

PIMCO MUNICIPAL INCOME FUND II  
Form N-Q  
October 17, 2012

**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, 43 <sup>rd</sup> Floor, New York, NY 10019
Name and Address of Agent for Service:	Lawrence G. Altadonna 1633 Broadway, 43 <sup>rd</sup> Floor New York, NY 10019
Registrant's telephone number, including area code:	212-739-3371
Date of Fiscal Year End:	May 31, 2013
Date of Reporting Period:	August 31, 2012



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

August 31, 2012 (unaudited)

Principal

Amount

(000s)		Value*
<b>MUNICIPAL BONDS &amp; NOTES 97.9%</b>		
<b>Alabama 1.4%</b>		
\$ 10,000	Birmingham-Baptist Medical Centers Special Care Facs. Financing Auth. Rev., Baptist Health Systems, Inc., 5.00%, 11/15/30, Ser. A	\$ 10,146,500
1,235	Montgomery BMC Special Care Facs. Financing Auth. Rev., 5.00%, 11/15/29, Ser. B (NPFGC)	1,235,531
2,000	State Docks Department Rev., 6.00%, 10/1/40	2,297,260
2,530	Tuscaloosa Public Educational Building Auth. Rev., Stillman College Project, 5.00%, 6/1/26, Ser. A	2,147,439
		15,826,730
<b>Arizona 7.1%</b>		
3,500	Health Facs. Auth. Rev., Banner Health, 5.00%, 1/1/35, Ser. A	3,728,130
2,860	5.50%, 1/1/38, Ser. D	3,163,046
29,700	Pima Cnty. Industrial Dev. Auth. Rev., 5.00%, 9/1/39	31,060,557
1,500	Tucson Electric Power Co., 5.25%, 10/1/40, Ser. A	1,627,110
1,750	Pinal Cnty. Electric Dist. No. 3 Rev., 5.25%, 7/1/36	1,930,267
3,700	5.25%, 7/1/41	4,052,166
10,000	Salt River Project Agricultural Improvement & Power Dist. Rev., 5.00%, 1/1/39, Ser. A (i)	11,198,100
22,400	Salt Verde Financial Corp. Rev., 5.00%, 12/1/37	23,972,032
		80,731,408
<b>California 13.2%</b>		
6,000	Bay Area Toll Auth. Rev., San Francisco Bay Area, 5.00%, 10/1/29	6,826,620
1,430	5.00%, 4/1/34, Ser. F-1	1,598,983
1,565	Foothill-Eastern Transportation Corridor Agcy. Rev., 5.875%, 1/15/26 (IBC-NPFGC)	1,627,037
7,000	Golden State Tobacco Securitization Corp. Rev., 5.75%, 6/1/47, Ser. A-1	5,967,220
2,000	Hayward Unified School Dist., GO, 5.00%, 8/1/33	2,075,920
1,500	Health Facs. Financing Auth. Rev., Scripps Health, 5.00%, 11/15/36, Ser. A	1,651,905
6,300	Sutter Health, 5.00%, 11/15/42, Ser. A (IBC-NPFGC)	6,619,977
3,000	6.00%, 8/15/42, Ser. B	3,573,330
1,500	Indian Wells Redev. Agcy., Tax Allocation, Whitewater Project, 4.75%, 9/1/34, Ser. A (AMBAC)	1,332,960

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2,000	Los Angeles Community College Dist., GO, 5.00%, 8/1/32, Ser. A (FGIC-NPFGC)	2,239,120
4,000	Los Angeles Department of Water & Power Rev., 5.00%, 7/1/39, Ser. A-1 (AMBAC)	4,324,600
5,000	Los Angeles Unified School Dist., GO, 5.00%, 7/1/30, Ser. E (AMBAC)	5,445,000
2,000	Montebello Unified School Dist., GO, 5.00%, 8/1/33 (AGM)	2,191,060
1,750	M-S-R Energy Auth. Rev., 6.50%, 11/1/39, Ser. B	2,230,235
3,145	Municipal Finance Auth. Rev., Azusa Pacific Univ. Project, 7.75%, 4/1/31, Ser. B	3,710,408
650	Murrieta Valley Unified School Dist. Public Financing Auth., Special Tax, 4.75%, 9/1/36, Ser. A (AGC)	666,829

## PIMCO Municipal Income Fund II Schedule of Investments

August 31, 2012 (unaudited) (continued)

