Treasury Bond Futures, Chicago Board of Trade:	
(575)	Strike Price \$112, expires 8/27/04
(575)	Strike Price \$113, expires 8/27/04
Total call options written (premium received-\$759,359)	
	\$ (215,625) (152,734)
-----	
(368,359)	
=====	
TOTAL INVESTMENTS, NET OF CALL OPTIONS WRITTEN	
(cost-\$1,308,017,853)--100%	
	\$1,299,330,441
=====	

+ The cost basis of portfolio securities for federal income tax purposes is \$1,308,794,043. Aggregate gross unrealized appreciation for securities in which there is an excess of value over tax cost is \$20,152,677 aggregate gross unrealized depreciation for securities in which there is an excess of tax cost over value is \$29,247,920 and net unrealized depreciation for federal income tax purposes is \$9,095,243.

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SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

PIMCO CALIFORNIA MUNICIPAL INCOME FUND II SCHEDULE OF INVESTMENTS  
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Principal Amount (000)		Credit Rating Moody's/S&P*	Value
CALIFORNIA MUNICIPAL BONDS & NOTES--84.5%			
\$31,300	ABAG Financing Auth. Rev., 5.20%-5.35%, 11/15/22-11/15/32, Ser. A	NR/BBB	\$ 30,503,279
2,000	ABC Unified School Dist. GO, zero coupon, 8/1/23, Ser. B (FGIC)	Aaa/AAA	708,500
1,000	Alpine Union School Dist. GO, zero coupon, 8/1/24, Ser. B (FSA)	Aaa/AAA	338,210
8,115	Anaheim City School Dist. GO, 5.00%, 8/1/26 (FGIC)	Aaa/AAA	8,082,134
23,000	Bakersfield, CP, zero coupon, 4/15/21, Ser.	BNR/AAA	9,347,660
1,945	Bay Area Govt. Assoc. Improvement Bd. Act 1915, 6.30%, 9/2/25	NR/NR	1,971,685
2,000	Bay Area Govt. Assoc. Lease Rev., 5.00%, 7/1/32, Ser. 2002-1 (AMBAC)	Aaa/AAA	1,973,180
1,085	Capistrano Unified School Dist., Community Fac. Dist. Special Tax, 5.70%, 9/1/20	NR/NR	1,097,716
565	Catholic Health Facs. Fin. Auth. Rev., 5.00%, 7/1/28, Ser. A	Baa1/BBB+	514,896
2,300	Ceres Unified School Dist., GO, zero coupon, 8/1/27 (FGIC)	Aaa/AAA	592,848
9,865	Chula Vista Special Tax, 6.05%-6.20%, 9/1/25-9/1/33	NR/NR	9,954,298
8,035	Clovis Unified School Dist. GO, zero coupon, 8/1/23-8/1/27, Ser. B (FGIC)	Aaa/AAA	2,469,845
1,410	Community College Financing Auth. Lease Rev., 5.00%, 8/1/27, Ser. A (AMBAC)	Aaa/AAA	1,398,438
6,355	Corona-Norco Unified School Dist., Public Financing Auth. Special Tax, 5.55%-6.10%, 9/1/15-9/1/32, Ser. A	NR/NR	6,326,847
1,110	Corona-Norco Unified School Dist. Special Tax, 5.10%, 9/1/25 (AMBAC)	Aaa/AAA	1,114,362
2,800	Cotati Redev. Agcy. Tax Allocation, 5.00%, 9/1/31, Ser. A (MBIA)	Aaa/AAA	2,722,664
3,000	Dinuba Financing Auth. Lease Rev., 5.10%, 8/1/32 (MBIA)	Aaa/AAA	2,982,030
2,825	Empire Union School Dist. Special Tax., zero coupon, 10/1/30-10/1/32 (AMBAC)	Aaa/AAA	594,422
1,000	Escondido Union School Dist. GO, zero coupon, 8/1/27 (FSA)	Aaa/AAA	269,620
2,440	Eureka Unified School Dist. GO, zero coupon, 8/1/27 (FSA)	Aaa/AAA	657,873
32,010	Foothill Eastern Corridor Agcy. Toll Road Rev., zero coupon, 1/1/25-1/1/30, Ser. A	Aaa/AAA	8,652,132
1,500	zero coupon, 1/15/27 (MBIA)	Aaa/AAA	1,199,940
400	Franklin-McKinley School Dist. GO, 5.00%, 8/1/27, Ser. B (FSA)	Aaa/AAA	396,720
47,900	Golden State Tobacco Securitization Corp. Rev., 6.25%-6.75%, 6/1/33-6/1/39, Ser. 2003-A-1	Baa3/BBB	42,629,244
2,115	Health Facs. Financing Auth. Rev., 5.375%, 11/1/20	NR/BBB	2,130,947
1,750	Huntington Beach Community Facs. Dist. Special Tax, 6.30%, 9/1/32	NR/NR	1,766,572
2,080	Industry Urban Dev. Agcy. Tax Allocation, 4.75%, 5/1/21 (MBIA)	Aaa/AAA	2,056,101
7,000	Irvine Improvement Board Act 1915 Special Assessment, 5.70%, 9/2/26	NR/NR	6,964,370
1,900	Jurupa Unified School Dist. GO, zero coupon, 5/1/27 (FGIC)	Aaa/AAA	512,278
2,450	Kings Canyon JT Unified School Dist. GO, zero coupon, 8/1/27 (FGIC)	Aaa/AAA	660,569
5,300	Livermore-Amador Valley Water Management Agcy., Sewer Rev., 5.00%, 8/1/31 (AMBAC)	Aaa/AAA	5,191,668

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Principal Amount (000)		Credit Rating Moody's/S&P*	Value
\$ 5,935	Long Beach Unified School Dist. GO, 5.00%, 8/1/27, Ser. C (MBIA) Los Angeles, CP,	Aaa/NR	\$ 5,886,333
9,895	5.00%, 2/1/27 (MBIA)	Aaa/AAA	9,814,850
2,685	5.00%, 10/1/27, Ser. AU (MBIA)	Aaa/AAA	2,662,902
7,200	Los Angeles Wastewater Syst. Rev., 5.00%, 6/1/30, Ser. A (FGIC)	Aaa/AAA	7,117,344
3,475	Loyola Marymount University Educational Facs. Auth. Rev., zero coupon, 10/1/34 (MBIA)	Aaa/NR	617,229
1,000	Manhattan Beach Unified School Dist. GO, zero coupon, 9/1/25 (FGIC)	Aaa/AAA	306,150
7,295	Manteca Redev. Agcy. Tax Allocation, 5.00%, 10/1/32 (FSA) Manteca Unified School Dist. Special Tax,	Aaa/AAA	7,139,762
2,365	zero coupon, 9/1/25 (MBIA)	Aaa/AAA	716,619
5,330	5.00%, 9/1/29, Ser. C	Aaa/AAA	5,195,311
4,000	Merced Cnty. CP, 5.00%, 6/1/32 (AMBAC)	Aaa/NR	3,917,360
7,320	Modesto Elementary School Dist., Stanislaus Cnty. GO, zero coupon, 8/1/23-5/1/27, Ser. A (FGIC)	Aaa/AAA	2,370,390
2,150	Modesto High School Dist., Stanislaus Cnty. GO, zero coupon, 8/1/26, Ser. A (FGIC)	Aaa/AAA	620,081
1,000	Modesto Public Financing Auth. Lease Rev., 5.00%, 9/1/29 (AMBAC)	Aaa/AAA	981,630
2,385	Monrovia Financing Auth. Lease Rev., 5.125%, 12/1/31 (AMBAC)	Aaa/AAA	2,391,726
	Montebello Unified School Dist. GO, zero coupon, 8/1/24-8/1/27 (FGIC)	Aaa/AAA	2,116,107
7,105	zero coupon, 8/1/24 (FSA)	Aaa/AAA	492,485
1,485	Morgan Hill Unified School Dist. GO, zero coupon, 8/1/23 (FGIC)	Aaa/AAA	850,200
1,500	Mountain View-Whisman School Dist. GO, 5.00%, 6/1/27 Ser. D (MBIA)	Aaa/AAA	1,487,850
1,800	Murrieta Redev. Agcy. Tax, 5.00%, 8/1/32 (MBIA)	Aaa/AAA	1,762,596
3,245	Newark Unified School Dist. GO, zero coupon, 8/1/26, Ser D (FSA)	Aaa/AAA	935,890
3,580	Oakland Redev. Agcy. Tax Allocation, 5.25%, 9/1/27-9/1/33	NR/A-	3,438,513
1,000	Orange Cnty. Community Facs. Dist. Special Tax, 6.00%, 8/15/25, Ser. A	NR/NR	1,016,820
12,000	Orange Cnty. Sanitation Dist. CP, 5.25%, 2/1/30 (FGIC)	Aaa/AAA	12,147,120
3,685	Palmdale Community Redev. Agcy. Tax Allocation, zero coupon, 12/1/30-12/1/32 (AMBAC)	Aaa/AAA	772,866
1,750	Paramount Unified School Dist. GO, zero coupon, 9/1/23, Ser. B (FSA)	Aaa/AAA	617,137
	Perris Public Financing Auth. Rev., 4.75%, 10/1/23, Ser. B (MBIA)	Aaa/AAA	1,157,644
1,190	5.375%-5.625%, 10/1/20-10/1/31, Ser. C	NR/BBB	2,533,679
2,580	Poway Unified School Dist. Special Tax, 5.50%-6.125%, 9/1/25-9/1/33	NR/NR	14,006,083

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Principal Amount (000)		Credit Rating Moody's/S&P*	Value
\$ 2,000	Rancho Cucamonga Community Facs. Dist. Special Tax, 6.375%, 9/1/31, Ser. A	NR/NR	\$ 2,013,880
1,500	Richmond Wastewater Rev., zero coupon, 8/1/30 (FGIC)	Aaa/AAA	339,555
3,510	Riverside CP, 5.00%, 9/1/33 (AMBAC)	NR/AAA	3,430,604
17,500	Rocklin Unified School Dist. GO, zero coupon, 8/1/24-8/1/27 (FGIC)	Aaa/AAA	5,255,450
9,250	Roseville Redev. Agcy. Tax Allocation, 5.00%, 9/1/27-9/1/33 (MBIA)	Aaa/AAA	9,075,468
	Sacramento City Financing Auth. Rev., 5.00%, 12/1/32, Ser. A (FSA)	Aaa/AAA	4,406,265
4,500	6.25%, 9/1/23	NR/NR	5,029,407
12,490	Sacramento Cnty. Airport Syst. Rev., 5.00%, 7/1/32, Ser. A (FSA)	Aaa/AAA	12,231,082
16,285	San Diego Cnty. Water Auth. Water Rev., CP, 5.00%, 5/1/28-5/1/29, Ser. A (MBIA)	Aaa/AAA	16,002,700
1,500	San Diego Public Facs. Financing Auth. Lease Rev., 5.00%, 4/1/32 (MBIA)	Aaa/AAA	1,468,995
1,000	San Diego Public Facs. Financing Auth. Sewer Rev., 5.00%, 5/15/29, Ser. A (FGIC)	Aaa/AAA	988,730
14,000	San Diego Public Facs. Financing Auth. Water Rev., 5.00%, 8/1/32 (MBIA)	Aaa/AAA	13,692,700
	San Francisco City & Cnty. Airport Community, Int'l Airport Rev., 4.50%, 5/1/28, Ser. 15B (MBIA)	Aaa/AAA	5,053,252
20,300	5.00%, 5/1/32, Ser. 28B (MBIA)	Aaa/AAA	19,880,196
10,405	San Joaquin Hills Transportation Corridor Agcy. Toll Road Rev., zero coupon, 1/1/25	AAA/AAA	3,386,411
10,190	San Jose, GO, 5.125%, 9/1/31 (MBIA)	Aa1/AA+	10,210,584
7,875	San Juan Unified School Dist. GO, zero coupon, 8/1/23-8/1/26 (FSA)	Aaa/AAA	2,387,766
5,000	Santa Margarita Community Fac. Water Dist. Special Tax, 6.00%-6.25%, 9/1/29-9/1/30	NR/NR	5,024,180
4,835	San Mateo Foster City School Dist. GO, 5.10%, 8/1/31 (FGIC)	Aaa/AAA	4,837,853
2,300	San Mateo Union High School Dist. GO, zero coupon, 9/1/20 (FGIC)	Aaa/AAA	986,424
1,730	San Rafael City High School Dist. GO, 5.00% 8/1/23, Ser. B (FSA)	Aaa/AAA	1,715,814
3,280	San Rafael Elementary School Dist. GO, 5.00%, 8/1/27, Ser. B (FSA)	Aaa/AAA	3,253,104
8,690	Santa Clara Unified School Dist. GO, 5.00%, 7/1/25-7/1/27 (MBIA)	Aaa/AAA	8,655,293
1,260	Santa Cruz Cnty., CP, 5.25%, 8/1/32	A2/NR	1,239,878
3,465	Saugus Hart School Facs. Financing Auth. Special Tax, 6.10%-6.125%, 9/1/32-9/1/33	NR/NR	3,486,737
1,000	Shasta Union High School Dist. GO, zero coupon, 8/1/24 (FGIC)	Aaa/AAA	331,640
4,745	South Tahoe JT Powers Parking Financing Auth. Rev., 7.00%, 12/1/27, Ser. A	NR/NR	4,912,499
1,800	Southern Mono Health Care Dist. GO, zero coupon, 8/1/26 (MBIA)	Aaa/AAA	508,086

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Principal Amount (000)		Credit Rating Moody's/S&P*	Value
\$ 35,000	State Economic Recovery GO, 5.00%, 7/1/11, Ser. A (MBIA)	Aaa/AAA	\$ 38,150,700
9,375	State Health Facs. Financing Auth. Rev., 5.125%-5.25%, 1/1/22-1/1/26	NR/BBB	9,068,510
200	State Infrastructure & Economic Dev. Bk. Rev., Bay Area Toll, 5.00%, 7/1/36, Ser. B (AMBAC)	Aaa/AAA	196,230
9,605	State Public Works Board Lease Rev., 5.00%, 10/1/22, Ser. A (FSA)	Aaa/AAA	9,636,793
	State University Rev. & Colleges, 5.00%, 11/1/33, Ser. A (AMBAC)	Aaa/AAA	1,684,008
1,000	5.00%, 11/1/13, Ser. A (FSA)		1,085,100
1,170	Statewide Community Dev. Auth. CP, 6.10%, 11/1/15	NR/NR	1,179,688
6,555	Statewide Community Dev. Auth. Rev., 6.75%, 10/1/30-7/1/32 (d)	NR/NR	6,506,683
2,770	Statewide Community Dev. Auth., Rev., 5.50%, 11/1/32, Ser. A	A3/A	2,801,439
9,700	Statewide Community Dev. Auth., Rev., Jewish Home Health Fac., 5.50%, 11/15/33	NR/BBB	9,560,514
	Statewide Financing Auth. Tobacco Settlement Rev., 5.625%, 5/1/29, Ser. A	Baa3/NR	1,539,930
1,865	6.00%, 5/1/37, Ser. B	Baa3/NR	15,989,600
20,000	Tamalpais Union High School Dist. GO, 5.00%, 8/1/27 (FSA)	Aaa/AAA	7,686,450
7,750	Tobacco Securization Agcy. Rev., 5.625%-6.00%, 6/1/23-6/1/35	Baa3/BBB	12,811,200
15,000	5.875%, 6/1/43, Ser. A	Baa3/NR	1,417,356
4,500	6.00%, 6/1/42	Baa3/NR	3,518,235
995	Tracy Community Facs. Dist. Special Tax, 6.00%, 9/1/27	NR/NR	992,413
6,250	University Revs., 5.00%, 5/15/11, Ser. A (AMBAC)	Aaa/AAA	6,783,688
10,000	Ventura Cnty. Community College Dist. GO, 5.00%, 8/1/27, Ser. A (MBIA)	Aaa/AAA	9,918,000
1,555	Ventura Unified School Dist. GO, 5.00%, 8/1/32, Ser. F (FSA)	Aaa/AAA	1,522,687
2,000	Vernon Elec. Syst. Rev., 5.50%, 4/1/33	A2/BBB+	2,001,880
3,535	Victor Elementary School Dist., zero coupon, 8/1/24-8/1/26, Ser. A (FGIC)	Aaa/AAA	1,068,163
1,000	Vista Unified School Dist. GO, zero coupon, 8/1/26, Ser. A (FSA)	Aaa/AAA	288,410
7,320	West Contra Costa University School Dist. GO, 5.00%, 8/1/26-8/1/31, Ser. A (MBIA)	Aaa/AAA	7,257,625
3,375	Westlands Water Dist. Rev. CP, 5.00%, 9/1/34 (MBIA)	Aaa/AAA	3,297,544
2,000	William S. Hart Union High School Dist. Special Tax, 5.625%, 9/1/34	NR/BBB+	2,002,020
2,110	Yuba City Unfied School Dist. GO, zero coupon, 9/1/25 (FGIC)	Aaa/AAA	645,976
Total California Municipal Bonds & Notes (cost-\$571,562,220)			557,269,120

