

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

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

TOTAL RETURN(1)	Market Price	NAV
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Commencement of Operations (6/28/02 to 11/30/02)	-2.17%	1.57%
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### 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>SYMBOL: PCK</p> <p>OBJECTIVE: PIMCO California Municipal Income Fund II seeks to provide current income exempt from federal and California State income tax.</p>	<p>PRIMARY INVESTMENTS: Municipal fixed-income securities, the interest from which is exempt from federal and California State income tax.</p>	<p>INCEPTION DATE: June 28, 2002</p> <p>NET ASSETS: \$680.6 million (at 11/30/02)</p> <p>PORTFOLIO MANAGER: Mark McCray</p>
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TOTAL RETURN(1)	Market Price	NAV
Commencement of Operations (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> 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> 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> June 28, 2002  <b>NET ASSETS:</b> \$236.7 million (at 11/30/02)  <b>PORTFOLIO MANAGER:</b> Mark McCray
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TOTAL RETURN(1)	Market Price	NAV
Commencement of Operations (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%
<b>WEIGHTED AVERAGE QUALITY</b>	<b>AA</b>

**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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Principal  
Amount  
(000)

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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  
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Principal  
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(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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November 30, 2002 (unaudited)

Principal  
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(000)

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	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
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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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November 30, 2002 (unaudited)

Principal  
Amount  
(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
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)
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MISSOURI--0.1%

1,500	St. Louis Parking Facs. Rev., Downtown Parking Facility, 6.00%, 2/1/28
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NEBRASKA--0.8%

9,150	Omaha Pub. Pwr. Dist., Nebraska Electric Rev., Ser. B, 6.20%, 2/1/17 (MBIA)
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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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### PIMCO MUNICIPAL INCOME FUND II SCHEDULE OF INVESTMENTS November 30, 2002 (unaudited)

Principal  
Amount  
(000)

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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. 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  
November 30, 2002 (unaudited)

Principal  
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(000)

	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  
November 30, 2002 (unaudited)

Principal  
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(000)

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

Principal  
 Amount  
 (000)

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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)

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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  
 November 30, 2002 (unaudited)

Principal  
 Amount  
 (000)

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

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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, 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., 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, 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, 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, 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, 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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PIMCO CALIFORNIA MUNICIPAL INCOME FUND II SCHEDULE OF INVESTMENTS  
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(000)

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

\$ 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  
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Amount  
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\$ 1,650	State GO, 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)
2,000	Statewide Financing Auth. Tobacco Settlement Rev., 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)
15,000	Tobacco Securitization Agcy. Rev., 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  
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Principal  
Amount  
(000)

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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)

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CALIFORNIA VARIABLE RATE NOTES (A)--1.0%

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	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)

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

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	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., 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  
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	NEW YORK--0.4%
\$1,500	New York City Municipal Water Fin. Auth., Water & 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. 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., 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 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)

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\$ 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)

---

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

	MUNICIPAL II	CALIFORNIA MUNICIPAL II
	-----	-----
ASSETS:		
Investments, at value (cost-\$1,331,831,438, \$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
-----	-----	-----
Total Assets	1,347,361,701	686,093,821
=====	=====	=====
LIABILITIES:		
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
Total Liabilities	21,847,407	5,466,388
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
NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS	\$ 820,514,294	\$420,627,433
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)
NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS	\$ 820,514,294	\$420,627,433
Common Shares Outstanding	57,683,218	29,965,192
NET ASSET VALUE PER COMMON SHARE	\$14.22	\$14.04

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

	MUNICIPAL II	CALIFORNIA MUNICIPAL II
INVESTMENT INCOME:		
Interest	\$ 21,934,133	\$ 10,039,518
EXPENSES:		
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
NET INVESTMENT INCOME	\$ 18,964,038	\$ 8,487,887
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 investments and futures contracts	5,573,895	(1,773,873)
Net realized and unrealized gain (loss)	3,157,478	(2,911,384)
NET INCREASE IN NET ASSETS RESULTING FROM INVESTMENT OPERATIONS	22,121,516	5,576,503
DIVIDENDS ON PREFERRED SHARES FROM NET INVESTMENT INCOME	(1,977,427)	(919,305)
NET INCREASE IN NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS RESULTING FROM INVESTMENT OPERATIONS	\$ 20,144,089	\$ 4,657,198

\* Commencement of operations

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

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

	MUNICIPAL II	CALIFORNIA 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 investments and futures contracts	5,573,895	(1,773,873)
-----	-----	-----
Net increase in net assets resulting from investment operations	22,121,516	5,576,503
-----	-----	-----
DIVIDENDS ON PREFERRED SHARES FROM NET INVESTMENT INCOME	(1,977,427)	(919,305)
-----	-----	-----
Net increase in net assets applicable to common shareholders resulting from investment operations	20,144,089	4,657,198
-----	-----	-----
DIVIDENDS TO COMMON SHAREHOLDERS FROM 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 capital in excess of par	(5,050,000)	(2,600,000)
-----	-----	-----
Common stock and preferred shares offering costs charged to 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 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 Contracts	Expiration Date	Unrealized Appreciation
Municipal II	Short: U.S. Treasury 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 Municipal II	New York 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 MUNICIPAL II	NE MUNI
Net asset value, beginning of period	\$14.33**	\$14.33**	\$
INVESTMENT OPERATIONS:			
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 NET INVESTMENT INCOME	(0.03)	(0.03)	
Net increase in net assets applicable to common shares resulting from investment operations	0.35	0.16	
DIVIDENDS TO COMMON SHAREHOLDERS FROM NET INVESTMENT INCOME	(0.34)	(0.33)	
CAPITAL SHARE TRANSACTIONS:			
Common stock offering costs charged to paid-in capital in excess of par	(0.02)	(0.02)	
Preferred shares offering costs/underwriting discounts 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)%	
RATIOS/SUPPLEMENTAL DATA:			
Net assets applicable to common shareholders, 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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Hans W. Kertess  
Trustee  
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Trustee  
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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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