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PIMCO MUNICIPAL INCOME FUND  
Form N-CSR  
July 09, 2004

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT  
INVESTMENT COMPANIES

Investment Company Act file number 811-10377  
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PIMCO Municipal Income Fund  
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(Exact name of registrant as specified in charter)

1345 Avenue of the Americas, New York, New York 10105  
-----

(Address of principal executive offices) (Zip code)

Lawrence G. Altadonna - 1345 Avenue of the Americas, New York, New York 10105  
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(Name and address of agent for service)

Registrant's telephone number, including area code: 212-739-3371  
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Date of fiscal year end: April 30  
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Date of reporting period: April 30  
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Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

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

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ITEM 1. Report to Shareholder

ANNUAL REPORT  
4.30.04

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

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P I M C O  
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ADVISORS

PIMCO MUNICIPAL INCOME FUNDS LETTER TO SHAREHOLDERS

June 10, 2004

Dear Shareholder:

We are pleased to provide you with the annual report of PIMCO Municipal Income Fund, PIMCO California Municipal Income Fund, and PIMCO New York Municipal

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Income Fund ("PIMCO Municipal Income Funds" or the "Funds") for the fiscal year ended April 30, 2004.

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

We at the Funds, together with PA Fund Management LLC (formerly, PIMCO Advisors Fund Management LLC) the Funds' investment manager and Pacific Investment Management Co. LLC, the Funds' sub-advisor, thank you for investing with us. 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

10.31.03 | PIMCO Municipal Income Funds Annual Report 1

### PIMCO MUNICIPAL INCOME FUND PERFORMANCE SUMMARY AND STATISTICS April 30, 2004 (unaudited)

SYMBOL:	PRIMARY INVESTMENTS:	INCEPTION DATE:
PMF	Municipal fixed-income securities, the interest from which is exempt from federal income tax.	June 29, 2001
OBJECTIVE:		TOTAL NET ASSETS(1):
To provide income exempt from federal income tax.		\$541.8 million
		PORTFOLIO MANAGER:
		Mark McCray

TOTAL RETURN(2):	MARKET PRICE	NAV
1 Year	2.15%	7.75%
Commencement of Operations (6/29/01) to 4/30/04	3.17%	6.34%

COMMON SHARE PRICE PERFORMANCE:	MARKET PRICE/NET ASSET VALUE:	
Commencement of Operations (6/29/01) to 4/30/04	Market Price	\$13.55
[ ] Market Price	Net Asset Value	\$14.11
[ ] NAV	Discount to Net Asset Value	3.97%
6/29/2001	15	14.31
	15	14.32

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15.04	14.42	Market Price Yield(3)	7.20%
15.01	14.57	-----	
15.05	14.62		
15.15	14.69		
15.16	14.82		
15.58	14.97		
15.34	14.84		
15.08	14.99		
15.05	14.95		
14.4	14.48		
14.98	14.57		
15.05	14.87		
14.96	14.65		
14.88	14.69		
14.84	14.64		
14.75	14.85		
15.01	15.09		
14.93	14.54		
14.9	14.37		
15	14.45		
14.75	13.98		
14.99	13.92		
14.2	13.96		
13.87	13.97		
14.6	14.05		
14.48	14.38		
14.72	14.44		
14.67	14.23		
14.86	14.32		
14.95	14.41		
14.96	14.35		
14.83	14.53		
14.92	14.48		
14.7	14.09		
14.76	13.97		
14.44	13.89		
14.3	13.91		
14.47	14.1		
14.45	14.2		
14.28	14.06		
14.6	14.22		
14.7	14.22		
14.6	14.29		
14.13	14.63		
14.64	13.97		
14.65	14.17		
14.79	14.29		
14.88	14.36		
14.85	14.44		
14.8	14.45		
14.75	14.42		
14.95	14.49		
14.98	14.48		
15.1	14.57		
14.94	14.66		
14.54	15.02		
15.06	14.54		
15.05	14.5		
14.92	14.43		
14.96	14.51		
15.04	14.74		
15	14.68		

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15	14.83
15.11	14.83
15.11	14.91
14.99	14.75
14.69	14.18
14.14	14.1
14.79	14.25
14.72	14.45
14.5	14.29
14.22	14.16
14.18	14.13
14.21	14.29
14.25	14.27
14.28	14.35
14.23	14.35
14.45	14.38
14.28	14.29
14.4	14.18
14.22	14.26
14.25	14.24
14.49	14.25
14.25	14.29
14.35	14.33
14.3	14.35
14.48	14.45
14.56	14.42
14.13	14.17
14.45	14.22
14.33	13.77
14.18	13.76
14.2	13.99
14.21	14.02
14.28	14.08
14.42	14.22
14.57	14.26
14.73	14.46
14.75	14.43
14.81	14.46
14.9	14.53
14.74	14.31
14.89	14.25
14.98	14.23
14.8	14.11
14.32	13.9
14.06	13.74
13.79	13.29
13.93	13.47
13.63	13.17
13.74	13.19
13.7	13.23
13.9	13.32
13.84	13.35
13.78	13.68
13.77	13.76
13.86	13.73
13.64	13.62
13.65	13.58
13.63	13.79
13.73	13.85
13.83	13.9
13.84	14.07
13.88	14.24

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	13.85	14.28
	14.08	14.21
	14.05	14.25
	13.98	14.38
	13.92	14.4
	13.95	14.45
	14.38	14.66
	14.65	14.62
	14.66	14.64
	14.54	14.52
	14.74	14.64
	14.79	14.68
	14.49	14.71
	14.43	14.67
	14.71	14.81
	14.62	14.79
	14.72	14.75
	14.87	14.6
	14.68	14.4
	14.09	14.46
	13.96	14.31
	13.72	14.24
4/30/2004	13.55	14.11

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

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

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

(3) Market Price Yield is determined by dividing the annualized current monthly per share dividend to common shareholders by the market price per common share at April 30, 2004.

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PIMCO CALIFORNIA MUNICIPAL INCOME FUND PERFORMANCE SUMMARY AND STATISTICS  
April 30, 2004 (unaudited)

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SYMBOL:	PRIMARY INVESTMENTS:	INCEPTION DATE:
PCQ	Municipal fixed-income	June 29, 2001

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<p>OBJECTIVE: To provide current income exempt from federal and California State income tax.</p>	<p>securities, the interest from which is exempt from federal and California State income tax.</p>	<p>TOTAL NET ASSETS(1): \$397.9 million</p> <p>PORTFOLIO MANAGER: Mark McCray</p>
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TOTAL RETURN(2):	MARKET PRICE	NAV
1 Year	(0.28)%	4.95%
Commencement of Operations (6/29/01) to 4/30/04	1.81%	5.40%

COMMON SHARE PRICE PERFORMANCE:			MARKET PRICE/NET ASSET VALUE:
Commencement of Operations (6/29/01) to 4/30/04			----- Market Price
[ ] Market Price			\$13.19
[ ] NAV			----- Net Asset Value
			\$13.92
6/29/2001	15	14.3	Discount to Net Asset Value
	15.03	14.29	5.24%
	15.01	14.36	----- Market Price Yield(3)
	15.03	14.46	7.01%
	15.09	14.49	-----
	15.34	14.51	
	15.25	14.65	
	15.88	14.84	
	15.5	14.78	
	15.33	14.9	
	15.31	14.93	
	14.95	14.52	
	15	14.67	
	15.11	14.9	
	15.1	14.76	
	15.31	14.77	
	15.23	14.76	
	15.28	14.84	
	15.35	14.92	
	15.09	14.7	
	15	14.53	
	15.39	14.49	
	15.1	14.07	
	15.09	13.99	
	14.6	13.96	
	14.7	14.01	
	14.86	14.06	
	15.02	14.35	
	15.06	14.36	
	15.05	14.22	
	15.02	14.28	
	15.18	14.35	
	15.28	14.31	
	15.06	14.4	
	15.2	14.36	
	15.2	14	
	14.9	13.83	
	14.7	13.65	
	14.5	13.63	
	14.44	13.85	
	14.36	13.98	
	14.68	13.86	

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14.95	14.03
14.9	14.09
14.97	13.96
14.7	13.81
14.57	13.96
14.9	14.07
14.76	14.15
14.75	14.2
14.82	14.21
14.85	14.24
14.96	14.34
14.85	14.38
14.78	14.41
14.89	14.49
15	14.32
15.02	14.32
15.13	14.28
15.05	14.23
15.2	14.34
15.14	14.57
15.35	14.64
15.1	14.78
15.05	14.84
15.06	14.83
14.95	14.64
14.84	13.97
14.7	13.9
14.75	14.14
15.01	14.3
14.8	14.14
14.8	14.01
14.79	14
14.46	14.16
14.28	14.14
14.09	14.15
14.05	14.18
14.5	14.18
14.2	14.07
14.13	13.97
14.11	13.99
14.14	13.96
14.11	13.99
14.02	14.01
14	14.07
14.03	14.18
14.06	14.29
13.94	14.25
13.74	13.95
13.98	14.13
13.96	14.03
14.11	13.97
14.14	14.11
14.1	14.14
14.08	14.23
14.14	14.29
14.21	14.37
14.8	14.51
14.86	14.5
14.94	14.55
14.92	14.6
14.5	14.36
14.65	14.27



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	14.55	14.25
	14.19	14.14
	13.58	13.92
	13.17	13.6
	13.08	13.13
	13.41	13.31
	13.39	13
	13.37	13.06
	13.45	13.11
	13.47	13.24
	13.56	13.3
	13.5	13.5
	13.4	13.56
	13.67	13.5
	13.67	13.38
	13.35	13.4
	13.43	13.61
	13.37	13.67
	13.45	13.71
	13.45	13.87
	13.29	14.03
	13.39	14.09
	13.37	14.02
	13.29	14.04
	13.29	14.13
	13.32	14.15
	13.36	14.21
	13.54	14.4
	13.77	14.35
	13.79	14.34
	13.78	14.24
	13.9	14.35
	13.88	14.39
	13.88	14.47
	13.99	14.43
	14.1	14.48
	14.1	14.43
	14.07	14.39
	14.11	14.24
	13.96	14.16
	13.35	14.23
	13.33	14.09
	13.13	14.06
4/30/2004	13.19	13.92

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

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

An investment in the Fund involves risk, including the loss of principal. Total return, price, yield and net asset value will fluctuate with changes in market conditions. This data is provided for information only and is not intended for trading purposes. A portion of the income generated by the Fund may be subject to federal, state and local taxes, and may at times be subject to the alternative minimum tax. Closed-end funds, unlike open-end funds, are not

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continuously offered. There is a one-time public offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. Net asset value is total assets applicable to common shareholders less total liabilities divided by the number of common shares outstanding. Holdings are subject to change daily.