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Principal Amount (000)		Credit Rating Moody's/S&P*	Value
OTHER MUNICIPAL BONDS & NOTES--4.3%			
\$ 2,000	PUERTO RICO--0.7%	A3/A-	\$ 1,976,260
2,505	Electric Power Auth. Rev., 5.125%, 7/1/29, Ser. NN Gov't Fac. Public Buildings Auth. Rev., 5.00%, 7/1/36, Ser. I	Baa1/A-	2,378,497
			4,354,757
8,535	TENNESSEE--1.3%	Aaa/AAA	8,969,517
13,845	Memphis Elec. Syst. Rev., 5.00%, 12/1/16, Ser. A (MBIA)	Aaa/AAA	15,248,559
	TEXAS--2.3%	Aaa/AAA	15,248,559
	State Univ. Revs., 5.25%, 8/15/11-8/15/12, Ser. A	Aaa/AAA	15,248,559
	Total Other Municipal Bonds & Notes (cost-\$29,306,664)		28,572,833
CALIFORNIA VARIABLE RATE NOTES (a) (b) (g)--3.5%			
4,238	Los Angeles Dept. of Water & Power Waterworks Rev., 16.60%, 7/1/41 (FGIC)	Aaa/NR	4,166,988
1,875	Modesto Public Financing Auth. Lease Rev., 16.10%, 9/1/29, Ser. 354 (AMBAC)	AAA/NR	1,737,225
4,952	Oakland GO, 16.10%, 1/15/32, Ser. 756 (FGIC)Aaa/NR San Diego Unified School Dist. GO,	Aaa/NR	4,652,182
2,209	16.10%, 7/1/26, Ser. 759 (FSA)	NR/NR	2,173,568
1,944	16.10%, 7/1/27, Ser. 758 (FGIC)	Aaa/NR	1,880,548
3,743	San Jose GO, 16.10%, 9/1/32 (MBIA)	Aaa/NR	3,540,704
2,288	San Jose Unified School Dist. Santa Clara Cnty. GO, 16.10%, 8/1/27 (FSA)	Aaa/NR	2,212,470
2,500	University Revs., 16.10%, 9/1/28, Ser. 762 (FGIC)	WR/NR	2,409,650
	Total California Variable Rate Notes (cost-\$24,091,792)		22,773,335
CALIFORNIA SHORT-TERM VARIABLE RATE DEMAND NOTES (c) (d)--6.4%			
2,000	Bay Area Toll Auth., Toll Bridge Rev., 1.04%, 6/3/04 (AMBAC)	Aaa/AAA	2,000,000
4,200	Irvine Ranch Water Dist., 1.07%, 6/1/04	Aaa/AAA	4,200,000
4,900	Irvine Ranch Water Dist. GO, 1.07%, 6/1/04,	Aaa/AAA	4,900,000
4,400	Irvine Unified School Dist. Special Tax, 1.07%, 6/1/04 (Bank of New York)	VMIG1/NR	4,400,000
3,320	Long Beach Unified School Dist. CP, 1.06%, 6/3/04 (AMBAC)	VMIG1/NR	3,320,000
2,095	Los Angeles Cnty. Metropolitan Transportation Auth. Rev., Sales Tax Rev., 1.06%, 6/3/04, Ser. A (MBIA)	VMIG1/A1+	2,095,000
2,300	Los Angeles Water & Power Rev., 1.06%, 6/3/04 Ser. B-3	VMIG1/AA-	2,300,000
2,315	Northern California Transmission Agency Rev., 1.08%, 6/3/04 (FSA)	VMIG1/AAA	2,315,000
9,000	Orange Cnty. Sanitation Dist. CP, 1.07%, 6/1/04, Ser. B	VMIG1/A1+	9,000,000
3,800	State Health Facs. Fin. Auth. Rev., 1.06%, 6/1/04, Ser. B (AMBAC)	VMIG1/A1+	3,800,000
2,000	Statewide Community Dev. Auth. CP, 1.07%, 6/1/04 (AMBAC)	VMIG1/A1	2,000,000

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Principal Amount (000)		Credit Rating Moody's/S&P*	Value
\$ 2,000	Western Muni. Water Dist. Facs. Rev., 1.06%, 6/2/04, Ser. A (FSA)	NR/AAA	\$ 2,000,000
			-----
Total California Short-Term Variable Rate Demand Notes (cost-\$42,330,000)			
			42,330,000
=====			
U.S. TREASURY BILLS (f)--1.3%			
8,650	0.83753%-0.9275%, 6/3/04-6/17/04 (cost-\$8,648,168)	Aaa/AAA	8,648,127
			-----
TOTAL INVESTMENTS BEFORE CALL OPTION WRITTEN (cost-\$675,938,844+)--100%			
			659,593,415
=====			
CALL OPTIONS WRITTEN (h)--(0.0)%			
Contracts			
			-----
U.S. Treasury Bond Futures, Chicago Board of Trade:			
(290)	Strike Price \$112, expires 8/27/04		(108,750)
(290)	Strike Price \$113, expires 8/27/04		(77,031)
			-----
Total call options written (premiums received-\$382,981)			
			(185,781)
=====			
TOTAL INVESTMENTS, NET OF CALL OPTIONS WRITTEN (cost-\$675,555,863)--100%			
			\$659,407,634
=====			

+ The cost basis of portfolio securities for federal income tax purposes is \$675,938,844. Aggregate gross unrealized appreciation for securities in which there is an excess of value over tax cost is \$1,968,481; aggregate gross unrealized depreciation for securities in which there is an excess of tax cost over value is \$18,313,910, net unrealized depreciation for federal income tax purposes is \$16,345,429.

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Principal Amount (000)		Credit Rating Moody's/S&P*	Value
=====			
NEW YORK MUNICIPAL BONDS & NOTES--89.2%			
\$ 1,250	Buffalo Municipal Water Fin. Auth., Water Syst. Rev., 5.00%-5.125%, 7/1/27-7/1/32, Ser. B (FSA)	Aaa/AAA	\$ 1,250,547
10,000	Erie Cnty. Tobacco Asset, 6.50%, 7/15/32	Baa1/BBB	9,469,900
1,850	Metropolitan Transportation Auth. Rev., 5.00%, 11/15/30, Ser. A (FSA)	Aaa/AAA	1,825,894
10,000	5.25%, 11/15/31, Ser. E	A2/A	10,013,200
7,000	Metropolitan Transportation Auth. Service Contract, 5.35%, 7/1/31, Ser. B	A3/AAA	7,054,460
New York City, GO			
4,000	5.00%, 3/1/33, Ser. I	A2/A	3,840,680
1,500	5.75%, 8/1/16, Ser. A	A2/A	1,620,405
3,100	New York City Health & Hospital Corp., Rev., 5.375%-5.45%, 2/15/26, Ser. A	A3/BBB	3,112,803
New York City Municipal Water Fin. Auth., Water & Sewer Syst. Rev.,			
3,055	4.75%, 6/15/25, Ser. D (MBIA-IBC)	Aaa/AAA	2,963,992
20,000	5.00%-5.125%, 6/15/32-6/15/34, Ser. A	Aa2/AA	19,809,350
1,245	New York City Indl. Dev. Agcy., Civic Fac. Rev., 6.45%, 7/1/32	Ba3/NR	1,152,671
1,000	New York City Indl Dev. Agcy. Rev. 4.95%, 11/20/32 (GNMA)	NR/AA+	965,930
New York City Transitional Fin. Auth. Rev.,			
7,195	5.00%, 11/15/26, Ser. A	Aa2/AA+	7,099,235
10,000	5.00%, 11/1/27, Ser. B	Aa2/AA+	9,836,900
2,000	5.25%, 2/1/12, Ser. C	Aa2/AA+	2,188,300
500	5.50%, 11/1/29 (Pre-refunded @ 101, 5/1/10) (i)	Aa2/AA+	562,455
3,600	Port Auth. New York & New Jersey, 5.00%, 4/15/32	Aaa/AAA	3,602,556
6,590	Sachem Central School District of Holbrook, 5.00%, 6/15/28-6/15/29	Aaa/AAA	6,558,140
7,500	State Dormitory Auth. Lease Rev., State Univ. Dormitory Facs., 5.00%, 7/1/32	A1/AA-	8,197,125
2,000	State Dormitory Auth. Revs., FHA-Kaleida Health Hospital, 5.05%, 2/15/25 (FHA)	NR/AAA	1,969,560
3,225	State Dormitory Auth. Revs., FHA-NY & Presbyterian Hospital, 4.75%, 8/1/27(AMBAC)	Aaa/AAA	3,072,393
5,000	State Dormitory Auth. Revs., FHA-Saint Barnabas, 5.00%, 2/1/31, Ser. A (AMBAC)	Aaa/AAA	4,941,600
1,250	State Dormitory Auth. Revs., FIT Student Housing Corp., 5.125%, 7/1/34 (FGIC)	Aaa/AAA	1,253,362
5,300	State Dormitory Auth. Revs., Lenox Hill Hospital, 5.50%, 7/1/30	A3/NR	5,403,562
1,400	State Dormitory Auth. Revs., Long Island Univ., 5.25%, 9/1/28	Baa3/AA	1,403,220
5,000	State Dormitory Auth. Revs., Memorial Sloan-Kettering Center, Ser 1, 5.00%, 7/1/34	Aa2/AA	4,893,200
8,850	State Dormitory Auth. Revs., North General Hospital, 5.00%, 2/15/25	NR/AA-	8,681,496
8,600	State Dormitory Auth. Revs., State Personal Income Tax, 5.00%, 3/15/32	A1/AA	8,311,212
4,270	State Dormitory Auth. Revs., Teachers College, 5.00%, 7/1/32 (MBIA)	Aaa/NR	4,212,739

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PIMCO NEW YORK MUNICIPAL INCOME FUND II SCHEDULE OF INVESTMENTS  
May 31, 2004

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PIMCO NEW YORK MUNICIPAL INCOME FUND II SCHEDULE OF INVESTMENTS  
May 31, 2004

Principal Amount (000)		Credit Rating Moody's/S&P*	Value
\$ 5,000	State Board Agency School Rev., 5.00%, 6/1/23 Ser. C	NR/A+	\$ 4,945,600
2,000	State Environmental Facs. Corp., State Clean Water & Drinking, 5.125%, 6/15/31	Aaa/AAA	2,018,960
6,100	State Urban Dev. Corp., Personal Income Tax, 5.00%, 3/15/33, Ser. C	A1/AA	5,883,145
6,000	State Urban Dev. Correctional & Youth Fac. Corp., 5.50%, 1/1/17, Ser. A	A3/AA-	6,537,540
	TOB Settlement Asset Backed, Inc.		
25,000	5.75%, 7/15/32	Baa3/BBB	22,037,250
10,000	6.375%, 7/15/39	Baa3/BBB+	9,283,700
4,700	Triborough Bridge & Tunnel Auth. Revs., 5.00%, 1/1/32, Ser. A (FGIC)	Aaa/AAA	4,637,490
2,000	Warren & Washington Cnty. Indl. Dev. Agy. Fac. Rev., 5.00%, 12/1/35, Ser A (FSA)	Aaa/AAA	1,941,360
750	Westchester Cnty. Indl Dev. Agy. Continuing Care, 6.50%, 1/1/34	NR/NR	737,378
			-----
	Total New York Municipal Bonds & Notes (cost-\$207,021,848)		203,289,310
			=====
OTHER MUNICIPAL BONDS & NOTES--3.0%			
5,675	Children Trust Fund Puerto Rico Tobacco Settlement Rev., 5.625%, 5/15/43	Baa3/BBB	4,636,475
1,500	Puerto Rico Commonwealth Highway & Transportation Auth., 5.25%, 7/1/38 Ser. D	Baa1/A	1,481,160
750	Puerto Rico Electric Power Authority, Power Revenue 5.125%, 7/1/29, Ser. NN	A3/A-	741,098
			-----
	Total Other Municipal Bonds & Notes (cost-\$7,709,765)		6,858,733
			=====
NEW YORK VARIABLE RATE NOTES (a) (b) (g)--3.2%			
6,994	Long Island Power Auth. Elec. Syst. Rev., 17.07%, 12/1/26, Ser. 339 (MBIA) (cost \$7,006,755)	Aaa/NR	7,309,010
			=====
OTHER VARIABLE RATE NOTES (a) (b)--1.2%			
	CALIFORNIA--1.2%		
1,800	State Economic Recovery GO, 21.015%, 1/1/10, Ser. A (cost \$2,501,979)	Aa3/NR	2,624,850
			=====
NEW YORK SHORT-TERM VARIABLE RATE DEMAND NOTES (c) (d)--2.3%			
2,100	Nasau Cnty. Interim Fin. Auth. Rev., 1.04%, 6/2/04	Aaa/A-1+	2,100,000
1,200	New York City, GO, 1.06%, 6/1/04 (MBIA)	Aaa/AAA	1,200,000
1,990	New York City, GO, 0.98%, 6/1/04 (AMBAC)	Aaa/AAA	1,990,000
			-----
	Total New York Short-Term Variable Rate Demand Notes (cost-\$5,290,000)		5,290,000
			=====

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PIMCO NEW YORK MUNICIPAL INCOME FUND II SCHEDULE OF INVESTMENTS  
May 31, 2004

PIMCO NEW YORK MUNICIPAL INCOME FUND II SCHEDULE OF INVESTMENTS  
 May 31, 2004

Principal Amount (000)	Credit Rating Moody's/S&P*	Value
<hr/>		
U.S. TREASURY BILLS (f) --1.1%		
<hr/>		
\$2,615      0.88500%-0.94251%, 6/3/04-6/17/04 (cost-\$2,614,676)	Aaa/AAA	\$ 2,614,668
<hr/>		
TOTAL INVESTMENTS BEFORE CALL OPTIONS WRITTEN (cost-\$232,145,023+)--100%		227,986,571
<hr/>		
CALL OPTIONS WRITTEN (h)--(0.0)%		
<hr/>		
Contracts		
<hr/>		
U.S. Treasury Bond Futures, Chicago Board of Trade:		
(100)      Strike Price \$112, expires 8/27/04		(37,500)
(100)      Strike Price \$113, expires 8/27/04		(26,563)
<hr/>		
Total call options written (premium received-\$132,063)		(64,063)
<hr/>		
TOTAL INVESTMENTS NET OF CALL OPTIONS WRITTEN (cost-\$232,012,960)--100%		\$227,922,508
<hr/>		

+ The cost basis of portfolio securities for federal income tax purposes is \$232,145,023. Aggregate gross unrealized appreciation for securities in which there is an excess of value over tax cost is \$2,155,893, aggregate gross unrealized depreciation for securities in which there is an excess of tax cost over value is \$6,314,345 and net unrealized depreciation for federal income tax purposes is \$4,158,452.

