

PIMCO MUNICIPAL INCOME FUND II  
Form N-30D  
January 31, 2003

Semi-Annual Report  
11.30.02

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

January 10, 2003

Dear Shareholder:

PIMCO Advisors Fund Management LLC is pleased to provide you with the initial financial report for PIMCO Municipal Income Fund II, PIMCO California Municipal Income Fund II and PIMCO New York Municipal Income Fund II (the "PIMCO Municipal Income Funds II" or the "Funds") for the period June 28, 2002 (commencement of operations) through November 30, 2002.

The Funds' abbreviated first reporting period was marked by ongoing volatility in the global financial markets. However, this climate continued to support the municipal bond markets as investors fled stocks and riskier securities and flocked to the relative stability offered by U.S. Treasuries and other high-quality fixed income securities. Accordingly, we are pleased to report that the PIMCO Municipal Income Funds II delivered strong absolute performance for

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the period. The Funds' portfolio manager achieved these results by adhering to PIMCO's time-tested total return philosophy.

The Funds' use of leverage, which entails additional risks, including enhanced interest rate risk, contributed positively to the Funds' performance during the reporting period. During adverse market conditions, leverage can also exacerbate negative performance. Consequently, it is important to maintain a well-diversified investment portfolio. Consult your financial advisor to develop an asset allocation strategy that is appropriate for you.

Please refer to the Fund information and commentaries on the following pages. If you have any questions, contact your financial advisor or call our shareholder services area at 1-800-331-1710. You can also access a wide range of information and resources through our web site-- [www.pimcoadvisors.com](http://www.pimcoadvisors.com).

Thank you for the trust you have placed with PIMCO Advisors. We remain dedicated to serving your investment needs.

Sincerely,

/s/ Stephen Treadway

Stephen Treadway  
CHAIRMAN

/s/ Brian S. Shlissel

Brian S. Shlissel  
PRESIDENT, CHIEF EXECUTIVE OFFICER

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. There is no guarantee that these or any other investment techniques will be effective under all market conditions. The use of leverage may cause a Fund to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to meet segregation requirements.

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PIMCO MUNICIPAL INCOME FUNDS II MANAGEMENT REVIEW & OUTLOOK

[PHOTO OF MARK MCCRAY]

MARK MCCRAY  
Fund Manager

The PIMCO Municipal Income Funds II generated positive returns during the period June 28, 2002 (commencement of operations) through November 30, 2002; (see individual fund pages for complete performance information). Below, Mark McCray, the Funds' portfolio manager, provides insight into the municipal bond market and offers his outlook and strategy going forward.

Q. HOW WOULD YOU CHARACTERIZE THE PAST SIX MONTHS IN THE MUNICIPAL BOND MARKET?

A. Flight to quality was the driving force in the municipal bond market during the past six months, as investor concerns mounted over a weakening U.S. economy, declining earnings and heightened geopolitical risk. Treasury and municipal yields fell sharply for most of the period. However, a stock market rally towards the end of the period caused bonds to give back some of their gains. Municipals performed well during the period, delivering solid tax-adjusted

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returns relative to the overall bond market. Looking at the state markets, California underperformed the national municipal bond market amid heavy new issuance. The New York municipal market outperformed, with short- and intermediate-term bond yields falling further than long-term alternatives.

Q. WHAT WERE THE TOP PERFORMING MUNICIPAL SECTORS?

A. Overall, revenue bonds outperformed general obligation issues, which were hindered by increased supply and concerns over diminishing tax revenues. Within the revenue sector, high quality transportation and utility bonds performed well. Insured bonds were strong performers across the municipal markets, as investors looked to avoid risk. In California, a high quality focus proved beneficial, as investors preferred the stability offered by higher-rated bonds. In New York, both revenue and general obligation issues performed well. Insured holdings of both New York and California municipal bonds were positive amid investors' flight to quality.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. This update contains the current opinions of the Fund manager and does not represent a recommendation of any particular security, strategy or investment product. Such opinion is subject to change without notice. This update is distributed for educational purposes and should not be considered investment advice. The credit quality of the investment in the portfolio does not apply to the stability or safety of the fund. For additional information on the PIMCO Closed-end Funds, contact your financial advisor or call 1-800-331-1710.

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PIMCO MUNICIPAL INCOME FUNDS II MANAGEMENT REVIEW & OUTLOOK

Q. WHAT IS YOUR OUTLOOK FOR THE ECONOMY AND THE MUNICIPAL BOND MARKET?

A. Looking ahead, we expect the modest U.S. recovery to continue, driven mainly by the consumer and housing sectors. While the business sector has begun the healing process, it is likely to remain weak in the months ahead. Within our investment universe, sluggish growth could challenge municipal credits as tax revenues lag the economy. However, now that the larger municipal deals of 2002 have passed, there should be much lighter issuance in the months ahead. This, combined with heavy coupon reinvestment, should bode well for the asset class over the near term. Looking at the state markets, California issuance is expected to be more moderate going forward, lending support to that market. New York issuance is expected to increase due to the passing of the state's budget and the financing needs of state and local governments.

Q. IN THIS ENVIRONMENT, HOW DO YOU INTEND TO POSITION THE FUNDS?

A. In general, we expect to maintain high overall quality given the weak fiscal situation facing most municipal issuers. Focusing on how individual state and local governments manage their budgetary imbalances will be critical in determining which sectors of the marketplace remain attractive. In the meantime, we intend to emphasize high-quality revenue bonds, which we believe continue to offer attractive risk-adjusted yields.

Mr. McCray is responsible for municipal bond portfolios at PIMCO. Previously Co-Head of Municipal Bond Trading at Goldman Sachs & Co., he has over 12 years of investment experience.

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## PIMCO MUNICIPAL INCOME FUND II PERFORMANCE SUMMARY AND STATISTICS

|  |   |  |
|--|---|--|
| SYMBOL:<br>PML   | PRIMARY INVESTMENTS:<br>Municipal fixed-income securities, the interest from which is exempt from federal income tax. | FUND INCEPTION DATE:<br>June 28, 2002          |
| OBJECTIVE:<br>PIMCO Municipal Income Fund II seeks to provide income exempt from federal income tax. |   | NET ASSETS:<br>\$1,325.5 million (at 11/30/02) |
|  |   | PORTFOLIO MANAGER:<br>Mark McCray              |

| TOTAL RETURN(1)                                     | Market Price | NAV   |
|---|--------------|-------|
| -----   | -----        | ----- |
| Commencement of Operations<br>(6/28/02 to 11/30/02) | -2.17%       | 1.57% |
| -----   | -----        | ----- |

### COMMON SHARE PRICE PERFORMANCE (WEEKLY)

For the period ended 11/30/02

- o Municipal Income Fund II at NAV
- o Municipal Income Fund II at Market Price

[The table below represents a line chart in the printed report.]

[data to come]

### MONTHLY PER SHARE COMMON DIVIDENDS

PERIOD ENDED 11/30/02

[The table below represents a bar chart in the printed report.]

[data to come]

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## PIMCO MUNICIPAL INCOME FUND II PERFORMANCE SUMMARY AND STATISTICS

| CREDIT QUALITY           |     | TOP FIVE STATE HOLDINGS: |       |
|--------------------------|-----|--------------------------|-------|
| AAA                      | 69% | Texas                    | 18.2% |
| AA                       | 13% | Illinois                 | 14.9% |
| A                        | 16% | Massachusetts            | 10.9% |
| BBB                      | 2%  | Alabama                  | 7.8%  |
| WEIGHTED AVERAGE QUALITY | AA+ | Florida                  | 5.4%  |

### PORTFOLIO STATISTICS

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|  |           |
|--|-----------|
| Market Price                                       | \$14.34   |
| Net Asset Value                                    | \$14.22   |
| Market Yield                                       | 7.06%     |
| Taxable Equivalent Yield (FEDERAL INCOME TAX RATE) | *11.50%   |
| Net Assets (millions)                              | \$1,325.5 |
| Average Effective Maturity (years)                 | 20.63     |
| Average Duration (years)                           | 12.28     |

### PORTFOLIO COMPOSITION-TOP 5 SECTORS

[The table below represents a bar chart in the printed report.]

|                     |     |
|---------------------|-----|
| Education Rev.      | 7%  |
| Other Rev.          | 20% |
| Transportation Rev. | 12% |
| Healthcare Rev.     | 13% |
| Water & Sewer Rev.  | 18% |

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. 1. Total return is determined by subtracting the initial investment from the redeemable value and dividing the remainder by the initial investment and expressing the result as a percentage. The calculation assumes that all income dividends and capital gains distributions by the Fund have been reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment return does not reflect broker commissions or sales charges. Total return for a period of less than one year is not annualized. \*Taxable equivalent rate represents the yield on a taxable investment necessary to equal the after-tax yield of the Fund. The rate shown highlights the value of owning shares that are exempt from taxes, and is based on a federal tax rate of 38.6%. An investment in the Fund involves risk, including the loss of principal. Investment return, price, yields 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 (AMT). 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 (NAV) per common share is total assets applicable to common shareholders less total liabilities divided by the number of common shares outstanding. Duration is a measure of the Fund's price sensitivity expressed in years. The credit quality of the investment in the portfolio does not apply to the stability or safety of the Fund. Certain securities are not rated by a nationally recognized rating agency. In these circumstances, the Fund's Sub-Adviser assigns a rating to these securities based on their analysis of the issuers credit quality. Holdings are subject to change daily.

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PIMCO CALIFORNIA MUNICIPAL INCOME FUND II PERFORMANCE SUMMARY AND STATISTICS

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|   |   |  |
|---|---|--|
| <p><b>SYMBOL:</b><br/>PCK</p> <p><b>OBJECTIVE:</b><br/>PIMCO California Municipal Income Fund II seeks to provide current income exempt from federal and California State income tax.</p> | <p><b>PRIMARY INVESTMENTS:</b><br/>Municipal fixed-income securities, the interest from which is exempt from federal and California State income tax.</p> | <p><b>INCEPTION DATE:</b><br/>June 28, 2002</p> <p><b>NET ASSETS:</b><br/>\$680.6 million (at 11/30/02)</p> <p><b>PORTFOLIO MANAGER:</b><br/>Mark McCray</p> |
|---|---|--|

| TOTAL RETURN(1)                                     | Market Price | NAV   |
|---|--------------|-------|
|   |              |       |
| Commencement of Operations<br>(6/28/02 to 11/30/02) | -2.16%       | 0.22% |

**COMMON SHARE PRICE PERFORMANCE (WEEKLY)**

For the period ended 11/30/02

- o California Municipal Income Fund II at NAV
- o California Municipal Income Fund II at Market Price

[The table below represents a line chart in the printed report.]