Principal Amount (000s)		Value*
	<b>California (continued)</b>	
\$ 3,000	Newport Beach Rev., Hoag Memorial Hospital Presbyterian, 5.875%, 12/1/30	\$ 3,653,250
500	Peralta Community College Dist., GO, 5.00%, 8/1/39, Ser. C	530,500
2,000	San Diego Cnty. Water Auth., CP, 5.00%, 5/1/38, Ser. 2008-A (AGM)	2,164,300
3,300	San Marcos Unified School Dist., GO, 5.00%, 8/1/38, Ser. A	3,665,079
2,000	Santa Clara Cnty. Financing Auth. Rev., El Camino Hospital, 5.75%, 2/1/41, Ser. A (AMBAC)	2,189,720
	State, GO,	
2,925	5.00%, 11/1/32	3,194,948
1,590	5.00%, 6/1/37	1,706,817
5,200	5.125%, 8/1/36	5,716,776
2,500	5.25%, 3/1/38	2,725,775
5,945	5.25%, 11/1/40	6,790,320
5,750	5.50%, 3/1/40	6,632,453
9,500	6.00%, 4/1/38	11,274,790
	Statewide Communities Dev. Auth. Rev., California Baptist Univ.,	
3,390	5.75%, 11/1/17, Ser. B (a)(d)	3,894,669
850	6.50%, 11/1/21	1,036,260
1,000	Cottage Health, 5.00%, 11/1/40 Methodist Hospital Project (FHA),	1,069,650
5,500	6.625%, 8/1/29	6,961,955
19,500	6.75%, 2/1/38	24,041,745
5,690	Sutter Health, 6.00%, 8/15/42, Ser. A	6,777,416
4,725	Torrance Rev., Torrance Memorial Medical Center, 5.00%, 9/1/40, Ser. A	5,038,598
		151,146,225
	<b>Colorado 1.8%</b>	
5,800	Aurora Rev., Children's Hospital Assoc., 5.00%, 12/1/40	6,335,514
1,000	Denver Health & Hospital Auth. Rev., 5.625%, 12/1/40 Health Facs. Auth. Rev., Ser. A,	1,106,350
1,000	American Baptist Homes, 5.90%, 8/1/37	1,002,460
2,500	Catholic Health Initiatives, 5.00%, 2/1/41	2,715,850
500	Evangelical Lutheran, 6.125%, 6/1/38, (Pre-refunded @ \$100, 6/1/14) (c)	550,115
6,045	Sisters of Charity of Leavenworth Health System, 5.00%, 1/1/40	6,580,950
1,430	Public Auth. for Colorado Energy Rev., 6.50%, 11/15/38	1,820,433
		20,111,672
	<b>Connecticut 0.3%</b>	
1,250	Harbor Point Infrastructure Improvement Dist., Tax Allocation, 7.875%, 4/1/39, Ser. A	1,425,088
2,000	State Health & Educational Fac. Auth. Rev., Hartford Healthcare, 5.00%, 7/1/41, Ser. A	2,145,760
		3,570,848

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**Florida 3.6%**

1,000	Brevard Cnty. Health Facs. Auth. Rev., Health First, Inc. Project, 7.00%, 4/1/39	1,230,840
600	Broward Cnty. Airport System Rev., 5.375%, 10/1/29, Ser. O	688,920
8,500	Broward Cnty. Water & Sewer Utility Rev., 5.25%, 10/1/34, Ser. A (i)	9,782,820

## PIMCO Municipal Income Fund II Schedule of Investments

August 31, 2012 (unaudited) (continued)