## NOTES TO SCHEDULES OF INVESTMENTS:

\* Unaudited

- (a) Private Placement. Restricted as to resale and may not have a readily available market; the aggregate cost and value of such securities is \$96,407,843 or 7.4% of investments, \$22,773,335 or 3.5% of investments and \$9,933,860 or 4.3% of investments, respectively, for Municipal II, California Municipal II and New York Municipal II.
- (b) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, typically to qualified institutional investors. These securities amounted to \$96,407,843 or 7.4% of investments, \$22,773,335 or 3.5% of investments and \$9,933,860 or 4.3% of investments, respectively, for Municipal II, California Municipal II and New York Municipal II.
- (c) 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).
- (d) Maturity date shown is date of next call.
- (e) Security deemed illiquid.
- (f) All or partial principal amount segregated as initial margin on financial futures contracts.
- (g) Residual Interest Municipal Bonds. The interest rate shown bears an inverse relationship to the interest rate on another security or the value of an

index.

(h) Non-income producing securities.

- (i) 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.

GLOSSARY:

AMBAC -- insured by American Municipal Bond Assurance Corp.

CP -- Certificates of Participation

FGIC -- insured by Financial Guaranty Insurance Co.

FNMA -- Federal National Mortgage Association

FSA -- insured by Financial Security Assurance, Inc.

GO -- General Obligation Bonds

MBIA -- insured by Municipal Bond Investors Assurance

NR -- Not Rated

XLCA -- insured by XL Capital Assurance

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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PIMCO MUNICIPAL INCOME FUNDS II STATEMENTS OF ASSETS AND LIABILITIES  
May 31, 2004

	MUNICIPAL II	CALIFORNIA MUNICIPAL II	NEW YORK MUNICIPAL II
<b>ASSETS:</b>			
Investments, at value (cost-\$1,308,777,212, \$675,938,844 and \$232,145,023, respectively)	\$1,299,698,800	\$659,593,415	\$227,986,571
Cash	4,025,605	--	693,893
Interest receivable	20,640,058	9,462,264	4,282,348
Receivable for investments sold	14,955,454	5,131,372	--
Receivable for variation margin on futures contracts	3,170,400	850,888	291,593
Prepaid expenses	63,320	37,861	26,895
<b>Total Assets</b>	<b>1,342,553,637</b>	<b>675,075,800</b>	<b>233,281,300</b>
<b>LIABILITIES:</b>			
Payable to custodian	--	48,761	--
Payable for investments purchased	18,828,437	4,306,290	1,239,525
Dividends payable to common and preferred shareholders	4,982,961	2,493,328	862,002
Investment management fees payable	557,264	282,195	98,170
Options written, at value (premiums received- \$759,359, \$382,981 and \$132,063)	368,359	185,781	64,063
Accrued expenses	146,317	100,289	59,907
<b>Total Liabilities</b>	<b>24,883,338</b>	<b>7,416,644</b>	<b>2,323,667</b>
<b>PREFERRED SHARES (\$0.00001 PAR VALUE AND \$25,000 NET ASSET AND LIQUIDATION VALUE PER SHARE APPLICABLE TO AN AGGREGATE OF 20,200, 10,400 AND 3,600 SHARES ISSUED AND OUTSTANDING, RESPECTIVELY)</b>			
NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS	\$ 812,670,299	\$ 407,659,156	\$ 140,957,633

## COMPOSITION OF NET ASSETS APPLICABLE TO

## COMMON SHAREHOLDERS:

## Common Stock:

Par value (\$0.00001 per share)	\$ 580	\$ 301	\$ 104
Paid-in-capital in excess of par	824,260,374	428,070,185	147,757,823
Undistributed net investment income	7,765,501	3,271,140	356,073
Accumulated net realized loss	(15,742,017)	(10,574,585)	(3,541,290)
Net unrealized depreciation of investments, futures contracts and options written	(3,614,139)	(13,107,885)	(3,615,077)
<b>NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS</b>	<b>\$ 812,670,299</b>	<b>\$ 407,659,156</b>	<b>\$ 140,957,633</b>
Common Shares Outstanding	57,992,613	30,132,862	10,409,718
<b>NET ASSET VALUE PER COMMON SHARE</b>	<b>\$ 14.01</b>	<b>\$ 13.53</b>	<b>\$ 13.54</b>

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SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

## PIMCO MUNICIPAL INCOME FUNDS II STATEMENTS OF OPERATIONS

For the year ended May 31, 2004

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SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

## PIMCO MUNICIPAL INCOME FUNDS II STATEMENTS OF OPERATIONS

For the year ended May 31, 2004

## INVESTMENT INCOME:

Interest	\$ 76,529,156	\$ 38,413,527	\$ 12,783,643
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EXPENSES:			
Investment management fees	8,693,428	4,421,478	1,537,186
Auction agent fees and commissions	1,293,163	678,411	236,627
Custodian and accounting agent fees	165,597	133,740	86,315
Reports to shareholders	121,808	60,522	23,485
Audit and tax services	73,218	35,265	36,679
Investor relations	53,477	27,401	11,728
Trustees' fees and expenses	52,808	37,612	16,235
New York Stock Exchange listing fees	50,459	32,153	25,864
Transfer agent fees	38,372	35,546	37,168
Legal fees	36,300	18,570	5,821
Insurance expense	27,398	15,265	6,635
Miscellaneous	14,327	11,467	9,956
Total expenses	10,620,355	5,507,430	2,033,699
Less: investment management fees waived	(2,006,176)	(1,020,341)	(354,735)
custody credits earned on cash balances	(10,471)	(13,912)	(1,362)
Net expenses	8,603,708	4,473,177	1,677,602
NET INVESTMENT INCOME	\$ 67,925,448	\$ 33,940,350	\$ 11,106,041
REALIZED AND UNREALIZED GAIN (LOSS):			
Net realized gain (loss) on:			
Investments	2,809,851	(2,181,033)	(142,162)
Futures contracts	14,107,026	3,729,115	134,738
Options written	7,293,851	4,107,736	1,176,416
Net change in unrealized appreciation/depreciation on:			
Investments	(93,435,002)	(54,668,595)	(13,736,842)
Futures contracts	15,451,270	7,691,912	608,921
Options written	9,466,248	3,520,298	1,853,605
Net realized and unrealized loss on investments, futures contracts and options written	(44,306,756)	(37,800,567)	(10,105,324)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM INVESTMENT OPERATIONS	23,618,692	(3,860,217)	1,000,717
DIVIDENDS ON PREFERRED SHARES FROM			
NET INVESTMENT INCOME	(4,680,202)	(2,082,467)	(718,744)
NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS RESULTING FROM INVESTMENT OPERATIONS	\$ 18,938,490	\$ (5,942,684)	\$ 281,973

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
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PIMCO MUNICIPAL INCOME FUNDS II STATEMENTS OF CHANGES IN NET ASSETS  
APPLICABLE TO COMMON SHAREHOLDERS

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
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PIMCO MUNICIPAL INCOME FUNDS II STATEMENTS OF CHANGES IN NET ASSETS  
APPLICABLE TO COMMON SHAREHOLDERS

MUNICIPAL II

For the Period	
For the Year	June 28, 2002*
ended	through
May 31, 2004	May 31, 2003

INVESTMENT OPERATIONS:

Net investment income	\$ 67,925,448	\$ 53,776,637
Net realized gain (loss) on investments, futures contracts and options written	24,210,728	(34,060,562)
Net change in unrealized appreciation/depreciation of investments, futures contracts and options written	(68,517,484)	64,903,345
Net increase (decrease) in net assets resulting from investment operations	23,618,692	84,619,420

DIVIDENDS AND DISTRIBUTIONS ON PREFERRED SHARES FROM:

Net investment income	(4,680,202)	(4,384,249)
Net realized gains	--	(504,626)
Net increase (decrease) in net assets applicable to common shareholders resulting from investment operations	18,938,490	79,730,545

DIVIDENDS AND DISTRIBUTIONS TO COMMON SHAREHOLDERS FROM:

Net investment income	(56,205,302)	(48,666,775)
Net realized gains	--	(5,387,613)
Total dividends and distributions to common shareholders	(56,205,302)	(54,054,388)

CAPITAL SHARE TRANSACTIONS:

Net proceeds from the sale of common stock	--	823,703,945
Preferred shares underwriting discount charged to paid-in capital in excess of par	--	(5,050,000)
Common stock and preferred shares offering costs charged to paid-in capital in excess of par	--	(1,540,514)
Reinvestment of dividends and distributions	3,051,924	3,995,596
Net increase from capital transactions	3,051,924	821,109,027
Total increase (decrease) in net assets applicable to common shareholders	(34,214,888)	846,785,184

NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS:

Beginning of period	846,885,187	100,003
End of period (including undistributed (dividends in excess of) net investment income of \$7,765,501 and \$725,557; \$3,271,140 and \$(465,795); \$356,073 and \$(322,399); respectively)	\$ 812,670,299	\$ 846,885,187

COMMON SHARES ISSUED AND REINVESTED:

Issued	--	57,501,148
Issued in reinvestment of dividends and distributions	211,747	272,737
NET INCREASE	211,747	57,773,885

\* Commencement of operations.

\* Commencement of operations.

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SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CALIFORNIA MUNICIPAL II

	For the Period	
	For the Year	June 28, 2002*
	ended	through
	May 31, 2004	May 31, 2003
<b>INVESTMENT OPERATIONS:</b>		
Net investment income	\$ 33,940,350	\$ 26,020,045
Net realized gain (loss) on investments, futures contracts and options written	5,655,818	(16,230,403)
Net change in unrealized appreciation/depreciation of investments, futures contracts and options written	(43,456,385)	30,348,500
Net increase (decrease) in net assets resulting from investment operations	(3,860,217)	40,138,142
<b>DIVIDENDS AND DISTRIBUTIONS ON PREFERRED SHARES FROM:</b>		
Net investment income	(2,082,467)	(2,140,933)
Net realized gains	--	--
Net increase (decrease) in net assets applicable to common shareholders resulting from investment operations	(5,942,684)	37,997,209
<b>DIVIDENDS AND DISTRIBUTIONS TO COMMON SHAREHOLDERS FROM:</b>		
Net investment income	(28,120,948)	(24,344,907)
Net realized gains	--	--
Total dividends and distributions to common shareholders	(28,120,948)	(24,344,907)
<b>CAPITAL SHARE TRANSACTIONS:</b>		
Net proceeds from the sale of common stock	--	428,317,500
Preferred shares underwriting discount charged to paid-in capital in excess of par	--	(2,600,000)
Common stock and preferred shares offering costs charged to paid-in capital in excess of par	--	(951,964)
Reinvestment of dividends and distributions	1,752,390	1,452,557
Net increase from capital transactions	1,752,390	426,218,093
Total increase (decrease) in net assets applicable to common shareholders	(32,311,242)	439,870,395
<b>NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS:</b>		
Beginning of period	439,970,398	100,003
End of period (including undistributed (dividends in excess of) net investment income of \$7,765,501 and \$725,557; \$3,271,140 and \$(465,795); \$356,073 and \$(322,399); respectively)	\$ 407,659,156	\$ 439,970,398
<b>COMMON SHARES ISSUED AND REINVESTED:</b>		
Issued	--	29,900,000
Issued in reinvestment of dividends and distributions	125,989	99,892
<b>NET INCREASE</b>	<b>125,989</b>	<b>29,999,892</b>

## NEW YORK MUNICIPAL II

For the Period  
For the Year                          June 28, 2002\*  
    ended                          through  
May 31, 2004                          May 31, 2003

## INVESTMENT OPERATIONS:

Net investment income	\$ 11,106,041	\$ 8,865,872
Net realized gain (loss) on investments, futures contracts and options written	1,168,992	(4,710,282)
Net change in unrealized appreciation/depreciation of investments, futures contracts and options written	(11,274,316)	7,659,239
Net increase (decrease) in net assets resulting from investment operations	1,000,717	11,814,829

## DIVIDENDS AND DISTRIBUTIONS ON PREFERRED SHARES FROM:

Net investment income	(718,744)	(794,061)
Net realized gains	--	--
Net increase (decrease) in net assets applicable to common shareholders resulting from investment operations	281,973	11,020,768

## DIVIDENDS AND DISTRIBUTIONS TO COMMON SHAREHOLDERS FROM:

Net investment income	(9,708,825)	(8,394,210)
Net realized gains	--	--
Total dividends and distributions to common shareholders	(9,708,825)	(8,394,210)

## CAPITAL SHARE TRANSACTIONS:

Net proceeds from the sale of common stock	--	147,473,483
Preferred shares underwriting discount charged to paid-in capital in excess of par	--	(900,000)
Common stock and preferred shares offering costs charged to paid-in capital in excess of par	--	(458,454)
Reinvestment of dividends and distributions	778,884	764,011
Net increase from capital transactions	778,884	146,879,040
Total increase (decrease) in net assets applicable to common shareholders	(8,647,968)	149,505,598

## NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS:

Beginning of period	149,605,601	100,003
End of period (including undistributed (dividends in excess of) net investment income of \$7,765,501 and \$725,557; \$3,271,140 and \$(465,795); \$356,073 and \$(322,399); respectively)	\$ 140,957,633	\$ 149,605,601

## COMMON SHARES ISSUED AND REINVESTED:

Issued	--	10,294,833
Issued in reinvestment of dividends and distributions	55,136	52,768
NET INCREASE	55,136	10,347,601

"PIMCO Municipal Income Funds II", were organized as Massachusetts business trusts on March 29, 2002. Prior to commencing operations on June 28, 2002, the Funds had no operations other than matters relating to their organization and registration as closed-end management investment companies registered under the Investment Company Act of 1940 and the rules and regulations thereunder, as amended. PA Fund Management LLC, (the "Investment Manager"), formerly PIMCO Advisors Fund Management LLC, serves as the Funds' Investment Manager and is an indirect, wholly-owned subsidiary of Allianz Dresdner Asset Management of America L.P. ("ADAM"). ADAM is an indirect, majority-owned subsidiary of Allianz AG. The Funds have an unlimited amount of \$0.00001 par value common stock authorized.

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

Municipal II, California Municipal II and New York Municipal II issued 50,500,000, 26,000,000 and 9,000,000 shares of common stock, respectively, in their initial public offerings. An additional 7,001,148, 3,900,000 and 1,294,833 shares of Municipal II, California Municipal II and New York Municipal II, respectively, were issued in connection with the exercises of the underwriters' over-allotment option on July 15, 2002 and August 6, 2002. These shares were all issued at \$15.00 per share before an underwriting discount of \$0.675 per share. The Investment Manager agreed to reimburse the amount by which the aggregate of each Fund's organizational and common offering costs (other than sales load) exceeded \$0.03 per common share. Common offering costs of \$1,174,197, \$682,616 and \$308,845 (representing \$0.02 per common share for Municipal II and California Municipal II and \$0.03 per common share for New York Municipal II), were offset against the proceeds of the offerings and were charged to paid-in capital in excess of par.

In addition, the underwriters discount and offering costs associated with the Funds' issuance of Preferred Shares in the amounts of \$5,050,000 and \$366,317, \$2,600,000 and \$269,348 and \$900,000 and \$149,609, for Municipal II, California Municipal II and New York Municipal II, respectively, were charged to paid-in capital in excess of par.

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

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

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

(A) VALUATION OF INVESTMENTS

Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. The Fund's investments are valued daily by an independent pricing service approved by the Board of Trustees. Prices obtained from an independent pricing service 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 investments maturing in sixty days or less are valued at amortized cost, if their original maturity was 60 days or less or by amortizing their value on the 61st day prior to maturity, if the original term to maturity exceeded 60 days. Securities for which market quotations are not readily available or if a development/event occurs that may significantly impact the value of the security may be fair valued, pursuant to guidelines established by the Board of Trustees. The prices used by the Funds to value securities may differ from the value that would be realized if the securities were sold. The Funds net asset value is determined daily at the close of regular trading (normally 4:00 p.m. Eastern time) on the New York Stock Exchange.