[data to come]

**MONTHLY PER SHARE COMMON DIVIDENDS**

PERIOD ENDED 11/30/02

[The table below represents a bar chart in the printed report.]

[data to come]

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**PIMCO CALIFORNIA MUNICIPAL INCOME FUND II PERFORMANCE SUMMARY AND STATISTICS**

**CREDIT QUALITY**

|                          |     |
|--------------------------|-----|
| AAA                      | 82% |
|                          |     |
| AA                       | 2%  |
|                          |     |
| A                        | 10% |
|                          |     |
| BB                       | 6%  |
|                          |     |
| WEIGHTED AVERAGE QUALITY | AAA |

**PORTFOLIO COMPOSITION-TOP 5 SECTORS**

[The table below represents a bar chart in the printed report.]

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|                           |     |
|---------------------------|-----|
| Other Rev.                | 10% |
| Water & Sewer Rev.        | 18% |
| State General Obligations | 12% |
| Education Rev.            | 14% |
| Local General Obligations | 17% |

### PORTFOLIO STATISTICS

|                                    |          |
|------------------------------------|----------|
| Market Price                       | \$ 14.35 |
| Net Asset Value                    | \$ 14.04 |
| Market Yield                       | 6.79%    |
| Taxable Equivalent Yield*          | 12.19%   |
| Net Assets (millions)              | \$ 680.6 |
| Average Effective Maturity (years) | 22.87    |
| Average Duration (years)           | 11.87    |

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. 1. Total return is determined by subtracting the initial investment from the redeemable value and dividing the remainder by the initial investment and expressing the result as a percentage. The calculation assumes that all income dividends and capital gains distributions by the Fund have been reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment return does not reflect broker commissions or sales charges. Total return for a period of less than one year is not annualized. \*Taxable equivalent rate represents the yield on a taxable investment necessary to equal the after-tax yield of the Fund. The rate shown highlights the value of owning shares that are exempt from taxes, and is based on a combined federal and state tax rate of 44.31%. An investment in the Fund involves risk, including the loss of principal. Investment return, price, yields 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 (AMT). 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 (NAV) per common share is total assets applicable to common shareholders less total liabilities divided by the number of common shares outstanding. Duration is a measure of the Fund's price sensitivity expressed in years. The credit quality of the investment in the portfolio does not apply to the stability or safety of the Fund. Certain securities are not rated by a nationally recognized rating agency. In these circumstances, the Fund's Sub-Adviser assigns a rating to these securities based on their analysis of the issuers credit quality. Holdings are subject to change daily.

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### PIMCO NEW YORK MUNICIPAL INCOME FUND II PERFORMANCE SUMMARY AND STATISTICS

SYMBOL:  
PNI

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|  |  |  |
|--|--|--|
| <b>OBJECTIVE:</b><br>PIMCO New York Municipal Income Fund II seeks to provide current income exempt from federal, New York State and New York City income tax. | <b>PRIMARY INVESTMENTS:</b><br>Municipal fixed-income securities, the interest from which is exempt from federal, New York State and New York City income tax. | <b>INCEPTION DATE:</b><br>June 28, 2002<br><br><b>NET ASSETS:</b><br>\$236.7 million (at 11/30/02)<br><br><b>PORTFOLIO MANAGER:</b><br>Mark McCray |
|--|--|--|

| TOTAL RETURN(1)                                     | Market Price | NAV   |
|---|--------------|-------|
|   |              |       |
| Commencement of Operations<br>(6/28/02 to 11/30/02) | -3.06%       | 1.35% |

**COMMON SHARE PRICE PERFORMANCE (WEEKLY)**  
 For the period ended 11/30/02

- o New York Municipal Income Fund II at NAV
- o New York Municipal Income Fund II at Market Price

[The table below represents a line chart in the printed report.]

[data to come]

**MONTHLY PER SHARE COMMON DIVIDENDS**  
 PERIOD ENDED 11/30/02

[The table below represents a bar chart in the printed report.]

[data to come]

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### PIMCO NEW YORK MUNICIPAL INCOME FUND II PERFORMANCE SUMMARY AND STATISTICS

#### CREDIT QUALITY

|                          |     |
|--------------------------|-----|
| AAA                      | 35% |
|                          |     |
| AA                       | 46% |
|                          |     |
| A                        | 19% |
|                          |     |
| WEIGHTED AVERAGE QUALITY | AA  |

#### PORTFOLIO COMPOSITION-TOP 5 SECTORS

[The table below represents a bar chart in the printed report.]

|                       |     |
|-----------------------|-----|
| Transportation Rev.   | 9%  |
| Other Rev.            | 23% |
| Water & Sewer Rev.    | 11% |
| Miscellaneous         | 15% |
| Higher Education Rev. | 15% |



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PORTFOLIO STATISTICS

|                                    |          |
|------------------------------------|----------|
| Market Price                       | \$ 14.22 |
| Net Asset Value                    | \$ 14.20 |
| Market Yield                       | 6.86%    |
| Taxable Equivalent Yield*          | 12.00%   |
| Net Assets (millions)              | \$ 236.7 |
| Average Effective Maturity (years) | 20.34    |
| Average Duration (years)           | 12.17    |

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. 1. Total return is determined by subtracting the initial investment from the redeemable value and dividing the remainder by the initial investment and expressing the result as a percentage. The calculation assumes that all income dividends and capital gains distributions by the Fund have been reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment return does not reflect broker commissions or sales charges. Total return for a period of less than one year is not annualized. \*Taxable equivalent rate represents the yield on a taxable investment necessary to equal the after-tax yield of the Fund. The rate shown highlights the value of owning shares that are exempt from taxes, and is based on a combined federal and state tax rate of 42.81%. An investment in the Fund involves risk, including the loss of principal. Investment return, price, yields 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 (AMT). 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 (NAV) per common share is total assets applicable to common shareholders less total liabilities divided by the number of common shares outstanding. Duration is a measure of the Fund's price sensitivity expressed in years. The credit quality of the investment in the portfolio does not apply to the stability or safety of the Fund. Certain securities are not rated by a nationally recognized rating agency. In these circumstances, the Fund's Sub-Adviser assigns a rating to these securities based on their analysis of the issuers credit quality. Holdings are subject to change daily.

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PIMCO MUNICIPAL INCOME FUND II SCHEDULE OF INVESTMENTS  
November 30, 2002 (unaudited)

Principal  
Amount  
(000)

MUNICIPAL BONDS & NOTES -- 89.2%

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|           |  |
|-----------|--|
|           | ALABAMA--6.7%  |
| \$ 61,895 | Birmingham Waterworks & Sewer Board. Rev., Ser. B, 5.00%, 1/1/27-1/1/43 (MBIA)     |
| 1,750     | Huntsville Health Care Auth., Ser. B, 5.75%, 6/1/32                                |
| 29,080    | Jefferson Cnty. Sewer Rev., Ser. B, 4.75%-5.00%, 2/1/38-2/1/41 (FGIC)              |
|           | ALASKA--1.3%   |
|           | State Housing. Fin. Corp.,   |
| 13,885    | 5.00%, 12/1/39, Ser. A   |
| 3,550     | 5.25%, 6/1/32, Ser. C (MBIA)   |
|           | ARIZONA--0.1%  |
| 1,300     | State Health Fac. Auth. Hosp. Rev., 5.75%, 12/1/32                                 |
|           | CALIFORNIA--0.1%   |
| 1,000     | Rancho Cucamonga Cmnty. Facs. Dist., Ser. A, 6.30%, 9/1/23                         |
|           | COLORADO--4.5%   |
| 30,000    | Dawson Ridge Dist. No. 1, GO, Ser. A, zero coupon, 10/1/22                         |
| 5,000     | Denver Co. City & Cnty. Cert. of Participation, Ser. B, 5.50%, 12/1/25 (AMBAC)     |
| 25,000    | Health Fac. Auth. Rev., Catholic Health Initiatives-A, 5.50%, 3/1/32               |
| 18,305    | Health Fac. Auth. Rev., Exempla Inc., Ser. A, 5.625%, 1/1/33                       |
| 6,500     | Health Fac. Auth. Rev., Liberty Height, Retirement Fac., zero coupon, 7/15/22      |
|           | DISTRICT OF COLUMBIA--1.3%   |
| 17,500    | Washington D.C. Convention Ctr. Auth. Tax Rev., 4.75%, 10/1/28 (AMBAC)             |
|           | FLORIDA--4.5%  |
| 8,000     | Highlands Cnty. Health Fac. Auth. Rev., Ser. A, 6.00%, 11/15/31                    |
| 635       | Hillsborough Cnty. Health Fac. Incl. Dev. Rev., 5.625%, 8/15/23                    |
| 1,925     | Hillsborough Cnty. Pollution Control Rev., Tampa Electric Co. Proj., 5.50%, 10/1/2 |
| 7,135     | Jacksonville Health Facs. Auth. Rev., Ser. A, 5.25%, 11/15/32                      |
| 3,525     | Jacksonville Impt. Rev., Ser. A, 5.00%, 10/1/30 (AMBAC)                            |

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PIMCO MUNICIPAL INCOME FUND II SCHEDULE OF INVESTMENTS  
November 30, 2002 (unaudited)

Principal  
Amount  
(000)

|          |  |
|----------|--|
|          | FLORIDA-- (CONTINUED)  |
| \$ 5,350 | Lakeland Elec. & Water Rev., Ser. A, 5.00%, 10/1/28 (MBIA)           |
| 10,000   | Lakeland Hosp. Syst. Rev., Regional Health Sys., 5.50%, 11/15/32     |
| 3,000    | Leesburg Hosp. Rev., Leesburg Regional Medical Center, 5.50%, 7/1/32 |
| 1,410    | Melbourne Water & Sewer Rev., Ser. A, 5.00%, 10/1/32 (FGIC)          |