Principal Amount (000s)		Value*
	<b>Florida (continued)</b>	
\$ 1,000	Clearwater Water & Sewer Rev., 5.25%, 12/1/39, Ser. A	\$ 1,134,890
340	Dev. Finance Corp. Rev., Renaissance Charter School, 6.50%, 6/15/21, Ser. A	383,040
3,000	Highlands Cnty. Health Facs. Auth. Rev., Adventist Health System, 5.625%, 11/15/37, Ser. B	3,478,530
7,135	Jacksonville Health Facs. Auth. Rev., Ascension Health, 5.25%, 11/15/32, Ser. A	7,255,653
3,000	Leesburg Hospital Rev., Leesburg Regional Medical Center Project, 5.50%, 7/1/32	3,002,100
500	Sarasota Cnty. Health Facs. Auth. Rev., 5.75%, 7/1/37	395,485
7,900	State Board of Education, GO, 5.00%, 6/1/38, Ser. D (i)	9,017,534
5,000	Sumter Landing Community Dev. Dist. Rev., 4.75%, 10/1/35, Ser. A (NPFGC)	5,026,750
		41,396,562
	<b>Georgia 0.4%</b>	
1,500	Atlanta Airport Rev., 5.00%, 1/1/40, Ser. A	1,644,105
2,775	Medical Center Hospital Auth. Rev., Spring Harbor Green Island Project, 5.25%, 7/1/37	2,670,549
		4,314,654
	<b>Illinois 7.5%</b>	
10,000	Chicago, GO, 5.00%, 1/1/34, Ser. C (i)	10,962,100
	Chicago, Special Assessment, Lake Shore East, 6.625%, 12/1/22	2,855,875
2,764		2,855,875
5,871		6,064,391
1,250	Chicago Motor Fuel Tax Rev., 5.00%, 1/1/38, Ser. A (AGC)	1,321,563
5,000	Cicero, GO, 5.25%, 12/1/31 (NPFGC) (Pre-refunded @ \$101, 12/1/12) (c) Finance Auth. Rev.,	5,109,300
2,500	Christian Homes, Inc., 5.75%, 5/15/31, Ser. A	2,604,900
250	Leafs Hockey Club Project, 6.00%, 3/1/37, Ser. A (b)(f)	83,845
700	OSF Healthcare System, 7.125%, 11/15/37, Ser. A	845,061
2,000	Provena Health, 6.00%, 5/1/28, Ser. A	2,318,480
5,000	Univ. of Chicago, 5.50%, 7/1/37, Ser. B (i)	5,884,550
37,000	Sports Facs. Auth. Rev., 5.50%, 6/15/30 (AMBAC)	40,406,220
	Village of Hillside, Tax Allocation, Mannheim Redev. Project, 6.55%, 1/1/20	4,254,119
4,240		4,254,119
2,900		2,799,457
		85,509,861
	<b>Indiana 0.5%</b>	
1,500	Finance Auth. Rev., Duke Energy Indiana, Inc., 6.00%, 8/1/39, Ser. B	1,711,350
	Vigo Cnty. Hospital Auth. Rev., Union Hospital, Inc., 5.80%, 9/1/47 (a)(d)	1,010,562
990		1,010,562

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1,900	7.50%, 9/1/22	2,474,807
		5,196,719
<b>Iowa 4.3%</b>		
	Finance Auth. Rev.,	
	Deerfield Retirement Community, Inc., Ser. A,	
250	5.50%, 11/15/27	237,630
1,075	5.50%, 11/15/37	979,594
4,500	Edgewater LLC Project, 6.75%, 11/15/42	4,505,220



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

August 31, 2012 (unaudited) (continued)

Principal Amount (000s)		Value*
	<b>Iowa (continued)</b>	
\$ 46,000	Tobacco Settlement Auth. Rev., 5.60%, 6/1/34, Ser. B	\$ 42,827,840
		48,550,284
	<b>Kansas 0.1%</b>	
500	Dev. Finance Auth. Rev., Adventist Health, 5.75%, 11/15/38	582,350
850	Manhattan Rev., Meadowlark Hills Retirement, 5.00%, 5/15/36, Ser. A	842,945
		1,425,295
	<b>Kentucky 0.3%</b>	
	Economic Dev. Finance Auth. Rev.,	
2,500	Catholic Healthcare Partners, 5.25%, 10/1/30	2,508,800
1,000	Owensboro Medical Healthcare Systems, 6.375%, 6/1/40, Ser. A	1,185,860
		3,694,660
	<b>Louisiana 3.7%</b>	
	Local Gov t Environmental Facs. & Community Dev. Auth. Rev.,	
450	Westlake Chemical Corp., 6.50%, 11/1/35, Ser. A-2	523,836
	Woman s Hospital Foundation, Ser. A,	
750	5.875%, 10/1/40	847,253
1,000	6.00%, 10/1/44	1,134,530
	Public Facs. Auth. Rev., Ochsner Clinic Foundation Project,	
3,300	5.50%, 5/15/47, Ser. B	3,472,128
2,000	6.50%, 5/15/37	2,383,340
33,395	Tobacco Settlement Financing Corp. Rev., 5.875%, 5/15/39, Ser. 2001-B	34,155,738
		42,516,825
	<b>Maryland 0.9%</b>	
	Health & Higher Educational Facs. Auth. Rev.,	
1,000	Adventist Healthcare, 5.75%, 1/1/25, Ser. A	1,017,080
1,400	Charlestown Community, 6.25%, 1/1/41	1,598,604
1,010	King Farm Presbyterian Community, 5.30%, 1/1/37, Ser. A	928,513
2,380	Medstar Health, 5.00%, 8/15/41	2,606,076
4,050	Washington Cnty. Hospital, 6.00%, 1/1/43	4,362,012
		10,512,285
	<b>Massachusetts 0.9%</b>	
	Dev. Finance Agcy. Rev.,	
	Adventcare Project,	
4,610	6.75%, 10/15/37, Ser. A	4,852,809
580	7.625%, 10/15/37	657,679