May 31, 2004

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1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(B) INVESTMENT TRANSACTIONS AND INVESTMENT INCOME

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

(C) FEDERAL INCOME TAXES

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

(D) FUTURES CONTRACTS

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

(E) OPTION TRANSACTIONS

For hedging purposes, the Funds may purchase and write (sell) put and call options on municipal bonds, U.S. government securities, swap agreements, indexes or futures contracts which are standardized and traded on a U.S. or other exchange, boards of trade, or similar entity, or quoted on an automated quotation system. The risk associated with purchasing an option is that the Funds pay a premium whether or not the option is exercised. Additionally, the Funds bear the risk of loss of premium and change in market value should the counterparty not perform under the contract. Put and call options purchased are accounted for in the same manner as portfolio securities. The cost of securities acquired through the exercise of call options is increased by the premiums paid. The proceeds from the securities sold through the exercise of put options is decreased by the premiums paid.

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

(F) RESIDUAL INTEREST MUNICIPAL BONDS

The Funds invest in Residual Interest Tax Exempt Bonds ("RITES") whose interest

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

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PIMCO MUNICIPAL INCOME FUNDS II NOTES TO FINANCIAL STATEMENTS

May 31, 2004

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1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

(G) DIVIDENDS AND DISTRIBUTIONS--COMMON STOCK

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

(H) CUSTODY CREDITS EARNED ON CASH BALANCES

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

2. INVESTMENT MANAGER AND SUB-ADVISER

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

The Investment Manager has retained its affiliate, Pacific Investment Management Company LLC (the "Sub-Adviser") to manage each Fund's investments. Subject to the supervision of the Investment Manager, the Sub-Adviser makes all investment decisions with respect to each Fund's assets. The Investment Manager (not the Funds) pays a portion of the fees it receives to the Sub-Adviser in return for its services, at the maximum annual rate of 0.50% of each Fund's average daily net assets (including net assets attributable to any preferred shares that may be outstanding). The Sub-Adviser has contractually agreed to waive a portion of the fees it is entitled to receive from the Investment Manager, such that the Sub-Adviser will receive 0.26% of each Fund's average daily net assets (including net assets attributable to any preferred shares that may be outstanding) from the commencement of the Funds' operations through June 30, 2007, and will receive an increasing amount (not to exceed 0.50% of each Fund's average daily net assets, including net assets attributable to any preferred shares that may be outstanding) thereafter through June 30, 2009. The Investment Manager informed the Funds that it paid the Sub-Adviser \$3,477,371, \$1,768,591 and \$614,874 in connection with sub-advisory services for Municipal II, California Municipal II and New York Municipal II, respectively, for the year

ended May 31, 2004.

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PIMCO MUNICIPAL INCOME FUNDS II NOTES TO FINANCIAL STATEMENTS

May 31, 2004

3. INVESTMENTS IN SECURITIES

(a) For the year ended May 31, 2004, purchases and sales of investments, other than short-term securities, were:

	California Municipal II	New York Municipal II
Purchases	\$334,230,372	\$259,463,274
Sales	324,063,491	263,853,104

(b) Futures contracts outstanding at May 31, 2004:

Fund	Type	# of Contracts	Expiration Date	Unrealized Appreciation (Depreciation)
Municipal II	Short: U.S. Treasury 30 Year Bond	1,889	6/21/04	\$6,094,289
	Short: U.S. Treasury 30 Year Bond	3,463	9/21/04	(1,021,016)
				\$5,073,273
California Municipal II	Short: U.S. Treasury 30 Year Bond	804	6/21/04	\$3,039,719
	Short: U.S. Treasury 30 Year Bond	634	9/21/04	625
				\$3,040,344
New York Municipal II	Short: U.S. Treasury 30 Year Bond	245	6/21/04	\$547,219
	Short: U.S. Treasury 30 Year Bond	247	9/21/04	(71,844)
				\$475,375

(c) Transactions in options written for the year ended May 31, 2004:

(c) Transactions in options written for the year ended May 31, 2004:

	Contracts	Premiums
Municipal II:		
Options outstanding, May 31, 2003	2,587	\$2,227,143
Options written	20,854	18,212,424
Options expired	(5,310)	(3,711,673)
Options terminated in closing purchase transactions	(8,872)	(8,358,370)
Options exercised	(8,109)	(7,610,165)
Options outstanding, May 31, 2004	1,150	\$759,359

California Municipal II:

Options outstanding, May 31, 2003	947	\$ 743,511
Options written	10,204	8,444,538
Options expired	(2,198)	(1,560,661)
Options terminated in closing purchase transactions	(4,602)	(4,388,747)
Options exercised	(3,771)	(2,855,660)
Options outstanding, May 31, 2004	580	\$382,981

New York Municipal II:

Options outstanding, May 31, 2003	507	\$ 453,255
Options written	2,650	2,383,558
Options expired	(603)	(535,741)
Options terminated in closing purchase transactions	(1,296)	(1,137,033)
Options exercised	(1,058)	(1,031,976)
Options outstanding, May 31, 2004	200	\$132,063

PIMCO MUNICIPAL INCOME FUNDS II NOTES TO FINANCIAL STATEMENTS  
May 31, 2004

4. INCOME TAX INFORMATION

MUNICIPAL II:

The tax character of dividends and distributions paid were:

	Year Ended May 31, 2004	June 28, 2002 (commencement of operations)	through May 31, 2003
Ordinary Income	\$ 2,962,868	\$ 4,567,905	
Tax Exempt Income	57,922,636	51,126,211	
Long-Term Capital Gain	--	3,249,147	

At May 31, 2004, the tax character of distributable earnings of \$7,765,501 was composed entirely of tax exempt income.

At May 31, 2004, Municipal II had a capital loss carryforward of \$10,260,913, all of which will expire in 2012, available as a reduction, to the extent provided in the regulations, of any future net realized capital gains. To the extent that these losses are used to offset future realized capital gains, such gains will not be distributed.

CALIFORNIA MUNICIPAL II:

The tax character of dividends paid were:

	Year Ended May 31, 2004	June 28, 2002 (commencement of operations)	through May 31, 2003
Ordinary Income	\$ 649,740	\$ 406,539	
Tax Exempt Income	29,553,675	26,079,301	

At May 31, 2004, the tax character of distributable earnings of \$3,271,140 was composed entirely of tax exempt income.

At May 31, 2004, California Municipal II had a capital loss carryforward of \$7,337,041 (\$1,122,615 of which will expire in 2011 and \$6,214,426 of which will expire in 2012), available as a reduction, to the extent provided in the regulations, of any future net realized capital gains. To the extent that these losses are used to offset future realized capital gains, such gains will not be distributed.

NEW YORK MUNICIPAL II:

The tax character of dividends paid were:

	Year Ended May 31, 2004	June 28, 2002 (commencement of operations)	through May 31, 2003
Ordinary Income	\$ 66,166	\$ 35,774	
Tax Exempt Income	10,361,403	9,152,497	

At May 31, 2004, the tax character of distributable earnings of \$356,073 was composed entirely of tax exempt income.

At May 31, 2004, New York Municipal II had a capital loss carryforward of \$2,997,915 (\$214,685 of which expires in 2011 and \$2,783,230 of which will expire in 2012), available as a reduction, to the extent provided in the regulations, of any future net realized capital gains. To the extent that these losses are used to offset future realized capital gains, such gains will not be distributed.

5. AUCTION PREFERRED SHARES

Municipal II has issued 4,040 shares of Preferred Shares Series A, 4,040 shares of Preferred Shares Series B, 4,040 shares of Preferred Shares Series C, 4,040

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

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PIMCO MUNICIPAL INCOME FUNDS II NOTES TO FINANCIAL STATEMENTS  
May 31, 2004

5. AUCTION PREFERRED SHARES (CONCLUDED)

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

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

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

For the year ended May 31, 2004, the annualized dividend rates ranged from:

	High	Low	At 5/31/04
<hr/>			
MUNICIPAL II:			
Series A	2.00%	0.70%	1.05%
Series B	1.75%	0.70%	1.10%
Series C	2.00%	0.65%	1.07%
Series D	1.75%	0.45%	1.15%
Series E	1.75%	0.64%	1.05%
CALIFORNIA MUNICIPAL II:			
Series A	1.75%	0.39%	1.04%
Series B	1.75%	0.40%	1.05%
Series C	1.30%	0.40%	1.07%
Series D	1.75%	0.40%	1.07%
Series E	1.75%	0.40%	1.05%
NEW YORK MUNICIPAL II:			
Series A	1.15%	0.40%	0.95%
Series B	1.75%	0.45%	1.05%

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

Preferred Shares, which are entitled to one vote per share, generally vote with the common stock but vote separately as a class to elect two Trustees and on any matters affecting the rights of the Preferred Shares.

6. SUBSEQUENT COMMON DIVIDEND DECLARATIONS

On June 1, 2004, the following dividends were declared to common shareholders payable July 1, 2004 to shareholders of record on June 11, 2004:

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

On July 1, 2004, the following dividends were declared to common shareholders payable August 2, 2004 to shareholders of record on July 16, 2004:

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

## 7. LEGAL PROCEEDINGS

On May 6, 2004, the Securities and Exchange Commission (the "Commission") filed a complaint in the U.S. District Court in the Southern District of New York alleging that the Investment Manager, certain affiliates of the Investment Manager and Stephen J. Treadway (the chief executive officer of the Investment Manager as well as the Chairman and a trustee of the Funds) had, among other things, violated and/or aided and abetted violations of, various antifraud provisions of the federal securities laws in connection with alleged "market timing" arrangements in certain open-end investment companies advised by the Investment Manager. The complaint seeks injunctive relief, disgorgement plus pre-judgment interest, monetary penalties, and an order permanently enjoining the defendants from serving as investment advisers, principal underwriters, officers, directors, or members of any advisory boards to any registered investment companies.

The above complaint does not allege that any inappropriate activity took place in the Funds and the Funds are not named in the complaint.

In addition, on June 1, 2004, ADAM and certain other affiliates of the Investment Manager entered into a consent order and final judgment with the Attorney General of the State of New Jersey (the "NJAG") in settlement of a lawsuit filed by the NJAG on February 17, 2004 in connection with alleged "market timing" arrangements. Under the terms of the settlement, ADAM and certain of its affiliates agreed to pay the State of New Jersey a civil monetary penalty of \$15 million and \$3 million for investigative costs. In addition, ADAM and certain of its affiliates agreed to make several corporate governance changes. Also on June 1, 2004, the NJAG dismissed its claims against the Sub-Adviser, which had been filed as part of the same lawsuit.

If the Commission (or other regulator) were to obtain a court injunction against the Investment Manager, its affiliates or Mr. Treadway, they (including the Sub-Adviser) would, in the absence of exemptive relief granted by the Commission, be barred from serving as an investment adviser/sub-adviser or principal underwriter to any registered investment company, including the Funds. In such a case, the Investment Manager and the Sub-Adviser would in turn seek exemptive relief from the Commission, as contemplated by the Investment Company Act, although there is no assurance that such exemptive relief would be granted. The Commission also has the power by order to prohibit the Investment Manager, the Sub-Adviser and their affiliates from serving as investment advisers and underwriters, although to date it has not exercised such powers with respect to market timing arrangements involving other mutual fund complexes.

Since February, 2004, the Investment Manager, the Sub-Adviser and certain of their affiliates, various investment companies advised by the Investment Manager or the Sub-Adviser and their trustees (including Mr. Treadway) have been named as defendants in multiple lawsuits filed in U.S. District Court in the Southern District of New York, the Central District of California and the Districts of New Jersey and Connecticut. The lawsuits have been commenced as putative class actions on behalf of investors who purchased, held or redeemed shares of the specified funds during specific periods or as derivative actions on behalf of the specified funds. The lawsuits generally relate to the same facts that are the subject of the regulatory proceedings discussed above. The lawsuits seek, among other things, unspecified compensatory damages plus interest and, in some cases, punitive damages, the rescission of investment advisory contracts, and/or the return of fees paid under those contracts and restitution. The Funds have been named in several class action lawsuits. The Investment Manager and the Sub-Adviser believe that other similar lawsuits may be filed in U.S. federal or state courts naming ADAM, the Investment Manager, the Sub-Adviser, various investment companies they advise (which may include the Funds), their boards of trustees and/or their affiliates.

In November 2003, the Commission settled an enforcement action against an unaffiliated broker-dealer relating to the undisclosed receipt of fees from certain mutual fund companies in return for preferred marketing of their funds and announced that it would be investigating mutual funds and their distributors generally with respect to compensation arrangements relating to the sale of mutual fund shares. In that connection, the Investment Manager, the Sub-Adviser and certain of their affiliates are under investigation by the Commission relating to revenue-sharing arrangements and the use of brokerage commissions to recognize brokers effecting sales of open-end investment companies advised by the Investment Manager, the Sub-Adviser and their affiliates. In addition, the Attorney General of the State of California has publicly announced an investigation into the brokerage recognition and revenue-sharing arrangement of these open-end investment companies.

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

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PIMCO MUNICIPAL INCOME FUNDS II FINANCIAL HIGHLIGHTS  
For a share of common stock outstanding throughout each period

MUNICIPAL II		
	For the Year ended May 31, 2004	For the Period June 28, 2002* through May 31, 2003
Net asset value, beginning of period	\$14.66	\$14.33**
INCOME FROM INVESTMENT OPERATIONS:		
Net investment income	1.17	0.93
Net realized and unrealized gain (loss) on investments, futures contracts and options written	(0.77)	0.53
Total from investment operations	0.40	1.46
DIVIDENDS AND DISTRIBUTIONS ON PREFERRED SHARES FROM:		
Net investment income	(0.08)	(0.08)
Net realized gains	--	(0.01)
Total dividends and distributions on preferred shares	(0.08)	(0.09)
Net increase in net assets applicable to common shareholders resulting from investment operations	0.32	1.37
DIVIDENDS AND DISTRIBUTIONS TO COMMON SHAREHOLDERS FROM:		
Net investment income	(0.97)	(0.84)
Net realized gains	--	(0.09)
Total dividends and distributions to common shareholders	(0.97)	(0.93)
CAPITAL SHARE TRANSACTIONS:		
Common stock offering costs charged to paid-in capital in excess of par	--	(0.02)
Preferred shares offering costs/underwriting discounts charged to paid-in capital in excess of par	--	(0.09)
Total capital share transactions	--	(0.11)
Net asset value, end of period	\$14.01	\$14.66
Market price, end of period	\$13.31	\$14.80
TOTAL INVESTMENT RETURN (1)	(3.69)%	5.19%
RATIOS/SUPPLEMENTAL DATA:		
Net assets applicable to common shareholders, end of period (000)	\$812,670	\$846,885
Ratio of expenses to average net assets (2)(3)(5)	1.03%	0.95%(4)
Ratio of net investment income to average net assets (2)(5)	8.16%	6.99%(4)
Preferred shares asset coverage per share	\$65,224	\$66,920
Portfolio turnover	26%	27%

\* Commencement of operations

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

(1) Total investment return is calculated assuming a purchase of common stock at the current market price on the first day of each period and a sale at the current market price on the last day for each period reported. Dividends and distributions are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment return does not reflect brokerage commissions or sales charges. Total investment return for a period of less than one year is not annualized.

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

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

(4) Annualized.