(3) Market Price Yield is determined by dividing the annualized current monthly per share dividend to common shareholders by the market price per common share at April 30, 2004.

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### PIMCO NEW YORK MUNICIPAL INCOME FUND PERFORMANCE SUMMARY AND STATISTICS April 30, 2004 (unaudited)

SYMBOL:	PRIMARY INVESTMENTS:	INCEPTION DATE:
PNF	Municipal fixed-income securities, the interest from which is exempt from federal, New York State and New York City income tax.	June 29, 2001
OBJECTIVE:		TOTAL NET ASSETS(1):
To provide current income exempt from federal, New York State and New York City income tax.		\$161.9 million
		PORTFOLIO MANAGER:
		Mark McCray

TOTAL RETURN(2):	MARKET PRICE	NAV
1 Year	0.21%	6.45%
Commencement of Operations (6/29/01) to 4/30/04	0.59%	4.24%

COMMON SHARE PRICE PERFORMANCE:	MARKET PRICE/NET ASSET VALUE:
Commencement of Operations (6/29/01) to 4/30/04	Market Price <span style="float: right;">\$12.70</span>
[ ] Market Price	Net Asset Value <span style="float: right;">\$13.44</span>
[ ] NAV	Discount to Net Asset Value <span style="float: right;">5.51%</span>
6/29/2001	Market Yield Price(3) <span style="float: right;">7.09%</span>
15	
15.09	
15.1	
15.07	
15.01	
15.06	
15.2	
15.4	
15.4	
15.18	
15.33	
14.25	
14.89	
14.9	
14.81	
14.7	
14.75	
14.63	
14.83	
14.96	
14.88	
14.7	
14.62	
14.3	
14.33	
14.38	
14.46	
14.58	
14.59	
14.67	
14.81	
14.73	
14.79	
14.73	
14.27	
14.31	
14.57	
14.39	
14.36	
14.25	
14.47	
14.56	
14.19	
13.97	
14.11	
13.58	

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14.6	13.54
13.7	13.53
13.7	13.51
13.95	13.61
14.44	14.02
14.76	14.13
14.8	13.89
14.73	13.98
14.73	14.14
14.8	14.1
14.7	14.33
14.77	14.28
14.55	13.87
14.5	13.64
13.93	13.58
14.17	13.6
14.18	13.81
14.25	13.92
14.31	13.78
14.27	13.94
14.37	13.96
14.34	13.78
14	13.55
13.96	13.71
14.1	13.85
14.33	13.9
14.31	13.99
14.32	13.98
14.27	13.93
14.44	14.02
14.9	14.02
14.7	14.11
14.58	14.17
15	14.06
14.8	14.05
14.75	14.03
14.67	13.97
14.56	14.05
14.7	14.28
14.63	14.24
14.55	14.39
14.66	14.46
14.75	14.5
14.6	14.33
14.18	13.73
14.12	13.67
14.37	13.86
14.34	14.05
13.93	13.9
14.18	13.75
14.05	13.72
13.89	13.94
13.69	13.96
13.63	14.03
13.5	14.12
13.95	14.15
13.8	13.92
13.8	13.86
13.42	13.85
13.5	13.86
13.51	13.88
13.48	13.92

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13.51	13.94
13.5	13.97
13.68	14.04
13.46	14.07
13.23	13.75
13.48	13.89
13.5	13.31
13.42	13.22
13.38	13.46
13.6	13.53
13.77	13.64
14.08	13.63
14.28	13.82
14.31	13.83
14.37	13.86
14.48	13.91
14.36	13.71
14.49	13.72
14.4	13.69
14.4	13.58
14	13.36
13.77	13.2
13.37	12.54
13.45	12.96
13.1	12.63
13.25	12.68
13.35	12.75
13.39	12.86
13.51	12.91
13.47	13.22
13.42	13.35
13.52	13.26
13.36	13.13
13.38	13.08
13.5	13.43
13.5	13.45
13.5	13.48
13.23	13.65
13.19	13.82
13.31	13.86
13.35	13.79
13.3	13.8
13.42	13.85
13.34	13.86
13.36	13.91
13.6	14.1
13.91	14.06
13.97	14.05
13.83	13.92
14.05	14.05
14.03	14.09
14.14	14.13
14.17	14.07
14.04	14.15
14.19	14.15
14.23	14.13
14.16	14
14.06	13.8
13.56	13.87
13.07	13.67
12.78	13.55
12.7	13.44

4/30/2004

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

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

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

(3) Market Price Yield is determined by dividing the annualized current monthly per share dividend to common shareholders by the market price per common share at April 30, 2004.

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### PIMCO MUNICIPAL INCOME FUND SCHEDULE OF INVESTMENTS April 30, 2004

Principal Amount (000)	Credit Rating (Moody's/S&P) *	
-----		
MUNICIPAL BONDS & NOTES--87.3%		
ALABAMA--2.0%		
\$ 2,500	Birmingham Baptist Med. Ctr., Baptist Health Syst., 5.875%, 11/15/24, Ser. A	A3/NR
8,000	Huntsville Health Care Auth., 5.75%, 6/1/31, Ser. A	A2/NR
ALASKA--0.9%		
6,000	Northern Tobacco Securitization Corp., 5.50%, 6/1/29	Baa3/BBB
ARIZONA--0.4%		
2,000	Apache Cnty. Pollution Control Rev., Tucson Elec. Power Co., 5.875%, 3/1/33	Ba3/B+
CALIFORNIA--1.8%		
10,000	Tobacco Securitization Agcy. Rev., 6.75%, 6/1/39	Baa3/BBB

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COLORADO--2.3%		
3,000	Denver Health & Hosp. Auth. Healthcare Rev., 5.375%-6.00%, 12/1/23-12/1/28, Ser. A	Baa3/BBB
12,400	Liberty Heights Health Auth. Retirement Facs. Rev., zero coupon, 7/15/24	NR/AAA
4,965	Northwest Pkwy. Pub. Hwy. Auth., 7.125%, 6/15/41, Ser. D	Ba1/BB+
CONNECTICUT--0.2%		
1,000	State Dev. Auth. Pollution Control Rev., Conn. Light & Power, 5.85%, 9/1/28	A3/BBB
DISTRICT OF COLUMBIA--1.0%		
5,855	Tobacco Settlement Fin. Corp., 6.25%, 5/15/24	Baa3/BBB
FLORIDA--1.8%		
9,000	Highlands Cnty. Health Fac. Auth. Rev., Adventist Health Syst., 6.00%, 11/15/31, Ser. A	A3/A
GEORGIA--2.1%		
10,000	Muni Elec. Auth. Power Rev., 5.50%, 1/1/20, Ser. Z (MBIA)	Aaa/AAA
ILLINOIS--12.1%		
10,115	Chicago Education Board GO, zero coupon, 12/1/31, Ser. A (FGIC)	Aaa/AAA
9,080	Chicago, GO, 5.375%, 1/1/34, Ser. A (FGIC)	Aaa/AAA
2,000	Chicago Water Rev., 5.25%, 11/1/27 (FGIC)	Aaa/AAA
6,260	Dev. Fin. Auth. Hosp. Rev., Adventist Health Syst., 5.50%-5.65%, 11/15/24-11/15/29	A3/A
5,000	Educational Fac. Auth. Rev., Chicago Univ., 5.25%, 7/1/41, Ser. A	Aa1/AA
1,115	Educational Fac. Auth. Rev., Midwestern Univ., 5.50%, 5/15/18, Ser. B	NR/BBB+
3,000	Health Fac. Auth. Rev., Decatur Memorial Hosp., 5.75%, 10/1/24	A2/A
5,425	Health Fac. Auth. Rev., Silver Cross Hosp., 5.50%, 8/15/25	NR/A-
15,690	Lake Cnty. High School Dist., GO, zero coupon, 2/1/19-2/1/22, Ser. B (FGIC)	Aaa/AAA

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PIMCO MUNICIPAL INCOME FUND SCHEDULE OF INVESTMENTS  
April 30, 2004

Principal Amount (000)		Credit Rating (Moody's/S&P) *
-----		
ILLINOIS--(CONCLUDED)		
\$ 7,345	Regional Transportation Auth., 5.50%, 6/1/23, Ser. B (FGIC)	Aaa/AAA
2,500	State, GO, 5.375%, 8/1/14 (MBIA)	Aaa/AAA
3,000	State Sales Tax Rev., 5.125%, 6/15/20	Aa3/AAA
5,000	Univ. Rev., Auxiliary Fac. Syst., 5.25%, 4/1/32, Ser. B (FGIC)	Aaa/AAA
4,000	Winnebago Boone ETC Cntys., Rock Valley Community College, 5.30%, 10/1/18 (FGIC)	Aaa/NR
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INDIANA--1.8%		
6,500	Carmel School Bldg. Corp., 5.00%, 7/15/22 (MBIA)	NR/AAA
2,725	Richland Beanblossom School Bldg. Corp., 5.00%, 1/15/22 (FGIC)	Aaa/AAA
KANSAS--3.8%		
Wichita Hosp. Rev.,		
5,000	5.625%, 11/15/31, Ser. III	NR/A+
14,370	6.25%, 11/15/24, Ser XI	NR/A+
KENTUCKY--0.8%		
4,000	Kentucky Development Fin. Auth. Hospital Rev., 6.00%, 10/1/1	A3/A
LOUISIANA--6.4%		
10,000	Local Gov't Environmental Fac., Community Dev. Auth. Rev., 6.55%, 9/1/25	NR/A
27,890	Tobacco Settlement Fin. Corp. Rev., 5.875%, 5/15/39	Baa3/BBB
MARYLAND--0.4%		
2,000	Baltimore Water Proj. Rev., 5.125%, 7/1/42, Ser. A (FGIC)	Aaa/AAA
MICHIGAN--4.9%		
2,000	Detroit, GO, 5.375%, 4/1/15-4/1/17, Ser. A-1 (MBIA)	Aaa/AAA
5,650	Forest Hills Pub. School, GO, 5.25%, 5/1/18	Aa2/NR
3,000	Mount Clemens Community School Dist., 5.00%, 5/1/31	Aa1/AAA
50	Royal Oak Hosp. Fin. Auth., William Beaumont Hosp., 5.25%, 11/15/35, Ser. M (MBIA)	Aaa/AAA
4,000	State Hosp. Fac. Auth. Rev., Detroit Med. Ctr., 6.25%, 8/15/13	Ba3/B
2,500	State Strategic Oblig. Rev., Detroit Edison Co., 5.45%, 9/1/29	A3/A-
3,000	Taylor Tax Increment Fin. Auth., 5.375%, 5/1/17 (FSA)	Aaa/AAA
6,255	Wayne Charter Cnty. Airport Fac. Rev., Northwest Airlines, Inc., 6.75%, 12/1/15	NR/NR
MINNESOTA--0.6%		
3,000	Agricultural & Econ.Dev. Board Rev., Health Care Syst., 6.375%, 11/15/29, Ser. A	A2/A