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1,000	Foxborough Regional Charter School, 7.00%, 7/1/42, Ser. A	1,143,340
2,900	State College Building Auth. Rev., 5.50%, 5/1/39, Ser. A	3,302,288
		9,956,116
	<b>Michigan 2.6%</b>	
1,000	Detroit, GO, 5.25%, 11/1/35	1,097,110
5,000	Detroit Water and Sewerage Department Rev., 5.25%, 7/1/39, Ser. A	5,327,400
5,000	Detroit Water Supply System Rev., 5.25%, 7/1/41, Ser. A	5,277,650
800	Public Educational Facs. Auth. Rev., Bradford Academy, 6.50%, 9/1/37 (a)(d)	531,384
3,000	Royal Oak Hospital Finance Auth. Rev., William Beaumont Hospital, 8.25%, 9/1/39	3,866,640

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

August 31, 2012 (unaudited) (continued)

Principal Amount (000s)		Value*
	<b>Michigan (continued)</b>	
	State Hospital Finance Auth. Rev., Oakwood Group, Ser. A (Pre-refunded @ \$100, 4/1/13) (c),	
\$ 3,000	5.75%, 4/1/32	\$ 3,094,530
1,925	6.00%, 4/1/22	1,988,390
10,510	Tobacco Settlement Finance Auth. Rev., 6.00%, 6/1/48, Ser. A	8,758,509
		29,941,613
	<b>Minnesota 0.6%</b>	
150	Duluth Housing & Redev. Auth. Rev., 5.875%, 11/1/40, Ser. A	152,952
1,500	Minneapolis Rev., Providence Project, 5.75%, 10/1/37, Ser. A	1,511,655
2,640	North Oaks Rev., Presbyterian Homes North Oaks,	
1,530	6.00%, 10/1/33	2,801,647
500	6.125%, 10/1/39	1,627,981
400	Oronoco Rev., Wedum Shorewood Campus Project, 5.40%, 6/1/41	495,630
	St. Louis Park Rev., Nicollett Health Services, 5.75%, 7/1/39	447,468
		7,037,333
	<b>Mississippi 0.0%</b>	
270	Dev. Bank Special Obligation Rev., Capital Projects and Equipment Acquisition,	
	5.00%, 7/1/24, Ser. A-2 (AMBAC)	275,789
	<b>Missouri 0.1%</b>	
715	Lee s Summit, Tax Allocation, Summit Fair Project, 5.625%, 10/1/23	759,030
	<b>Nevada 0.9%</b>	
10,000	Clark Cnty., GO, 4.75%, 11/1/35 (FGIC-NPFGC) (i)	10,600,800
	<b>New Hampshire 0.2%</b>	
2,000	Business Finance Auth. Rev., Elliot Hospital, 6.125%, 10/1/39, Ser. A	2,262,020
360	Health & Education Facs. Auth. Rev., Catholic Medical Center,	
	6.125%, 7/1/32, Ser. A	364,043
		2,626,063
	<b>New Jersey 4.9%</b>	
950	Burlington Cnty. Bridge Commission Rev., The Evergreens Project,	
	5.625%, 1/1/38	976,021
4,000	Economic Dev. Auth., Special Assessment, Kapkowski Road Landfill Project,	
	5.75%, 10/1/21	4,359,520
11,405	5.75%, 4/1/31	12,636,854
525	Economic Dev. Auth. Rev.,	
	Arbor Glen, 6.00%, 5/15/28, Ser. A	517,608
2,000	MSU Student Housing Project, 5.875%, 6/1/42	2,238,800
	Health Care Facs. Financing Auth. Rev.,	

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1,500	AHS Hospital Corp., 6.00%, 7/1/37	1,796,205
1,500	St. Peters Univ. Hospital, 5.75%, 7/1/37	1,599,690
2,000	State Turnpike Auth. Rev., 5.25%, 1/1/40, Ser. E	2,265,820
	Tobacco Settlement Financing Corp. Rev., Ser. 1-A,	
3,300	4.75%, 6/1/34	2,725,767
11,305	5.00%, 6/1/41	9,363,592
15,000	Transportation Trust Fund Auth. Rev., 5.00%, 6/15/42, Ser. B	16,916,100
		55,395,977

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

August 31, 2012 (unaudited) (continued)