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|         |   |
|---------|---|
| 4,610   | Municipal Council Rev., North Miami Beach Water Proj., Ser. B, 5.00%, 8/1/32 (MBIA) |
| 7,550   | Orange Cnty. Health Fac., Adventist Health Sys., 5.625%-6.25%, 11/15/24-11/15/32    |
| 6,615   | State Board of Education, Ser. B, GO, 5.00%, 6/1/27 (FGIC)                          |
| 1,500   | Winter Springs Water & Sewer Rev., zero coupon, 10/1/29 (FGIC)                      |
|         | GEORGIA--1.0%   |
| 9,000   | Atlanta Water & Wastewater, Ser. A, 5.00%, 11/1/39 (MBIA)                           |
| 1,500   | Grantor Trust Gov't Cert. of Participation, Ser. A, 4.75%, 6/1/28 (MBIA)            |
| 9,600   | Richmond Cnty. Dev Auth. Rev., zero coupon, 12/1/21                                 |
|         | HAWAII--1.4%  |
| 19,170  | Honolulu City & Cnty. Wastewater Syst. Rev., First Board Resolution, 4.75%, 7/1/28  |
|         | ILLINOIS--13.9%   |
| 11,760  | Central Lake Cnty. Water Agy. Rev., Ser. A, 5.125%, 5/1/28-5/1/32 (AMBAC)           |
|         | Chicago Board of Education School Reform GO, Ser. A,                                |
| 2,830   | 5.25%, 12/1/18 (MBIA)   |
| 9,500   | zero coupon, 12/1/28-12/1/31 (FGIC)   |
| 94,485  | Chicago City Colleges GO, zero coupon, 1/1/37-1/1/39 (FGIC)                         |
| 5,050   | Chicago GO, Ser. A, 5.125%, 1/1/29 (FGIC)   |
| 7,000   | Chicago Midway Arpt. Rev., Ser. B, 5.00%, 1/1/31 (MBIA)                             |
| 5,000   | Cicero Corp. GO, 5.25%, 12/1/31 (MBIA)  |
| 111,745 | Metropolitan Pier & Exposition Auth., zero coupon-5.00%, 12/15/28-12/15/33 (MBIA)   |
| 144,650 | State Dev. Fin. Auth. Retirement Housing Rev., zero coupon, 7/15/23-7/15/25         |
| 4,350   | State GO, 4.75%, 10/1/27 (MBIA)   |

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PIMCO MUNICIPAL INCOME FUND II SCHEDULE OF INVESTMENTS  
November 30, 2002 (unaudited)

Principal  
Amount  
(000)

=====

|          |   |
|----------|---|
|          | ILLINOIS--(CONTINUED)   |
| \$ 5,000 | State Sports Facs. Auth,                                      |
|          | 5.00%, 6/15/32 (AMBAC)  |
| 68,470   | zero coupon, 6/15/30  |
| 17,720   | Univ. of Chicago Edl. Facs. Auth. Rev., Ser. A, 5.25%, 7/1/41 |
|          | INDIANA--0.1%   |
| 500      | State Bank Rev., Ser. D, 5.25%, 4/1/30 (AMBAC)                |
|          | IOWA--0.6%  |
| 8,850    | Tobacco Settlement Auth., Ser. B, 5.60%, 6/1/35               |
|          | LOUISIANA--4.8%   |

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20,400 Ochsner Clinic Foundation Pub. Facs. Auth. Rev., Ser. B, 5.50%, 5/15/32  
 9,250 State Gas & Fuels Tax Rev., Ser. A, 5.00%, 6/1/32 (AMBAC)  
 39,395 Tobacco Settlement Financing Corp., Ser. 2001B, 5.875%, 5/15/39

MARYLAND--0.6%

8,650 State Health & Higher Educational. Fac. Auth. Rev.,  
 John Hopkins Univ., Ser. B, 5.00%, 7/1/41

MASSACHUSETTS--7.7%

1,300 Massachusetts Bay Trans. Auth., Ser. A, 4.75%, 3/1/21 (MBIA)  
 32,000 Massachusetts Bay Trans. Auth., Sales Tax Rev., Ser. A, 5.00%, 7/1/32  
 20,000 State GO, Ser. C, 5.25%, 11/1/30  
 State Health & Educational Fac. Auth. Rev.,  
 4,850 Boston College, Ser. L, 4.75%, 6/1/31  
 20,000 Harvard Univ., Ser. FF, 5.125%, 7/15/37  
 4,295 State Turnpike Auth., Ser. A, 4.75%, 1/1/34 (AMBAC)  
 State Water Reserve Auth.,  
 19,300 4.75%, 8/1/37, Ser. A  
 2,300 4.75%, 12/1/21, Ser. B

MICHIGAN--3.4%

10,250 Detroit City School Dist., Ser. A, 5.00%-5.125%, 5/1/31-5/1/32  
 2,500 Detroit Water Supply Syst., Ser. A, 5.00%, 7/1/30 (FGIC)  
 5,000 State Hosp. Fin. Auth. Rev., Ascension Health, Ser. B, 5.25%, 11/15/26

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PIMCO MUNICIPAL INCOME FUND II SCHEDULE OF INVESTMENTS  
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Principal  
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 (000)

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MICHIGAN-- (CONTINUED)

\$ 12,325 State Hosp. Fin. Auth. Rev., Oakwood Obligation Group, Ser. A, 5.75%-6.00%, 4/1/32  
 7,775 West Ottawa Pub. School Dist., Ser. A, 5.00%, 5/1/32  
 8,000 Whitehall Dist. Schools, 5.00%, 5/1/27

MISSISSIPPI--0.1%

1,000 State Dev. Bank Oblig., Projects & Equipment Acquisitions, 5.00%, 7/1/24 (AMBAC)

MISSOURI--0.1%

1,500 St. Louis Parking Facs. Rev., Downtown Parking Facility, 6.00%, 2/1/28

NEBRASKA--0.8%

9,150 Omaha Pub. Pwr. Dist., Nebraska Electric Rev., Ser. B, 6.20%, 2/1/17 (MBIA)

NEVADA--1.8%

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|                      |   |
|----------------------|---|
| 3,400                | Clark Cnty. GO, 5.00%, 6/1/31 (FGIC)  |
| 17,030               | Reno Lien Transn., 5.125%-5.25%, 6/1/27-6/1/41 (AMBAC)                      |
| 3,290                | Truckee Meadows Water Auth Rev., Ser. A, 5.125%, 7/1/30 (FSA)               |
| NEW JERSEY--1.5%     |   |
| 60                   | Camden Cnty. Impt. Auth. Rev., Cooper Health, 5.875%-6.00%, 2/15/15-2/15/27 |
| 750                  | Economic Dev. Auth., Arbor Glen, Ser. A, 6.00%, 5/15/28                     |
| 15,405               | Economic Dev. Auth., Kapkowski Landfill Proj., 5.75%, 10/1/21-4/1/31        |
| 3,500                | Tobacco Settlement Rev., 6.125%, 6/1/42                                     |
| NEW YORK--0.8%       |   |
| 10,600               | Metropolitan Trans. Auth., Ser. A, 5.00%, 11/15/30 (FSA)                    |
| NORTH CAROLINA--0.8% |   |
| 11,105               | Cap. Facs. Fin. Agy. Rev., Duke Univ., Ser. A, 5.125%, 7/1/42               |
| OHIO--0.4%           |   |
| 6,000                | State Water Dev. Auth. Rev., 4.75%, 12/1/27                                 |

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|                      |  |
|----------------------|--|
| PENNSYLVANIA--2.6%   |  |
| \$ 4,500             | Allegheny Cnty. Hosp. Dev. Auth. Rev., Ser. B, 9.25%, 11/15/30   |
| 9,825                | East Allegheny School Dist., 5.00%, 4/1/32 (FGIC)  |
| 8,750                | Montgomery Cnty. Higher Education & Health Auth.<br>Hosp. Rev., Abington Memorial, Ser. A, 5.125%, 6/1/27-6/1/32 |
| 5,000                | Philadelphia Auth. Dev. Lease Rev., Ser. B, 5.25%, 10/1/30 (FSA)   |
| 3,050                | Philadelphia Auth. Indl. Dev. Rev., Doubletree, 6.50%, 10/1/27   |
| 3,000                | Philadelphia GO, 5.25%, 9/15/25 (FSA)  |
| 500                  | Pittsburgh & Allegheny Cnty. Pub. Auditorium, 5.00%, 2/1/29 (AMBAC)  |
| RHODE ISLAND--4.6%   |  |
| 65,000               | Tobacco Settlement Financing Corp., Ser. A, 6.25%, 6/1/42  |
| SOUTH CAROLINA--2.4% |  |
| 27,745               | Greenville Cnty. School District, 5.50%, 12/1/28   |
| 3,250                | Tobacco Settlement Rev., Ser. B, 6.375%, 5/15/28   |
| 1,180                | Trans. Infrastructure Rev., Ser. A, 5.00%, 10/1/29 (AMBAC)   |

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|        |   |
|--------|---|
|        | TEXAS--16.6%  |
| 1,000  | Arlington Indpt. School Dist. GO, 5.00%, 2/15/24                                |
| 4,480  | Aubrey Indpt. School Dist. GO, 5.50%, 2/15/33                                   |
| 4,500  | Austin Water & Wastewater Syst. Rev., Ser. A & B, 5.125%, 5/15/27 (FSA)         |
| 6,500  | Brazos Cnty. Health Facs. Dev. Corp., Franciscan Services Corp., 5.375%, 1/1/32 |
| 2,700  | Comal Cnty. Health Facs., McKenna Memorial Hosp., 6.25%, 2/1/32                 |
| 1,790  | Cuero Indpt. School Dist. GO, 4.875%, 8/15/32                                   |
|        | Dallas Area Rapid Transit.,   |
| 24,070 | 5.00%, 12/1/31 (AMBAC)  |
| 12,975 | 5.00%, 12/1/32 (FGIC)   |
| 500    | El Paso Intl. Airport Rev., Marriott Corp., 7.875%, 3/1/22                      |
| 20,000 | Frisco Indpt. School Dist. GO, zero coupon, 8/15/34                             |
| 10,260 | Galena Park Indpt. School Dist. GO, zero coupon, 8/15/31                        |
| 24,975 | Harris Cnty. GO, 4.75%-5.125%, 10/1/28-8/15/31                                  |
| 25,000 | Harris Cnty. Senior Lien Toll Road, 5.00%, 8/15/30 (FSA)                        |
| 23,000 | Houston Indpt. School Dist. GO, Ser. A, 4.75%, 2/15/26                          |