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PIMCO MUNICIPAL INCOME FUND SCHEDULE OF INVESTMENTS  
April 30, 2004

Principal  
Amount  
(000)

Credit Rating  
(Moody's/S&P) \*

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MISSOURI--0.5%		
\$ 2,500	Interstate 470 & 350 Trans. Dev., Motranson Rev., 6.35%, 5/1/22	NR/NR
NEVADA--3.6%		
3,000	Clark Cnty. Airport Rev., 5.25%, 7/1/34, Ser. B (FGIC)	Aaa/AAA
12,000	Clark Cnty. Passenger Fac. Rev., 4.75%, 7/1/22 (MBIA)	Aaa/AAA
4,250	Truckee Meadows Water Auth. Rev., 5.25%, 7/1/34, Ser. A (FSA)	Aaa/AAA
NEW HAMPSHIRE--0.6%		
3,000	State Bus. Fin. Auth. Pollution Control Rev., Conn. Light & Power Co., 5.85%, 12/1/22	A3/BBB
NEW JERSEY--4.0%		
1,860	Camden Cnty. Improvement Auth. Rev., Cooper Health Syst., 5.60%-6.00%, 2/15/07-2/15/27	Ba2/NR
3,000	Economic Dev. Auth. Rev., Arbor Glen, 5.875%, 5/15/16, Ser. A	NR/NR
16,550	Economic Dev. Auth. Rev., Kapkowski Landfill Proj., 5.75%, 4/1/31	Baa3/NR
NEW MEXICO--0.5%		
2,500	Farmington Pollution Control Rev., Public Service Co., 5.80%, 4/1/22	Baa2/BBB
NEW YORK--0.5%		
2,875	Westchester Cnty. Health Care Corp. Rev., 5.875%, 11/1/25, Ser. A	Ba1/BB
NORTH CAROLINA--0.6%		
3,000	State Fin. Agy. Rev., Duke Univ. Proj., 5.125%, 10/1/41, Ser. A	Aa1/AA+
OHIO--1.3%		
5,065	Lorain Cnty. Hosp. Rev., Catholic Healthcare Partners, 5.625%-5.75%, 10/1/17-10/1/18	A1/AA-
1,235	State Turnpike Rev., 5.50%, 2/15/15	Aa3/AA
PENNSYLVANIA--4.4%		
5,780	Allegheny Cnty. Hosp. Dev. Auth. Rev., 9.25%, 11/15/30, Ser. B	B2/B
1,000	Allegheny Cnty. Indl. Dev. Auth. Rev., USX Corp., 5.60%, 9/1/30	Baa1/BBB+
1,095	Allegheny Cnty. Port Auth. Rev., 5.25%, 3/1/20 (FGIC)	Aaa/AAA
2,575	Delaware Cnty. Auth. College Rev., Neumann College, 5.80%, 10/1/17	NR/BBB-
1,000	Philadelphia Auth. Indl. Rev., Franklin Institute, 5.20%, 6/15/26	Baa2/NR
4,610	Philadelphia Hosp. & Higher Education Fac. Hosp. Rev., Temple Univ. Hosp., 6.625%, 11/15/23, Ser. A	Baa2/BBB
6,200	State Higher Educational Fac. Auth. Rev., UPMC Health Syst., 6.00%, 1/15/31, Ser. A	NR/A



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### PIMCO MUNICIPAL INCOME FUND SCHEDULE OF INVESTMENTS

April 30, 2004

Principal Amount (000)		Credit Rating (Moody's/S&P) *
	PUERTO RICO--0.3%	
\$ 1,600	Elec. Power Auth. Rev., 5.125%, 7/1/29, Ser. NN	A3/A-
	RHODE ISLAND--3.0%	
18,000	Tobacco Settlement Fin. Corp. Rev., 6.25%, 6/1/42, Ser. A	Baa3/BBB
	SOUTH CAROLINA--4.3%	
5,500	Greenwood Cnty. Hosp. Rev., Self Memorial Hosp., 5.50%, 10/1/21-10/1/26	A2/A
3,000	Jobs Economic Dev. Auth. Hosp. Facs. Rev., Georgetown Memorial Hosp., 5.375%, 2/1/30 (Radian)	NR/AA
15,600	Tobacco Settlement Rev., 6.375%, 5/15/30, Ser. B	Baa3/BBB
	TENNESSEE--2.5%	
4,000	Knox Health Educational & Housing Fac. Rev., Baptist Health Syst., 6.375%, 4/15/22	Baa2/NR
9,320	Memphis Health Educational & Housing Fac., Wesley Housing Corp., 6.95%, 1/1/20 (a) (b) (acquired 6/29/01; cost-\$9,277,291)	NR/NR
	TEXAS--9.4%	
1,750	Austin Convention Enterprises Inc., 5.75%, 1/1/32, Ser. B	A3/BBB-
4,000	Austin Water & Wastewater Syst. Rev., 5.25%, 5/15/31, Ser. A & B (FSA)	Aaa/AAA
2,935	Bell Cnty. Health Fac. Dev. Corp., Buckner Retirement Fac., 5.25%, 11/15/19	NR/A-
2,865	Corpus Christi Refin. & Improvement, GO, 5.375%, 3/1/18 (FSA)	Aaa/AAA
3,680	Duncanville Indpt. School Dist., 5.25%, 2/15/32, Ser. B	Aaa/AAA
5,000	Harris Cnty. Health Fac. Dev. Corp., Christus Health, 5.375%, 7/1/29, Ser. A (MBIA)	Aaa/AAA
7,000	Harris Cnty. Health Fac. Dev. Corp., Memorial Hermann Healthcare, 6.375%, 6/1/29	A2/A
1,840	Houston Water Conveyance Syst., CP., 6.25%, 12/15/12, Ser. J (AMBAC)	Aaa/AAA
2,000	Mansfield Indpt. School Dist., GO, 5.25%, 2/15/23	Aaa/AAA
4,380	Southlake Parks Dev. Corp., Sales Tax Rev., 5.60%, 8/15/31 (AMBAC).	Aaa/AAA
4,530	State Water Financial Assistance, 5.30%, 8/1/18, Ser. A	Aa1/AA
7,450	Water Dev. Board Rev., 5.125%, 7/15/18	Aaa/AAA
	UTAH--1.3%	
7,000	Salt Lake Cnty. Hosp. Rev., IHC Health Services Inc., 5.125%, 2/15/33 (AMBAC)	Aaa/AAA

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	WASHINGTON--3.5%	
3,120	Cowlitz Cnty. School Dist., GO, 5.625%, 12/1/14-12/1/16 (FSA)	Aaa/NR
5,000	Kent, GO, 5.375%, 12/1/20 (MBIA)	Aaa/AAA

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### PIMCO MUNICIPAL INCOME FUND SCHEDULE OF INVESTMENTS April 30, 2004

Principal Amount (000)		Credit Rating (Moody's/S&P) *
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	WASHINGTON-- (CONCLUDED)	
\$ 5,420	King Cnty. School Dist., GO, 5.25%, 12/1/21, Ser. A (MBIA)	Aaa/AAA
4,000	Northwest Energy Elec. Rev., 5.50%, 7/1/13-7/1/15, Ser. A	Aaa/AA-
		-----
		1
		-----
	WISCONSIN--3.7%	
14,785	Badger Tobacco Asset Corp., 5.75%-6.00%, 6/1/12-6/1/17	Baa3/BBB
3,515	State, GO, 5.00%, 5/1/22, Ser. A (FGIC)	Aaa/AAA
2,230	State Health & Educational Fac. Auth. Rev., Kenosha Hosp. & Med. Ctr., 5.625%, 5/15/29	NR/A
		-----
		1
		-----
	Total Municipal Bonds & Notes (cost--\$462,308,260)	46
		-----
	VARIABLE RATE NOTES (b) (c) (d) (e)--10.1%	
	HAWAII--0.7%	
3,468	Honolulu City & Cnty. Wastewater Syst. Rev., 8.62%, 7/1/23, Ser. 400 (FGIC) (acquired 7/3/01; cost--\$3,134,043)	Aaa/NR
		-----
	ILLINOIS--2.6%	
7,253	Cook Cnty., GO, 8.63%, 11/15/28, Ser. 458 (FGIC) (acquired 7/3/01; cost--\$6,327,551)	Aaa/NR
6,900	Educational Fac. Auth. Rev., 8.91%, 7/1/26 (acquired 8/23/01; cost--\$6,610,300)	NR/AA
		-----
		1
		-----
	MASSACHUSETTS--1.0%	
5,000	State Health & Educational Fac. Auth. Rev., 10.18%, 1/1/10 (acquired 8/10/01; cost--\$5,126,861)	NR/NR
		-----
	NEW YORK--1.2%	
6,500	City Muni. Water Auth. Rev., 8.65%, 6/15/05 (acquired 8/24/01, cost--\$6,395,360)	NR/AA
		-----
	TENNESSEE--1.1%	
5,000	Memphis Electricity System Rev., 8.63%, 12/1/11 (acquired 11/26/03; cost--\$6,182,516)	Aaa/NR
		-----

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TEXAS--2.6%		
4,250	Harris Cnty. Health Fac. Dev. Corp., 9.41%, 2/15/21 (acquired 8/10/01; cost--\$4,152,443)	NR/AA
8,988	Harris Cnty. Health Fac. Dev. Corp., 9.38%, 7/1/29, Ser. 357 (MBIA) (acquired 6/29/01; cost--\$8,442,719)	Aaa/NR
WASHINGTON--0.9%		
4,500	Seattle, GO, 8.87%, 12/15/28, Ser. 348 (acquired 7/3/01; cost--\$4,103,012)	Aa1/NR
Total Variable Rate Notes (cost--\$50,474,805)		

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PIMCO MUNICIPAL INCOME FUND SCHEDULE OF INVESTMENTS  
April 30, 2004