Principal Amount (000s)		Value*
<b>New Mexico 0.2%</b>		
\$ 2,000	Farmington Pollution Control Rev., 5.90%, 6/1/40, Ser. D	\$ 2,237,860
<b>New York 13.7%</b>		
1,200	Erie Cnty. Industrial Dev. Agcy. Rev., Orchard Park, Inc. Project, 6.00%, 11/15/36, Ser. A	1,224,324
29,500	Hudson Yards Infrastructure Corp. Rev., 5.25%, 2/15/47, Ser. A	32,698,390
1,000	Liberty Dev. Corp. Rev., 5.125%, 1/15/44	1,103,890
2,500	5.625%, 7/15/47	2,800,575
1,250	Bank of America Tower at One Bryant Park Project, 6.375%, 7/15/49	1,442,713
1,505	Goldman Sachs Headquarters, 5.25%, 10/1/35	1,749,216
10,000	5.25%, 10/1/35 (i)	11,622,700
3,880	Metropolitan Transportation Auth. Rev., 5.00%, 11/15/36, Ser. D	4,343,582
1,100	Nassau Cnty. Industrial Dev. Agcy. Rev., Amsterdam at Harborside, 6.70%, 1/1/43, Ser. A	754,281
2,830	New York City Municipal Water Finance Auth. Water & Sewer Rev., 5.00%, 6/15/37, Ser. D (i)	3,094,124
4,000	Second Generation Resolutions, 4.75%, 6/15/35, Ser. DD (i)	4,421,560
2,000	5.00%, 6/15/39, Ser. GG-1	2,261,820
10,000	New York Liberty Dev. Corp. Rev., 1 World Trade Center Project, 5.00%, 12/15/41	11,237,800
54,000	4 World Trade Center Project, 5.75%, 11/15/51	63,989,460
1,750	State Dormitory Auth. Rev., The New School, 5.50%, 7/1/40	2,004,275
10,005	State Thruway Auth. Rev., 5.00%, 1/1/42, Ser. I	11,239,917
		155,988,627
<b>North Carolina 0.1%</b>		
550	Medical Care Commission Rev., Salem towne, 5.10%, 10/1/30	561,308
1,000	Village at Brookwood, 5.25%, 1/1/32	996,320
		1,557,628
<b>North Dakota 0.4%</b>		
3,710	Stark Cnty. Healthcare Rev., Benedictine Living Communities, 6.75%, 1/1/33	4,045,940
<b>Ohio 2.3%</b>		
1,865	Buckeye Tobacco Settlement Financing Auth. Rev., Ser. A-2, 5.75%, 6/1/34	1,500,486
3,570	5.875%, 6/1/30	2,968,990
4,000	Hamilton Cnty. Healthcare Rev., Christ Hospital Project, 5.00%, 6/1/42	4,236,920
3,900	Hamilton Cnty. Sales Tax Rev., 5.00%, 12/1/30, Ser. A	4,384,302

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1,000	Higher Educational Fac. Commission Rev., Univ. Hospital Health Systems, 6.75%, 1/15/39, Ser. 2009-A (Pre-refunded @ \$100, 1/1/15) (c)	1,149,150
7,500	Lorain Cnty. Hospital Rev., Catholic Healthcare, 5.375%, 10/1/30 (Pre-refunded @ \$100, 10/1/12) (c)	7,527,075
1,000	Montgomery Cnty. Rev., Miami Valley Hospital, 6.25%, 11/15/39, Ser. A	1,071,250
3,000	State Rev., Cleveland Clinic Health System, 5.50%, 1/1/39, Ser. B	3,377,190
		26,215,363

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

August 31, 2012 (unaudited) (continued)

Principal Amount (000s)		Value*
	<b>Oregon 0.2%</b>	
\$ 1,000	Clackamas Cnty. Hospital Fac. Auth. Rev., Legacy Health System, 5.50%, 7/15/35, Ser. A	\$ 1,117,730
1,155	State Department of Administrative Services, CP, 5.25%, 5/1/39, Ser. A	1,284,117
		2,401,847
	<b>Pennsylvania 4.7%</b>	
10,000	Berks Cnty. Municipal Auth. Rev., Reading Hospital Medical Center, 5.00%, 11/1/44, Ser. A	10,970,100
750	Cumberland Cnty. Municipal Auth. Rev., Messiah Village Project, Ser. A, 5.625%, 7/1/28	790,762
670	6.00%, 7/1/35	710,347
3,250	Harrisburg Auth. Rev., Harrisburg Univ. of Science, 6.00%, 9/1/36, Ser. B (f)	2,564,120
850	Higher Educational Facs. Auth. Rev., Edinboro Univ. Foundation, 6.00%, 7/1/43	956,446
400	Thomas Jefferson Univ., 5.00%, 3/1/40	436,460
500	Luzerne Cnty. Industrial Dev. Auth. Rev., Pennsylvania American Water Co., 5.50%, 12/1/39	556,985
8,500	Montgomery Cnty. Industrial Dev. Auth. Rev., New Regional Medical Center, 5.375%, 8/1/38 (FHA)	9,826,595
17,000	Philadelphia, GO, 5.25%, 12/15/32, Ser. A (AGM)	18,925,250
6,000	Philadelphia Hospitals & Higher Education Facs. Auth. Rev. Temple Univ. Health System, 5.625%, 7/1/42, Ser. A	6,321,060
500	Philadelphia Water & Sewer Rev., 5.25%, 1/1/36, Ser. A	555,180
1,000	Westmoreland Cnty. Industrial Dev. Auth. Rev., Excelsa Health Project, 5.125%, 7/1/30	1,073,460
		53,686,765
	<b>Puerto Rico 0.5%</b>	
5,000	Sales Tax Financing Corp. Rev., 5.25%, 8/1/41, Ser. C	5,287,750
	<b>Rhode Island 5.0%</b>	
56,200	Tobacco Settlement Financing Corp. Rev., 6.25%, 6/1/42, Ser. A	57,329,620
	<b>South Carolina 1.3%</b>	
1,000	Greenwood Cnty. Rev., Self Regional Healthcare, 5.375%, 10/1/39	1,090,340
13,850	Jobs-Economic Dev. Auth. Rev., Bon Secours Health System, 5.625%, 11/15/30, Ser. B	13,981,575
		15,071,915
	<b>Tennessee 1.2%</b>	
1,750	Claiborne Cnty. Industrial Dev. Board Rev., Lincoln Memorial Univ. Project,	

