

PIMCO MUNICIPAL INCOME FUND II  
Form N-Q  
November 28, 2017

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

**FORM N-Q**

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

<b>Investment Company Act File Number:</b>	<b>811-21076</b>
<b>Registrant Name:</b>	<b>PIMCO Municipal Income Fund II</b>
Address of Principal Executive Offices:	1633 Broadway New York, NY 10019
Name and Address of Agent for Service:	William G. Galipeau 650 Newport Center Drive Newport Beach, CA 92660
Registrant's telephone number, including area code:	(844) 337-4626
Date of Fiscal Year End:	December 31
Date of Reporting Period:	September 30, 2017

**Item 1. Schedule of Investments**

## Schedule of Investments

## PIMCO Municipal Income Fund II

September 30, 2017 (Unaudited)

	PRINCIPAL	MARKET
	AMOUNT	VALUE
	(000S)	(000S)
<b>INVESTMENTS IN SECURITIES 162.7%</b>		
<b>MUNICIPAL BONDS &amp; NOTES 159.0%</b>		
<b>ALABAMA 9.5%</b>		
<b>Alabama Federal Aid Highway Financing Authority Revenue Bonds, Series 2016</b>		
5.000% due 09/01/2035 (f)	\$ 7,000	\$ 8,280
5.000% due 09/01/2036 (f)	7,000	8,249
<b>Alabama State Docks Department Revenue Bonds, Series 2010</b>		
6.000% due 10/01/2040	2,000	2,282
<b>Jefferson County, Alabama Sewer Revenue Bonds, Series 2013</b>		
0.000% due 10/01/2050 (e)	18,500	15,293
6.500% due 10/01/2053	18,000	21,628
<b>Lower Alabama Gas District Revenue Bonds, Series 2016</b>		
5.000% due 09/01/2046	12,900	15,862
		71,594
<b>ARIZONA 12.9%</b>		
<b>Arizona Health Facilities Authority Revenue Bonds, Series 2008</b>		
5.000% due 01/01/2035	3,500	3,535
5.500% due 01/01/2038	2,860	2,892
<b>Pima County, Arizona Industrial Development Authority Revenue Bonds, Series 2008</b>		
5.000% due 09/01/2039	29,700	30,118
<b>Pima County, Arizona Industrial Development Authority Revenue Bonds, Series 2010</b>		
5.250% due 10/01/2040	1,500	1,605
<b>Pinal County, Arizona Electric District No. 3 Revenue Bonds, Series 2011</b>		
5.250% due 07/01/2036	1,750	2,010
5.250% due 07/01/2041	3,700	4,250
<b>Salt River Project Agricultural Improvement &amp; Power District, Arizona Revenue Bonds, Series 2009</b>		

5.000% due 01/01/2039 (f)	10,000	10,451
<b>Salt Verde Financial Corp., Arizona Revenue Bonds, Series 2007</b>		
5.000% due 12/01/2032	12,430	14,984
5.000% due 12/01/2037	22,400	27,376
		97,221
<b>CALIFORNIA 17.7%</b>		
<b>Bay Area Toll Authority, California Revenue Bonds, Series 2008</b>		
5.000% due 04/01/2034	1,430	1,459
<b>Bay Area Toll Authority, California Revenue Bonds, Series 2010</b>		
5.000% due 10/01/2029	6,000	6,699
<b>Bay Area Toll Authority, California Revenue Bonds, Series 2013</b>		
5.250% due 04/01/2048	5,000	6,009
<b>Bay Area Toll Authority, California Revenue Bonds, Series 2014</b>		
5.000% due 10/01/2054	2,000	2,263
<b>California Health Facilities Financing Authority Revenue Bonds, Series 2010</b>		
5.000% due 11/15/2036	1,500	1,621
8.492% due 11/15/2036 (g)	5,000	5,971
<b>California Health Facilities Financing Authority Revenue Bonds, Series 2011</b>		
6.000% due 08/15/2042	3,000	3,372
<b>California Health Facilities Financing Authority Revenue Bonds, Series 2016</b>		
5.000% due 11/15/2046 (f)	12,500	14,309
<b>California Municipal Finance Authority Revenue Bonds, Series 2011</b>		
7.750% due 04/01/2031	2,510	2,972
<b>California Pollution Control Financing Authority Revenue Bonds, Series 2012</b>		
5.000% due 07/01/2037	1,000	1,005
<b>California State General Obligation Bonds, Series 2007</b>		
5.000% due 11/01/2032	2,925	2,935
<b>California State General Obligation Bonds, Series 2008</b>		
5.125% due 08/01/2036	5,200	5,372
5.250% due 03/01/2038	2,500	2,544
<b>California State General Obligation Bonds, Series 2009</b>		
6.000% due 04/01/2038	9,500	10,176
<b>California State General Obligation Bonds, Series 2010</b>		
5.250% due 11/01/2040	5,945	6,613
5.500% due 03/01/2040	5,750	6,314
<b>California Statewide Communities Development Authority Revenue Bonds, (FHA Insured), Series 2009</b>		
6.625% due 08/01/2029	4,890	5,388
6.750% due 02/01/2038	17,415	19,227

<b>California Statewide Communities Development Authority</b>		
<b>Revenue Bonds, Series 2010</b>		
5.000% due 11/01/2040	1,000	1,081
<b>California Statewide Communities Development Authority</b>		
<b>Revenue Bonds, Series 2011</b>		
5.000% due 12/01/2041	1,000	1,115
6.000% due 08/15/2042	5,690	6,395
<b>California Statewide Communities Development Authority</b>		
<b>Revenue Notes, Series 2007</b>		
5.750% due 11/01/2017	570	572