	Principal Amount (000)	Credit Rating (Moody's/S&P) *
-----		
VARIABLE RATE DEMAND NOTES (c) (f)--1.8%		
\$	800	CONNECTICUT--0.1% State Health & Education Facility Auth., Rev., Yale University, 1.05%, 5/3/04  Aaa/AAA
1,160	FLORIDA--0.2% Orange Cnty. School Board CP., 1.11%, 5/3/04, Ser. B (MBIA)	Aaa/AAA
10	MICHIGAN--0.0% Holt Public Schools, GO, 1.08%, 5/6/04	NR/AA+
1,400	NEVADA--0.3% Clark Cnty. School Dist., GO, 1.07%, 5/3/04 Ser. A	Aaa/AAA
1,900	NEW JERSEY--0.4% New Jersey Educational Facility Auth., Rev., Princeton University, 1.05%, 5/3/04	Aaa/AAA
1,800	PENNSYLVANIA--0.3% Philadelphia Hospital & Higher Education Facility Auth. Rev., 1.10%, 5/3/04	Aaa/AAA
2,700	VIRGINIA--0.5% Loudoun Cnty. Indl. Dev. Auth. Rev., Howard Hughes Med. Ctr., 1.08%, 5/3/04, Ser. C	Aaa/AAA
Total Variable Rate Demand Notes (cost--\$9,770,000)		
U.S. TREASURY BILLS (g)--0.8%		
4,275	0.885%-0.9425%, 6/3/04-6/17/04 (cost--\$4,270,389)	Aaa/AAA

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TOTAL INVESTMENTS BEFORE CALL OPTIONS WRITTEN (cost-\$526,823,454+)--100.0%

CALL OPTIONS WRITTEN (h)--(0.0)%

### Contracts

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U.S. Treasury Bond Futures, Chicago Board of Trade:  
(230) Strike price \$112, expires 8/27/04  
(230) Strike price \$113, expires 8/27/04

Total call options written (premiums received-\$303,744)

PUT OPTIONS WRITTEN (h)--0.0%

U.S. Treasury Bond Futures, Chicago Board of Trade:  
(73) Strike price \$106, expires 5/21/04 (premium received-\$33,420)

Total Options Written (premiums received-\$337,164)

TOTAL INVESTMENTS, NET OF OPTIONS WRITTEN (cost-\$526,486,290)--100.0%

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PIMCO MUNICIPAL INCOME FUND SCHEDULE OF INVESTMENTS  
April 30, 2004

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+ The cost basis of portfolio securities for federal income tax purposes is \$526,823,454. Aggregate gross unrealized appreciation for securities in which there is an excess of value over tax cost is \$16,239,567; aggregate gross unrealized depreciation for securities in which there is an excess of tax cost over value is \$11,832,444; net unrealized appreciation for federal income tax purposes is \$4,407,123.

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SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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## PIMCO CALIFORNIA MUNICIPAL INCOME FUND SCHEDULE OF INVESTMENTS

April 30, 2004

Principal Amount (000)		Credit Rating (Moody's/S&P) *
CALIFORNIA MUNICIPAL BONDS & NOTES--87.4%		
\$ 1,000	ABAG Fin. Auth. for Nonprofit Corps., CP, 5.375%, 2/15/19	NR/BBB+
1,000	ABAG Fin. Auth. for Nonprofit Corps., Rev., 5.375%, 11/15/25	NR/BBB
1,385	Alvord Unified School Dist., GO, 5.375%, 8/1/29, Ser. C (FSA)	Aaa/NR
1,650	Apple Valley, CP, 5.375%, 6/1/21	NR/BBB
2,000	Baldwin Park Monrovia School Facs., Grant Financing Auth., 5.00%, 10/1/36 (AMBAC)	Aaa/AAA
6,405	Campbell Union High School Dist., GO, 5.50%, 8/1/30 (FSA)	Aaa/NR
2,250	Capistrano Unified School Dist., Community Fac. Dist., Special Tax, 5.75%, 9/1/29	NR/NR
8,250	Carson Improvement Board Act 1915, Special Assessment, 6.35%-6.375%, 9/2/23-9/2/31	NR/NR
5,250	Central JT Powers Health Fin. Auth., CP, 5.75%, 2/1/31	Baa2/BBB
4,140	Charter Oak Unified School Dist., GO, 5.00%, 7/1/28, Ser. B (FSA)	Aaa/AAA
7,750	Contra Costa Cnty. Public Fin. Auth., Tax Allocation Rev., 5.125%-5.85%, 8/1/19-8/1/33	NR/BBB
2,750	CSUCI Fin. Auth. Rev., 5.00%, 9/1/31, Ser. A, (MBIA)	Aaa/AAA
3,635	Cucamonga Cnty. Water Dist., CP, 5.125%, 9/1/35 (FGIC)	Aaa/AAA
1,775	Educational Fac. Auth. Rev., zero coupon, 9/1/10 (AMBAC)	Aaa/AAA
25,215	El Monte, CP, 4.75%-5.25%, 6/1/30-1/1/34 (AMBAC)	Aaa/AAA
10,000	Foothill Eastern Corridor Agcy., Toll Road Rev., zero coupon, 1/15/33-1/15/34	Baa3/NR
4,170	Fremont Community Fac. Dist., Special Tax., 6.00%-6.30%, 9/1/18-9/1/31	NR/NR
27,655	Golden State Tobacco Securitization Corp., Tobacco Settlement Rev., 6.25%-6.75%, 6/1/33-6/1/39, Ser. 2003-A-1,	Baa2/BBB
540	7.875%, 6/1/42, Ser. A-1	Baa2/BBB
500	Health Fac. Fin. Auth. Rev., 5.00%, 3/1/33	NR/A
4,000	5.00%, 7/1/18-7/1/28, Ser. A	Baa1/BBB+
5,315	5.125%, 7/1/18	NR/A-
3,000	5.25%, 10/1/14, Ser. B	A3/A
6,250	Infrastructure & Economic Dev. Bank Rev., 5.00%, 7/1/36 (AMBAC)	Aaa/AAA
14,000	La Quinta Redev. Agcy., Tax Allocation, 5.00%-5.125%, 9/1/21-9/2/32 (AMBAC)	Aaa/AAA
1,560	Lincoln Public Fin. Auth. Rev., 6.125%, 9/2/27	NR/NR
845	Los Angeles Community Redev. Agcy., Tax Allocation,	

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	5.875%-6.00%, 9/1/26-9/1/31, Ser. B,	NR/NR
6,250	Los Angeles Cnty. Metropolitan Transportation Auth. Rev., Sales Tax Rev., 4.75%, 7/1/28, Ser. B,	Aaa/AAA
3,250	Los Angeles Unified School Dist., GO, 5.125%, 7/1/21, Ser. E (MBIA)	Aaa/AAA

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PIMCO CALIFORNIA MUNICIPAL INCOME FUND SCHEDULE OF INVESTMENTS  
April 30, 2004

Principal Amount (000)		Credit Rating (Moody's/S&P) *
\$ 3,000	Los Angeles Water & Power Rev., Ser. A-A-1, 5.00%, 7/1/11 (MBIA)	Aaa/AAA
13,000	5.25%, 7/1/21 (FSA)	Aaa/AAA
1,000	Menifee Union School Dist., Special Tax, 6.40%, 9/1/31	NR/NR
2,665	Merced Irrigation Dist. Elec. Syst. Rev., 6.50%, 9/1/22	Baa3/NR
3,500	Metropolitan Water Dist., Waterworks Rev., 5.00%, 7/1/26, Ser. A (Pre-refunded @ 101, 1/1/08) (i)	Aa2/AA
5,820	Montclair Redev. Agcy., Tax Allocation, 5.30%, 10/1/30 (MBIA)	Aaa/AAA
3,730	Murrieta Valley Yuma Unified School Dist., Special Tax, 6.30%-6.50%, 9/1/18-9/1/31	NR/NR
6,255	Orange Cnty. Sanitation Dist., CP, 5.25%, 2/1/30 (FGIC)	Aaa/AAA
1,080	Palm Springs Community Redev. Agcy., Tax Allocation, 5.50%, 8/1/21	NR/A-
1,010	Pomona Unified School Dist., GO, 6.10%, 2/1/19, Ser. A (MBIA)	Aaa/AAA
1,690	Rancho Etiwanda Public Fac., Special Tax, 6.375%, 9/1/24	NR/NR
2,770	Rancho Mirage Redev. Agcy., Tax Allocation, 5.50%-5.625%, 4/1/24-4/1/33	Baa1/BBB+
8,305	Riverside Cnty., CP, 5.125%, 11/1/30 (MBIA)	Aaa/AAA
1,000	Riverside Cnty. Pub. Financing., Tax Allocation, 5.625%, 10/1/33, Ser. A	Baa2/BBB-
1,850	Riverside Improvement Board Act 1915, Special Assessment, 6.15%-6.375%, 9/2/19-9/2/26	NR/NR
575	Roseville Woodcreek Community Fac. Dist., Special Tax, 6.375%, 9/1/27	NR/NR
2,000	Sacramento Health Fac. Rev., 5.30%, 1/1/24, Ser. A	NR/A+
6,855	Sacramento Special Tax, 5.70%-6.15%, 9/1/21-9/1/26	NR/NR
545	San Diego Cnty., CP, 5.25%, 10/1/28	A2/NR
1,000	San Diego Cnty., Water Auth. Rev., CP, 4.75%-5.00%, 5/1/28-5/1/32, Ser. A	Aaa/AAA
3,330	San Francisco Bay Area Rapid Transit Dist. Rev., 5.125%, 7/1/36 (AMBAC)	Aaa/AAA
720	San Francisco City & Cnty. Redev. Agcy. Rev., Special Tax, 6.125%, 8/1/31, Ser. B	NR/NR
5,065	San Joaquin Cnty., CP, 5.00%, 9/1/20 (MBIA)	Aaa/AAA
	San Joaquin Hills Transportation Corridor Agcy., Toll Road Rev., Ser. A,	
5,000	zero coupon, 1/15/19	Baa3/BBB-
5,000	5.50%, 1/15/28	Baa3/BBB-
230	San Jose Improvement Board Act 1915, Special Assessment, 5.60%, 9/2/17, Ser. 24Q	NR/NR

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5,000	San Jose Unified School Dist., Santa Clara Cnty., GO, 5.125%, 8/1/25, Ser. D (FSA)	Aaa/NR
26,450	San Juan Unified School Dist., GO, zero coupon, 8/1/22-8/1/26 (FSA)	Aaa/AAA
600	Santa Ana Financing. Auth., Rev., 5.60% 9/1/19, Ser. C	NR/BBB
1,815	Santa Clara CP, 5.00%, 2/1/32 (AMBAC)	Aaa/AAA

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PIMCO CALIFORNIA MUNICIPAL INCOME FUND SCHEDULE OF INVESTMENTS  
April 30, 2004