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	6.625%, 10/1/39	1,979,758
1,000	Johnson City Health & Educational Facs. Board Rev., Mountain States Health Alliance, 6.00%, 7/1/38, Ser. A	1,160,030
500	Sullivan Cnty. Health Educational & Housing Facs. Board Rev., Wellmont Health Systems Project, 5.25%, 9/1/36, Ser. C	522,440
	Tennessee Energy Acquisition Corp. Rev., Ser. C,	
3,000	5.00%, 2/1/23	3,221,430
6,000	5.00%, 2/1/27	6,289,200
		13,172,858



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

August 31, 2012 (unaudited) (continued)

Principal Amount (000s)		Value*
	<b>Texas 11.0%</b>	
\$ 130	Aubrey Independent School Dist., GO, 5.50%, 2/15/33 (PSF-GTD)	\$ 137,649
6,500	Brazos Cnty. Health Facs. Dev. Corp. Rev., 5.375%, 1/1/32	6,591,975
2,500	Dallas Rev., Dallas Civic Center, 5.25%, 8/15/38 (AGC)	2,774,000
2,000	Harris Cnty. Cultural Education Facs. Finance Corp. Rev., Baylor College of Medicine, 5.00%, 11/15/37 (e)	2,146,880
3,750	Texas Children's Hospital Project, 5.25%, 10/1/29	4,406,400
12,700	5.50%, 10/1/39	14,482,953
700	HFDC of Central Texas, Inc. Rev., Village at Gleannloch Farms, 5.50%, 2/15/37, Ser. A	592,984
10,300	North Harris Cnty. Regional Water Auth. Rev., 5.25%, 12/15/33	11,460,295
10,300	5.50%, 12/15/38	11,475,539
5,750	North Texas Tollway Auth. Rev., 5.00%, 1/1/38	6,263,590
1,300	5.50%, 9/1/41, Ser. A	1,550,939
5,000	5.625%, 1/1/33, Ser. B	5,539,500
1,200	5.75%, 1/1/33, Ser. F	1,324,428
2,000	Sabine River Auth. Pollution Control Rev., TXU Energy, 5.20%, 5/1/28, Ser. C (b)	205,200
250	San Juan Higher Education Finance Auth. Rev., 6.70%, 8/15/40, Ser. A	291,645
10,025	State, Mobility Fund, GO, (i), 4.75%, 4/1/35, Ser. A	10,753,718
17,500	4.75%, 4/1/36	19,017,250
1,000	State Public Finance Auth. Rev., Charter School Finance Corp., 5.875%, 12/1/36, Ser. A	1,078,900
3,000	Tarrant Cnty. Cultural Education Facs. Finance Corp. Rev., Baylor Health Care Systems Project, 6.25%, 11/15/29	3,637,650
15,300	Texas Municipal Gas Acquisition & Supply Corp. I Rev., 6.25%, 12/15/26, Ser. D	18,548,649
1,920	Texas Private Activity Bond Surface Transportation Corp. Rev., 7.00%, 6/30/40	2,346,547
1,000	Wise Cnty. Rev., Parker Cnty. Junior College Dist., 8.00%, 8/15/34	1,154,780
		125,781,471
	<b>Virginia 0.2%</b>	
1,000	Fairfax Cnty. Industrial Dev. Auth. Rev., Inova Health Systems, 5.50%, 5/15/35, Ser. A	1,143,340
2,050	James City Cnty. Economic Dev. Auth. Rev., United Methodist Homes, 5.50%, 7/1/37, Ser. A	1,688,052
		2,831,392
	<b>Washington 1.5%</b>	
1,300	Health Care Facs. Auth. Rev., Multicare Health Systems, 6.00%, 8/15/39, Ser. B (AGC)	1,515,267
1,000	Seattle Cancer Care Alliance, 7.375%, 3/1/38	1,236,190
13,000	Virginia Mason Medical Center, 6.125%, 8/15/37, Ser. A	14,331,330