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PIMCO MUNICIPAL INCOME FUND II SCHEDULE OF INVESTMENTS  
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|          |   |
|----------|---|
|          | TEXAS--(CONTINUED)  |
| \$ 6,800 | Houston Water & Sewer Syst. Rev., Ser. A, 5.00%, 12/1/30 (FSA)                      |
| 11,750   | Keller Indpt. School Dist. GO, 4.875%, 8/15/31                                      |
| 10,000   | Killeen Indpt. School Dist. GO, 4.75%, 2/15/28                                      |
| 3,170    | Little Elm Indpt. School Dist. GO, Ser. A, 5.30%, 8/15/29                           |
| 6,250    | North Dallas Thruway Auth., 4.75%, 1/1/29 (FGIC)                                    |
| 3,870    | Pearsall Indpt. School Dist. GO, 4.875%, 2/15/32                                    |
| 5,000    | Quinlin Indpt. School Dist. GO, 5.10%, 2/15/32                                      |
| 3,500    | South San Antonio Indpt. School Dist. GO, 4.75%, 8/15/32                            |
| 14,000   | State Affordable Housing, American Housing Foundation, Ser. A, 5.40%, 9/1/22 (MBIA) |
|          | State Turnpike Auth. Highway Imps. Rev.,  |
| 10,000   | zero coupon, 8/15/19 (AMBAC)  |
| 8,880    | 5.00%, 8/15/42 (AMBAC)  |
| 4,900    | State Water Financial Assistance GO, 5.00%-5.25%, 8/1/35-8/1/36                     |
| 8,000    | Wichita Falls Water & Sewer Rev., 5.00%, 8/1/27 (AMBAC)                             |
|          | VIRGINIA--1.3%  |
| 6,500    | Fredericksburg Indl. Dev., Medicorp Health Syst., Ser. B, 5.125%-5.25%, 6/15/27     |
| 6,750    | State Auth. Water & Sewer Syst. Rev., Tuckahoe Creek Dist., 5.00%, 11/1/35          |
| 5,000    | State Housing Dev. Auth., Ser. Z, 4.85%, 7/1/33                                     |
|          | WASHINGTON--1.5%  |
| 15,000   | King Cnty. Sewer Rev., Ser. A, 5.00%, 1/1/35 (FSA)                                  |
| 5,000    | Tacoma Sewer Rev., Ser. A, 5.00%, 12/1/31 (FGIC)                                    |

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|       |  |
|-------|--|
|       | WISCONSIN--1.9%  |
| 9,725 | Badger Tobacco Asset Securitization Corp., 6.125%, 6/1/27  |
| 5,685 | State GO, Ser. B, 5.00%, 5/1/16 (FGIC)   |
| 9,190 | State Health & Educational Facs. Auth. Rev., Marquette Univ., Ser. A, 4.85%, 10/1/16             |
| 1,000 | State Health & Educational Facs. Auth. Rev., Froebert & Community Health Oblig., 5.375%, 10/1/30 |

Total Municipal Bonds & Notes (cost-\$1,192,414,737)

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PIMCO MUNICIPAL INCOME FUND II SCHEDULE OF INVESTMENTS  
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VARIABLE RATE NOTES (A) -- 10.3%

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|           |   |
|-----------|---|
|           | ALABAMA--1.1%   |
| \$ 11,125 | Jefferson Cnty. Sewer Rev. Residual Ctfs., Ser. 352, 9.00%, 12/5/02 (FGIC) (b)      |
| 3,500     | Montgomery Care Fac. Residual Ctfs., Ser. 435, 8.53%, 12/5/02 (MBIA) (b)            |
|           | ALASKA--0.1%  |
| 1,000     | Valdez Marine Terminal Rev., Exxon Pipeline Proj., 1.25%, 12/2/02 (c)               |
|           | COLORADO--0.4%  |
| 5,625     | Denver City & Cnty. Airtpt Rev. Residual Ctfs., Ser. 425, 8.48%, 12/5/02 (FSA) (b)  |
|           | FLORIDA--0.9%   |
| 4,455     | Orange Cnty. School Board Cert. of Participation, Ser. 328, 8.46%, 12/5/02 (MBIA)   |
| 8,103     | State Governmental Utilities Rev. Residual Ctfs., Ser. 327, 8.46%, 12/5/02 (AMBAC)  |
|           | ILLINOIS--1.0%  |
|           | Chicago GO,   |
| 4,450     | 8.71%, 12/5/02, Ser. 332 (MBIA) (b)   |
| 5,500     | 9.53%, 12/5/02, Ser. 426 (FGIC) (b)   |
| 3,220     | Cook Cnty. Residual Ctfs., Ser. 403, 8.53%, 12/5/02 (FGIC) (b)                      |
|           | MASSACHUSETTS--3.2%   |
| 3,500     | Boston Water & Sewer Community Rev. Residual Ctfs., Ser. 434, 8.61%, 12/5/02 (FGIC) |
| 14,163    | State Turnpike Auth. Rev. Residual Ctfs., 8.61%, 12/5/02, Ser. 335 (AMBAC) (b)      |

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7,500 8.61%, 12/5/02, Ser. 489 (AMBAC) (b)  
 18,415 8.61%, 12/5/02, Ser. 334 (AMBAC) (b)

NEVADA--0.4%  
 5,500 State GO Residual Ctfs., Ser. 344, 8.46%, 12/5/02 (FGIC) (b)

NEW YORK--0.2%  
 City Muni. Water & Sewer System Rev.,  
 1,000 1.20%, 12/2/02, Ser. C (FGIC) (c)  
 1,500 1.30%, 12/2/02, Ser. G (FGIC) (c)

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\$ 3,950 OHIO--0.3%  
 Hamilton Cnty. Sales Tax Residual Ctfs., Ser. 356, 8.53%, 12/5/02 (MBIA) (b)

PENNSYLVANIA--0.7%  
 Philadelphia School Dist. Residual Ctfs., GO,  
 4,175 7.96%, 12/5/02, Ser. 345 (MBIA) (b)  
 6,693 8.06%, 12/5/02, Ser. 496 (MBIA) (b)

TEXAS--1.6%  
 6,150 Denton Util. Sys. Rev. Residual Ctfs., Ser. 428, 8.78%, 12/5/02 (MBIA) (b)  
 2,750 Houston Arpt. Sys. Rev. Residual Ctfs., Ser. 404, 8.41%, 12/5/02 (FGIC) (b)  
 Houston Water & Sewer Syst. Rev. Residual Ctfs.,  
 5,500 8.53%, 12/5/02, Ser. 427 (b)  
 6,675 9.03%, 12/5/02, Ser. 495 (b)

WASHINGTON--0.3%  
 4,550 Central Puget Sound Regl. Tran. Auth. Sales Tax & Motor Residual Ctfs., Ser. 360,  
 7.96%, 12/5/02 (b)

WYOMING--0.1%  
 1,000 Kemmerer Pollution Control Rev., Exxon Proj., 0.99%, 12/2/02 (c)

Total Variable Rate Notes (cost-\$132,144,533)

-----  
 TREASURY BILLS--0.5%



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7,290 1.19%, 2/13/03 (cost-\$7,272,168)@

TOTAL INVESTMENTS (cost-\$1,331,831,438+)--100.0%

+ The cost basis of securities for federal income tax purposes is \$1,331,831,438. Aggregate gross unrealized appreciation for securities in which there is an excess of value over tax cost is \$9,224,754; aggregate gross unrealized depreciation for securities in which there is an excess of tax cost over value is \$15,525,859; and net unrealized depreciation for federal income tax purposes is \$6,301,105.

@ All or partial principal amount segregated as initial margin on futures contracts.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
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PIMCO CALIFORNIA MUNICIPAL INCOME FUND II SCHEDULE OF INVESTMENTS  
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CALIFORNIA MUNICIPAL BONDS & NOTES--92.9%

|          |  |
|----------|--|
| \$ 2,000 | ABC Unified School Dist. GO,   |
| 2,150    | zero coupon, 8/1/23, Ser. B (FGIC)   |
| 1,000    | zero coupon, 8/1/30-8/1/31 (FGIC)  |
| 8,115    | Alpine Union School Dist. GO, Ser. B, zero coupon, 8/1/24 (FSA)  |
| 53,000   | Anaheim City School Dist. GO, 5.00%, 8/1/26 (FGIC)   |
| 2,000    | Bakersfield, CP, Ser. B, zero coupon, 4/15/21NR/AAA  |
| 2,000    | Bay Area Govt. Assoc. Improvement Bd. Act 1915, 6.30%, 9/2/25  |
| 1,085    | Bay Area Govt. Assoc. Lease Rev., Ser. 2002-1, 5.00%, 7/1/32 (AMBAC)                                       |
| 3,660    | Capistrano Unified School Dist., Community Fac. Dist., Special Tax, 5.70%, 9/1/20                          |
| 8,035    | Chula Vista, Special Tax, 6.05%-6.10%, 9/1/25-9/1/32   |
| 1,410    | Clovis Unified School Dist. GO, Ser. B, zero coupon, 8/1/23-8/1/27 (FGIC)                                  |
| 3,355    | Community College Financing Auth., Lease Rev., Ser. A, 5.00%, 8/1/27 (AMBAC)                               |
| 1,110    | Corona-Norco Unified School Dist. Public Financing Auth., Special Tax., Ser. A, 5.55%-6.10%, 9/1/15-9/1/32 |
| 2,800    | Corona-Norco Unified School Dist. Special Tax., 5.10%, 9/1/25 (AMBAC)                                      |
| 3,000    | Cotati Redev. Agcy Tax Allocation, Ser. A, 5.00%, 9/1/31 (MBIA)  |
| 2,825    | Dinuba Financing Auth., Lease Rev., 5.10%, 8/1/32 (MBIA)   |
| 1,000    | Empire Union School Dist. Special Tax., zero coupon, 10/1/30-10/1/32 (AMBAC)                               |
| 2,440    | Escondido Union School Dist. GO, zero coupon, 8/1/27 (FSA)   |
| 1,500    | Eureka Unified School Dist. GO, zero coupon, 8/1/27 (FSA)  |
| 42,010   | Foothill Eastern Corridor Agcy. Toll Road Rev., 5.875%, 1/15/27 (MBIA)                                     |
| 850      | zero coupon, 1/1/25-1/1/30, Ser. A   |
| 2,115    | Golden Valley Unified School Dist. GO, zero coupon, 8/1/35 (FGIC)  |
|          | Health Facs. Financing Auth. Rev., 5.375%, 11/1/20   |