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

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PIMCO MUNICIPAL INCOME FUNDS II FINANCIAL HIGHLIGHTS  
For a share of common stock outstanding throughout each period

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CALIFORNIA MUNICIPAL II

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For the Year	June 28, 2002*
ended	through
May 31, 2004	May 31, 2003

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Net asset value, beginning of period	\$14.66	\$14.33**
INCOME FROM INVESTMENT OPERATIONS:		
Net investment income	1.13	0.87
Net realized and unrealized gain (loss) on investments, futures contracts and options written	(1.26)	0.46
Total from investment operations	(0.13)	1.33
DIVIDENDS AND DISTRIBUTIONS ON PREFERRED SHARES FROM:		
Net investment income	(0.07)	(0.07)
Net realized gains	--	--
Total dividends and distributions on preferred shares	(0.07)	(0.07)
Net increase (decrease) in net assets applicable to common shareholders resulting from investment operations	(0.20)	1.26
DIVIDENDS AND DISTRIBUTIONS TO COMMON SHAREHOLDERS FROM:		
Net investment income	(0.93)	(0.81)
Net realized gains	--	--
Total dividends and distributions to common shareholders	(0.93)	(0.81)
CAPITAL SHARE TRANSACTIONS:		
Common stock offering costs charged to paid-in capital in excess of par	--	(0.02)
Preferred shares offering costs/underwriting discounts charged to paid-in capital in excess of par	--	(0.10)
Total capital share transactions	--	(0.12)
Net asset value, end of period	\$13.53	\$14.66
Market price, end of period	\$13.27	\$14.78
TOTAL INVESTMENT RETURN (1)	(3.92)%	4.23%
RATIOS/SUPPLEMENTAL DATA:		
Net assets applicable to common shareholders, end of period (000)	\$407,659	\$439,970
Ratio of expenses to average net assets (2)(3)(5)	1.07%	0.97%(4)
Ratio of net investment income to average net assets (2)(5)	8.08%	6.56%(4)
Preferred shares asset coverage per share	\$64,191	\$67,301
Portfolio turnover	43%	84%

\* Commencement of operations

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

(1) Total investment return is calculated assuming a purchase of common stock at the current market price on the first day of each period and a sale at the current market price on the last day for each period reported. Dividends and distributions are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment return does not reflect brokerage commissions or sales charges. Total investment return for a period of less than one year is not annualized.

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

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

(4) Annualized.

(5) During the periods indicated above, the Investment Manager waived a portion of its investment management fee. If such waiver had not been in effect, the

ratio of expenses to average net assets and the ratio of net investment income to average net assets would have been 1.31% and 7.83%, respectively for the year ended May 31, 2004 and 1.20% (annualized) and 6.34% (annualized), respectively for the period June 28, 2002 (commencement of operations) through May 31, 2003.

PIMCO MUNICIPAL INCOME FUNDS II FINANCIAL

HIGHLIGHTS For a share of common stock outstanding throughout each period

NEW YORK MUNICIPAL II		
	For the Period	
	For the Year ended May 31, 2004	June 28, 2002* through May 31, 2003
Net asset value, beginning of period	\$14.45	\$14.33**
INCOME FROM INVESTMENT OPERATIONS:		
Net investment income	1.06	0.86
Net realized and unrealized gain (loss) on investments, futures contracts and options written	(0.97)	0.28
Total from investment operations	0.09	1.14
DIVIDENDS AND DISTRIBUTIONS ON PREFERRED SHARES FROM:		
Net investment income	(0.07)	(0.08)
Net realized gains	--	--
Total dividends and distributions on preferred shares	(0.07)	(0.08)
Net increase in net assets applicable to common shareholders resulting from investment operations	0.02	1.06
DIVIDENDS AND DISTRIBUTIONS TO COMMON SHAREHOLDERS FROM:		
Net investment income	(0.93)	(0.81)
Net realized gains	--	--
Total dividends and distributions to common shareholders	(0.93)	(0.81)
CAPITAL SHARE TRANSACTIONS:		
Common stock offering costs charged to paid-in capital in excess of par	--	(0.03)
Preferred shares offering costs/underwriting discounts charged to paid-in capital in excess of par	--	(0.10)
Total capital share transactions	--	(0.13)
Net asset value, end of period	\$13.54	\$14.45
Market price, end of period	\$13.05	\$14.71
TOTAL INVESTMENT RETURN (1)	(5.15)%	3.76%
RATIOS/SUPPLEMENTAL DATA:		
Net assets applicable to common shareholders, end of period (000)	\$140,958	\$149,606
Ratio of expenses to average net assets (2)(3)(5)	1.15%	1.02%(4)
Ratio of net investment income to average net assets (2)(5)	7.58%	6.47%(4)
Preferred shares asset coverage per share	\$64,148	\$66,552
Portfolio turnover	18%	27%

\* Commencement of operations

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

(1) Total investment return is calculated assuming a purchase of common stock at the current market price on the first day of each period and a sale at the current market price on the last day for each period reported. Dividends are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment return does not reflect brokerage commissions or sales charges. Total investment return for a period of less than one year is not annualized.

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

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

(4) Annualized.

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

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PIMCO MUNICIPAL INCOME FUNDS II REPORT OF INDEPENDENT REGISTERED  
PUBLIC ACCOUNTING FIRM

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To the Shareholders and Board of Trustees of:

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

In our opinion, the accompanying statements of assets and liabilities, including the schedules of investments, and the related statements of operations and of changes in net assets applicable to common shareholders and the financial highlights present fairly, in all material respects, the financial position of PIMCO Municipal Income Fund II, PIMCO California Municipal Income Fund II and PIMCO New York Municipal Income Fund II (collectively hereafter referred to as the "Funds") at May 31, 2004, the results of each of their operations for the year then ended, and the changes in each of their net assets applicable to common shareholders and the financial highlights for the year then ended and for the period June 28, 2002 (commencement of operations) through May 31, 2003, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Funds' management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States), which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at May 31, 2004 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP  
New York, New York  
July 26, 2004

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PIMCO MUNICIPAL INCOME FUNDS II PRIVACY POLICY, PROXY VOTING POLICIES AND  
PROCEDURES, OTHER INFORMATION (unaudited)

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PRIVACY POLICY:

OUR COMMITMENT TO YOU

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

#### OBTAINING PERSONAL INFORMATION

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

#### RESPECTING YOUR PRIVACY

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

#### SHARING INFORMATION WITH THIRD PARTIES

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

#### SHARING INFORMATION WITH AFFILIATES

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

#### IMPLEMENTATION OF PROCEDURES

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

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#### PROXY VOTING POLICIES AND PROCEDURES:

A description of the policies and procedures that the Funds have adopted to determine how to vote proxies relating to portfolio securities is available (i) without charge, upon request, by calling the Funds at (800) 331-1710 (ii) on the Funds' website at [www.pimcoadvisors.com](http://www.pimcoadvisors.com) and (iii) on the Securities and Exchange Commission's website at [www.sec.gov](http://www.sec.gov).

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#### OTHER INFORMATION:

Since May 31, 2003, there have been no:(ii) material changes in the Funds' investment objectives or policies; (ii) changes to the Funds' charter or by-laws; (iii) material changes in the principal risk factors associated with investment in the Funds; or (iv) change in the persons primarily responsible for the day-to-day management of the Funds' portfolios.

## PIMCO MUNICIPAL INCOME FUNDS II TAX INFORMATION (unaudited)

Subchapter M of the Internal Revenue Code of 1986, as amended, requires the Funds to advise shareholders within 60 days of the Funds' tax year end (May 31, 2004) as to the federal tax status of dividends and distributions received by shareholders during such tax year. Accordingly, please note that substantially all dividends paid from net investment income from the Funds during the tax period ended May 31, 2004 were federally exempt interest dividends. However, these Funds invested in municipal bonds containing market discount, whose accretion is taxable. Accordingly, the percentage of dividends paid from net investment income during the tax period which are taxable were:

Municipal II	4.87%
California Municipal II	2.15%
New York Municipal II	0.63%

Since the Funds' fiscal year is not the calendar year, another notification will be sent with respect to calendar year 2004. In January 2005, you will be advised on IRS Form 1099 DIV as to the federal tax status of the dividends and distributions received during the calendar year 2004. The amount that will be reported, will be the amount to use on your 2004 federal income tax return and may differ from the amount which must be reported in connection with each Fund's tax year ended May 31, 2004. Shareholders are advised to consult with their tax advisers as to the federal, state and local tax status of the income received from the Funds. In January 2005, an allocation of interest by state will be provided which may be of value in reducing a shareholder's state or local tax liability, if any.

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## PIMCO MUNICIPAL INCOME FUNDS II DIVIDEND REINVESTMENT PLAN (unaudited)

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

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

- (1) If Common Shares are trading at or above net asset value on the payment date, the Fund will issue new shares at the greater of (i) the net asset value per Common Share on the payment date or (ii) 95% of the market price per Common Share on the payment date; or
- (2) If Common Shares are trading below net asset value (minus estimated brokerage commissions that would be incurred upon the purchase of Common Shares on the open market) on the payment date, the Plan Agent will receive the dividend or distribution in cash and will purchase Common Shares in the open market, on the New York Stock Exchange or elsewhere, for the participants' accounts. It is possible that the market price for the Common Shares may increase before the Plan Agent has completed its purchases. Therefore, the average purchase price per share paid by the Plan Agent may exceed the market price on the payment date, resulting in the purchase of fewer shares than if the dividend or distribution had been paid in Common Shares issued by the Fund. The Plan Agent will use all dividends and distributions received in cash to purchase Common Shares in the open market on or shortly after the payment date, but in no event later than the ex-dividend date for the next distribution. Interest

will not be paid on any uninvested cash payments.

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

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

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

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

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

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PIMCO MUNICIPAL INCOME FUNDS II BOARD OF TRUSTEES (unaudited)

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PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS:

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STEPHEN TREADWAY  
1345 Avenue of the Americas  
New York, NY 10105

Age: 56

TRUSTEE SINCE: 2002

TERM OF OFFICE: EXPECTED TO STAND FOR

RE-ELECTION AT 2005 ANNUAL MEETING OF SHAREHOLDERS

TRUSTEE/DIRECTOR OF 62 FUNDS IN FUND COMPLEX

TRUSTEE OF NO FUNDS OUTSIDE OF FUND COMPLEX

PAUL BELICA

1345 Avenue of the Americas  
New York, NY 10105

Age: 82

TRUSTEE SINCE: 2002

TERM OF OFFICE: EXPECTED TO STAND FOR

RE-ELECTION AT 2004 ANNUAL MEETING OF SHAREHOLDERS

TRUSTEE/DIRECTOR OF 20 FUNDS IN FUND COMPLEX

TRUSTEE OF NO FUNDS OUTSIDE OF FUND COMPLEX

ROBERT E. CONNOR

1345 Avenue of the Americas  
New York, NY 10105

Age: 69

TRUSTEE SINCE: 2002

TERM OF OFFICE: EXPECTED TO STAND FOR

RE-ELECTION AT 2006 ANNUAL MEETING OF SHAREHOLDERS

TRUSTEE/DIRECTOR OF 20 FUNDS IN FUND COMPLEX

TRUSTEE OF NO FUNDS OUTSIDE OF FUND COMPLEX

JOHN J. DALESSANDRO II

1345 Avenue of the Americas  
New York, NY 10105

Age: 66

TRUSTEE SINCE: 2002

TERM OF OFFICE: EXPECTED TO STAND FOR

RE-ELECTION AT 2004 ANNUAL MEETING OF SHAREHOLDERS

TRUSTEE OF 15 FUNDS IN FUND COMPLEX

TRUSTEE OF NO FUNDS OUTSIDE OF FUND COMPLEX

Managing Director, Allianz Dresdner Asset Management of America L.P.; Managing Director and Chief Executive Officer, PA Distributors LLC; Member of the Board of Management of Allianz Dresdner Asset Management GmbH. Mr. Treadway serves as a director/trustee and holds various executive officer positions in connection with Allianz Dresdner Asset Management of America L.P.'s affiliated open and closed-end mutual funds.

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

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

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

HANS W. KERTESS  
1345 Avenue of the Americas  
New York, NY 10105

Age: 64

TRUSTEE SINCE: 2002

TERM OF OFFICE: EXPECTED TO STAND FOR  
RE-ELECTION AT 2006 ANNUAL MEETING OF SHAREHOLDERS

TRUSTEE OF 15 FUNDS IN FUND COMPLEX

TRUSTEE OF NO FUNDS OUTSIDE OF FUND COMPLEX

R. PETER SULLIVAN III

1345 Avenue of the Americas  
New York, NY 10105

Age: 62

TRUSTEE SINCE: 2002

TERM OF OFFICE: EXPECTED TO STAND FOR  
RE-ELECTION AT 2005 ANNUAL MEETING OF SHAREHOLDERS

TRUSTEE OF 11 FUNDS IN FUND COMPLEX

TRUSTEE OF NO FUNDS OUTSIDE OF FUND COMPLEX

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

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

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#### TRUSTEES AND PRINCIPAL OFFICERS

Stephen Treadway  
Trustee, Chairman of the Board

Paul Belica  
Trustee

Robert E. Connor  
Trustee

John J. Dalessandro II  
Trustee

Hans W. Kertess  
Trustee

R. Peter Sullivan III  
Trustee

Brian S. Shlissel  
President & Chief Executive Officer

Newton B. Schott, Jr.  
Vice President & Secretary

Mark V. McCray  
Vice President

Lawrence G. Altadonna  
Treasurer, Principal Financial & Accounting Officer

Jennifer A. Patula  
Assistant Secretary

INVESTMENT MANAGER  
PA Fund Management LLC  
1345 Avenue of the Americas  
New York, NY 10105

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

TRANSFER AGENT, DIVIDEND PAYING AGENT AND REGISTRAR  
PFPC Inc.  
P.O. Box 43027  
Providence, RI 02940-3027

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM  
PricewaterhouseCoopers LLP  
1177 Avenue of the Americas  
New York, NY 10036

LEGAL COUNSEL  
Ropes & Gray LLP

One International Place  
Boston, MA 02210-2624

This report, including the financial information herein, is transmitted to the shareholders of PIMCO Municipal Income Fund II, PIMCO California Municipal Income Fund II and PIMCO New York Municipal Income Fund II for their information. It is not a prospectus, circular or representation intended for use in the purchase of shares of the Funds or any securities mentioned in this report.

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that from time to time each Fund may purchase shares of its common stock in the open market.

Information on the Funds is available at [www.pimcoadvisors.com](http://www.pimcoadvisors.com) or by calling 1-800-331-1710.

ITEM 2. CODE OF ETHICS

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

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

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES

- a) Audit fees. The aggregate fees billed for each of the last two fiscal years (the "Reporting Periods") for professional services rendered by the Registrant's principal accountant (the "Auditor") for the audit of the Registrant's annual financial statements, or services that are normally provided by the Auditor in connection with the statutory and regulatory filings or engagements for the Reporting Periods, were \$29,350 in 2003 and \$33,085 in 2004.
- b) Audit-Related Fees. The aggregate fees billed in the Reporting Periods for assurance and related services by the principal accountant that are reasonably related to the performance of the audit registrant's financial statements and are not reported under paragraph (e) of this Item were \$38,836 in 2003 and \$6,000 in 2004. These services consist of accounting consultations, agreed upon procedure reports (inclusive of annual review of basic maintenance testing associated with the Preferred Shares), attestation reports and comfort letters.
- c) Tax Fees. The aggregate fees billed in the Reporting Periods for professional services rendered by the Auditor for tax compliance, tax service and tax planning ("Tax Services") were \$4,700 in 2003 and \$4,700 in 2004. These services consisted of review or preparation of U.S. federal, state, local and excise tax returns.
- d) All Other Fees. There were no other fees billed in the Reporting Periods for products and services provided by the Auditor to the Registrant.
- e) 1. Audit Committee Pre-Approval Policies and Procedures. The Registrant's Audit Committee has established policies and procedures for pre-approval of all audit and permissible

non-

audit services by the Auditor for the Registrant, as well as the Auditor's engagements for non-audit services to the when the engagement relates directly to the operations and financial reporting of the Registrant. The Registrant's policy is stated below.

PIMCO Municipal Income Funds (THE "FUNDS")

AUDIT OVERSIGHT COMMITTEE POLICY FOR PRE-APPROVAL OF SERVICES PROVIDED BY THE INDEPENDENT ACCOUNTANTS

The Funds' Audit Oversight Committee ("Committee") is charged with the oversight of the Funds' financial reporting policies and practices and their internal controls. As part of this responsibility, the Committee must pre-approve any independent accounting firm's engagement to render audit and/or permissible non-audit services, as required by law. In evaluating a

proposed engagement by the independent accountants, the Committee will assess the effect that the engagement might reasonably be expected to have on the accountant's independence. The Committee's evaluation will be based on:

a review of the nature of the professional services expected to be provided,

the fees to be charged in connection with the services expected to be provided,

a review of the safeguards put into place by the accounting firm to safeguard independence, and

periodic meetings with the accounting firm.