17,082,787

**West Virginia 0.2%**

2,000	Hospital Finance Auth. Rev., Highland Hospital, 9.125%, 10/1/41	2,427,680
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**PIMCO Municipal Income Fund II Schedule of Investments**

August 31, 2012 (unaudited) (continued)

Principal Amount (000s)		Value*
	<b>Wisconsin 0.1%</b>	
	Health & Educational Facs. Auth. Rev.,	
\$ 90	Froedert & Community Health, 5.375%, 10/1/30	\$ 90,191
1,000	Prohealth Care, Inc., 6.625%, 2/15/39	1,185,770
		1,275,961
	Total Municipal Bonds & Notes (cost \$1,009,225,284)	1,117,492,213
	<b>VARIABLE RATE NOTES (h) 2.1%</b>	
	<b>California 0.5%</b>	
5,000	Health Facs. Financing Auth. Rev., 7.994%, 11/15/36, Ser. 3193 (a)(d)(g)	6,216,900
	<b>Florida 0.2%</b>	
1,830	Highlands Cnty. Health Facs. Auth. Rev., Adventist Health System, 5.00%, 11/15/31, Ser. C	1,930,247
	<b>Illinois 0.6%</b>	
6,000	Chicago, GO, 9.818%, 1/1/34, Ser. 3190 (a)(d)(g)	7,422,360
	<b>Texas 0.6%</b>	
5,365	State, GO, 7.555%, 4/1/37, Ser. 3197 (a)(d)(g)	6,601,579
	<b>West Virginia 0.2%</b>	
2,000	Economic Dev. Auth. Rev., Appalachian Power, 5.375%, 12/1/38, Ser. A	2,203,020
	Total Variable Rate Notes (cost \$20,288,777)	24,374,106
	<b>Total Investments</b> (cost \$1,029,514,061) (j) <b>100.0%</b>	<b>\$ 1,141,866,319</b>

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Industry classification of portfolio holdings as a percentage of total Investments at August 31, 2012 were as follows:

Revenue Bonds:	
Health, Hospital, Nursing Home Revenue	27.8%
Tobacco Settlement Funded	14.5
Miscellaneous Taxes	6.4
Industrial Revenue	6.3
Miscellaneous Revenue	5.5
Natural Gas Revenue	4.9
Water Revenue	4.4
College & University Revenue	2.7
Lease (Appropriation)	2.7
Electric Power & Lighting Revenue	2.2
Highway Revenue Tolls	1.9
Port, Airport & Marina Revenue	1.4
Sales Tax Revenue	0.9
Sewer Revenue	0.5
Transit Revenue	0.4
Resource Recovery Revenue	0.2
Fuel Sales Tax Revenue	0.1
Local or Government Housing	0.1
Lease Revenue	0.1
Total Revenue Bonds	83.0
General Obligation	13.5
Special Assessment	2.3
Tax Allocation	0.9
Certificate Participation	0.2
Special Tax	0.1
Total Investments	100.0%

**Notes to Schedule of Investments:**

\* Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. Market value is generally determined on the basis of last reported sales prices, or if no sales are reported, on the basis of quotes obtained from a quotation reporting system, established market makers, or independent pricing services. The Fund's investments are valued daily using prices supplied by an independent pricing service or dealer quotations, or by using the last sale price on the exchange that is the primary market for such securities, or the mean between the last quoted bid and ask price. Independent pricing services use information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics.

The Board of Trustees has adopted methods for valuing portfolio securities and other financial derivative instruments in circumstances where market quotes are not readily available and has delegated the responsibility for applying the valuation methods to the Investment Manager and Pacific Investment Management Company LLC (the Sub-Adviser), an affiliate of the Investment Manager. The Valuation Committee has been established by the Board of Trustees to oversee the implementation of the Fund's valuation methods and to make fair value determinations on behalf of the Board of Trustees as instructed. The Sub-Adviser monitors the continual appropriateness of methods applied and determines if adjustments should be made in light of market changes, events affecting the issuer, or other factors. If the Sub-Adviser determines that a valuation method may no longer be appropriate, another valuation method may be selected, or the Valuation Committee will be convened to consider the matter and take any appropriate action in accordance with procedures set forth by the Board. The Board of Trustees shall review the appropriateness of the valuation methods and these methods may be amended or supplemented from time to time by the Valuation Committee.