<b>California Statewide Communities Development Authority</b>		
<b>Revenue Notes, Series 2011</b>		
6.500% due 11/01/2021	480	531
<b>M-S-R Energy Authority, California Revenue Bonds, Series 2009</b>		
6.500% due 11/01/2039	1,750	2,502
<b>Montebello Unified School District, California General Obligation Bonds, (AGM Insured), Series 2008</b>		
5.000% due 08/01/2033	2,000	2,067
<b>Newport Beach, California Revenue Bonds, Series 2011</b>		
5.875% due 12/01/2030	3,000	3,555
<b>Peralta Community College District, California General Obligation Bonds, Series 2009</b>		
5.000% due 08/01/2039	500	536
<b>San Diego County, California Water Authority Certificates of Participation Bonds, (AGM Insured), Series 2008</b>		
5.000% due 05/01/2038	2,000	2,047
<b>San Marcos Unified School District, California General Obligation Bonds, Series 2011</b>		
5.000% due 08/01/2038	3,300	3,703
<b>Torrance, California Revenue Bonds, Series 2010</b>		
5.000% due 09/01/2040	4,725	5,011
		133,364
<b>COLORADO 2.1%</b>		
<b>Aurora, Colorado Revenue Bonds, Series 2010</b>		
5.000% due 12/01/2040	5,800	6,182
<b>Colorado Health Facilities Authority Revenue Bonds, Series 2010</b>		
5.000% due 01/01/2040	6,045	6,419
<b>Denver Health &amp; Hospital Authority, Colorado Revenue Bonds, Series 2010</b>		
5.625% due 12/01/2040	1,000	1,059
<b>Public Authority for Colorado Energy Revenue Bonds, Series 2008</b>		
6.500% due 11/15/2038	1,430	2,026
		15,686
<b>CONNECTICUT 1.1%</b>		
<b>Connecticut State Health &amp; Educational Facility Authority Revenue Bonds, Series 2011</b>		
5.000% due 07/01/2041	1,000	1,083
<b>Harbor Point Infrastructure Improvement District, Connecticut Tax Allocation Bonds, Series 2010</b>		
7.875% due 04/01/2039	1,250	1,367
<b>University of Connecticut Revenue Bonds, Series 2017</b>		
5.000% due 01/15/2036	5,000	5,670

		8,120
<b>FLORIDA 5.2%</b>		
<b>Brevard County, Florida Health Facilities Authority Revenue Bonds, Series 2009</b>		
7.000% due 04/01/2039	1,000	1,088
<b>Broward County, Florida Airport System Revenue Bonds, Series 2009</b>		
5.375% due 10/01/2029	600	647
<b>Broward County, Florida Airport System Revenue Bonds, Series 2012</b>		
5.000% due 10/01/2042	4,000	4,471
<b>Broward County, Florida Water &amp; Sewer Utility Revenue Bonds, Series 2009</b>		
5.250% due 10/01/2034 (f)	8,500	8,857
<b>Clearwater, Florida Water &amp; Sewer Revenue Bonds, Series 2009</b>		
5.250% due 12/01/2039	1,000	1,089
<b>Florida Development Finance Corp. Revenue Notes, Series 2011</b>		
6.500% due 06/15/2021	215	229
<b>Florida State General Obligation Bonds, Series 2009</b>		
5.000% due 06/01/2038 (f)	7,900	8,163
<b>Highlands County, Florida Health Facilities Authority Revenue Bonds, Series 2008</b>		
5.625% due 11/15/2037	3,000	3,269
<b>Orlando-Orange County, Florida Expressway Authority Revenue Bonds, Series 2010</b>		
5.000% due 07/01/2040	10,000	10,930
<b>Sarasota County, Florida Health Facilities Authority Revenue Bonds, Series 2007</b>		
5.750% due 07/01/2037	500	500
		39,243
<b>GEORGIA 5.8%</b>		
<b>Atlanta Department of Aviation, Georgia Revenue Bonds, Series 2010</b>		
5.000% due 01/01/2040	1,500	1,612
<b>Atlanta Development Authority, Georgia Revenue Bonds, Series 2015</b>		
5.000% due 07/01/2044	3,895	4,350
<b>Atlanta Development Authority, Georgia Revenue Bonds, Series 2017</b>		
6.750% due 01/01/2035	7,500	7,688
<b>Medical Center Hospital Authority, Georgia Revenue Bonds, Series 2007</b>		
5.250% due 07/01/2037	2,775	2,778
<b>Municipal Electric Authority of Georgia Revenue Bonds, Series 2015</b>		
5.000% due 07/01/2060	19,680	21,245

**Private Colleges & Universities Authority of Georgia Revenue  
Bonds, Series 2016**

4.000% due 01/01/2046 (f)	5,200	5,552
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43,225

**HAWAII 1.2%****Hawaii State General Obligation Bonds, Series 2016**

4.000% due 10/01/2035 (f)	4,420	4,784
4.000% due 10/01/2036 (f)	3,635	3,920

8,704

**ILLINOIS 13.7%****Chicago, Illinois General Obligation Bonds, Series 2007**

5.500% due 01/01/2035	10,000	10,922
5.500% due 01/01/2042	1,250	1,347

**Chicago, Illinois General Obligation Bonds, Series 2015**

5.375% due 01/01/2029	14,100	15,513
5.500% due 01/01/2034	5,200	5,700

**Chicago, Illinois Motor Fuel Tax Revenue Bonds, (AGC Insured), Series 2008**

5.000% due 01/01/2038	1,250	1,259
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**Chicago, Illinois Revenue Bonds, Series 2002**

5.000% due 01/01/2029	2,000	2,217
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**Chicago, Illinois Special Assessment Bonds, Series 2003**