Principal Amount (000)		Credit Rating (Moody's/S&P) *	
\$ 1,435	Santa Maria JT Union High School Dist., GO, 5.25%, 8/1/25, Ser. A (FSA)	Aaa/AAA	\$ 1
8,000	Statewide Community Dev. Auth., CP, 5.375%, 4/1/30	NR/BBB	7
8,000	6.50%, 7/1/20	Baa2/BBB	8
15,250	Statewide Community Dev. Auth., Rev., 5.125%, 10/1/30, Ser. A,	NR/A+	14
4,000	5.50%, 8/15/34, Ser. B	A2/A+	4
9,900	6.625%, 10/1/31-11/1/31	NR/NR	9
2,550	6.75%, 6/1/28 (a) (b) (acquired 7/3/01; cost-\$2,550,000)	NR/NR	2
10,800	Tobacco Securitization Auth. Rev., Ser. A, 5.25%-5.375%, 6/1/31-6/1/41	A1/A	8
6,865	Tustin Unified School Dist., Special Tax, 5.50%-5.625%, 9/1/22-9/1/32	NR/NR	6
12,000	University Rev. 5.00%, 5/15/11-5/15/36, Ser. A (AMBAC)	Aaa/AAA	12
7,000	5.125%, 9/1/31, Ser. O (FGIC)	Aaa/AAA	7
3,750	West Kern Cnty. Water Dist., CP, 5.625%, 6/1/31	Baa2/NR	3
	Total California Municipal Bonds & Notes (cost-\$339,117,524)		343
OTHER MUNICIPAL BONDS & NOTES--5.7%			
	ILLINOIS-1.4%		
5,500	Educational Facs. Auth Rev.s, 5.00% 7/1/33, Ser. A	Aa1/AA	5
	LOUISIANA-0.4%		
1,750	Tobacco Settlement Finance Corp., 5.875%, 5/15/39 Ser. 2001-B	A1/A	1
	NEW JERSEY-1.3%		
6,210	Tobacco Settlement Finance Corp., 6.00%-6.125%, 6/1/37-6/1/42	Baa2/BBB	5
	PUERTO RICO-2.5%		
3,050	Commonwealth, GO, 5.50%, 7/1/12	NR/AAA	3
	Electric Power Auth. Power Rev.,		
1,250	5.125%, 7/1/29, Ser. NN	A3/A-	1
5,000	5.25%, 7/1/29, Ser. HH (FSA)	Aaa/AAA	5
	SOUTH CAROLINA-0.1%		
340	Tobacco Settlement Rev. Management Auth., 6.375%, 5/15/30	Baa2/BBB	3
	Total Other Municipal Bonds & Notes (cost-\$21,899,833)		22

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CALIFORNIA VARIABLE RATE NOTES (b) (c) (d) (e)-2.6%

10,003 Los Angeles Wastewater Syst. Rev., RITES,  
8.72%, 6/1/28, Ser. 318 (FGIC) (acquired 7/3/01  
cost-\$9,049,503)

NR/NR

10

CALIFORNIA SHORT-TERM VARIABLE RATE DEMAND NOTES (c) (f)-3.3%

1,600 Health Facs. Financing Auth. Rev.,  
1.15%, 5/3/04, Ser. B, (AMBAC)

VMIG1/A1+

1

1,000 Irvine Ranch Water Dist., GO,  
1.09%, 5/3/04

VMIG1/AAA

1

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PIMCO CALIFORNIA MUNICIPAL INCOME FUND SCHEDULE OF INVESTMENTS  
April 30, 2004

Principal Amount (000)		Credit Rating (Moody's/S&P) *
\$ 800	Irvine Unified School Dist., Special Tax, 1.09%, 5/3/04	VMIG1/NR
4,100	Metropolitan Water Dist., Southern CA. Waterworks Rev., 1.02%, 5/3/04 Ser. C-2	VMIG1/A-1+
2,500	1.05%, 5/3/04 Ser. C-2	VMIG1/A-1+
1,300	1.09%, 5/3/04 Ser. B-1	VMIG1/A-1+
1,500	Pollution Control Financing Auth., 0.97%, 5/3/04	VMIG1/AAA
	Total California Short-Term Variable Rate Notes (cost-\$12,800,000)	
U.S. TREASURY BILLS (g)-1.1%		
4,470	0.86%-0.96%, 6/3/04-6/17/04 (cost-\$4,465,209)	Aaa/AAA
TOTAL INVESTMENTS BEFORE OPTIONS WRITTEN (cost-\$387,332,069+)-100.1%		

CALL OPTIONS WRITTEN (h)-(0.1)%

Contracts

U.S. Treasury Bond Futures, Chicago Board of Trade:  
(170) Strike price \$112, expires 8/27/04  
(170) Strike price \$113, expires 8/27/04

Total call options written (premiums received-\$224,506)

PUT OPTIONS WRITTEN (h)-0.0%

U.S. Treasury Bond Futures, Chicago Board of Trade:



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(290) Strike price \$106, expires 5/21/04 (premium received-\$132,766)

Total Options Written (premiums received-357,272)

TOTAL INVESTMENTS, NET OF OPTIONS WRITTEN (cost-\$386,974,797)-100.0%

+ The cost basis of portfolio securities for federal income tax purposes is \$387,332,069. Aggregate gross unrealized appreciation for securities in which there is an excess of value over tax cost is \$9,783,605; aggregate gross unrealized depreciation for securities in which there is an excess of tax cost over value is \$4,374,212; net unrealized appreciation for federal income tax purposes is \$5,409,393.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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### PIMCO NEW YORK MUNICIPAL INCOME FUND SCHEDULE OF INVESTMENTS

April 30, 2004

Principal Amount (000)		Credit Ratings (Moody's/S&P) *
------------------------------	--	-----------------------------------

#### NEW YORK MUNICIPAL BONDS & NOTES--83.1%

\$ 3,265	Albany Indl. Dev. Agcy. Civic Fac. Rev., 5.30%, 4/1/29, Ser. A	Baa2/NR	\$
1,000	Long Island Power Auth. Elec. Syst. Rev., 5.375%, 5/1/33 Ser. L (acquired 6/29/03; cost-\$999,184) (b)	Baa1/A-	
6,040	Metropolitan Transportation Auth., NY Service Contract, Ser. A, 5.00%, 7/1/25 (FGIC)	Aaa/AAA	
8,150	5.00%, 7/1/30 (AMBAC)	Aaa/AAA	
1,375	5.125%, 1/1/29	A3/AA-	
1,500	Monroe Tobacco Asset Securitization Corp. Rev., 6.375%, 6/1/35	Baa1/BBB	
5,000	New York City, GO, Ser. J, 5.125%, 5/15/29 (MBIA)	Aaa/AAA	
300	5.25%, 6/1/28	A2/A	
2,000	New York City Indl. Dev. Agcy. Rev., 6.00%, 11/1/28	NR/NR	
	New York City Muni. Water Fin. Auth., Water & Sewer Syst., Rev.,		
7,605	4.75%, 6/15/31, Ser. A (FGIC)	Aaa/AAA	
7,000	5.125%, 6/15/21, Ser. A (AMBAC)	Aaa/AAA	
5,000	5.125%, 6/15/33, Ser. C	Aa2/AA	
5,000	5.25%, 6/15/25, Ser. D	Aa2/AA	
2,750	New York City Transitional Fin. Auth., Rev., 4.75%, 11/15/23 Ser. B	Aa2/AA+	
1,000	Niagara Falls Public Water Auth., Water & Sewer Syst. Rev., 5.00%, 7/1/34, Ser. A (MBIA)	Aaa/AAA	
	Port Auth. of New York & New Jersey Rev.,		
8,000	5.00%, 7/15/28-9/1/38	A1/AA-	
4,515	Sachem Central School District of Holbrook, GO., 5.00%, 10/15/30, Ser. B (MBIA)	Aaa/AAA	

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6,550	State Dormitory Auth. Lease Rev., 4.75%, 1/15/29 Ser. 1 (FSA)	Aaa/AAA
1,435	State Dormitory Auth. Rev., Augustana Lutheran Home for the Aged Inc., 5.50%, 2/1/41 (MBIA)	Aaa/AAA
8,000	State Dormitory Auth. Rev., Lenox Hill Hosp. Oblig. Group, 5.50%, 7/1/30	A3/NR
4,000	State Dormitory Auth. Rev., Memorial Sloan-Kettering Center, 5.00%, 7/1/34, Ser. 1	Aa2/AA
8,000	State Dormitory Auth. Rev., Mental Health Services Fac. Improvement, Ser. D (MBIA) 4.75%, 2/15/25 (Pre-refunded @ 100, 8/15/08) (i)	Aaa/AAA
100	State Dormitory Auth. Rev., Mortgage Nursing Home Rev., 5.40%-5.50%, 2/1/31-2/1/41 (MBIA)	Aaa/AAA
1,825	State Dormitory Auth. Rev., Mount Sinai Health, 6.50%-6.625%, 7/1/18-7/1/25, Ser. A	Ba1/BB
7,000	State Dormitory Auth. Rev., New York & Presbyterian Hosp., 4.75%, 8/1/27 (AMBAC)	Aaa/AAA

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PIMCO NEW YORK MUNICIPAL INCOME FUND SCHEDULE OF INVESTMENTS  
April 30, 2004

Principal Amount (000)		Credit Ratings (Moody's/S&P) *
\$ 845	State Dormitory Auth. Rev., New York Univ., 5.50%, 7/1/20-7/1/21, Ser. 2 (AMBAC)	Aaa/AAA
2,250	State Dormitory Auth. Rev., New York Univ., 5.00%, 7/1/11, Ser. B (MBIA)	Aaa/NR
1,045	State Dormitory Auth. Rev., State Univ., Ser B. (FSA) 4.75%, 5/15/28	Aaa/AAA
1,270	4.75%, 5/15/28 (Pre-refunded @ 101, 5/15/08) (i)	Aaa/AAA
1,275	State Dormitory Auth. Rev., Winthrop Univ. Hosp. Assoc., 5.25%, 7/1/31, Ser. A (AMBAC)	Aaa/AAA
5,000	State Thruway Auth. General Rev., 4.75%, 1/1/19, Ser. E	Aa3/AA-
3,975	State Urban Dev. Corp. Rev., 4.75%, 1/1/28, Ser. B (AMBAC)	Aaa/AAA
130	Tobacco Trust II Rev., 5.625%-5.75%, 6/1/35-6/1/43	Baa1/BBB
7,000	Triborough Bridge & Tunnel Auth. Rev., 5.00%, 1/1/27-1/1/32, Ser. A	Aa3/AA-
2,945	Warren & Washington Cntys, Industrial Development Agency, Glens Falls Hospital Project, 5.00%, 12/1/27, Ser C (FSA)	Aaa/AAA
Total New York Municipal Bonds & Notes (cost-\$129,306,237)		