POLICY FOR AUDIT AND NON-AUDIT SERVICES TO BE PROVIDED TO THE FUNDS

On an annual basis, the Funds' Committee will review and pre-approve the scope of the audits of the Funds and proposed audit fees and permitted non-audit (including audit-related) services that may be performed by the Funds' independent accountants. At least annually, the Committee will receive a report of all audit and non-audit services that were rendered in the previous calendar year pursuant to this Policy. In addition to the Committee's pre-approval of services pursuant to this Policy, the engagement of the independent accounting firm for any permitted non-audit service provided to the Funds will also require the separate written pre-approval of the President of the Funds, who will confirm, independently, that the accounting firm's engagement will not adversely affect the firm's independence. All non-audit services performed by the independent accounting firm will be disclosed, as required, in filings with the Securities and Exchange Commission.

AUDIT SERVICES

The categories of audit services and related fees to be reviewed and pre-approved annually by the Committee are:

Annual Fund financial statement audits  
Seed audits (related to new product filings, as required)  
SEC and regulatory filings and consents  
Semiannual financial statement reviews

AUDIT-RELATED SERVICES

The following categories of audit-related services are considered to be consistent with the role of the Fund's independent accountants and services

falling under one of these categories will be pre-approved by the Committee on an annual basis if the Committee deems those services to be consistent with the accounting firm's independence:

Accounting consultations  
Fund merger support services  
Agreed upon procedure reports (inclusive of quarterly review of Basic Maintenance testing associated with issuance of Preferred Shares and semiannual report review)  
Other attestation reports  
Comfort letters  
Other internal control reports

Individual audit-related services that fall within one of these categories and are not presented to the Committee as part of the annual pre-approval process described above, may be pre-approved, if deemed consistent with the accounting firm's independence, by the Committee Chair (or any other Committee member who is a disinterested trustee under the Investment Company Act to whom this responsibility has been delegated) so long as the estimated fee for those services does not exceed \$75,000. Any such pre-approval shall be reported to the full Committee at its next regularly scheduled meeting.

#### TAX SERVICES

The following categories of tax services are considered to be consistent with the role of the Funds' independent accountants and services falling under one of these categories will be pre-approved by the Committee on an annual basis if the Committee deems those services to be consistent with the accounting firm's independence:

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

Individual tax services that fall within one of these categories and are not presented to the Committee as part of the annual pre-approval process described above, may be pre-approved, if deemed consistent with the accounting firm's independence, by the Committee Chairman (or any other Committee member who is a disinterested trustee under the Investment Company Act to whom this responsibility has been delegated) so long as the estimated fee for those services does not exceed \$75,000. Any such pre-approval shall be reported to the full Committee at its next regularly scheduled meeting.

#### PROSCRIBED SERVICES

The Funds' independent accountants will not render services in the following categories of non-audit services:

Bookkeeping or other services related to the accounting records or financial statements of the Funds  
Financial information systems design and implementation  
Appraisal or valuation services, fairness opinions, or contribution-in-kind reports  
  
Actuarial services  
Internal audit outsourcing services  
Management functions or human resources  
Broker or dealer, investment adviser or investment banking services  
Legal services and expert services unrelated to the audit  
Any other service that the Public Company Accounting Oversight Board determines, by regulation, is impermissible

#### PRE-APPROVAL OF NON-AUDIT SERVICES PROVIDED TO OTHER ENTITIES WITHIN THE FUND COMPLEX

The Committee will pre-approve annually any permitted non-audit services to be provided to PA Fund Management LLC (Formerly, PIMCO Advisors Fund Management LLC) or any other investment manager to the Funds (but not including any sub-adviser whose role is primarily portfolio management and is sub-contracted by the investment manager) (the "Investment Manager") and any entity controlling, controlled by, or under common control with the Investment Manager that provides ongoing services to the Funds (including affiliated sub-advisers to the Funds), provided, in each case, that the engagement relates directly to the operations and financial reporting of the Funds (such entities, including the Investment Manager, shall be referred to herein as the "Accounting Affiliates"). Individual projects that are not presented to the Committee as part of the annual pre-approval process, may be pre-approved, if deemed consistent with the accounting firm's independence, by the Committee Chairman (or any other Committee member who is a disinterested trustee under the Investment Company Act to whom this responsibility has been delegated) so long as the estimated fee for those services does not exceed \$100,000. Any such pre-approval shall be reported to the full Committee at its next regularly scheduled meeting.

Although the Committee will not pre-approve all services provided to the Investment Manager and its affiliates, the Committee will receive an annual report from the Funds' independent accounting firm showing the aggregate fees for all services provided to the Investment Manager and its affiliates.

DE MINIMUS EXCEPTION TO REQUIREMENT OF PRE-APPROVAL OF NON-AUDIT SERVICES

With respect to the provision of permitted non-audit services to a Fund or Accounting Affiliates, the pre-approval requirement is waived if:

- (1) The aggregate amount of all such permitted non-audit services provided constitutes no more than (i) with respect to such services provided to the Fund, five percent (5%) of the total amount of revenues paid by the Fund to its independent accountant during the fiscal year in which the services are provided, and (ii) with respect to such services provided to Accounting Affiliates, five percent (5%) of the total amount of revenues paid to the Fund's independent accountant by the Fund and the Accounting Affiliates during the fiscal year in which the services are provided;
- (2) Such services were not recognized by the Fund at the time of the engagement for such services to be non-audit services; and
- (3) Such services are promptly brought to the attention of the Committee and approved prior to the completion of the audit by the Committee or by the Committee Chairman (or any other Committee member who is a disinterested trustee under the Investment Company Act to whom this Committee Chairman or other delegate shall be reported to the full Committee at its next regularly scheduled meeting.
  - e) 2. No services were approved pursuant to the procedures contained in paragraph (C) (7) (i) (C) of Rule 2-01 of Registration S-X.
  - f) Not applicable
  - g) Non-audit fees. The aggregate non-audit fees billed by the Auditor for services rendered to the Registrant, and rendered to the Adviser, for the 2003 Reporting Period was \$3,475,413 and for the 2004 Reporting Period was \$4,065,376.
  - h) Auditor Independence. The Registrant's Audit Oversight Committee has considered whether the provision of non-audit services that were rendered to the Adviser which were not pre-approved is compatible with maintaining the Auditor's independence.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANT Not applicable

ITEM 6. SCHEDULE OF INVESTMENTS Schedule of Investments is included as part of the report to shareholders filed under Item 1 of this form.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES The registrant has delegated the voting of proxies relating to its voting securities to its sub-adviser, Pacific Investment Management Co. (the "Sub-Adviser"). The Proxy Voting Policies and Procedures of the Sub-Adviser are included as an Exhibit 99.PROXYPOL hereto.

ITEM 8. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED COMPANIES. The registrant or any affiliated purchaser did not purchase shares or other units of any class of the registrant's equity security that is registered by the registrant pursuant to Section 12 of the Exchange Act (15 U.S.C. 781).

ITEM 9. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS In January 2004, the Registrant's Board of Trustees adopted a Nominating Committee Charter governing the affairs of the Nominating Committee of the Board, which is posted on the PIMCO Funds website at [www.pimcoadvisors.com](http://www.pimcoadvisors.com). Appendix B to the Nominating Committee Charter includes "Procedures for Shareholders to Submit Nominee Candidates," which sets forth the procedures by which shareholders may recommend nominees to the Registrant's Board of Trustees. Among other requirements, the procedures provide that the recommending shareholder must submit any recommendation in writing to the Registrant to the attention of the Registrant's Secretary, at the address of the principal executive offices of the Registrant and that such submission must be received at such offices not less than 45 days nor more than 75 days prior to the date of the Board or shareholder meeting at which the nominee would be elected. Any recommendation must include certain biographical and other information regarding the candidate and the recommending shareholder, and must include a written and signed consent of the candidate to be named as a nominee and to serve as a Trustee if elected. The foregoing

description of the requirements is only a summary and is qualified in its entirety by reference to Appendix B of the Nominating Committee Charter.

ITEM 10. CONTROLS AND PROCEDURES

(a) The registrant's President and Chief Executive Officer and Principal Financial Officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-2(c) under the Investment Company Act of 1940, as amended) are effective based on their evaluation of these

controls and procedures as of a date within 90 days of the filing date of this document.

(b) There were no significant changes in the registrant's internal controls or in factors that could affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

ITEM 11. EXHIBITS

(a) (1) Exhibit 99.CODE ETH- Code of Ethics

(a) (2) Exhibit 99.CERT - Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

(b) Exhibit 99.906CERT - Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Exhibit 99.PROXYPOL - Proxy Voting Policies and Procedures

Signature

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

PIMCO California Municipal Income Fund II

By /s/ Brian S. Shlissel

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Brian S. Shlissel, President & Chief Executive Officer

Date: August 5, 2004

By /s/ Lawrence G. Altadonna

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Lawrence G. Altadonna, Treasurer, Principal Financial & Accounting Officer

Date: August 5, 2004

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

-----

Brian S. Shlissel, President & Chief Executive Officer

Date: August 5, 2004

By /s/ Lawrence G. Altadonna

-----

Lawrence G. Altadonna, Treasurer, Principal Financial & Accounting Officer

Date: August 5, 2004

**DOCUMENT TYPE: EX-99.CODE ETH**

**EX-99.CODE ETH**

CODE OF ETHICS PURSUANT TO SECTION 406 OF THE SARBANES-OXLEY  
ACT OF 2002 FOR PRINCIPAL EXECUTIVE AND SENIOR FINANCIAL  
OFFICERS

SEPTEMBER 16, 2003

**I. COVERED OFFICERS/PURPOSE OF THE CODE**

This Code of Ethics (this "Code") pursuant to Section 406 of the Sarbanes-Oxley Act of 2002 has been adopted by the registered investment companies (each a "Fund" and, collectively, the "Funds") listed on Exhibit A and applies to each Fund's Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer (the "Covered Officers" each of whom is identified in Exhibit B) for the purpose of promoting:

- o honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- o full, fair, accurate, timely and understandable disclosure in reports and documents that a Fund files with, or submits to, the Securities and Exchange Commission ("SEC") and in other public communications made by a Fund;
- o compliance with applicable laws and governmental rules and regulations;
- o the prompt internal reporting of violations of the Code to an appropriate person or persons identified in the Code; and
- o accountability for adherence to the Code.

Each Covered Officer should adhere to a high standard of business ethics and should be sensitive to situations that may give rise to conflicts of interest.

**II. COVERED OFFICERS SHOULD HANDLE ETHICALLY ANY ACTUAL OR APPARENT CONFLICTS OF INTEREST**

**OVERVIEW.** A "conflict of interest" occurs when a Covered Officer's private interest interferes with the interests of, or his service to, the relevant Fund. For example, a conflict of interest would arise if a Covered Officer, or a member of the Covered Officer's family, receives improper personal benefits as a result of the Covered Officer's position with the relevant Fund.

Certain conflicts of interest arise out of the relationships between Covered Officers and the relevant Fund and already are subject to conflict of interest provisions

and procedures in the Investment Company Act of 1940 (including the regulations thereunder, the "1940 Act") and the Investment Advisers Act of 1940 (including the regulations thereunder, the "Investment Advisers Act"). Indeed, conflicts of interest are endemic for certain registered management investment companies and those conflicts are both substantially and procedurally dealt with under the 1940 Act. For example, Covered Officers may not engage in certain transactions with a Fund because of their status as "affiliated persons" of such Fund. The compliance program of each Fund and the compliance programs of its investment advisers (including sub-advisers), principal underwriter and administrator or sub-administrator (each a "Service Provider" and, collectively, the "Service Providers") are reasonably designed to prevent, or identify and correct, violations of many of those provisions, although they are not designed to provide absolute assurance as to those matters. This Code does not, and is not intended to, repeat or replace these programs and procedures, and such conflicts fall outside of the parameters of this Code. See also Section V of this Code.

Although typically not presenting an opportunity for improper personal benefit, conflicts arise from, or as a result of, the contractual relationship between a Fund and its Service Providers of which the Covered Officers are also officers or employees. As a result, this Code recognizes that the Covered

Officers will, in the normal course of their duties (whether for the Funds or for a Service Provider, or for both), be involved in establishing policies and implementing decisions that will have different effects on the Service Providers and the Funds. The participation of the Covered Officers in such activities is inherent in the contractual relationships between the Funds and their Service Providers and is consistent with the performance by the Covered Officers of their duties as officers of the relevant Fund. Thus, if performed in conformity with the provisions of the 1940 Act, the Investment Advisers Act, other applicable law and the relevant Fund's constitutional documents, such activities will be deemed to have been handled ethically. Frequently, the 1940 Act establishes, as a mechanism for dealing with conflicts, disclosure to and approval by the Directors/Trustees of a Fund who are not "interested persons" of such Fund under the 1940 Act. In addition, it is recognized by the Funds' Boards of Directors/Trustees ("Boards") that the Covered Officers may also be officers or employees of one or more other investment companies covered by this or other codes and that such service, by itself, does not give rise to a conflict of interest.

Other conflicts of interest are covered by the Code, even if such conflicts of interest are not the subject of provisions of the 1940 Act and the Investment Advisers Act. The following list provides examples of conflicts of interest under the Code, but Covered Officers should bear in mind that these examples are not exhaustive. The overarching principle is that the personal interest of a Covered Officer should not be placed improperly before the interest of the relevant Fund, unless the personal interest has been disclosed to and approved by other officers of such Fund or such Fund's Board or a committee of such Fund's Board that has no such personal interest.

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Each Covered Officer must not:

- use his personal influence or personal relationships improperly to influence investment decisions or financial reporting by the relevant Fund whereby the Covered Officer would benefit personally to the detriment of such Fund;
- cause the relevant Fund to take action, or fail to take action, for the individual personal benefit of the Covered Officer rather than the benefit such Fund; or
- retaliate against any other Covered Officer or any employee of the Funds or their Service Providers for reports of potential violations that are made in good faith.

There are some conflict of interest situations that should always be approved by the President of the relevant Fund (or, with respect to activities of the President, by the Chairman of the relevant Fund). These conflict of interest situations are listed below:

- service on the board of directors or governing board of a publicly traded entity;
- acceptance of any investment opportunity or of any material gift or gratuity from any person or entity that does business, or desires to do business, with the relevant Fund. For these purposes, material gifts do not include (i) gifts from a single giver so long as their aggregate annual value does not exceed the equivalent of \$100.00 or (ii) attending business meals, business related conferences, sporting events and other entertainment events at the expense of a giver, so long as the expense is reasonable and both the Covered Person and the giver are present.(1)
- any ownership interest in, or any consulting or employment relationship with, any entities doing business with the relevant Fund, other than a Service Provider or an affiliate of a Service Provider. This restriction shall not apply to or otherwise limit the ownership of publicly traded securities so long as the Covered Person's ownership does not exceed more than 2% of the outstanding securities of the relevant class.
- a direct or indirect financial interest in commissions, transaction charges or spreads paid by the relevant Fund for effecting portfolio transactions or for selling or redeeming shares other than an interest arising from the Covered Officer's employment with a Service Provider or its affiliate.

This restriction shall not apply to or otherwise limit the ownership of

(1) The \$100.00 threshold was taken from the ADAMA Code of Ethics.

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publicly traded securities so long as the Covered Person's ownership does not exceed more than 2% of the particular class of security outstanding.