6.625% due 12/01/2022	1,884	1,888
6.750% due 12/01/2032	5,316	5,344

**Hillside Village, Illinois Tax Allocation Bonds, Series 2008**

6.550% due 01/01/2020	2,020	2,075
7.000% due 01/01/2028	2,900	2,976

**Illinois Finance Authority Revenue Bonds, Series 2007**

5.750% due 05/15/2031	1,540	1,544
6.000% due 03/01/2037 <sup>^(b)</sup>	250	66

**Illinois Finance Authority Revenue Bonds, Series 2009**

5.500% due 07/01/2037 (f)	5,000	5,167
7.125% due 11/15/2037	700	768

**Illinois Finance Authority Revenue Bonds, Series 2010**

6.000% due 05/01/2028	2,000	2,246
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**Illinois Finance Authority Revenue Bonds, Series 2017**

5.250% due 12/01/2052	2,800	2,850
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**Illinois Sports Facilities Authority Revenue Bonds, (AMBAC Insured), Series 2001**

5.500% due 06/15/2030	26,225	26,609
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**Illinois State Toll Highway Authority Revenue Bonds, Series 2016**

5.000% due 01/01/2041 (f)	12,500	14,214
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102,705

**INDIANA 0.2%**

<b>Vigo County, Indiana Hospital Authority Revenue Bonds, Series 2011</b>		
7.500% due 09/01/2022	1,340	1,545
<b>IOWA 2.1%</b>		
<b>Iowa Finance Authority Revenue Bonds, Series 2007</b>		
6.750% due 11/15/2042	4,500	4,530
<b>Iowa Finance Authority Revenue Bonds, Series 2014</b>		
2.000% due 05/15/2056 ^	144	2
5.400% due 11/15/2046 ^	769	841
<b>Iowa Tobacco Settlement Authority Revenue Bonds, Series 2005</b>		
5.600% due 06/01/2034	10,350	10,415
		15,788
<b>KANSAS 0.1%</b>		
<b>Kansas Development Finance Authority Revenue Bonds, Series 2009</b>		
5.750% due 11/15/2038	500	546
<b>KENTUCKY 0.1%</b>		
<b>Kentucky Economic Development Finance Authority Revenue Bonds, Series 2010</b>		
6.375% due 06/01/2040	1,000	1,136
<b>LOUISIANA 1.8%</b>		
<b>Louisiana Gasoline &amp; Fuels Tax State Revenue Bonds, Series 2017</b>		
4.000% due 05/01/2045 (f)	7,000	7,338
<b>Louisiana Local Government Environmental Facilities &amp; Community Development Authority Revenue Bonds, Series 2010</b>		
5.875% due 10/01/2040	750	853
6.000% due 10/01/2044	1,000	1,141
6.500% due 11/01/2035	450	508
<b>Louisiana Public Facilities Authority Revenue Bonds, Series 2011</b>		
6.500% due 05/15/2037	2,000	2,373
<b>Louisiana Public Facilities Authority Revenue Bonds, Series 2017</b>		
5.000% due 07/01/2057 (a)	1,000	1,102

13,315

**MARYLAND 1.1%****Maryland Health & Higher Educational Facilities Authority  
Revenue Bonds, Series 2008**

6.000% due 01/01/2043 4,050 4,100

**Maryland Health & Higher Educational Facilities Authority  
Revenue Bonds, Series 2010**

6.250% due 01/01/2041 1,400 1,623

**Maryland Health & Higher Educational Facilities Authority  
Revenue Bonds, Series 2011**

5.000% due 08/15/2041 2,380 2,605

8,328

**MASSACHUSETTS 1.7%****Massachusetts Development Finance Agency Revenue Bonds,  
Series 2010**

7.000% due 07/01/2042 1,000 1,078

7.625% due 10/15/2037 545 587

**Massachusetts Development Finance Agency Revenue Bonds,  
Series 2016**

4.000% due 10/01/2046 (f) 5,200 5,399

5.000% due 01/01/2047 2,500 2,804

**Massachusetts State College Building Authority Revenue  
Bonds, Series 2009**

5.500% due 05/01/2039 2,900 3,105

12,973

**MICHIGAN 4.3%****Michigan Finance Authority Revenue Bonds, Series 2017**

5.000% due 12/01/2031 (f) 2,600 3,067

5.000% due 12/01/2046 (f) 5,100 5,745

**Michigan Public Educational Facilities Authority Revenue  
Bonds, Series 2007**

6.500% due 09/01/2037 ^ 780 610

**Michigan State Building Authority Revenue Bonds, Series  
2016**

5.000% due 10/15/2046 (f) 3,500 4,009

5.000% due 10/15/2051 (f) 4,000 4,564

**Michigan State Hospital Finance Authority Revenue Bonds,  
Series 2016**

4.000% due 11/15/2047 (f) 10,000 10,222

**Michigan Tobacco Settlement Finance Authority Revenue  
Bonds, Series 2008**

0.000% due 06/01/2058 (c) 25,000 630

**Royal Oak Hospital Finance Authority, Michigan Revenue  
Bonds, Series 2009**

8.250% due 09/01/2039	3,000	3,197
		32,044

**MINNESOTA 0.4%**
**North Oaks, Minnesota Revenue Bonds, Series 2007**

6.000% due 10/01/2033	2,640	2,640
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**St. Louis Park, Minnesota Revenue Bonds, Series 2009**

5.750% due 07/01/2039	400	432
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3,072

**MISSISSIPPI 0.0%**
**Mississippi Development Bank Revenue Bonds, (AMBAC  
Insured), Series 1999**

5.000% due 07/01/2024	40	40
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**MISSOURI 1.5%**
**Lee s Summit, Missouri Tax Allocation Bonds, Series 2011**

5.625% due 10/01/2023	155	156
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**Missouri State Health & Educational Facilities Authority  
Revenue Bonds, Series 2013**

5.000% due 11/15/2044	10,000	10,813
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10,969