OTHER MUNICIPAL BONDS & NOTES--5.2%

ILLINOIS--2.5%		
4,000	Illinois Educational Facilities Auth Rev., 5.00%, 7/1/33, Ser. A	Aa1/AA
LOUISIANA--0.4%		
750	Tobacco Settlement Finance Corp., 5.875%, 5/15/39, Ser. 2001-B	Baa3/BBB
PUERTO RICO--2.3%		
1,500	Commonwealth Hwy. & Transportation Auth. Rev., 5.25%, 7/1/38,	

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	Ser. D		Baa1/A
1,500	Commonwealth Public Improvement 5.00%, 7/1/11, Ser A		Baa1/A-
500	Electric Power Authority Power Rev., 5.125%, 7/1/29, Ser NN		A3/A-

Total Other Municipal Bonds & Notes (cost-\$8,231,796)

### NEW YORK VARIABLE RATE NOTES (b) (c) (d) --8.8%

	5,173	New York City Transitional Fin. Auth. Rev., 8.12%, 11/1/23, Ser. 362 (acquired 8/9/01; cost-\$4,649,623) Tobacco Trust II Rev.,	Aa2/NR
	4,240	9.374%, 12/1/09, 886-A (acquired 8/2/01; cost-\$4,321,763)	A1/A
	6,780	9.612%, 12/1/09, 886-B 9 (acquired 8/2/01; cost-\$7,022,487)	A1/A

Total New York Variable Rate Notes (cost-\$15,993,676)

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#### PIMCO NEW YORK MUNICIPAL INCOME FUND SCHEDULE OF INVESTMENTS April 30, 2004

Principal Amount (000)	Credit Ratings (Moody's/S&P) *
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#### NEW YORK SHORT-TERM VARIABLE RATE DEMAND NOTES (C) (F) --2.1%

	\$ 2,000	New York Local Government Assistance Corp., 1.03%, 5/5/04, Ser. A	Aaa/AAA
	1,400	State Dormitory Auth. Rev., Cornell Univ., 1.08%, 5/3/04, Ser. B	VMIG1/A-1+

Total New York Short-Term Variable Rate Demand Notes  
(cost-\$3,400,000)

#### U.S. TREASURY BILLS (g) --0.9%

	1,490	0.885%-0.943%, 6/3/04-6/17/04, (cost-\$1,488,394)	Aaa/AAA
--	-------	---	---------

TOTAL INVESTMENTS BEFORE OPTIONS WRITTEN  
(cost-\$158,420,103+) --100.1%

#### CALL OPTIONS WRITTEN (h) --(0.1)%

Contracts U.S. Treasury Bond Futures, Chicago Board of Trade:

(70) Strike price \$112, expires 8/27/04  
(70) Strike price \$113, expires 8/27/04

Total call options written (premiums received-\$92,444)

#### PUT OPTIONS WRITTEN (h) --(0.0)%

U.S. Treasury Bond Futures, Chicago Board of Trade:

(9) Strike price \$106, expires 5/21/04 (premium received-\$4,120)

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Total options written (premiums received-\$96,564)

TOTAL INVESTMENTS, NET OF OPTIONS WRITTEN  
(cost-\$158,323,539+) --100.0%

- 
- + The cost basis of portfolio securities for federal income tax purposes is \$158,420,122. Aggregate gross unrealized appreciation for securities in which there is an excess of value over tax cost is \$3,933,440; aggregate gross unrealized depreciation for securities in which there is an excess of tax cost over value is \$3,380,470; net unrealized appreciation for federal income tax purposes is \$552,970.

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PIMCO NEW YORK MUNICIPAL INCOME FUND SCHEDULE OF INVESTMENTS  
April 30, 2004

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### NOTES TO SCHEDULE OF INVESTMENTS:

\* Unaudited

- (a) Illiquid Security.
- (b) Private Placement. Restricted as to resale and may not have a readily available market; the aggregate cost and value of such securities is \$63,097,864 or 11.9% of investments, \$12,586,479 or 3.2% of investments and \$14,914,504 or 9.4% of investments, respectively, for Municipal, California Municipal and New York Municipal.
- (c) Variable Rate Notes -- instruments whose interest rates change on specified date (such as a coupon date or interest payment date) and/or whose interest rates vary with changes in a designated base rate (such as the prime interest rate).
- (d) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, typically to qualified institutional investors. These

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securities amounted to \$53,778,050 or 10.1% of investments, \$10,022,505 or 2.6% of investments and \$13,902,614 or 8.8% of investments, respectively, for Municipal, California Municipal and New York Municipal.

- (e) Residual Interest/Tax Exempt Municipal Bonds. The interest rate shown bears an inverse relationship to the interest rate on another security or the value of an index.
- (f) Maturity date shown is date of next call.
- (g) All or partial principal amount segregated as initial margin on futures contracts.
- (h) Non-income producing securities.
- (i) Pre-refunded bonds are collateralized by U.S. Government or other eligible securities which are held in escrow and used to pay principal and interest and retire the bonds at the earliest refunding date.

### GLOSSARY:

AMBAC -- insured by American Municipal Bond Assurance Corp.  
 CP -- Certificates of Participation  
 FGIC -- insured by Financial Guaranty Insurance Co.  
 FSA -- insured by Financial Security Assurance, Inc.  
 GO -- General Obligation Bonds  
 MBIA -- insured by Municipal Bond Investors Assurance  
 NR -- not rated  
 Radian - insured by Radian Guaranty Inc.  
 RITES -- Residual Interest Tax Exempt Securities

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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### PIMCO MUNICIPAL INCOME FUNDS STATEMENTS OF ASSETS AND LIABILITIES

April 30, 2004

	Municipal	California Municipal
<b>ASSETS:</b>		
Investments, at value (cost-\$526,823,454, \$387,332,069 and \$158,420,103, respectively)	\$531,230,577	\$392,741,462
Cash	1,330,895	1,098,529
Interest receivable	10,757,103	6,052,913
Receivable for investments called	1,220,000	--
Receivable for variation margin on futures contracts	459,934	421,125
Prepaid expenses	11,745	7,760
Total Assets	545,010,254	400,321,789

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LIABILITIES:		
Dividends payable to common and preferred shareholders	1,985,607	1,385,478
Payable for variation margin on futures contracts	585,500	392,000
Options written, at value (premiums received--\$337,164, \$357,272, and \$96,564, respectively)	336,031	440,156
Investment management fees payable	201,961	148,124
Accrued expenses	117,283	98,678
Total Liabilities	3,226,382	2,464,436
-----		
PREFERRED SHARES (\$25,000 NET ASSET AND LIQUIDATION VALUE PER SHARE APPLICABLE TO AN AGGREGATE OF 8,000, 6,000 AND 2,520, SHARES ISSUED AND OUTSTANDING, RESPECTIVELY)	200,000,000	150,000,000
NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS	\$341,783,872	\$247,857,353
-----		
COMPOSITION OF NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS:		
Common stock (no par value):		
Paid-in capital	\$343,902,892	\$252,748,809
Undistributed net investment income	8,001,325	3,965,290
Accumulated net realized loss on investments	(18,537,663)	(17,169,911)
Net unrealized appreciation of investments, futures contracts and options written	8,417,318	8,313,165
NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS	\$341,783,872	\$247,857,353
Common Shares Outstanding	24,226,494	17,811,229
NET ASSET VALUE PER COMMON SHARE	\$14.11	\$13.92
-----		

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SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

PIMCO MUNICIPAL INCOME FUNDS STATEMENTS OF OPERATIONS  
For the year ended April 30, 2004

	Municipal	California Municipal
	-----	-----
INTEREST INCOME:		
Interest	\$31,477,392	\$21,271,945

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EXPENSES:		
Investment management fees	3,522,016	2,593,575
Auction agent fees and commissions	527,767	392,464
Custodian and accounting agent fees	114,102	103,339
Reports to shareholders	83,838	47,439
Audit and tax services	64,497	59,482
Transfer agent fees	34,970	34,132
Trustees' fees and expenses	27,235	22,568
Investor relations	24,927	18,087
New York Stock Exchange listing fees	23,954	23,792
Insurance expense	13,046	10,147
Miscellaneous	14,038	13,248
Total expenses	4,450,390	3,318,273
Less: investment management fees waived	(1,083,697)	(798,023)
custody credits earned on cash balances	(1,392)	(1,769)
Net expenses	3,365,301	2,518,481
NET INVESTMENT INCOME	\$28,112,091	\$18,753,464
REALIZED AND UNREALIZED GAIN (LOSS):		
Net realized gain (loss) on:		
Investments	1,492,298	(1,563,611)
Futures contracts	(5,118,827)	(2,616,216)
Options written	2,205,620	1,015,173
Net change in unrealized appreciation/depreciation on:		
Investments	(2,821,695)	(4,934,804)
Futures contracts	3,310,180	2,476,562
Options written	105,881	(14,209)
Net realized and unrealized loss on investments, futures contracts and options written	(826,543)	(5,637,105)
NET INCREASE IN NET ASSETS RESULTING FROM INVESTMENT OPERATIONS	\$27,285,548	\$13,116,359
DIVIDENDS ON PREFERRED SHARES FROM NET INVESTMENT INCOME	(1,799,570)	(1,198,190)

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NET INCREASE IN NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS RESULTING FROM INVESTMENT OPERATIONS	\$25,485,978	\$11,918,169
-----	-----	-----

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

	Municipal	
	Year ended April 30, 2004	April 30, 2003
INVESTMENT OPERATIONS:		
Net investment income	\$ 28,112,091	\$ 28,112,091
-----	-----	-----
Net realized loss on investments, futures contracts and options written	(1,420,909)	(1,420,909)
-----	-----	-----
Net change in unrealized appreciation/depreciation of investments, futures contracts and options written	594,366	594,366
-----	-----	-----
Net increase in net assets resulting from investment operations	27,285,548	27,285,548
-----	-----	-----
DIVIDENDS AND DISTRIBUTIONS ON PREFERRED SHARES FROM:		
Net investment income	(1,799,570)	(1,799,570)
-----	-----	-----
Net realized gains	--	--
-----	-----	-----
Total dividends and distributions on preferred shares	(1,799,570)	(1,799,570)
-----	-----	-----
Net increase in net assets applicable to common shareholders resulting from investment operations	25,485,978	25,485,978
-----	-----	-----
DIVIDENDS AND DISTRIBUTIONS TO COMMON SHAREHOLDERS FROM:		
Net investment income	(23,568,259)	(23,568,259)
-----	-----	-----
Net realized gains	--	--
-----	-----	-----
Total dividends and distributions to common shareholders	(23,568,259)	(23,568,259)
-----	-----	-----
CAPITAL SHARE TRANSACTIONS:		
-----	-----	-----
Reinvestment of dividends and distributions	2,178,230	2,178,230
-----	-----	-----
Total increase (decrease) in net assets applicable to common shareholders	4,095,949	4,095,949
-----	-----	-----