III. DISCLOSURE AND COMPLIANCE

- o no Covered Officer should knowingly misrepresent, or cause others to misrepresent, facts about the relevant Fund to others, whether within or outside such Fund, including to such Fund's Board and auditors, and to governmental regulators and self-regulatory organizations;
- o each Covered Officer should, to the extent appropriate within his area of responsibility, consult with other officers and employees of the Funds and the Service Providers or with counsel to the Funds with the goal of promoting full, fair, accurate, timely and understandable disclosure in the registration statements or periodic reports that the Funds file with, or submit to, the SEC (which, for sake of clarity, does not include any sales literature, omitting prospectuses, or "tombstone" advertising prepared by the relevant Fund's principal underwriter(s)); and
- o it is the responsibility of each Covered Officer to promote compliance with the standards and restrictions imposed by applicable laws, rules and regulations.

IV. REPORTING AND ACCOUNTABILITY

Each Covered Officer must:

- o upon adoption of the Code (or thereafter as applicable, upon becoming a Covered Officer), affirm in writing to the relevant Fund that he has received, read, and understands the Code;
- o provide full and fair responses to all questions asked in any Trustee and Officer Questionnaire provided by the relevant Fund as well as with respect to any supplemental request for information; and
- o notify the President of the relevant Fund promptly if he is convinced to a moral certainty that there has been a material violation of this Code (with respect to violations by a President, the Covered Officer shall report to the Chairman of the relevant Fund).

The President of each Fund is responsible for applying this Code to specific situations in which questions are presented under it and has the authority to interpret this Code in any particular situation. However, any approvals or waivers sought by the President will be considered by the Chairman of the relevant Fund.

The Funds will follow these procedures in investigating and enforcing this Code:

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- o the President will take all appropriate action to investigate any potential material violations reported to him, which actions may include the use of internal or external counsel, accountants or other personnel;
- o if, after such investigation, the President believes that no material violation has occurred, the President is not required to take any further action;
- o any matter that the President believes is a material violation will be reported to the Committee;
- o if the Committee concurs that a material violation has occurred, it will inform and make a recommendation to the

- Board, which will consider appropriate action, which may include review of, and appropriate modifications to applicable policies and procedures; notification to appropriate personnel of a Service Provider or its board; or a recommendation to dismiss the Covered Officer;
- o the Committee will be authorized to grant waivers, as it deems appropriate; and
  - o any changes to or waivers of this Code will, to the extent required, be disclosed as provided by SEC rules.

V. OTHER POLICIES AND PROCEDURES

This Code shall be the sole code of ethics adopted by the Funds for purposes of Section 406 of the Sarbanes-Oxley Act and the rules and forms applicable to registered investment companies thereunder. Insofar as other policies or procedures of the Funds or the Funds' Service Providers govern or purport to govern the behavior or activities of the Covered Officers who are subject to this Code, they are superseded by this Code to the extent that they conflict with the provisions of this Code. The Funds' and their Service Providers's codes of ethics under Rule 17j-1 under the 1940 Act and the Service Providers's more detailed compliance policies and procedures are separate requirements applying to the Covered Officers and others, and are not part of this Code.

VI. AMENDMENTS

Any material amendments to this Code, other than amendments to Exhibit A, must be approved or ratified by a majority vote of the Board.

VII. CONFIDENTIALITY

All reports and records prepared or maintained pursuant to this Code will be considered confidential and shall be maintained and protected accordingly. Except as otherwise required by law or this Code, such matters shall not be disclosed to anyone except as permitted by the Board.

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VIII. INTERNAL USE

The Code is intended solely for the internal use by the Funds and does not constitute an admission, by or on behalf of any Fund, as to any fact, circumstance, or legal conclusion.

Date: September 16, 2003

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EXHIBIT A

Registered Investment Companies

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PIMCO Municipal Income Fund I/II/III

PIMCO California Municipal Income Fund I/II/III

PIMCO New York Municipal Income Fund I/II/III

PIMCO Corporate Income Fund

PIMCO Corporate Opportunity Fund

Nicholas-Applegate Convertible & Income Fund

PIMCO High Income Fund

Nicholas-Applegate Convertible & Income Fund II

PIMCO Floating Rate Income Fund

Municipal Advantage Fund Inc.

Fixed Income Shares

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Persons Covered by this Code of Ethics

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----- PRINCIPAL EXECUTIVE OFFICER ----- PRINCIPAL FINANCIAL OFFICER ----- PRINCIPAL ACCOUNTING OFFICER -----

----- Brian S. Shlissel -----

----- Lawrence G. Altadonna -----

----- Lawrence G. Altadonna -----

Note that the listed officers are "Covered Officers" of each of the Funds listed  
on Exhibit A.

**DOCUMENT TYPE: EX-99.CERT**

EX-99.CERT

FORM N-CSR CERTIFICATION

I, Brian S. Shlissel, certify that:

1. I have reviewed this report on the Form N-CSR of the PIMCO California Municipal Income Fund II;
2. Based on my knowledge, the report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, changes in net assets, and cash flows (if the financial statements are required to include a statement of cash flows) of the registrant as of, and for, the periods in the report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-2(c) under the Investment Company Act of 1940) for the registrant and have:
  - (a) Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this report (the "Evaluation Date"); and
  - (c) Presented in this report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize, and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated: August 5, 2004

/s/ Brian S. Shlissel

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Brian S. Shlissel  
President & Chief Executive Officer

FORM N-CSR CERTIFICATION

I, Lawrence G. Altadonna, certify that:

1. I have reviewed this report on the Form N-CSR of the PIMCO California Municipal Income Fund II;
2. Based on my knowledge, the report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, changes in net assets, and cash flows (if the financial statements are required to include a statement of cash flows) of the registrant as of, and for, the periods in the report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-2(c) under the Investment Company Act of 1940) for the registrant and have:
  - (a) Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this report (the "Evaluation Date"); and
  - (c) Presented in this report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize, and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated: August 5, 2004

/s/ Lawrence G. Altadonna

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Lawrence G. Altadonna  
Treasurer, Principal Financial & Accounting Officer

**DOCUMENT TYPE: EX-99.906CERT**

EX-99.906CERT

Pursuant to 18 U.S.C ss. 1350, the undersigned officer of PIMCO California Municipal Income Fund II (the "Registrant"), hereby certifies, to the best of his knowledge, that the Registrant's report on Form N-CSR for the period ended May 31, 2004 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Dated: August 5, 2004

BY /s/ Brian S. Shlissel

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Brian S. Shlissel  
President and Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the version of this written statement required by Section 906, has been provided to PIMCO California Municipal Income Fund II and will be retained by PIMCO California Municipal Income Fund II and furnished to the Securities and Exchange Commission or its staff upon request.

This certification is being furnished solely pursuant to 18 U.S.C. ss 1350 and is not being filed as part of the Report or as a separate disclosure document.

Pursuant to 18 U.S.C ss. 1350, the undersigned officer of PIMCO California Municipal Income Fund II (the "Registrant"), hereby certifies, to the best of his knowledge, that the Registrant's report on Form N-CSR for the period ended May 31, 2004 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Dated: August 5, 2004

BY /s/ Lawrence G. Altadonna

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Lawrence G. Altadonna  
Treasurer, Principal Financial & Accounting Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the version of this written statement required by Section 906, has been provided to PIMCO California Municipal Income Fund II and will be retained by PIMCO

California Municipal Income Fund II and furnished to the Securities and Exchange Commission or its staff upon request.

This certification is being furnished solely pursuant to 18 U.S.C. ss 1350 and is not being filed as part of the Report or as a separate disclosure document.

**DOCUMENT TYPE: EX-99.PROXYPOL**

**EXHIBIT-99.PROXYPOL**

PACIFIC INVESTMENT MANAGEMENT COMPANY LLC

**PROXY VOTING POLICIES AND PROCEDURES**

The following are general proxy voting policies and procedures ("Policies and Procedures") adopted by Pacific Investment Management Company LLC ("PIMCO"), an investment adviser registered under the Investment Advisers Act of 1940, as amended ("Advisers Act").(1) PIMCO serves as the investment adviser to a wide range of domestic and international clients, including investment companies registered under the Investment Company Act of 1940, as amended ("1940 Act") and separate investment accounts for other clients.(2) These Policies and Procedures are adopted to ensure compliance with Rule 206(4)-6 under the Advisers Act, other applicable fiduciary obligations of PIMCO and the applicable rules and regulations of the Securities and Exchange Commission ("SEC") and interpretations of its staff. In addition to SEC requirements governing advisers, PIMCO's Policies and Procedures reflect the long-standing fiduciary standards and responsibilities applicable to investment advisers with respect to accounts subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), as set forth in the Department of Labor's rules and regulations.(3)

PIMCO will implement these Policies and Procedures for each of its respective clients as required under applicable law, unless expressly directed by a client in writing to refrain from voting that client's proxies. PIMCO's authority to vote proxies on behalf of its clients is established by its advisory contracts, comparable documents or by an overall delegation of discretionary authority over its client's assets. Recognizing that proxy voting is a rare event in the realm of fixed income investing and is typically limited to solicitation of consent to changes in features of debt securities, these Policies and Procedures also apply to any voting rights and/or consent rights of PIMCO, on behalf of its clients, with respect to debt securities, including but not limited to, plans of reorganization, and waivers and consents under applicable indentures.(4)

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- (1) These Policies and Procedures are adopted by PIMCO pursuant to Rule 206(4)-6 under the Advisers Act, effective August 6, 2003. SEE PROXY VOTING BY INVESTMENT ADVISERS, IA Release No. 2106 (January 31, 2003).
- (2) These Policies and Procedures address proxy voting considerations under U.S. law and regulations and do not address the laws or requirements of other jurisdictions.
- (3) Department of Labor Bulletin 94-2, 29 C.F.R. 2509.94-2 (July 29, 1994). If a client is subject to ERISA, PIMCO will be responsible for voting proxies with respect to the client's account, unless the client has expressly retained the right and obligation to vote the proxies, and provided prior written notice to PIMCO of this retention.
- (4) For purposes of these Policies and Procedures, proxy voting includes any voting rights, consent rights or other voting authority of PIMCO on behalf of its clients.

Set forth below are PIMCO's Policies and Procedures with respect to any voting or consent rights of advisory clients over which PIMCO has discretionary voting authority. These Policies and Procedures may be revised from time to time.

**GENERAL STATEMENTS OF POLICY**

These Policies and Procedures are designed and implemented in a manner reasonably expected to ensure that voting and consent rights are exercised in the best interests of PIMCO's clients. Each proxy is voted on a case-by-case basis taking into consideration any relevant contractual obligations as well as other relevant facts and circumstances.

PIMCO may abstain from voting a client proxy under the following circumstances: (1) when the economic effect on shareholders' interests or the value of the portfolio holding is indeterminable or insignificant; or (2) when the cost of voting the proxies outweighs the benefits.

## CONFLICTS OF INTEREST

PIMCO seeks to resolve any material conflicts of interest by voting in good faith in the best interest of its clients. If a material conflict of interest should arise, PIMCO will seek to resolve such conflict in the client's best interest by pursuing any one of the following courses of action:

1. convening an ad-hoc committee to assess and resolve the conflict; (5)
2. voting in accordance with the instructions/consent of a client after providing notice of and disclosing the conflict to that client;
3. voting the proxy in accordance with the recommendation of an independent third-party service provider;
4. suggesting that the client engage another party to determine how the proxies should be voted;
5. delegating the vote to an independent third-party service provider; or
6. voting in accordance with the factors discussed in these Policies and Procedures.

PIMCO will document the process of resolving any identified material conflict of interest.

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- (5) Any committee must be comprised of personnel who have no direct interest in the outcome of the potential conflict.

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## REPORTING REQUIREMENTS AND THE AVAILABILITY OF PROXY VOTING RECORDS

Except to the extent required by applicable law or otherwise approved by PIMCO, PIMCO will not disclose to third parties how it voted a proxy on behalf of a client. However, upon request from an appropriately authorized individual, PIMCO will disclose to its clients or the entity delegating the voting authority to PIMCO for such clients (E.G., trustees or consultants retained by the client), how PIMCO voted such client's proxy. In addition, PIMCO provides its clients with a copy of these Policies and Procedures or a concise summary of these Policies and Procedures: (i) in Part II of Form ADV; (ii) together with a periodic account statement in a separate mailing; or (iii) any other means as determined by PIMCO. The summary will state that these Policies and Procedures are available upon request and will inform clients that information about how PIMCO voted that client's proxies is available upon request.

## PIMCO RECORD KEEPING

PIMCO or its agent maintains proxy voting records as required by Rule 204-2(c) of the Advisers Act. These records include: (1) a copy of all proxy voting policies and procedures; (2) proxy statements (or other disclosures accompanying requests for client consent) received regarding client securities (which may be satisfied by relying on obtaining a copy of a proxy statement from the SEC's Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system or a third party provided that the third party undertakes to provide a copy promptly upon request); (3) a record of each vote cast by PIMCO on behalf of a client; (4) a copy of any document created by PIMCO that was material to making a decision on how to vote proxies on behalf of a client or that memorializes the basis for that decision; and (5) a copy of each written client request for proxy voting records and any written response from PIMCO to any (written or oral) client request for such records. Additionally, PIMCO or its agent maintains any documentation related to an identified material conflict of interest.

Proxy voting books and records are maintained by PIMCO or its agent in an easily accessible place for a period of five years from the end of the fiscal year during which the last entry was made on such record, the first two years in the offices of PIMCO or its agent.

## REVIEW AND OVERSIGHT

PIMCO's proxy voting procedures are described below. PIMCO's Compliance Group will provide for the supervision and periodic review, no less than on a quarterly basis, of its proxy voting activities and the implementation of these Policies and Procedures.

Because PIMCO has contracted with State Street Investment Manager Solutions, LLC ("IMS West") to perform portfolio accounting, securities processing and settlement processing on behalf of PIMCO, certain of the following procedures involve IMS West in administering and implementing the proxy voting process. IMS West will review and monitor the proxy voting process to ensure that proxies are voted on a timely basis.

1. TRANSMIT PROXY TO PIMCO. IMS West will forward to PIMCO's Middle Office Group each proxy received from registered owners of record (e.g., custodian bank or other third party service providers).

2. CONFLICTS OF INTEREST. PIMCO's Middle Office Group will review each proxy to determine whether there may be a material conflict between PIMCO and its client. As part of this review, the group will determine whether the issuer of the security or proponent of the proposal is a client of PIMCO, or if a client has actively solicited PIMCO to support a particular position. If no conflict exists, this group will forward each proxy to the appropriate portfolio manager for consideration. However, if a conflict does exist, PIMCO's Middle Office Group will seek to resolve any such conflict in accordance with these Policies and Procedures.

3. VOTE. The portfolio manager will review the information, will vote the proxy in accordance with these Policies and Procedures and will return the voted proxy to PIMCO's Middle Office Group.

4. REVIEW. PIMCO's Middle Office Group will review each proxy that was submitted to and completed by the appropriate portfolio manager. PIMCO's Middle Office Group will forward the voted proxy back to IMS West with the portfolio manager's decision as to how it should be voted.

5. TRANSMITTAL TO THIRD PARTIES. IMS West will document the portfolio manager's decision for each proxy received from PIMCO's Middle Office Group in a format designated by the custodian bank or other third party service provider. IMS West will maintain a log of all corporate actions, including proxy voting, which indicates, among other things, the date the notice was received and verified, PIMCO's response, the date and time the custodian bank or other third party service provider was notified, the expiration date and any action taken.

6. INFORMATION BARRIERS. Certain entities controlling, controlled by, or under common control with PIMCO ("Affiliates") may be engaged in banking, investment advisory, broker-dealer and investment banking activities. PIMCO personnel and PIMCO's agents are prohibited from disclosing information regarding PIMCO's voting intentions to any Affiliate. Any PIMCO personnel involved in the proxy voting process who are contacted by an Affiliate regarding the manner in which PIMCO or its delegate intend to vote on a specific issue must terminate the contact and notify the Compliance Group immediately.