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|          |  |
|----------|--|
| \$ 1,750 | Huntington Beach Community Facs. Dist. Special Tax, 6.30%, 9/1/32                                  |
| 2,080    | Industry Urban Dev. Agcy. Tax Allocation, 4.75%, 5/1/21 (MBIA)                                     |
| 7,000    | Irvine Improvement Board Act 1915 Special Assessment, 5.70%, 9/2/26                                |
| 1,900    | Jurupa Unified School Dist. GO, zero coupon, 5/1/27 (FGIC)   |
| 2,450    | Kings Canyon JT Unified School Dist., GO, zero coupon, 8/1/27 (FGIC)                               |
| 5,300    | Livermore-Amador Valley Water Management Agcy., Sewer Rev., 5.00%, 8/1/31 (AMBAC)                  |
| 5,935    | Long Beach Unified School Dist., GO, Ser. C, 5.00%, 8/1/27 (MBIA)                                  |
| 9,895    | Los Angeles, CP,<br>5.00%, 2/1/27 (MBIA)   |
| 2,685    | 5.00%, 10/1/27, Ser. AU (MBIA)   |
| 16,950   | Los Angeles Dept. of Water & Power, Waterworks Rev.,<br>5.125%, 7/1/41, Ser. A (FGIC)              |
| 10,000   | 5.125%, 7/1/41 (MBIA)  |
| 12,200   | Los Angeles Wastewater Syst. Rev., Ser A,<br>5.00%, 6/1/28-6/1/30 (FGIC)                           |
| 1,000    | Manhattan Beach Unified School Dist. GO, zero coupon, 9/1/25 (FGIC)                                |
| 7,295    | Manteca Redev. Agcy, Tax Allocation, 5.00%, 10/1/32 (FSA)  |
| 5,330    | Manteca Unified School Dist. Special Tax,<br>5.00%, 9/1/29, Ser. C                                 |
| 2,365    | zero coupon, 9/1/25 (MBIA)   |
| 4,000    | Merced Cnty, CP., 5.00%, 6/1/32 (AMBAC)  |
| 7,320    | Modesto Elementary School Dist., Stanislaus Cnty. GO,<br>zero coupon, 8/1/23-8/1/27, Ser. A (FGIC) |
| 2,150    | Modesto High School Dist., Stanislaus Cnty. GO, zero coupon, 8/1/26, Ser. A (FGIC)                 |
| 1,000    | Modesto Public Financing Auth. Lease Rev., 5.00%, 9/1/29 (AMBAC)                                   |
| 2,385    | Monrovia Financing Auth. Lease Rev., 5.125%, 12/1/31 (AMBAC)                                       |
| 7,105    | Montebello Unified School Dist. GO,<br>zero coupon, 8/1/24-8/1/27 (FGIC)                           |
| 1,485    | zero coupon, 8/1/24 (FSA)  |
| 2,400    | Morgan Hill Unified School Dist. GO, zero coupon, 8/1/23 (FGIC)                                    |

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|          |  |
|----------|--|
| \$ 1,500 | Mountain View-Whisman School Dist. GO, Ser. D, 5.00%, 6/1/27 (MBIA)                |
| 1,800    | Murrieta Redev. Agcy. Tax, 5.00%, 8/1/32 (MBIA)Aaa/AAA                             |
| 3,245    | Newark Unified School Dist. GO, Ser. D, zero coupon, 8/1/26 (FSA)                  |
| 2,750    | North City West School Facs. Financing Auth., Special Tax, zero coupon, 9/1/27 (AM |
| 19,805   | Oakland, GO, Ser. A, 5.00%, 1/15/27-1/15/32 (FGIC)                                 |
| 1,000    | Orange Cnty. Community Facs. Dist. Special Tax, Ser. A, 6.00%, 8/15/25             |
| 3,685    | Palmdale Community Redev. Agcy, Tax Allocation, zero coupon, 12/1/30-12/1/32 (AMBA |
| 1,750    | Paramount Unified School Dist. GO, Ser. B, zero coupon, 9/1/23 (FSA)               |
|          | Perris Public Financing Auth. Rev.,  |
| 2,650    | 4.75%-4.875%, 10/1/23-10/1/31, Ser. B (MBIA)                                       |
| 2,580    | 5.375%-5.625%, 10/1/20-10/1/31, Ser. C   |
| 1,410    | Pomona Public Financing Auth. Rev., Ser. AF, 5.00%, 12/1/37 (MBIA)                 |
| 7,700    | Poway Unified School Dist. Special Tax, 5.50%-5.70%, 9/1/25-9/1/33,                |
| 2,000    | Rancho Cucamonga Community Facs. Dist. Special Tax, 6.375%, 9/1/31, Ser. A         |
| 1,500    | Richmond Wastewater Rev., zero coupon, 8/1/30 (FGIC)                               |
| 17,500   | Rocklin Unififed School Dist. GO, zero coupon, 8/1/24-8/1/27 (FGIC)                |
| 9,250    | Roseville Redev. Agcy. Tax Allocation, 5.00%, 9/1/27-9/1/33 (MBIA)                 |
|          | Sacramento City Financing Auth. Rev., Ser. A,                                      |
| 4,500    | 5.00%, 12/1/32 (FSA)   |
| 1,000    | 6.25%, 9/1/23  |
| 16,000   | Sacramento Cnty. Airport Syst. Rev., Ser. A, 5.00%, 7/1/32 (FSA)                   |
| 16,285   | San Diego Cnty. Water Auth. Water Rev., CP, Ser. A, 5.00%, 5/1/28-5/1/29 (MBIA)    |
| 1,000    | San Diego Public Facs. Financing Auth. Sewer Rev., Ser. A, 5.00%, 5/15/29 (FGIC)   |
| 1,500    | San Diego Public Facs. Financing Auth. Lease Rev., 5.00%, 4/1/32 (MBIA)            |
| 26,460   | San Diego Public Facs. Financing Auth. Water Rev., 5.00%, 8/1/32 (MBIA)            |
|          | San Diego Unified School Dist. GO,   |
| 8,835    | 5.00%, 7/1/26, Ser. C (FSA)  |
| 7,775    | 5.00%, 7/1/27, Ser. D (FGIC)   |

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|----------|--|
| \$ 5,585 | San Francisco City & Cnty. Airport Community, Int'l Airport Rev.,                  |
|          | 4.50%, 5/1/28, Ser. 15B (MBIA)   |
| 20,300   | 5.00%, 5/1/32, Ser. 28B (MBIA)   |
| 9,060    | San Francisco City & Cnty. Public Utilities Community                              |
|          | Water Rev., Ser. A, 5.00%, 11/1/26-11/1/27 (MBIA)                                  |
| 10,405   | San Joaquins Hills Transportation Corridor Agcy. Toll Road Rev., zero coupon, 1/1/ |
|          | San Jose, GO,  |
| 14,970   | 5.00%, 9/1/32 (MBIA)   |
| 10,190   | 5.125%, 9/1/31 (MBIA)  |
| 9,150    | San Jose Unified School Dist. Santa Clara Cnty. GO, 5.00%, 8/1/27, Ser. A (FSA)    |
| 7,875    | San Juan Unified School Dist. GO, zero coupon, 8/1/23-8/1/26 (FSA)                 |
| 4,835    | San Mateo Foster City School Dist. GO, 5.10%, 8/1/31 (FGIC)                        |
| 2,300    | San Mateo Union High School Dist. GO, zero coupon, 9/1/20 (FGIC)                   |
| 1,730    | San Rafael City High School Dist. GO, Ser. B, 5.00% 8/1/27 (FSA)                   |
| 3,280    | San Rafael Elementary School Dist. GO, Ser. B, 5.00%, 8/1/27 (FSA)                 |

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|        |  |
|--------|--|
| 8,690  | Santa Clara Unified School Dist. GO, 5.00%, 7/1/25-7/1/27 (MBIA)                 |
| 1,260  | Santa Cruz Cnty., CP, 5.25%, 8/1/32  |
| 3,500  | Saugus Hart School Facs. Financing Auth. Special Tax, 6.10%-6.13%, 9/1/32-9/1/33 |
| 2,000  | Saugus Union School Dist. GO, Ser. A, 4.75%, 8/1/27 (FGIC)                       |
| 1,000  | Shasta Union High School Dist. GO, zero coupon, 8/1/24 (FGIC)                    |
| 12,975 | South Gate Utility Auth. Rev., 5.00%, 10/1/32 (FGIC)                             |
| 4,745  | South Tahoe JT Powers Parking Financing Auth. Rev., Ser. A, 7.00%, 12/1/27       |
| 1,800  | Southern Mono Health Care Dist. GO, zero coupon, 8/1/26 (MBIA)                   |

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PIMCO CALIFORNIA MUNICIPAL INCOME FUND II SCHEDULE OF INVESTMENTS  
November 30, 2002 (unaudited)

Principal  
Amount  
(000)

|          |   |
|----------|---|
|          | State GO,   |
| \$ 1,650 | 5.00%, 4/1/27 (AMBAC)   |
| 7,780    | 5.25%, 2/1/30   |
| 62,200   | 6.25%, 9/1/12 (MBIA)  |
| 9,605    | State Public Works Board Lease Rev., Ser. A, 5.00%, 10/1/22 (FSA)                 |
| 1,710    | State University Rev. & Colleges, Ser. A, 5.00%, 11/1/33 (AMBAC)                  |
| 1,170    | Statewide Community Dev. Auth. CP, 6.10%, 11/1/15 (b)                             |
| 2,000    | Statewide Community Dev. Auth. Rev., 6.75%, 7/1/32 (b)                            |
|          | Statewide Financing Auth. Tobacco Settlement Rev.,                                |
| 2,000    | 5.625%, 5/1/29, Ser. A  |
| 20,000   | 6.00%, 5/1/37, Ser. B   |
| 7,750    | Tamalpais Union High School Dist. GO, 5.00%, 8/1/27 (FSA)                         |
|          | Tobacco Securitization Agcy. Rev.,  |
| 15,000   | 5.625%-6.00%, 6/1/23-6/1/35   |
| 1,800    | 5.875%, 6/1/43, Ser. A  |
| 4,500    | 6.00%, 6/1/42   |
| 1,000    | Tracy Community Facs. Dist. Special Tax, 6.00%, 9/1/27                            |
| 7,815    | Tustin Unified School Dist. Special Tax, 5.00%, 9/1/38 (FSA)                      |
| 20,910   | University Revs., Ser. O, 5.00%, 9/1/27-9/1/28 (FGIC)                             |
| 10,000   | Ventura Cnty. Community College Dist. GO, Ser. A, 5.00%, 8/1/27 (MBIA)            |
| 1,555    | Ventura Unified School Dist., GO, Ser. F Ser. F, 5.00%, 8/1/32 (FSA)              |
| 3,535    | Victor Elementary School Dist., Ser. A, zero coupon, 8/1/24-8/1/26 (FGIC)         |
| 1,000    | Vista Unified School Dist. GO, Ser. A, zero coupon, 8/1/26 (FSA)                  |
| 7,320    | West Contra Costa University School Dist. GO, Ser. A, 5.00%, 8/1/26-8/1/31 (MBIA) |
| 3,375    | Westlands Water Dist. Rev. CP, 5.00%, 9/1/34 (MBIA)                               |
| 2,110    | Yuba City Unified School Dist. GO, zero coupon, 9/1/25 (FGIC)                     |