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NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS:

Beginning of year	337,687,923	33
<hr style="border-top: 1px dashed black;"/>		
End of year (including undistributed net investment of \$8,001,325 and \$5,257,063, \$3,965,290 and \$2,860,275, and \$994,944 and \$718,920, respectively)	\$341,783,872	\$33
<hr style="border-top: 1px dashed black;"/>		
COMMON SHARES ISSUED IN REINVESTMENT OF DIVIDENDS AND DISTRIBUTIONS:	155,843	
<hr style="border-top: 1px dashed black;"/>		

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SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

California Municipal		New York Municipal	
Year ended April 30, 2004	Year ended April 30, 2003	Year ended April 30, 2004	Year ended April 30, 2003
\$ 18,753,464	\$ 19,843,263	\$ 7,391,076	\$ 7,544,964
(3,164,654)	(13,895,334)	(2,164,329)	(5,953,984)
(2,472,451)	15,066,673	1,538,781	2,557,403
13,116,359	21,014,602	6,765,528	4,148,383
(1,198,190)	(1,716,314)	(515,620)	(718,510)
--	--	--	--
(1,198,190)	(1,716,314)	(515,620)	(718,510)
11,918,169	19,298,288	6,249,908	3,429,873
(16,450,259)	(16,367,945)	(6,599,432)	(6,536,786)
--	--	--	--
(16,450,259)	(16,367,945)	(6,599,432)	(6,536,786)
558,093	2,219,123	948,252	1,017,328
(3,973,997)	5,149,466	598,728	(2,089,585)
251,831,350	246,681,884	98,323,079	100,412,664
\$247,857,353	\$251,831,350	\$98,921,807	\$98,323,079
40,062	155,749	70,499	72,990

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SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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PIMCO MUNICIPAL INCOME FUNDS NOTES TO FINANCIAL STATEMENTS

April 30, 2004  
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## 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

PIMCO Municipal Income Fund ("Municipal"), PIMCO California Municipal Income Fund ("California Municipal") and PIMCO New York Municipal Income Fund ("New York Municipal"), collectively referred to as the "Funds", were organized as Massachusetts business trusts on May 10, 2001. Prior to commencing operations on June 29, 2001, the Funds had no operations other than matters relating to their organization and registration as non-diversified, closed-end management investment companies registered under the Investment Company Act of 1940 and the rules and regulations thereunder, as amended. PA Fund Management LLC (the "Investment Manager," formerly known as PIMCO Advisors Fund Management LLC), serves as the Funds' Investment Manager and is an indirect, wholly-owned subsidiary of Allianz Dresdner Asset Management of America L.P., ("ADAM"). ADAM is an indirect majority-owned subsidiary of Allianz AG. The Funds have an unlimited amount of no par value common stock authorized.

Municipal invests substantially all of its assets in a portfolio of municipal bonds, the interest from which is exempt from federal income taxes. California Municipal invests substantially all of its assets in municipal bonds which pay interest that is exempt from federal and California state income taxes. New York Municipal 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.

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

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

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

### (a) VALUATION OF INVESTMENTS

Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. The Fund's Investments are valued daily by an independent pricing service approved by the Board of Trustees. Prices obtained from an independent pricing service use information provided by market makers or estimates of market values obtained

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

### (b) INVESTMENT TRANSACTIONS AND INVESTMENT INCOME

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

### (c) FEDERAL INCOME TAXES

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

### (d) FUTURES CONTRACTS

A futures contract is an agreement between two parties to buy and sell a financial instrument at a set price on a future date. Upon entering into such a contract, the Funds are required to pledge to the broker an amount of cash

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## PIMCO MUNICIPAL INCOME FUNDS NOTES TO FINANCIAL STATEMENTS

April 30, 2004

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

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 involve the risk of an imperfect correlation in the movements in the price of futures contracts, interest rates and the underlying hedged assets, and the possible inability of counterparties to meet the terms of their contracts.

### (e) OPTION TRANSACTIONS

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

The cost of securities acquired through the exercise of call options is increased by the premiums paid. The proceeds from the securities sold through the exercise of put options is decreased by the premiums paid.

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

### (f) RESIDUAL INTEREST MUNICIPAL BONDS

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

### (g) DIVIDENDS AND DISTRIBUTIONS -- COMMON STOCK

The Funds declare dividends from net investment income monthly to common shareholders. Distributions of net realized capital gains, if any, are paid at least annually. Each Fund records dividends and distributions to its shareholders on the ex-dividend date. The amount of dividends and distributions from net investment income and net realized capital gains are determined in accordance with federal income tax regulations, which may differ from generally accepted accounting principles. These "book-tax" differences are either considered 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.

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### (h) CUSTODY CREDITS ON CASH BALANCES

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

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PIMCO MUNICIPAL INCOME FUNDS NOTES TO FINANCIAL STATEMENTS  
April 30, 2004

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### 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 each Fund and the Fund's business affairs and other administrative matters. Pursuant to the Agreements, the Investment Manager receives 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 0.20% 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, 2006, 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 0.37% 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 0.25% 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, 2006, and will receive an increasing amount (not to exceed 0.37% 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 \$1,354,622, \$997,529 and \$406,793 in connection with sub-advisory services for Municipal, California Municipal and New York Municipal, respectively, for the year ended April 30, 2004.

### 3. INVESTMENTS IN SECURITIES

- (a) For the year ended April 30, 2004, purchases and sales of investments, other than short-term securities, were:

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	Municipal	California Municipal	New York Municipal
Purchases	\$81,992,614	\$ 94,204,355	\$66,921,669
Sales	\$83,234,398	\$138,690,455	\$60,302,013

(b) Futures contracts outstanding at April 30, 2004:

Fund	Type	# of Contracts	Expiration Date	Unre Appre
Municipal	Short: U.S. Treasury 30 Year Bond	1,264	6/21/04	\$4,0 ====
California Municipal	Short: U.S. Treasury 30 Year Bond	844	6/21/04	\$2,9 ====
New York Municipal	Short: U.S. Treasury 30 Year Bond	377	6/21/04	\$1,1 ====

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PIMCO MUNICIPAL INCOME FUNDS NOTES TO FINANCIAL STATEMENTS  
April 30, 2004

3. INVESTMENTS IN SECURITIES (CONCLUDED)

(c) Transactions in options written for the year ended April 30, 2004 were:

	Contracts	Premiums
Municipal:		
Options outstanding, April 30, 2003	667	\$ 521,190
Options written	6,151	5,068,823
Options expired	(1,534)	(993,934)
Option terminated in closing purchase transactions	(2,749)	(2,210,820)
Options exercised	(2,002)	(2,048,095)
Options outstanding, April 30, 2004	533	\$ 337,164
California Municipal:		
Options outstanding, April 30, 2003	350	\$ 267,012
Options written	4,550	3,945,748
Option expired	(402)	(326,762)
Options terminated in closing purchase transactions	(1,999)	(1,515,647)
Options exercised	(1,869)	(2,013,079)

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Options outstanding, April 30, 2004	630	\$	357,272
	=====		=====
New York Municipal:			
-----			
Options outstanding, April 30, 2003	169	\$	130,794
Options written	2,213		1,612,465
Options expired	(828)		(437,408)
Options terminated in closing purchase transactions	(778)		(658,208)
Options exercised	(627)		(551,079)
	-----		-----
Options outstanding, April 30, 2004	149	\$	96,564
	=====		=====

#### 4. INCOME TAX INFORMATION

##### Municipal:

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The tax character of dividends and distributions paid were:

	Year Ended April 30, 2004	Year Ended April 30, 2003
	-----	-----
Ordinary Income	\$506,889	\$1,424,818
Tax Exempt Income	\$24,860,940	\$25,261,871

At April 30, 2004, the tax character of distributable earnings of \$8,001,325 was comprised entirely of tax exempt income.

At April 30, 2004, Municipal had a capital loss carryforward of \$14,527,467, (\$12,636,579 of which expires in 2011 and \$1,890,888 of which expires in 2012) available as a reduction to the extent provided in the regulations, of any future net realized gains. To the extent that these losses are used to offset future realized capital gains, such gains will not be distributed.

##### California Municipal:

-----

The tax character of dividends paid were:

	Year Ended April 30, 2004	Year Ended April 30, 2003
	-----	-----
Ordinary Income	\$362,889	\$392,046
Tax Exempt Income	\$17,285,560	\$17,692,213

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April 30, 2004

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### 4. INCOME TAX INFORMATION (CONCLUDED)

At April 30, 2004, the tax basis of distributable earnings of \$3,965,290 was comprised entirely of tax exempt income.

At April 30, 2004, California Municipal had a capital loss carryforward of \$14,266,137, (\$2,250 of which will expire in 2010, \$9,872,564 of which will expire in 2011 and \$4,391,323 of which will expire in 2012), available as a reduction, to the extent provided in the regulations, of any future net realized capital gains. To the extent that these losses are used to offset future realized capital gains, such gains will not be distributed.

New York Municipal:

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The tax character of dividends paid were:

	Year Ended April 30, 2004	July 1, 2002 through April 30, 2003
	-----	-----
Ordinary Income	\$48,250	\$22,716
Tax Exempt Income	\$7,066,802	\$5,997,367

During the year ended April 30, 2003, New York Municipal changed its tax fiscal year end from June 30 to April 30.

At April 30, 2004, the tax basis of distributable earnings of \$994,944 was comprised entirely of tax exempt income.

At April 30, 2004, New York Municipal had a capital loss carryforward of \$6,893,974 (\$4,214,928 of which will expire in 2011 and \$2,679,046 of which will expire in 2012), available as a reduction, to the extent provided in the regulations, of any future net realized capital gains. To the extent that these losses are used to offset future realized capital gains, such gains will not be distributed.

### 5. AUCTION PREFERRED SHARES

Municipal has issued 1,600 shares of Preferred Shares Series A, 1,600 shares of Preferred Shares Series B, 1,600 shares of Preferred Shares Series C, 1,600 shares of Preferred Shares Series D and 1,600 shares of Preferred Shares Series E, each with a net asset and liquidation value of \$25,000 per share plus accrued dividends.

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

New York Municipal has issued 2,520 shares of Preferred Shares Series A 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



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procedures. Distributions of net realized capital gains, if any, are paid annually.