#### CATEGORIES OF PROXY VOTING ISSUES

In general, PIMCO reviews and considers corporate governance issues related to proxy matters and generally supports proposals that foster good corporate governance practices. PIMCO considers each proposal on a case-by-case basis, taking into consideration various factors and all relevant facts and circumstances at the time of the vote. PIMCO may vote proxies as recommended by management on routine matters related to the operation of the issuer and on matters not expected to have a significant economic impact on the issuer and/or shareholders, because PIMCO believes the recommendations by the issuer generally are in shareholders' best

interests, and therefore in the best economic interest of PIMCO's clients. The following is a non-exhaustive list of issues that may be included in proxy materials submitted to clients of PIMCO, and a non-exhaustive list of factors that PIMCO may consider in determining how to vote the client's proxies.

#### BOARD OF DIRECTORS

1. INDEPENDENCE. PIMCO may consider the following factors when voting on director independence issues: (i) majority requirements for the board and the audit, nominating, compensation and/or other board committees; and (ii) whether the issuer adheres to and/or is subject to legal and regulatory requirements.

2. DIRECTOR TENURE AND RETIREMENT. PIMCO may consider the following factors when voting on limiting the term of outside directors: (i) the introduction of new viewpoints on the board; (ii) a reasonable retirement age

for the outside directors; and (iii) the impact on the board's stability and continuity.

3. NOMINATIONS IN ELECTIONS. PIMCO may consider the following factors when voting on uncontested elections: (i) composition of the board; (ii) nominee availability and attendance at meetings; (iii) any investment made by the nominee in the issuer; and (iv) long-term corporate performance and the price of the issuer's securities.

4. SEPARATION OF CHAIRMAN AND CEO POSITIONS. PIMCO may consider the following factors when voting on proposals requiring that the positions of chairman of the board and the chief executive officer not be filled by the same person: (i) any potential conflict of interest with respect to the board's ability to review and oversee management's actions; and (ii) any potential effect on the issuer's productivity and efficiency.

5. D&O INDEMNIFICATION AND LIABILITY PROTECTION. PIMCO may consider the following factors when voting on proposals that include director and officer indemnification and liability protection: (i) indemnifying directors for conduct in the normal course of business; (ii) limiting liability for monetary damages for violating the duty of care; (iii) expanding coverage beyond legal expenses to acts that represent more serious violations of fiduciary obligation than carelessness (E.G. negligence); and (iv) providing expanded coverage in cases where a director's legal defense was unsuccessful if the director was found to have acted in good faith and in a manner that he or she reasonably believed was in the best interests of the company.

6. STOCK OWNERSHIP. PIMCO may consider the following factors when voting on proposals on mandatory share ownership requirements for directors: (i) the benefits of additional vested interest in the issuer's stock; (ii) the ability of a director to fulfill his duties to the issuer regardless of the extent of his stock ownership; and (iii) the impact of limiting the number of persons qualified to be directors.

#### PROXY CONTESTS AND PROXY CONTEST DEFENSES

1. CONTESTED DIRECTOR NOMINATIONS. PIMCO may consider the following factors when voting on proposals for director nominees in a contested election: (i) background and reason for the proxy contest; (ii) qualifications of the director nominees; (iii) management's track record; (iv) the issuer's long-term financial performance within its industry; (v) assessment of what each side is offering shareholders; (vi) the likelihood that the proposed objectives and goals can be met; and (vii) stock ownership positions of the director nominees.

2. REIMBURSEMENT FOR PROXY SOLICITATION EXPENSES. PIMCO may consider the following factors when voting on reimbursement for proxy solicitation expenses: (i) identity of the persons who will pay the expenses; (ii) estimated total cost of solicitation; (iii) total expenditures to date; (iv) fees to be paid to proxy solicitation firms; and (v) when applicable, terms of a proxy contest settlement.

3. ABILITY TO ALTER THE SIZE OF THE BOARD BY SHAREHOLDERS. PIMCO may consider whether the proposal seeks to fix the size of the board and/or require shareholder approval to alter the size of the board.

4. ABILITY TO REMOVE DIRECTORS BY SHAREHOLDERS. PIMCO may consider whether the proposal allows shareholders to remove directors with or without cause and/or allow shareholders to elect directors and fill board vacancies.

5. CUMULATIVE VOTING. PIMCO may consider the following factors when voting on cumulative voting proposals: (i) the ability of significant stockholders to elect a director of their choosing; (ii) the ability of minority shareholders to concentrate their support in favor of a director(s) of their choosing; and (iii) any potential limitation placed on the director's ability to work for all shareholders.

6. SUPERMAJORITY SHAREHOLDER REQUIREMENTS. PIMCO may consider all relevant factors, including but not limited to limiting the ability of shareholders to effect change when voting on supermajority requirements to approve an issuer's charter or bylaws, or to approve a merger or other significant business combination that would require a level of voting approval in excess of a simple majority.

#### TENDER OFFER DEFENSES

1. CLASSIFIED BOARDS. PIMCO may consider the following factors when voting on classified boards: (i) providing continuity to the issuer; (ii)

promoting long-term planning for the issuer; and (iii) guarding against unsolicited takeovers.

2. POISON PILLS. PIMCO may consider the following factors when voting on poison pills: (i) supporting proposals to require a shareholder vote on other shareholder rights plans; (ii) ratifying or redeeming a poison pill in the interest of protecting the value of the issuer; and (iii) other alternatives to prevent a takeover at a price clearly below the true value of the issuer.

3. FAIR PRICE PROVISIONS. PIMCO may consider the following factors when voting on proposals with respect to fair price provisions: (i) the vote required to approve the proposed acquisition; (ii) the vote required to repeal the fair price provision; (iii) the mechanism for determining fair price; and (iv) whether these provisions are bundled with other anti-takeover measures (E.G., supermajority voting requirements) that may entrench management and discourage attractive tender offers.

#### CAPITAL STRUCTURE

1. STOCK AUTHORIZATIONS. PIMCO may consider the following factors to help distinguish between legitimate proposals to authorize increases in common stock for expansion and other corporate purchases and those proposals designed primarily as an anti-takeover device: (i) the purpose and need for the stock increase; (ii) the percentage increase with respect to the authorization currently in place; (iii) voting rights of the stock; and (iv) overall capitalization structure of the issuer.

2. ISSUANCE OF PREFERRED STOCK. PIMCO may consider the following factors when voting on the issuance of preferred stock: (i) whether the new class of preferred stock has unspecified voting, conversion, dividend distribution, and other rights; (ii) whether the issuer expressly states that the stock will not be used as a takeover defense or carry superior voting rights; (iii) whether the issuer specifies the voting, dividend, conversion, and other rights of such stock and the terms of the preferred stock appear reasonable; and (iv) whether the stated purpose is to raise capital or make acquisitions in the normal course of business.

3. STOCK SPLITS. PIMCO may consider the following factors when voting on stock splits: (i) the percentage increase in the number of shares with respect to the issuer's existing authorized shares; and (ii) the industry that the issuer is in and the issuer's performance in that industry.

4. REVERSED STOCK SPLITS. PIMCO may consider the following factors when voting on reverse stock splits: (i) the percentage increase in the shares with respect to the issuer's existing authorized stock; and (ii) issues related to delisting of the issuer's stock.

#### EXECUTIVE AND DIRECTOR COMPENSATION

1. STOCK OPTION PLANS. PIMCO may consider the following factors when voting on stock option plans: (i) whether the stock option plan expressly permits the repricing of options; (ii) whether the plan could result in earnings dilution of greater than a specified percentage of shares outstanding; (iii) whether the plan has an option exercise price below the market price on the day of the grant; (iv) whether the proposal relates to an amendment to extend the term of options for persons leaving the firm voluntarily or for cause; and (v) whether the stock option plan has certain other embedded features.

2. DIRECTOR COMPENSATION. PIMCO may consider the following factors when voting on director compensation: (i) whether director shares are at the same market risk as those of the issuer's shareholders; and (ii) how stock option programs for outside directors compare with the standards of internal stock option programs.

3. GOLDEN AND TIN PARACHUTES. PIMCO may consider the following factors when voting on golden and/or tin parachutes: (i) whether they will be submitted for shareholder approval; and (ii) the employees covered by the plan and the quality of management.

#### STATE OF INCORPORATION

STATE TAKEOVER STATUTES. PIMCO may consider the following factors when voting on proposals to opt out of a state takeover statute: (i) the power the statute vests with the issuer's board; (ii) the potential of the statute to stifle bids; and (iii) the potential for the statute to empower the board to

negotiate a better deal for shareholders.

#### MERGERS AND RESTRUCTURINGS

1. MERGERS AND ACQUISITIONS. PIMCO may consider the following factors when voting on a merger and/or acquisition: (i) anticipated financial and operating benefits as a result of the merger or acquisition; (ii) offer price; (iii) prospects of the combined companies; (iv) how the deal was negotiated; and (v) changes in corporate governance and the potential impact on shareholder rights. PIMCO may also consider what impact the merger or acquisition may have on groups/organizations other than the issuer's shareholders.

2. CORPORATE RESTRUCTURINGS. With respect to a proxy proposal that includes a spin-off, PIMCO may consider the tax and regulatory advantages, planned use of sale proceeds, market focus, and managerial incentives. With respect to a proxy proposal that includes an asset sale, PIMCO may consider the impact on the balance sheet or working capital and the value received for the asset. With respect to a proxy proposal that includes a liquidation, PIMCO may consider management's efforts to pursue alternatives, the appraisal value of assets, and the compensation plan for executives managing the liquidation.

#### INVESTMENT COMPANY PROXIES

For a client that is invested in an investment company, PIMCO votes each proxy of the investment company on a case-by-case basis and takes all reasonable steps to ensure that proxies are voted consistent with all applicable investment policies of the client and in accordance with any resolutions or other instructions approved by authorized persons of the client.

For a client that is invested in an investment company that is advised by PIMCO or its affiliates, if there is a conflict of interest which may be presented when voting for the client (E.G., a proposal to approve a contract between PIMCO and the investment company), PIMCO will resolve the conflict by doing any one of the following: (i) voting in accordance with the instructions/consent of the client after providing notice of and disclosing the conflict to that

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client; (ii) voting the proxy in accordance with the recommendation of an independent third-party service provider; or (iii) delegating the vote to an independent third-party service provider.

1. ELECTION OF DIRECTORS OR TRUSTEES. PIMCO may consider the following factors when voting on the director or trustee nominees of a mutual fund: (i) board structure, director independence and qualifications, and compensation paid by the fund and the family of funds; (ii) availability and attendance at board and committee meetings; (iii) investments made by the nominees in the fund; and (iv) the fund's performance.

2. CONVERTING CLOSED-END FUND TO OPEN-END FUND. PIMCO may consider the following factors when voting on converting a closed-end fund to an open-end fund: (i) past performance as a closed-end fund; (ii) the market in which the fund invests; (iii) measures taken by the board to address any discount of the fund's shares; (iv) past shareholder activism; (v) board activity; and (vi) votes on related proposals.

3. PROXY CONTESTS. PIMCO may consider the following factors related to a proxy contest: (i) past performance of the fund; (ii) the market in which the fund invests; (iii) measures taken by the board to address past shareholder activism; (iv) board activity; and (v) votes on related proposals.

4. INVESTMENT ADVISORY AGREEMENTS. PIMCO may consider the following factors related to approval of an investment advisory agreement: (i) proposed and current fee arrangements/schedules; (ii) fund category/investment objective; (iii) performance benchmarks; (iv) share price performance as compared with peers; and (v) the magnitude of any fee increase and the reasons for such fee increase.

5. POLICIES ESTABLISHED IN ACCORDANCE WITH THE 1940 ACT. PIMCO may consider the following factors: (i) the extent to which the proposed changes fundamentally alter the investment focus of the fund and comply with SEC interpretation; (ii) potential competitiveness; (iii) regulatory developments; and (iv) current and potential returns and risks.

6. CHANGING A FUNDAMENTAL RESTRICTION TO A NON-FUNDAMENTAL RESTRICTION. PIMCO may consider the following when voting on a proposal to change a fundamental restriction to a non-fundamental restriction: (i) reasons given by the board and management for the change; and (ii) the projected impact of the change on the fund's portfolio.

7. DISTRIBUTION AGREEMENTS. PIMCO may consider the following when voting on a proposal to approve a distribution agreement: (i) fees charged to comparably sized funds with similar investment objectives; (ii) the distributor's reputation and past performance; and (iii) competitiveness of the fund among other similar funds in the industry.

8. NAMES RULE PROPOSALS. PIMCO may consider the following factors when voting on a proposal to change a fund name, consistent with Rule 35d-1 of the 1940 Act: (i) whether the fund invests a minimum of 80% of its assets in the type of investments suggested by the

proposed name; (ii) the political and economic changes in the target market; and (iii) current asset composition.

9. DISPOSITION OF ASSETS/TERMINATION/LIQUIDATION. PIMCO may consider the following when voting on a proposal to dispose of fund assets, terminate, or liquidate the fund: (i) strategies employed to salvage the fund; (ii) the fund's past performance; and (iii) the terms of the liquidation.

10. CHANGES TO CHARTER DOCUMENTS. PIMCO may consider the following when voting on a proposal to change a fund's charter documents: (i) degree of change implied by the proposal; (ii) efficiencies that could result; (iii) state of incorporation; and (iv) regulatory standards and implications.

11. CHANGING THE DOMICILE OF A FUND. PIMCO may consider the following when voting on a proposal to change the domicile of a fund: (i) regulations of both states; (ii) required fundamental policies of both states; and (iii) the increased flexibility available.

12. CHANGE IN FUND'S SUBCLASSIFICATION. PIMCO may consider the following when voting on a change in a fund's subclassification from diversified to non-diversified or to permit concentration in an industry: (i) potential competitiveness; (ii) current and potential returns; (iii) risk of concentration; and (iv) consolidation in the target industry.

#### DISTRESSED AND DEFAULTED SECURITIES

1. WAIVERS AND CONSENTS. PIMCO may consider the following when determining whether to support a waiver or consent to changes in provisions of indentures governing debt securities which are held on behalf of clients: (i) likelihood that the granting of such waiver or consent will potentially increase recovery to clients; (ii) potential for avoiding cross-defaults under other agreements; and (iii) likelihood that deferral of default will give the obligor an opportunity to improve its business operations.

2. VOTING ON CHAPTER 11 PLANS OF LIQUIDATION OR REORGANIZATION. PIMCO may consider the following when determining whether to vote for or against a Chapter 11 plan in a case pending with respect to an obligor under debt securities which are held on behalf of clients: (i) other alternatives to the proposed plan; (ii) whether clients are treated appropriately and in accordance with applicable law with respect to their distributions; (iii) whether the vote is likely to increase or decrease recoveries to clients.

#### MISCELLANEOUS PROVISIONS

1. SUCH OTHER BUSINESS. Proxy ballots sometimes contain a proposal granting the board authority to "transact such other business as may properly come before the meeting." PIMCO may consider the following factors when developing a position on proxy ballots that contain a proposal granting the board authority to "transact such other business as may properly come before the meeting": (i) whether the board is limited in what actions it may legally take within such authority; and (ii) PIMCO's responsibility to consider actions before supporting them.

2. EQUAL ACCESS. PIMCO may consider the following factors when voting on equal access: (i) the opportunity for significant company shareholders to evaluate and propose voting recommendations on proxy proposals and director nominees, and to nominate candidates to the board; and (ii) the added complexity and burden of providing shareholders with access to proxy materials.

3. CHARITABLE CONTRIBUTIONS. PIMCO may consider the following factors when voting on charitable contributions: (i) the potential benefits to shareholders; and (ii) the potential impact on the issuer's resources that could have been used to increase shareholder value.

4. SPECIAL INTEREST ISSUES. PIMCO may consider the following factors when voting on special interest issues: (i) the long-term benefit to shareholders of promoting corporate accountability and responsibility on social issues; (ii) management's responsibility with respect to special interest issues; (iii) any economic costs and restrictions on management; (iv) a client's instruction to vote proxies in a specific manner and/or in a manner different from these Policies and Procedures; and (v) the responsibility to vote proxies for the greatest long-term shareholder value.

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