If third party evaluated vendor pricing is neither available nor deemed to be reliable of fair value, the Sub-Adviser may elect to obtain market quotations (broker quotes) directly from a broker-dealer.

Short-term securities maturing in 60 days or less are valued at amortized cost, if their original term to maturity was 60 days or less, or by amortizing their value on the 61st day prior to maturity, if the original term to maturity exceeded 60 days.

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

- (a) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$25,677,454, representing 2.2% of total investments.
- (b) Illiquid.
- (c) Pre-refunded bonds are collateralized by U.S. Government or other eligible securities which are held in escrow and used to pay principal and interest and retire the bonds at the earliest refunding date (payment date) and/or whose interest rates vary with changes in a designated base rate (such as the prime interest rate).
- (d) 144A Exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, typically only to qualified institutional buyers. Unless otherwise indicated, these securities are not considered to be illiquid.
- (e) When-issued. To be settled after August 31, 2012.
- (f) In default.
- (g) Inverse Floater The interest rate shown bears an inverse relationship to the interest rate on another security or the value of an index. The interest rate disclosed reflects the rate in effect on August 31, 2012.
- (h) Variable Rate Notes Instruments whose interest rates change on specified date (such as a coupon date or interest payment date) and/or whose interest rates vary with changes in a designated base rate (such as the prime interest rate). The interest rate disclosed reflects the rate in effect on August 31, 2012.
- (i) Residual Interest Bonds held in Trust Securities represent underlying bonds transferred to a separate securitization trust established in a tender option bond transaction in which the Fund acquired the residual interest certificates. These securities serve as collateral in a financing transaction.
- (j) At August 31, 2012, the cost basis of portfolio securities for federal income tax purposes was \$978,458,314. Gross unrealized appreciation was \$121,049,575; gross unrealized depreciation was \$7,252,047; and net unrealized appreciation was \$113,797,528. The difference between book and tax cost basis was attributable to inverse floater transactions.

**Glossary:**

AGC insured by Assured Guaranty Corp.

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AGM insured by Assured Guaranty Municipal Corp.

AMBAC insured by American Municipal Bond Assurance Corp.

CP Certificates of Participation

FGIC insured by Financial Guaranty Insurance Co.

FHA insured by Federal Housing Administration

GO General Obligation Bond

GTD Guaranteed

IBC Insurance Bond Certificate

NPFGC insured by National Public Finance Guarantee Corp.

PSF Public School Fund

**Fair Value Measurements**

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

Level 1 quoted prices in active markets for identical investments that the Fund has the ability to access

Level 2 valuations based on other significant observable inputs, which may include, but are not limited to, quoted prices for similar assets or liabilities, interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates or other market corroborated inputs.

Level 3 valuations based on significant unobservable inputs (including the Sub-Advisor's or Valuation Committee's own assumptions and single broker quotes in determining the fair value of investments)

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

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

The valuation techniques used by the Fund to measure fair value during the three months ended August 31, 2012 maximized the use of observable inputs and minimized the use of unobservable inputs.

The Fund's policy is to recognize transfers between levels at the end of the reporting period. An investment asset's or liability's level within the fair value hierarchy is based on the lowest level input, individually or in aggregate, that is significant to fair value measurement. The objective of fair value measurement remains the same even when there is a significant decrease in the volume and level of activity for an asset or liability and regardless of the valuation techniques used. Assets categorized as Level 1 or 2 as of period end may have been transferred between Levels 1 and 2 since the prior period due to changes in the valuation method utilized in valuing the investments.

A summary of the inputs used at August 31, 2012 in valuing the Fund's assets and liabilities is listed below (refer to the Schedule of Investments for more detailed information on Investments in Securities):

	Level 1 - Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Value at 8/31/12
<b>Investments in Securities Assets</b>				
Municipal Bonds & Notes		\$ 1,117,492,213		\$ 1,117,492,213
Variable Rate Notes		24,374,106		24,374,106
<b>Total Investments</b>		\$ 1,141,866,319		\$ 1,141,866,319

At August 31, 2012, there were no transfers between Levels 1 and 2.

**Item 2. Controls and Procedures**

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

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

**Item 3. Exhibits**

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



**SIGNATURES**

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

Registrant: PIMCO Municipal Income Fund II

By /s/ Brian S. Shlissel

President & Chief Executive Officer

Date: October 17, 2012

By /s/ Lawrence G. Altadonna

Treasurer, Principal Financial & Accounting Officer

Date: October 17, 2012

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

By /s/ Brian S. Shlissel

President & Chief Executive Officer

Date: October 17, 2012

By /s/ Lawrence G. Altadonna

Treasurer, Principal Financial & Accounting Officer

Date: October 17, 2012