Total California Municipal Bonds & Notes (cost-\$630,861,752)

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PIMCO CALIFORNIA MUNICIPAL INCOME FUND II SCHEDULE OF INVESTMENTS  
November 30, 2002 (unaudited)

Principal  
Amount  
(000)

---

PUERTO RICO MUNICIPAL BONDS & NOTES--3.6%

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|           |                   |  |
|-----------|-------------------|--|
|           | PUERTO RICO--3.6% |  |
| \$ 16,700 |                   | Children Trust Fund Tobacco Settlement Rev., 5.625%, 5/15/43 |
| 7,500     |                   | Public Building Auth. Rev., Ser. G, 4.75%, 7/1/32            |
| 1,000     |                   | Tel. Auth. Rev., 5.25%, 1/25/07 (MBIA)                       |

Total Puerto Rico Municipal Bonds & Notes (cost-\$24,580,379)

---

CALIFORNIA VARIABLE RATE NOTES (A)--1.0%

---

|       |  |   |
|-------|--|---|
|       | CALIFORNIA VARIABLE RATE NOTES (A)--1.0% |   |
| 2,100 |  | Bay Area Toll Auth. Toll Bridge Rev., 1.05%, 12/5/02 (AMBAC) (c)                  |
| 1,400 |  | Metropolitan Water Dist. Southern Waterworks Rev., Ser. A, 1.00%, 12/5/02 (AMBAC) |
| 3,250 |  | Modesto Public Financing Auth. Lease Rev., Ser. 354, 8.64%, 12/5/02 (AMBAC) (b)   |

Total California Variable Rate Notes (cost-\$6,665,448)

---

OTHER VARIABLE RATE NOTES (A) (C)--2.5%

---

|       |                     |  |
|-------|---------------------|--|
|       | CONNECTICUT--0.7%   |  |
| 1,000 |                     | State Housing Fin. Auth., SubSer. D-3, 1.10%, 12/5/02 (AMBAC)              |
| 3,700 |                     | State Health & Educational Facs. Auth. Rev., Ser. V-1, 1.30%, 12/2/02      |
|       | LOUISIANA--0.3%     |  |
| 2,000 |                     | East Baton Rouge Parish, Pollution Control Revenue, 1.20%, 12/2/02         |
|       | MASSACHUSETTS--0.8% |  |
| 600   |                     | State Health & Educational Facs. Auth. Rev.,<br>1.05%, 12/5/02, SER. J2    |
| 1,100 |                     | 1.05%, 12/5/02, SER. Y   |
| 4,000 |                     | State Water Resources Auth., Ser. D, 1.30%, 12/2/02 (LOC-Landesbank Baden) |
|       | NEW JERSEY--0.2%    |  |
| 1,000 |                     | State Educational Facs. Auth. Rev., Ser. B, 1.30%, 12/2/02                 |

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PIMCO CALIFORNIA MUNICIPAL INCOME FUND II SCHEDULE OF INVESTMENTS  
November 30, 2002 (unaudited)

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Principal  
Amount  
(000)

---

|         |  |
|---------|--|
|         | NEW YORK--0.4%   |
| \$1,500 | New York City Municipal Water Fin. Auth., Water<br>& Sewer Syst. Rev., Ser. G, 1.30%, 12/2/02 (FGIC) |
| 1,300   | State Dorm. Auth. Rev., Cornell Univ., Ser A, 1.10%, 12/5/02 (Toronto Dominion Ban                   |
|         | TEXAS--0.1%  |
| 500     | Gulf Coast Waste Disposal Auth., Pollution Control Rev., 1.20%, 12/2/02                              |
| 500     | Harris Cnty. Health Facs. Dev. Corp., Hospital Rev., Ser. B-1, 1.30%, 12/2/02 (MBI                   |
|         | WASHINGTON--0.0%   |
| 250     | State Health Care Facs. Auth. Rev., Ser. A, 1.25%, 12/2/02 (MBIA)                                    |
|         | Total Other Variable Rate Notes (cost \$17,450,000)  |
|         | TOTAL INVESTMENTS (cost-\$679,557,579++)--100.0%   |

---

++ The cost basis of securities for federal income tax purposes is \$679,557,579. Aggregate gross unrealized appreciation for securities in which there is an excess of value over tax cost is \$4,282,530; aggregate gross unrealized depreciation for securities in which there is an excess of tax cost over value is \$6,056,403; and net unrealized depreciation for federal income tax purposes is \$1,773,873.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
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PIMCO NEW YORK MUNICIPAL INCOME FUND II SCHEDULE OF INVESTMENTS  
November 30, 2002 (unaudited)

Principal  
Amount  
(000)

---

NEW YORK MUNICIPAL BONDS & NOTES--79.7%

---

|          |  |
|----------|--|
| \$ 1,250 | Buffalo Municipal Water Fin. Auth. Water Syst.<br>Rev., Ser. B, 5.00%-5.125%, 7/1/27-7/15/32 (FSA) |
| 4,620    | Chappaqua Central School Dist. GO, Ser. B, 4.70%, 9/1/26-9/1/30 (MBIA)                             |
| 10,000   | Erie Cnty. Tobacco Asset, 6.50%, 7/15/32   |
| 5,000    | Metropolitan Transportation Auth. Dedicated Tax Fund, Ser. A, 5.00%, 11/15/30                      |
| 1,850    | Metropolitan Transportation Auth. Rev.,<br>5.00%, 11/15/30, Ser. A (FSA)                           |

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|        |  |
|--------|--|
| 10,000 | 5.25%, 11/15/31, Ser. E  |
| 7,000  | Metropolitan Transportation Auth. Service Contract, Ser. B, 5.35%, 7/1/31<br>New York City GO, |
| 1,500  | 5.75%, 8/1/16, Ser. A  |
| 5,000  | 5.75%, 8/1/14, Ser. B  |
| 3,100  | New York City Health & Hospital Corp. Rev., Ser. A, 5.375%-5.45%, 2/15/26                      |
| 1,250  | New York City Indl. Dev. Agcy. Civic Fac. Rev., 6.45%, 7/1/32                                  |
| 1,000  | New York City Indl. Dev. Agcy. Rev., 4.95%, 11/20/32 (GNMA)                                    |
|        | New York City Municipal Water Fin. Auth. Water & Sewer Syst. Rev., Ser. A,                     |
| 5,000  | 4.75%, 6/15/31 (FGIC)  |
| 15,000 | 5.125%, 6/15/34  |
|        | New York City Transitional Fin. Auth. Rev.,  |
| 7,195  | 5.00%, 5/1/23, Ser. A (FGIC)   |
| 10,000 | 5.00%, 11/1/27, Ser. B   |
| 3,600  | Port Auth. of New York & New Jersey, 5.00%, 4/15/32  |
| 7,500  | State Dormitory Auth. Lease Rev., State Univ. Dormitory Facs., 5.00%, 7/1/32                   |
| 3,225  | State Dormitory Auth. Revs., FHA-NY & Presbyterian Hospital, 4.75%, 8/1/27 (AMBAC)             |
| 5,000  | State Dormitory Auth. Revs., FHA-Saint Barnabas, Ser. A, 5.00%, 2/1/31 (AMBAC)                 |
| 3,500  | State Dormitory Auth. Revs., Fordham Univ., 5.00%, 7/1/32 (FGIC)                               |
| 5,300  | State Dormitory Auth. Revs., Lenox Hill Hospital 5.50%, 7/1/30                                 |

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PIMCO NEW YORK MUNICIPAL INCOME FUND II SCHEDULE OF INVESTMENTS  
November 30, 2002 (unaudited)

Principal  
Amount  
(000)

---

|          |  |
|----------|--|
| \$ 1,400 | State Dormitory Auth. Revs., Long Island Univ., 5.25%, 9/1/28                      |
| 4,000    | State Dormitory Auth. Revs., Rockefeller Univ., 4.75%, 7/1/37                      |
| 4,270    | State Dormitory Auth. Rev., Teachers College, 5.00%, 7/1/32 (MBIA)                 |
| 2,000    | State Environmental Facs. Corp., State Clean Water & Drinking, 5.125%, 6/15/31     |
| 4,500    | State Power Auth., Ser. A, 4.75%, 11/15/22   |
| 10,000   | State Urban Dev. Corp., Correctional & Youth Facs. Services, Ser. A, 5.50%, 1/1/17 |
|          | Triborough Bridge & Tunnel Auth. Revs., Ser. A,                                    |
| 4,700    | 5.00%, 1/1/32  |
| 6,000    | 5.00%, 1/1/27 (FGIC)   |
|          | Tobacco Settlement Asset Backed, Inc.,   |
| 25,000   | 5.75%, 7/15/32   |
| 10,000   | 6.375%, 7/15/39  |

Total New York Municipal Bonds & Notes (cost-\$189,181,096)

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PUERTO RICO MUNICIPAL BONDS & NOTES--4.4%

---

|       |  |
|-------|--|
| 5,675 | ChildrenTrust Fund Puerto Rico Tobacco Settlement Rev., 5.625%, 5/15/43        |
| 1,500 | Puerto Rico Commonwealth Highway & Transportation Auth., Ser. D, 5.25%, 7/1/38 |
| 2,500 | Puerto Rico Public Building Auth. Rev., Ser G, 4.75%, 7/1/32                   |
| 1,000 | Puerto Rico Tel. Auth. Rev., 5.25%, 1/25/07 (MBIA)                             |

Total Puerto Rico Municipal Bonds & Notes (cost-\$10,481,006)

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-----  
 NEW YORK VARIABLE RATE NOTES (A)-15.1%  
 -----

|        |  |
|--------|--|
| 13,988 | Long Island Power Auth. Elec. Syst. Rev., Ser. 339, 9.08%, 12/5/02 (MBIA) (b)                              |
| 5,100  | Nassau Cnty Interim Fin. Auth., Ser B, 1.05%, 12/4/02 (FSA) (c)  |
| 6,565  | New York City Municipal Water Fin. Auth., Water &<br>Sewer Syst. Rev., Ser. 364, 7.98%, 12/5/02 (MBIA) (b) |
| 2,000  | State Dormitory Auth. Rev., Columbia Univ., Ser. C, 1.20%, 12/5/02 (c)                                     |

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PIMCO NEW YORK MUNICIPAL INCOME FUND II SCHEDULE OF INVESTMENTS  
 November 30, 2002 (unaudited)

Principal  
 Amount  
 (000)

=====

|          |  |
|----------|--|
| \$ 2,000 | State Dormitory Auth. Rev., Cornell Univ., Ser. B,<br>1.10%, 12/5/02 (Toronto Dominion Bank) (c) |
| 1,400    | 1.25%, 12/5/02 (Morgan Guaranty Trust) (c)   |
| 1,500    | State Dormitory Auth. Rev., NY Public Library, Ser. A, 1.10%, 12/4/02 (MBIA) (c)                 |
| 3,000    | State Local Govt. Assistance Corp., Ser. C, 1.05%, 12/4/02 (Landesbank Hessen) (c)               |
|          | Total New York Variable Rate Notes (cost-\$34,876,192)   |

-----  
 OTHER VARIABLE RATE NOTES (A) (C)--0.8%  
 -----

|       |   |
|-------|---|
| 1,800 | RHODE ISLAND--0.8%<br>State Island Industrial Corp. Marine Terminal Rev., 1.25%, 12/2/02 (cost-\$1,800,000) |
|-------|---|

TOTAL INVESTMENTS (cost-\$236,338,294+++)-100.0%

=====  
 +++ The cost basis of securities for federal income tax purposes is \$236,338,294. Aggregate gross unrealized appreciation for securities in which there is an excess of value over tax cost is \$2,716,531; aggregate gross unrealized depreciation for securities in which there is an excess of tax cost over value is \$1,964,759; and net unrealized appreciation for federal income tax purposes is \$751,772.  
 =====

NOTES TO SCHEDULE OF INVESTMENTS

\* Long-term debt securities are valued by an independent pricing service authorized by the Board of Trustees.