**NEW HAMPSHIRE 0.3%**
**New Hampshire Business Finance Authority Revenue Bonds,  
Series 2009**

6.125% due 10/01/2039	2,000	2,200
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**NEW JERSEY 8.5%**
**Burlington County, New Jersey Bridge Commission Revenue  
Bonds, Series 2007**

5.625% due 01/01/2038	950	952
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**New Jersey Economic Development Authority Revenue Bonds,  
Series 1998**

6.000% due 05/15/2028 ^	525	369
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**New Jersey Economic Development Authority Revenue Bonds,  
Series 2010**

5.875% due 06/01/2042	2,000	2,162
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**New Jersey Economic Development Authority Revenue Bonds,  
Series 2016**

5.000% due 06/15/2041	5,000	5,350
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**New Jersey Economic Development Authority Revenue Bonds,  
Series 2017**

5.000% due 06/15/2042 (a)	1,000	1,071
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**New Jersey Economic Development Authority Special  
Assessment Bonds, Series 2002**

5.750% due 10/01/2021	3,430	3,668
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<b>New Jersey Health Care Facilities Financing Authority Revenue Bonds, Series 2007</b>		
5.750% due 07/01/2037	1,500	1,533
<b>New Jersey Health Care Facilities Financing Authority Revenue Bonds, Series 2011</b>		
6.000% due 07/01/2037	1,500	1,764
<b>New Jersey Health Care Facilities Financing Authority Revenue Bonds, Series 2013</b>		
5.500% due 07/01/2043	4,000	4,522
<b>New Jersey Transportation Trust Fund Authority Revenue Bonds, (AGM Insured), Series 2006</b>		
0.000% due 12/15/2034 (c)	2,500	1,252
<b>New Jersey Turnpike Authority Revenue Bonds, Series 2009</b>		
5.250% due 01/01/2040	2,000	2,105
<b>Tobacco Settlement Financing Corp., New Jersey Revenue Bonds, Series 2007</b>		
4.750% due 06/01/2034	14,255	13,996
5.000% due 06/01/2029	4,000	4,006
5.000% due 06/01/2041	21,475	20,893
		63,643
<b>NEW MEXICO 0.3%</b>		
<b>Farmington, New Mexico Revenue Bonds, Series 2010</b>		
5.900% due 06/01/2040	2,000	2,186
<b>NEW YORK 18.4%</b>		
<b>Hudson Yards Infrastructure Corp., New York Revenue Bonds, Series 2011</b>		
5.250% due 02/15/2047	33,500	37,165
<b>Metropolitan Transportation Authority, New York Revenue Bonds, Series 2011</b>		
5.000% due 11/15/2036	3,880	4,375
<b>Nassau County, New York Industrial Development Agency Revenue Bonds, Series 2014</b>		
2.000% due 01/01/2049 ^(b)	298	51
6.700% due 01/01/2049	825	835
<b>New York City Transitional Finance Authority Future Tax Secured, New York Revenue Bonds, Series 2017</b>		
4.000% due 08/01/2042 (f)	7,000	7,463
<b>New York City Water &amp; Sewer System, New York Revenue Bonds, Series 2009</b>		
5.000% due 06/15/2039	2,000	2,124
<b>New York Liberty Development Corp. Revenue Bonds, Series 2005</b>		
5.250% due 10/01/2035 (f)	11,505	14,731
<b>New York Liberty Development Corp. Revenue Bonds, Series 2010</b>		
5.125% due 01/15/2044	1,000	1,079

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5.625% due 07/15/2047	2,500	2,739
6.375% due 07/15/2049	1,250	1,354
<b>New York Liberty Development Corp. Revenue Bonds, Series 2011</b>		
5.000% due 12/15/2041	10,000	11,241
5.750% due 11/15/2051	44,000	50,714
<b>New York Liberty Development Corp. Revenue Bonds, Series 2014</b>		
5.000% due 11/15/2044	2,000	2,180
<b>New York State Dormitory Authority Revenue Bonds, Series 2010</b>		
5.500% due 07/01/2040	1,750	1,955
		138,006
<b>NORTH DAKOTA 0.5%</b>		
<b>Stark County, North Dakota Revenue Bonds, Series 2007</b>		
6.750% due 01/01/2033	3,710	3,719
<b>OHIO 11.5%</b>		
<b>Buckeye Tobacco Settlement Financing Authority, Ohio Revenue Bonds, Series 2007</b>		
5.125% due 06/01/2024	6,000	5,693
5.875% due 06/01/2047	29,400	28,185
6.250% due 06/01/2037	15,000	14,931
6.500% due 06/01/2047	19,400	19,421
<b>Hamilton County, Ohio Sales Tax Revenue Bonds, Series 2011</b>		
5.000% due 12/01/2030	3,900	4,398
<b>Ohio State Revenue Bonds, Series 2009</b>		
5.500% due 01/01/2039	3,000	3,166
<b>Ohio State Turnpike Commission Revenue Bonds, Series 2013</b>		
5.000% due 02/15/2048	10,000	11,015
		86,809
<b>OREGON 0.3%</b>		
<b>Clackamas County, Oregon Hospital Facility Authority Revenue Bonds, Series 2009</b>		
5.500% due 07/15/2035	1,000	1,079
<b>Oregon State Department of Administrative Services Certificates of Participation Bonds, Series 2009</b>		
5.250% due 05/01/2039	1,155	1,231
		2,310
<b>PENNSYLVANIA 10.2%</b>		
<b>Berks County, Pennsylvania Municipal Authority Revenue Bonds, Series 2012</b>		
5.000% due 11/01/2044	7,500	8,124
<b>Cumberland County, Pennsylvania Municipal Authority Revenue Bonds, Series 2008</b>		

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5.625% due 07/01/2028	1,000	1,026
6.000% due 07/01/2035	670	688