(a) Variable Rate Notes are instruments whose interest rates change on a 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). Maturity date shown is date of next rate change.



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(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. At November 30, 2002, these securities amounted to \$131,539,061 or 9.9% of investments, \$6,434,076 or 0.9% of investments and \$20,933,094 or 8.8% of investments, respectively, for Municipal II, California Municipal II and New York Municipal II.

(c) Variable Rate Demand Notes.

=====

GLOSSARY:

AMBAC -- insured by American Municipal Bond Assurance Corp.  
 CP -- Certificates of Participation  
 FGIC -- insured by insured Financial Guaranty Insurance Co.  
 FHA -- insured by Federal Housing Administration  
 FSA -- insured by Financial Security Assurance, Inc.  
 GNMA -- Government National Mortgage Association  
 GO -- General Obligation Bonds  
 LOC -- Letter of Credit  
 MBIA -- insured by Municipal Bond Investors Assurance  
 NR -- Not Rated

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
 | 11.30.02 | PIMCO Municipal Income Funds II Semi-Annual Report 27

PIMCO MUNICIPAL INCOME FUNDS II STATEMENTS OF ASSETS AND LIABILITIES  
 November 30, 2002 (unaudited)

|  | MUNICIPAL II         | CALIFORNIA<br>MUNICIPAL II |
|--|----------------------|----------------------------|
|  | -----                | -----                      |
| <b>ASSETS:</b>   |                      |                            |
| Investments, at value (cost-\$1,331,831,438,<br>\$679,557,579 and \$236,338,294, respectively) | \$1,325,530,333      | \$677,783,706              |
| -----  | -----                | -----                      |
| Cash   | 2,654,647            | --                         |
| -----  | -----                | -----                      |
| Interest receivable  | 19,149,817           | 8,284,988                  |
| -----  | -----                | -----                      |
| Receivable for investments called  | --                   | --                         |
| -----  | -----                | -----                      |
| Prepaid expenses   | 26,904               | 25,127                     |
| -----  | -----                | -----                      |
| <b>Total Assets</b>  | <b>1,347,361,701</b> | <b>686,093,821</b>         |
| =====  | =====                | =====                      |
| <b>LIABILITIES:</b>  |                      |                            |
| Due to custodian   | --                   | 1,324,722                  |
| -----  | -----                | -----                      |
| Payable for investments purchased  | 14,861,378           | 1,200,045                  |
| -----  | -----                | -----                      |
| Dividends payable to common and preferred shareholders   | 4,950,912            | 2,465,089                  |
| -----  | -----                | -----                      |

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|  |                       |                      |
|--|-----------------------|----------------------|
| Payable for variation margin on futures contracts  | 1,171,875             | --                   |
| Investment management fee payable  | 550,120               | 282,897              |
| Common stock offering costs payable  | 196,100               | 37,726               |
| Preferred shares offering costs payable  | 21,733                | 99,712               |
| Accrued expenses   | 95,289                | 56,197               |
| <b>Total Liabilities</b>   | <b>21,847,407</b>     | <b>5,466,388</b>     |
| Preferred shares (\$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) | 505,000,000           | 260,000,000          |
| <b>NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS</b>  | <b>\$ 820,514,294</b> | <b>\$420,627,433</b> |
| COMPOSITION OF NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS:   |                       |                      |
| Common stock, par value \$0.00001 per share  | \$ 577                | \$ 300               |
| Paid-in-capital in excess of par   | 819,809,396           | 425,701,684          |
| Dividends in excess of net investment income   | (2,453,157)           | (2,163,167)          |
| Net realized loss on investments   | (2,416,417)           | (1,137,511)          |
| Net unrealized appreciation (depreciation) of investments and futures contracts  | 5,573,895             | (1,773,873)          |
| <b>NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS</b>  | <b>\$ 820,514,294</b> | <b>\$420,627,433</b> |
| Common Shares Outstanding  | 57,683,218            | 29,965,192           |
| <b>NET ASSET VALUE PER COMMON SHARE</b>  | <b>\$14.22</b>        | <b>\$14.04</b>       |

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
28 PIMCO Municipal Income Funds II Semi-Annual Report | 11.30.02 |

PIMCO MUNICIPAL INCOME FUNDS II STATEMENTS OF OPERATIONS  
For the period June 28, 2002\* through November 30, 2002 (unaudited)

|                            | MUNICIPAL II  | CALIFORNIA MUNICIPAL II |
|----------------------------|---------------|-------------------------|
| <b>INVESTMENT INCOME:</b>  |               |                         |
| Interest                   | \$ 21,934,133 | \$ 10,039,518           |
| <b>EXPENSES:</b>           |               |                         |
| Investment management fees | 3,202,849     | 1,656,662               |

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|  |               |              |
|--|---------------|--------------|
| Auction agent fees and commissions   | 354,052       | 184,550      |
| Custodian and accounting agent fees  | 170,964       | 71,055       |
| Trustees' fees   | 24,960        | 12,480       |
| Legal fees   | 23,400        | 10,920       |
| Audit and tax service fees   | 22,660        | 12,500       |
| New York Stock Exchange listing fee  | 19,291        | 13,948       |
| Reports to shareholders  | 15,600        | 9,360        |
| Transfer agent fees  | 12,480        | 10,920       |
| Miscellaneous  | 8,722         | 5,587        |
| Total expenses   | 3,854,978     | 1,987,982    |
| Less: investment management fees waived  | (739,119)     | (382,306)    |
| expense offset   | (145,764)     | (54,045)     |
| Net expenses   | 2,970,095     | 1,551,631    |
| <br>   |               |              |
| NET INVESTMENT INCOME  | \$ 18,964,038 | \$ 8,487,887 |
| <br>   |               |              |
| REALIZED AND UNREALIZED GAIN (LOSS):   |               |              |
| Net realized gain (loss) on:   |               |              |
| Investments  | 371,463       | (9,859)      |
| Futures contracts  | (2,787,880)   | (1,127,652)  |
| Net unrealized appreciation (depreciation) of<br>investments and futures contracts                   | 5,573,895     | (1,773,873)  |
| Net realized and unrealized gain (loss)  | 3,157,478     | (2,911,384)  |
| <br>   |               |              |
| NET INCREASE IN NET ASSETS RESULTING FROM<br>INVESTMENT OPERATIONS                                   | 22,121,516    | 5,576,503    |
| <br>   |               |              |
| DIVIDENDS ON PREFERRED SHARES FROM<br>NET INVESTMENT INCOME  | (1,977,427)   | (919,305)    |
| <br>   |               |              |
| NET INCREASE IN NET ASSETS APPLICABLE TO COMMON<br>SHAREHOLDERS RESULTING FROM INVESTMENT OPERATIONS | \$ 20,144,089 | \$ 4,657,198 |

\* Commencement of operations

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
| 11.30.02 | PIMCO Municipal Income Funds II Semi-Annual Report 29

PIMCO MUNICIPAL INCOME FUNDS II STATEMENTS OF CHANGES IN NET ASSETS APPLICABLE  
TO COMMON SHAREHOLDERS

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For the period June 28, 2002\* through November 30, 2002 (unaudited)

|  | MUNICIPAL II   | CALIFORNIA<br>MUNICIPAL II |
|--|----------------|----------------------------|
|  | -----          | -----                      |
| INVESTMENT OPERATIONS:   |                |                            |
| Net investment income  | \$ 18,964,038  | \$ 8,487,887               |
| -----  | -----          | -----                      |
| Net realized loss on investments and futures contracts   | (2,416,417)    | (1,137,511)                |
| -----  | -----          | -----                      |
| Net unrealized appreciation (depreciation) on<br>investments and futures contracts                   | 5,573,895      | (1,773,873)                |
| -----  | -----          | -----                      |
| Net increase in net assets resulting from investment<br>operations                                   | 22,121,516     | 5,576,503                  |
| -----  | -----          | -----                      |
| DIVIDENDS ON PREFERRED SHARES FROM<br>NET INVESTMENT INCOME  | (1,977,427)    | (919,305)                  |
| -----  | -----          | -----                      |
| Net increase in net assets applicable to common<br>shareholders resulting from investment operations | 20,144,089     | 4,657,198                  |
| -----  | -----          | -----                      |
| DIVIDENDS TO COMMON SHAREHOLDERS FROM<br>NET INVESTMENT INCOME                                       | (19,439,768)   | (9,731,749)                |
| =====  | =====          | =====                      |
| CAPITAL SHARE TRANSACTIONS:  |                |                            |
| Net proceeds from the sale of common stock   | 823,703,945    | 428,317,500                |
| -----  | -----          | -----                      |
| Preferred shares underwriting discount charged to paid-in<br>capital in excess of par                | (5,050,000)    | (2,600,000)                |
| -----  | -----          | -----                      |
| Common stock and preferred shares offering costs charged to<br>paid-in capital in excess of par      | (1,330,905)    | (869,007)                  |
| -----  | -----          | -----                      |
| Reinvestment of dividends  | 2,386,930      | 753,488                    |
| -----  | -----          | -----                      |
| Net increase in net assets from capital transactions   | 819,709,970    | 425,601,981                |
| -----  | -----          | -----                      |
| Total increase in net assets applicable to<br>common shareholders                                    | 820,414,291    | 420,527,430                |
| =====  | =====          | =====                      |
| NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS:  |                |                            |
| Beginning of period  | 100,003        | 100,003                    |
| -----  | -----          | -----                      |
| End of period  | \$ 820,514,294 | 400,627,433                |
| =====  | =====          | =====                      |
| COMMON SHARES ISSUED AND REINVESTED:   |                |                            |
| Issued   | 57,501,148     | 29,900,000                 |
| -----  | -----          | -----                      |
| Issued in reinvestment of dividends  | 175,089        | 58,211                     |
| -----  | -----          | -----                      |
| NET INCREASE   | 57,676,237     | 29,958,211                 |
| =====  | =====          | =====                      |