<b>Geisinger Authority, Pennsylvania Revenue Bonds, Series 2017</b>		
4.000% due 02/15/2047 (f)	11,580	11,852
<b>Luzerne County, Pennsylvania Industrial Development Authority Revenue Bonds, Series 2009</b>		
5.500% due 12/01/2039	500	542
<b>Montgomery County Industrial Development Authority, Pennsylvania Revenue Bonds, (FHA Insured), Series 2010</b>		
5.375% due 08/01/2038	8,465	9,465
<b>Pennsylvania Higher Educational Facilities Authority Revenue Bonds, Series 2010</b>		
5.000% due 03/01/2040	400	437
6.000% due 07/01/2043	850	960
<b>Pennsylvania Turnpike Commission Revenue Bonds, Series 2013</b>		
5.000% due 12/01/2043	10,000	11,064
<b>Philadelphia Authority for Industrial Development, Pennsylvania Revenue Bonds, Series 2015</b>		
5.000% due 04/01/2045	4,000	4,474
<b>Philadelphia Hospitals &amp; Higher Education Facilities Authority, Pennsylvania Revenue Bonds, Series 2012</b>		
5.625% due 07/01/2036	1,000	1,104
5.625% due 07/01/2042	7,000	7,673
<b>Philadelphia, Pennsylvania General Obligation Bonds, (AGM Insured), Series 2008</b>		
5.250% due 12/15/2032	17,000	17,862
<b>Philadelphia, Pennsylvania Water &amp; Wastewater Revenue Bonds, Series 2009</b>		
5.250% due 01/01/2036	500	526
<b>Westmoreland County Industrial Development Authority, Pennsylvania Revenue Bonds, Series 2010</b>		
5.125% due 07/01/2030	1,000	1,074
		76,871
<b>PUERTO RICO 0.1%</b>		
<b>Puerto Rico Highway &amp; Transportation Authority Revenue Bonds, (AGC Insured), Series 2005</b>		
5.250% due 07/01/2041	600	699
<b>RHODE ISLAND 2.5%</b>		
<b>Tobacco Settlement Financing Corp., Rhode Island Revenue Bonds, Series 2015</b>		
5.000% due 06/01/2050	18,450	18,837
<b>SOUTH CAROLINA 1.6%</b>		
<b>Greenwood County, South Carolina Revenue Bonds, Series 2009</b>		
5.375% due 10/01/2039	1,000	1,062

<b>South Carolina State Public Service Authority Revenue Bonds, Series 2013</b>		
5.500% due 12/01/2053	10,000	11,223
		12,285
<b>TENNESSEE 2.7%</b>		
<b>Bristol Industrial Development Board, Tennessee Revenue Bonds, Series 2016</b>		
0.000% due 12/01/2031 (c)	3,975	1,799
5.125% due 12/01/2042	5,000	4,913
<b>Claiborne County, Tennessee Industrial Development Board Revenue Bonds, Series 2009</b>		
6.625% due 10/01/2039	1,750	1,873
<b>Johnson City Health &amp; Educational Facilities Board, Tennessee Revenue Bonds, Series 2010</b>		
6.000% due 07/01/2038	1,000	1,079
<b>Tennessee Energy Acquisition Corp. Revenue Bonds, Series 2006</b>		
5.000% due 02/01/2023	3,000	3,443
5.000% due 02/01/2027	6,000	7,093
		20,200
<b>TEXAS 17.2%</b>		
<b>Dallas, Texas Civic Center Revenue Bonds, (AGC Insured), Series 2009</b>		
5.250% due 08/15/2038	2,500	2,661
<b>Grand Parkway Transportation Corp., Texas Revenue Bonds, Series 2013</b>		
5.000% due 04/01/2053	21,000	23,843
<b>Harris County, Texas Cultural Education Facilities Finance Corp. Revenue Bonds, Series 2009</b>		
5.250% due 10/01/2029	3,750	4,059
5.500% due 10/01/2039	12,700	13,609
<b>North Harris County, Texas Regional Water Authority Revenue Bonds, Series 2008</b>		
5.250% due 12/15/2033	10,300	10,822
5.500% due 12/15/2038	10,300	10,853
<b>North Texas Tollway Authority Revenue Bonds, Series 2008</b>		
5.625% due 01/01/2033	5,000	5,056
5.750% due 01/01/2033	1,200	1,214
<b>North Texas Tollway Authority Revenue Bonds, Series 2011</b>		
5.000% due 01/01/2038	5,750	6,165
5.500% due 09/01/2041	1,300	1,493
<b>San Juan Higher Education Finance Authority, Texas Revenue Bonds, Series 2010</b>		
6.700% due 08/15/2040	250	288
<b>Tarrant County, Texas Cultural Education Facilities Finance Corp. Revenue Bonds, Series 2009</b>		
6.250% due 11/15/2029	3,000	3,174

<b>Tarrant County, Texas Cultural Education Facilities Finance Corp. Revenue Bonds, Series 2016</b>		
4.000% due 02/15/2047 (f)	13,600	14,062
<b>Tarrant County, Texas Cultural Education Facilities Finance Corp. Revenue Bonds, Series 2017</b>		
6.750% due 11/15/2047	1,000	1,090

<b>Texas Municipal Gas Acquisition &amp; Supply Corp. Revenue Bonds, Series 2008</b>		
6.250% due 12/15/2026	19,380	23,694
<b>Texas State General Obligation Bonds, Series 2010</b>		
7.980% due 04/01/2037 (g)	4,880	5,062
<b>Texas State Public Finance Authority Charter School Finance Corp. Revenue Bonds, Series 2007</b>		
5.875% due 12/01/2036	1,000	1,008
<b>Wise County, Texas Revenue Bonds, Series 2011</b>		
8.000% due 08/15/2034	1,000	1,104
		129,257
<b>U.S. VIRGIN ISLANDS 1.1%</b>		
<b>Virgin Islands Public Finance Authority, U.S. Virgin Islands Revenue Bonds, Series 2009</b>		
5.000% due 10/01/2022	1,100	759
6.625% due 10/01/2029	2,485	1,619
<b>Virgin Islands Public Finance Authority, U.S. Virgin Islands Revenue Bonds, Series 2010</b>		
5.000% due 10/01/2025	8,500	5,684
		8,062
<b>VIRGINIA 0.3%</b>		
<b>Fairfax County, Virginia Industrial Development Authority Revenue Bonds, Series 2009</b>		
5.500% due 05/15/2035	1,000	1,068
<b>James City County, Virginia Economic Development Authority Revenue Bonds, Series 2013</b>		
2.000% due 10/01/2048 <sup>^(b)</sup>	412	30
6.000% due 06/01/2043	1,269	1,255
		2,353
<b>WASHINGTON 0.3%</b>		
<b>Washington Health Care Facilities Authority Revenue Bonds, (AGC Insured), Series 2008</b>		
6.000% due 08/15/2039	1,300	1,418
<b>Washington Health Care Facilities Authority Revenue Bonds, Series 2009</b>		
7.375% due 03/01/2038	1,000	1,089
		2,507
<b>WEST VIRGINIA 0.6%</b>		
<b>Monongalia County, West Virginia Commission Special District Revenue Bonds, Series 2017</b>		
5.000% due 06/01/2037 (a)	2,000	2,015

<b>West Virginia Economic Development Authority Revenue</b>		
<b>Bonds, Series 2010</b>		
5.375% due 12/01/2038	2,000	2,192
		4,207
<b>WISCONSIN 0.1%</b>		
<b>Wisconsin Health &amp; Educational Facilities Authority Revenue</b>		
<b>Bonds, Series 2009</b>		
6.625% due 02/15/2039	1,000	1,075
Total Municipal Bonds & Notes		1,194,844
(Cost \$1,091,469)		
<b>SHORT-TERM INSTRUMENTS 3.7%</b>		
<b>REPURCHASE AGREEMENTS (h) 2.4%</b>		18,100
<b>SHORT-TERM NOTES 1.3%</b>		
<b>Federal Home Loan Bank</b>		
1.014% due 10/02/2017 (c)(d)	8,900	8,900
1.045% due 10/11/2017 (c)(d)	1,000	1,000
		9,900
Total Short-Term Instruments		28,000
(Cost \$28,000)		
Total Investments in Securities		1,222,844
(Cost \$1,119,469)		
<b>Total Investments 162.7%</b>	<b>\$</b>	<b>1,222,844</b>
<b>(Cost \$1,119,469)</b>		
<b>Preferred Shares (48.8)%</b>		<b>(367,000)</b>
<b>Other Assets and Liabilities, net (13.9)%</b>		<b>(104,285)</b>
<b>Net Assets Applicable to Common Shareholders 100.0%</b>	<b>\$</b>	<b>751,559</b>

Notes to Schedule of Investments (amounts in thousands\*):

\* A zero balance may reflect actual amounts rounding to less than one thousand.

^ Security is in default.

(a) When-issued security.

(b) Security is not accruing income as of the date of this report.

(c) Zero coupon security.

(d) Coupon represents a yield to maturity.

(e) Security becomes interest bearing at a future date.

(f) Represents an underlying municipal bond transferred to a tender option bond trust established in a tender option bond transaction in which the Fund sold, or caused the sale of, the underlying municipal bond and purchased the residual interest certificate. The security serves as collateral in a financing transaction.

(g) Represents an investment in a tender option bond residual interest certificate purchased in a secondary market transaction. The interest rate shown bears an inverse relationship to the interest rate on a tender option bond floating rate certificate. The interest rate disclosed reflects the rate in effect on September 30, 2017.

Borrowings and Other Financing Transactions

(h) Repurchase Agreements:

Party	Lending Rate	Settlement Date	Maturity Date	Principal Amount	Collateralized By	Collateral (Received)	Repurchase at Value	Repurchase to
Counterparty	1.210%	09/29/2017	10/02/2017	\$ 18,100	U.S. Treasury Bonds 2.875% due 11/15/2046	\$ (18,502)	\$ 18,100	\$ 18,100
Repurchase Agreements						\$ (18,502)	\$ 18,100	\$ 18,100

<sup>(1)</sup> *Includes accrued interest.***Fair Value Measurements**

The following is a summary of the fair valuations according to the inputs used as of September 30, 2017 in valuing the Fund's assets and liabilities:

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 09/30/2017
<b>Investments in Securities, at Value</b>				
Municipal Bonds & Notes				
Alabama	\$ 0	\$ 71,594	\$ 0	\$ 71,594
Arizona	0	97,221	0	97,221
California	0	133,364	0	133,364
Colorado	0	15,686	0	15,686
Connecticut	0	8,120	0	8,120
Florida	0	39,243	0	39,243
Georgia	0	43,225	0	43,225
Hawaii	0	8,704	0	8,704
Illinois	0	102,705	0	102,705
Indiana	0	1,545	0	1,545
Iowa	0	15,788	0	15,788
Kansas	0	546	0	546
Kentucky	0	1,136	0	1,136
Louisiana	0	13,315	0	13,315
Maryland	0	8,328	0	8,328
Massachusetts	0	12,973	0	12,973
Michigan	0	32,044	0	32,044
Minnesota	0	3,072	0	3,072
Mississippi	0	40	0	40
Missouri	0	10,969	0	10,969
New Hampshire	0	2,200	0	2,200
New Jersey	0	63,643	0	63,643
New Mexico	0	2,186	0	2,186
New York	0	138,006	0	138,006
North Dakota	0	3,719	0	3,719
Ohio	0	86,809	0	86,809
Oregon	0	2,310	0	2,310
Pennsylvania	0	76,871	0	76,871
Puerto Rico	0	699	0	699
Rhode Island	0	18,837	0	18,837
South Carolina	0	12,285	0	12,285
Tennessee	0	20,200	0	20,200
Texas	0	129,257	0	129,257
U.S. Virgin Islands	0	8,062	0	8,062
Virginia	0	2,353	0	2,353
Washington	0	2,507	0	2,507