\* Commencement of operations

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SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
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PIMCO MUNICIPAL INCOME FUNDS II NOTES TO FINANCIAL STATEMENTS  
November 30, 2002 (unaudited)

### 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

PIMCO Municipal Income Fund II ("Municipal II"), PIMCO California Municipal Income Fund II ("California Municipal II") and PIMCO New York Municipal Income Fund II ("New York Municipal II") collectively referred to as the "Funds" or "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, and the sale and issuance of 6,981 shares of beneficial interest of each Fund at an aggregate purchase price of \$100,003 per Fund to Allianz Dresdner Asset Management of America L.P., ("ADAM"). PIMCO Advisors Fund Management LLC, formerly PIMCO Funds Advisors LLC, (the "Investment Manager"), serves as the Fund's Investment Manager and is an indirect, majority-owned subsidiary of ADAM. ADAM is an indirect, majority-owned subsidiary of Allianz AG.

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 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. Offering costs of \$955,905, \$569,007 and \$308,845 (representing \$0.02 per share for Municipal II and California Municipal II and \$0.03 per share for New York Municipal II), were offset against the proceeds of the offerings and have been charged to paid-in capital in excess of par. The Investment Manager has agreed to pay all offering costs (other than the sales load) and organizational expenses exceeding \$0.03 per share for each Fund.

In addition, the underwriters discount and offering costs associated with the Funds' issuance of Preferred Shares in the amounts of \$5,050,000 and \$375,000, \$2,600,000 and \$300,000 and \$900,000 and \$175,000, for Municipal II, California Municipal II and New York Municipal II, respectively, have been 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

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management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The following is a summary of significant accounting policies consistently followed by the Funds:

### (A) VALUATION OF INVESTMENTS

Portfolio securities and other assets for which market quotations are readily available are valued each day at market value. Market value is generally determined on the basis of the last reported sales price, or if no sales are reported, based on quotes obtained from a quotation reporting system, established market makers, or independent pricing services approved by the Board of Trustees. Any security or other asset for which market quotations are not readily available is valued at fair value as determined in good faith under procedures established by the Board of Trustees.

### (B) 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.

### (C) 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 discounts, if any, are accreted daily to taxable income.

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## PIMCO MUNICIPAL INCOME FUNDS II NOTES TO FINANCIAL STATEMENTS November 30, 2002 (unaudited)

### 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

#### (d) 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 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.

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### (e) EXPENSE OFFSET

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

### (f) 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 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.

Futures contracts outstanding at November 30, 2002 were as follows:

| Fund         | Type                                 | # of<br>Contracts | Expiration<br>Date | Unrealized<br>Appreciation |
|--------------|--------------------------------------|-------------------|--------------------|----------------------------|
| Municipal II | Short: U.S. Treasury<br>30 Year Bond | 2,500             | 12/31/02           | \$11,875,000               |

## 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 of 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 the 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,

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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 \$1,281,139, \$662,665 and \$228,954 in connection with sub-advisory services for Municipal II, California Municipal II and New York Municipal II, respectively, for the period ended November 30, 2002.

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PIMCO MUNICIPAL INCOME FUNDS II NOTES TO FINANCIAL STATEMENTS  
November 30, 2002 (unaudited)

### 3. INVESTMENTS IN SECURITIES

For the period ended November 30, 2002, purchases and sales of investments, other than short-term securities, were as follows:

|           | Municipal II    | California<br>Municipal II | New York<br>Municipal II |
|-----------|-----------------|----------------------------|--------------------------|
| Purchases | \$1,364,368,936 | \$759,190,247              | \$254,968,109            |
| Sales     | 34,481,094      | 77,776,708                 | 19,295,247               |

### 4. CAPITAL

The Funds have an unlimited amount of \$0.00001 par value common stock authorized.

### 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.

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 period ended November 30, 2002, the annualized dividend rates ranged from:

|               | High | Low | At 11/30/02 |
|---------------|------|-----|-------------|
| MUNICIPAL II: |      |     |             |



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|          |       |       |       |
|----------|-------|-------|-------|
| Series A | 1.65% | 1.20% | 1.65% |
| Series B | 1.90% | 1.20% | 1.90% |
| Series C | 1.65% | 1.00% | 1.60% |
| Series D | 1.75% | 1.11% | 1.75% |
| Series E | 1.75% | 1.20% | 1.75% |

### CALIFORNIA MUNICIPAL II:

|          |       |       |       |
|----------|-------|-------|-------|
| Series A | 1.50% | 1.00% | 1.19% |
| Series B | 1.45% | 0.80% | 1.00% |
| Series C | 1.50% | 1.00% | 1.10% |
| Series D | 1.50% | 1.00% | 1.00% |
| Series E | 1.50% | 1.00% | 1.20% |

### NEW YORK MUNICIPAL II:

|          |       |       |       |
|----------|-------|-------|-------|
| Series A | 1.50% | 1.00% | 1.25% |
| Series B | 1.60% | 1.00% | 1.25% |

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## PIMCO MUNICIPAL INCOME FUNDS II NOTES TO FINANCIAL STATEMENTS

November 30, 2002 (unaudited)

### 5. AUCTION PREFERRED SHARES (CONCLUDED)

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 DIVIDEND DECLARATIONS--COMMON SHAREHOLDERS

On December 16, 2002, the following dividends were declared to common shareholders payable December 31, 2002 to shareholders of record on December 27, 2002:

|                         |                             |
|-------------------------|-----------------------------|
| 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 December 17, 2002, Municipal Income II declared a short-term and long-term capital gain distribution of \$0.04190 per common share and \$0.05150 per common share, respectively. The distributions were payable on January 10, 2003 to shareholders of record on December 27, 2002.

On January 15, 2003, the following dividends were declared to common shareholders payable February 18, 2003 to shareholders of record on January 24, 2003:

|                         |                             |
|-------------------------|-----------------------------|
| 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. CHANGE IN INVESTMENT POLICY

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On December 17, 2002, the Board of Trustees approved a change in the investment policy of each Fund to invest, under normal market conditions, at least 90% of each of its "total" assets in municipal bonds to at least 90% of each of its "net" assets (and not "total" assets) in municipal bonds.

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### PIMCO MUNICIPAL INCOME FUNDS II FINANCIAL HIGHLIGHTS

For a share of common stock outstanding for the period June 28, 2002\* through November 30, 2002 (unaudited)

|   | MUNICIPAL II | CALIFORNIA<br>MUNICIPAL II | NE<br>MUNI |
|---|--------------|----------------------------|------------|
| Net asset value, beginning of period  | \$14.33**    | \$14.33**                  | \$         |
| <b>INVESTMENT OPERATIONS:</b>   |              |                            |            |
| Net investment income   | 0.33         | 0.28                       |            |
| Net realized and unrealized gain (loss)   | 0.05         | (0.09)                     |            |
| Total from investment operations  | 0.38         | 0.19                       |            |
| DIVIDENDS ON PREFERRED SHARES FROM<br>NET INVESTMENT INCOME   | (0.03)       | (0.03)                     |            |
| Net increase in net assets applicable to common<br>shares resulting from investment operations        | 0.35         | 0.16                       |            |
| DIVIDENDS TO COMMON SHAREHOLDERS FROM<br>NET INVESTMENT INCOME  | (0.34)       | (0.33)                     |            |
| <b>CAPITAL SHARE TRANSACTIONS:</b>  |              |                            |            |
| Common stock offering costs charged to paid-in capital<br>in excess of par                            | (0.02)       | (0.02)                     |            |
| Preferred shares offering costs/underwriting discounts<br>charged to paid-in capital in excess of par | (0.10)       | (0.10)                     |            |
| Total capital share transactions  | (0.12)       | (0.12)                     |            |
| Net asset value, end of period  | \$14.22      | \$14.04                    | \$         |
| Market price, end of period   | \$14.34      | \$14.35                    | \$         |
| TOTAL INVESTMENT RETURN (1)   | (2.2)%       | (2.2)%                     |            |
| <b>RATIOS/SUPPLEMENTAL DATA:</b>  |              |                            |            |
| Net assets applicable to common shareholders,<br>end of period (000)                                  | \$820,514    | \$420,627                  | \$14       |
| Ratio of expenses to average net assets (2) (3) (4)   | 0.84% (5)    | 0.85% (6)                  |            |
| Ratio of net investment income to average net assets (2) (4)  | 5.39% (5)    | 4.66% (6)                  |            |

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|   |          |          |     |
|---|----------|----------|-----|
| Preferred shares asset coverage per share | \$65,612 | \$65,440 | \$6 |
| Portfolio turnover                        | 3%       | 14%      |     |

\* Commencement of operations

\*\* Initial public offering price of \$15.00 per share less underwriting discount of \$0.67 per share.

(1) Total investment return is calculated assuming a purchase of common stock at the current market price on the first day of the period and a sale at the current market price on the last day for the period reported. Dividends are assumed, for purposes of this calculation, to be reinvested at prices obtained under each 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 earning credits from the custodian bank. (See note 1.(e) in Notes to Financial Statements).

(4) Annualized

(5) During the period 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 1.05% (annualized) and 5.18% (annualized), respectively.

(6) During the period 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 1.06% (annualized) and 4.45% (annualized), respectively.

(7) During the period 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 1.09% (annualized) and 4.88% (annualized), respectively.

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### TRUSTEES AND PRINCIPAL OFFICERS

Stephen Treadway

Trustee, Chairman, Chairman of the Board

Paul Belica

Trustee

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John J. Delessandro II  
Trustee  
Hans W. Kertess  
Trustee  
R. Peter Sullivan, III  
Trustee  
Brian S. Shlissel  
President & Chief Executive Officer  
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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.

The financial information included herein is taken from the records of the Fund without examination by independent accountants, who did not express an opinion hereon.

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

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