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West Virginia	0	4,207	0	4,207
Wisconsin	0	1,075	0	1,075
<b>Short-Term Instruments</b>				
Repurchase Agreements	0	18,100	0	18,100
Short-Term Notes	0	9,900	0	9,900
Total Investments	\$ 0	\$ 1,222,844	\$ 0	\$ 1,222,844

**There were no significant transfers among Levels 1, 2, or 3 during the period ended September 30, 2017.**

**See Accompanying Notes**



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## Notes to Financial Statements

### 1. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS

**(a) Investment Valuation Policies** The net asset value ( NAV ) of the Fund 's shares is determined by dividing the total value of portfolio investments and other assets attributable to that Fund less any liabilities by the total number of shares outstanding of the Fund.

On each day that the New York Stock Exchange ( NYSE ) is open, Fund shares are ordinarily valued as of the close of regular trading ( NYSE Close ). Information that becomes known to the Fund or its agents after the time as of which NAV has been calculated on a particular day will not generally be used to retroactively adjust the price of a security or the NAV determined earlier that day. The Fund reserves the right to change the time as of which its NAV is calculated if the Fund closes earlier, or as permitted by the U.S. Securities and Exchange Commission (the SEC ).

For purposes of calculating a NAV, portfolio securities and other assets for which market quotes are readily available are valued at market value. Market value is generally determined on the basis of official closing prices or the last reported sales prices, or if no sales are reported, based on quotes obtained from established market makers or prices (including evaluated prices) supplied by the Fund 's approved pricing services, quotation reporting systems and other third-party sources (together, Pricing Services ). The Fund will normally use pricing data for domestic equity securities received shortly after the NYSE Close and does not normally take into account trading, clearances or settlements that take place after the NYSE Close. If market value pricing is used, a foreign (non-U.S.) equity security traded on a foreign exchange or on more than one exchange is typically valued using pricing information from the exchange considered by Pacific Investment Management Company LLC ( PIMCO or the Manager ) to be the primary exchange. A foreign (non-U.S.) equity security will be valued as of the close of trading on the foreign exchange, or the NYSE Close, if the NYSE Close occurs before the end of trading on the foreign exchange. Domestic and foreign (non-U.S.) fixed income securities, non-exchange traded derivatives, and equity options are normally valued on the basis of quotes obtained from brokers and dealers or Pricing Services using data reflecting the earlier closing of the principal markets for those securities. Prices obtained from Pricing Services may be based on, among other things, information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics. Certain fixed income securities purchased on a delayed-delivery basis are marked to market daily until settlement at the forward settlement date. Exchange-traded options, except equity options, futures and options on futures are valued at the settlement price determined by the relevant exchange. Swap agreements are valued on the basis of bid quotes obtained from brokers and dealers or market-based prices supplied by Pricing Services. The Fund 's investments in open-end management investment companies, other than exchange-traded funds ( ETFs ), are valued at the NAVs of such investments. Open-end management investment companies may include affiliated funds.

Investments for which market quotes or market based valuations are not readily available are valued at fair value as determined in good faith by the Board or persons acting at their direction. The Board has adopted methods for valuing securities and other assets in circumstances where market quotes are not readily available, and has delegated to PIMCO the responsibility for applying the fair valuation methods. In the event that market quotes or market based valuations are not readily available, and the security or asset cannot be valued pursuant to a Board approved valuation method, the value of the security or asset will be determined in good faith by the Valuation Oversight Committee of the Board ( Valuation Oversight Committee ), generally based on recommendations provided by the Manager. Market quotes are considered not readily available in circumstances where there is an absence of current or reliable market-based data (e.g., trade information, bid/ask information, indicative market quotations ( Broker Quotes ), Pricing Services prices), including where events occur after the close of the relevant market, but prior to the NYSE Close, that materially affect the values of the Fund 's securities or assets. In addition, market quotes are considered not readily available when, due to extraordinary circumstances, the exchanges or markets on which the securities trade do not open for trading for the entire day and no other market prices are available. The Board has delegated to the Manager

the responsibility for monitoring significant events that may materially affect the values of the Fund's securities or assets and for determining whether the value of the applicable securities or assets should be reevaluated in light of such significant events.

When the Fund uses fair valuation to determine the value of a portfolio security or other asset for purposes of calculating its NAV, such investments will not be priced on the basis of quotes from the primary market in which they are traded, but rather may be priced by another method that the Board or persons acting at their direction believe reflects fair value. Fair valuation may require subjective determinations about the value of a security. While the Fund's policy is intended to result in a calculation of the Fund's NAV that fairly reflects security values as of the time of pricing, the Fund cannot ensure that fair values determined by the Board or persons acting at their direction would accurately reflect the price that the Fund could obtain for a security if it were to dispose of that security as of the time of pricing (for instance, in a forced or distressed sale). The prices used by the Fund may differ from the value that would be realized if the securities were sold.

**(b) Fair Value Hierarchy** U.S. GAAP describes fair value as the price that the Fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. It establishes a fair value hierarchy that prioritizes inputs to valuation methods and requires disclosure of the fair value hierarchy, separately for each major category of assets and liabilities, that segregates fair value measurements into levels (Level 1, 2, or 3). The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. Levels 1, 2, and 3 of the fair value hierarchy are defined as follows:

Level 1 Quoted prices in active markets or exchanges for identical assets and liabilities.

Level 2 Significant other observable inputs, which may include, but are not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market corroborated inputs.

Level 3 Significant unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available, which may include assumptions made by the Board or persons acting at their direction that are used in determining the fair value of investments.

In accordance with the requirements of U.S. GAAP, the amounts of transfers between Levels 1 and 2 and transfers into and out of Level 3, if material, are disclosed in the Notes to Schedule of Investments for the Fund.

For fair valuations using significant unobservable inputs, U.S. GAAP requires a reconciliation of the beginning to ending balances for reported fair values that presents changes attributable to realized gain (loss), unrealized appreciation (depreciation), purchases and sales, accrued discounts (premiums), and transfers into and out of the Level 3 category during the period. The end of period value is used for the transfers between Levels of the Fund's assets and liabilities. Additionally, U.S. GAAP requires quantitative information regarding the significant unobservable inputs used in the determination of fair value of assets or liabilities categorized as Level 3 in the fair value hierarchy. In accordance with the requirements of U.S. GAAP, a fair value hierarchy, and if material, a Level 3 reconciliation and details of significant unobservable inputs, have been included in the Notes to Schedule of Investments for the Fund.

### **(c) Valuation Techniques and the Fair Value Hierarchy**

**Level 1 and Level 2 trading assets and trading liabilities, at fair value** The valuation methods (or techniques) and significant inputs used in determining the fair values of portfolio securities or other assets and liabilities categorized as Level 1 and Level 2 of the fair value hierarchy are as follows:

Fixed income securities including corporate, convertible and municipal bonds and notes, U.S. government agencies, U.S. treasury obligations, sovereign issues, bank loans, convertible preferred securities and non-U.S. bonds are normally valued on the basis of quotes obtained from brokers and dealers or Pricing Services that use broker-dealer quotations, reported trades or valuation estimates from their internal pricing models. The Pricing Services' internal models use inputs that are observable such as issuer details, interest rates, yield curves, prepayment speeds, credit risks/spreads, default rates and quoted prices for similar assets. Securities that use similar valuation techniques and inputs as described above are categorized as Level 2 of the fair value hierarchy.

Fixed income securities purchased on a delayed-delivery basis or as a repurchase commitment in a sale-buyback transaction are marked to market daily until settlement at the forward settlement date and are categorized as Level 2 of the fair value hierarchy.

**Level 3 trading assets and trading liabilities, at fair value** When a fair valuation method is applied by PIMCO that uses significant unobservable inputs, investments will be priced by a method that the Board or persons acting at their direction believe reflects fair value and are categorized as Level 3 of the fair value hierarchy.

Short-term debt instruments (such as commercial paper) having a remaining maturity of 60 days or less may be valued at amortized cost, so long as the amortized cost value of such short-term debt instruments is approximately the same as the fair value of the instrument as determined without the use of amortized cost valuation. These securities are categorized as Level 2 or Level 3 of the fair value hierarchy depending on the source of the base price.

## **2. FEDERAL INCOME TAX MATTERS**

The Fund intends to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code (the Code) and distribute all of its taxable income and net realized gains, if applicable, to shareholders. Accordingly, no provision for Federal income taxes has been made.

The Fund may be subject to local withholding taxes, including those imposed on realized capital gains. Any applicable foreign capital gains tax is accrued daily based upon net unrealized gains, and may be payable following the sale of any applicable investments.

In accordance with U.S. GAAP, the Manager has reviewed the Fund's tax positions for all open tax years. As of September 30, 2017, the Fund has recorded no liability for net unrecognized tax benefits relating to uncertain income tax positions it has taken or expects to take in future tax returns.

The Fund files U.S. federal, state, and local tax returns as required. The Fund's tax returns are subject to examination by relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return but which can be extended to six years in certain circumstances. Tax returns for open years have incorporated no uncertain tax positions that require a provision for income taxes.

As of September 30, 2017, the aggregate cost and the net unrealized appreciation (depreciation) of investments for Federal income tax purposes are as follows (amounts in thousands):

<b>Federal</b>	<b>Aggregate Gross</b>	<b>Aggregate Gross</b>	<b>Net</b>
<b>Tax Cost</b>	<b>Unrealized</b>	<b>Unrealized</b>	<b>Unrealized</b>
	<b>Appreciation</b>	<b>(Depreciation)</b>	<b>Appreciation/ (Depreciation) <sup>(1)</sup></b>
\$ 1,119,469	\$ 108,321	\$ (4,946)	\$ 103,375

<sup>(1)</sup> *Primary differences, if any, between book and tax net unrealized appreciation (depreciation) are attributable to wash sale loss deferrals for Federal income tax purposes.*

**GLOSSARY: (abbreviations that may be used in the preceding statements)**

(Unaudited)

Counterparty Abbreviations:

DEU Deutsche Bank Securities,  
Inc.

Currency Abbreviations:

USD (or \$) United States Dollar

Municipal Bond or Agency  
Abbreviations:

AGC	Assured Guaranty Corp.	AMBAC	American Municipal Bond Assurance Corp.	FHA	Federal Housing Administration
AGM	Assured Guaranty Municipal				

Other Abbreviations:

TBA To-Be-Announced

**Item 2. Controls and Procedures**

(a) The principal executive officer and principal financial & accounting officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the 1940 Act) (17 CFR 270.30a-3(c))), are effective based on their evaluation of these controls and procedures as of a date within 90 days of the filing date of this report.

(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

**Item 3. Exhibits**

A separate certification for each principal executive officer and principal financial & accounting officer of the registrant as required by Rule 30a-2 under the 1940 Act is attached as Exhibit 99.CERT.