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PIMCO MUNICIPAL INCOME FUNDS NOTES TO FINANCIAL STATEMENTS  
April 30, 2004

### 5. AUCTION PREFERRED SHARES (CONCLUDED)

For the year ended April 30, 2004, the annualized dividend rates ranged from:

	High	Low	At April 30, 2004
-----			
Municipal:			
-----			
Series A	1.75%	0.40%	1.02%
Series B	1.75%	0.40%	1.02%
Series C	1.30%	0.70%	1.02%
Series D	1.75%	0.40%	1.02%
Series E	1.75%	0.49%	1.10%
California Municipal:			
-----			
Series A	1.70%	0.40%	1.02%
Series B	1.25%	0.40%	0.45%
Series C	1.75%	0.40%	1.05%
New York Municipal:			
-----			
Series A	1.75%	0.40%	1.02%

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

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

### 6. SUBSEQUENT COMMON DIVIDEND DECLARATIONS

On May 3, 2004, the following dividends were declared to common shareholders payable June 1, 2004 to shareholders of record on May 14, 2004:

Municipal	\$0.08125 per common share
California Municipal	\$0.077 per common share
New York Municipal	\$0.075 per common share

On June 1, 2004, the following dividends were declared to common shareholders

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payable July 1, 2004 to shareholders of record on June 11, 2004:

Municipal	\$0.08125 per common share
California Municipal	\$0.077 per common share
New York Municipal	\$0.075 per common share

### 7. LEGAL PROCEEDINGS

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

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

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PIMCO MUNICIPAL INCOME FUNDS NOTES TO FINANCIAL STATEMENTS  
April 30, 2004

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### 7. LEGAL PROCEEDINGS (CONCLUDED)

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

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

Since February, 2004, the Investment Manager, the Sub-Adviser and certain of their affiliates, various investment companies advised by the Investment

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

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

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

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### PIMCO MUNICIPAL INCOME FUNDS FINANCIAL HIGHLIGHTS

For a share of common stock outstanding throughout each period:

	Municipal		
	Year ended April 30, 2004	Year ended April 30, 2003	For June Apri
Net asset value, beginning of period	\$14.03	\$14.22	\$1
INCOME FROM INVESTMENT OPERATIONS:			

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Net investment income	1.16	1.19	
Net realized and unrealized loss on investments, futures contracts and options written	(0.03)	(0.26)	(
Total from investment operations	1.13	0.93	
DIVIDENDS AND DISTRIBUTIONS ON PREFERRED SHARES FROM:			
Net investment income	(0.07)	(0.10)	(
Net realized gains	--	(0.00)+	(
Total dividends and distributions on preferred shares	(0.07)	(0.10)	(
Net increase in net assets applicable to common shares resulting from investment operations	1.06	0.83	
DIVIDENDS AND DISTRIBUTIONS TO COMMON SHAREHOLDERS FROM:			
Net investment income	(0.98)	(0.98)	(
Net realized gains	--	(0.04)	(
Total dividends and distributions to common shareholders	(0.98)	(1.02)	(
CAPITAL SHARE TRANSACTIONS:			
Common stock offering costs charged to paid-in capital	--	--	(0
Preferred shares offering costs/underwriting discounts charged to paid-in capital	--	--	(
Total capital share transactions	--	--	(
Net asset value, end of period	\$14.11	\$14.03	\$1
Market price, end of period	\$13.55	\$14.22	\$1
TOTAL INVESTMENT RETURN (1)	2.15%	3.79%	
RATIOS/SUPPLEMENTAL DATA:			
Net assets applicable to common shareholders, end of period (000)	\$341,784	\$337,688	\$338
Ratio of expenses to average net assets (2) (3) (5)	0.98%	1.00%	
Ratio of net investment income to average net assets (2) (5)	8.22%	8.21%	
Preferred shares asset coverage per share	\$67,719	\$67,206	\$67
Portfolio turnover	16%	27%	

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- \* Commencement of operations.
- \*\* Initial public offering price of \$15.00 per share less underwriting discount of \$0.675 per share.
- + Less than \$0.005 per share.
- (1) Total investment return is calculated assuming a purchase of common stock at the current market price on the first day and a sale at the current market price on the last day of each period reported. Dividends and distributions are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Funds' dividend reinvestment plan. Total investment return does not reflect brokerage commissions or sales charges. Total investment return for a period of less than one year is not annualized.
- (2) Calculated on the basis of income and expenses applicable to both common and preferred shares relative to the average net assets of common shareholders.
- (3) Inclusive of expenses offset by custody credits earned on cash balances at custodian bank. (See note 1(h) in Notes to Financial Statements).
- (4) Annualized.
- (5) During the periods indicated above the Investment Manager waived a portion of its investment management fee. If such waiver had not been in effect, the ratio of expenses to average net assets and the ratio of net investment income to average net assets would have been 1.30% and 7.91%, respectively, for the year ended April 30, 2004, 1.32% and 7.89%, respectively for the year ended April 30, 2003 and 1.21% (annualized) and 7.34% (annualized), respectively, for the period June 29, 2001 (commencement of operations) through April 30, 2002.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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### PIMCO MUNICIPAL INCOME FUNDS FINANCIAL HIGHLIGHTS

For a share of common stock outstanding throughout each period:

	California Municipal		
	Year ended April 30, 2004	Year ended April 30, 2003	For June Apri
Net asset value, beginning of period	\$14.17	\$14.00	
<b>INCOME FROM INVESTMENT OPERATIONS:</b>			
Net investment income	1.05	1.12	

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Net realized and unrealized gain (loss) on investments, futures contracts and options written	(0.31)	0.07
Total from investment operations	0.74	1.19
DIVIDENDS ON PREFERRED SHARES FROM NET INVESTMENT INCOME	(0.07)	(0.10)
Net increase in net assets applicable to common shares resulting from investment operations	0.67	1.09
DIVIDENDS TO COMMON SHAREHOLDERS FROM NET INVESTMENT INCOME	(0.92)	(0.92)
CAPITAL SHARE TRANSACTIONS:		
Common stock offering costs charged to paid-in capital	--	--
Preferred shares offering costs/underwriting discounts charges to paid-in capital	--	--
Total capital share transactions	--	--
Net asset value, end of period	\$13.92	\$14.17
Market price, end of period	\$13.19	\$14.15
TOTAL INVESTMENT RETURN (1)	(0.28)%	2.64%
RATIOS/SUPPLEMENTAL DATA:		
Net assets applicable to common shareholders, end of period (000)	\$247,857	\$251,831
Ratio of expenses to average net assets (2) (3) (5)	1.01%	1.03%
Ratio of net investment income to average net assets (2) (5)	7.53%	7.89%
Preferred share asset coverage per share	\$66,306	\$66,967
Portfolio turnover	25%	15%

\* Commencement of operations.

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

(1) Total investment return is calculated assuming a purchase of common stock at the current market price on the first day and a sale at the current market price on the last day of each period reported. Dividends are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Funds' 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

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and preferred shares relative to the average net assets of common shareholders.

- (3) Inclusive of expenses offset by custody credits earned on cash balances at custodian bank. (See note 1(h) in Notes to Financial Statements).
- (4) Annualized.
- (5) During the periods indicated above the Investment Manager waived a portion of its investment management fee. If such waiver had not been in effect, the ratio of expenses to average net assets and the ratio of net investment income to average net assets would have been 1.33% and 7.21%, respectively for the year ended April 30, 2004, 1.34% and 7.58%, respectively for the year ended April 30, 2003 and 1.24% (annualized) and 6.73% (annualized), respectively, for the period June 29, 2001 (commencement of operations) through April 30, 2002.

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SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

### PIMCO MUNICIPAL INCOME FUNDS FINANCIAL HIGHLIGHTS

For a share of common stock outstanding throughout each period:

	New York Municipal	
	Year ended April 30, 2004	Year ended April 30, 2003
Net asset value, beginning of period	\$13.49	\$13.92
INCOME FROM INVESTMENT OPERATIONS:		
Net investment income	1.00	1.04
Net realized and unrealized loss on investments, futures contracts and options written	(0.08)	(0.47)
Total from investment operations	0.92	0.57
DIVIDENDS AND DISTRIBUTIONS ON PREFERRED SHARES FROM:		
Net investment income	(0.07)	(0.10)
Net realized gains		--
Total dividends and distributions on preferred shares	(0.07)	(0.10)

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Net increase in net assets applicable to common shares resulting from investment operations	0.85	0.47
-----		
DIVIDENDS AND DISTRIBUTIONS TO COMMON SHAREHOLDERS FROM:		
Net investment income	(0.90)	(0.90)
-----		
Net realized gains	--	--
-----		
Total dividends and distributions to common shareholders	(0.90)	(0.90)
-----		
CAPITAL SHARE TRANSACTIONS:		
Common stock offering costs charged to paid-in capital	--	--
-----		
Preferred shares offering costs/underwriting discounts charged to paid-in-capital	--	--
-----		
Total capital share transactions	--	--
-----		
Net asset value, end of period	\$13.44	\$13.49
-----		
Market price, end of period	\$12.70	\$13.55
-----		
TOTAL INVESTMENT RETURN (1)	0.21%	1.82%
-----		
RATIOS/SUPPLEMENTAL DATA:		
Net assets applicable to common shareholders, end of period (000)	\$98,922	\$98,323
-----		
Ratio of expenses to average net asset (2) (3) (5)	1.10%	1.13%
-----		
Ratio of net investment income to average net assets (2) (5)	7.41%	7.46%
-----		
Preferred shares asset coverage per share	\$64,251	\$64,016
-----		
Portfolio turnover	39%	23%
-----		

\* Commencement of operations.

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

(1) Total investment return is calculated assuming a purchase of common stock at the current market price on the first day and a sale at the current market price on the last day of each period reported. Dividends and distributions are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Funds' 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.



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- (2) Calculated on the basis of income and expenses applicable to both common and preferred shares relative to the average net assets of common shareholders.
- (3) Inclusive of expenses offset by custody credits earned on cash balances at custodian bank. (See note 1(h) in Notes to Financial Statements).
- (4) Annualized.
- (5) During the periods indicated above the Investment Manager waived a portion of its investment management fee. If such waiver had not been in effect, the ratio of expenses to average net assets and the ratio of net investment income to average net assets would have been 1.43% and 7.08%, respectively for the year ended April 30, 2004, 1.45% and 7.14%, respectively for the year ended April 30, 2003 and 1.34% (annualized) and 6.77% (annualized), respectively for the period June 29, 2001 (commencement of operations) through April 30, 2002.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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PIMCO MUNICIPAL INCOME FUNDS      REPORT OF INDEPENDENT REGISTERED PUBLIC  
ACCOUNTING FIRM

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To the Shareholders and Board of Trustees of  
PIMCO Municipal Income Fund, PIMCO California Municipal Income Fund and  
PIMCO New York Municipal Income Fund

In our opinion, the accompanying statements of assets and liabilities, including the schedules of investments, and the related statements of operations and of changes in net assets applicable to common shareholders and the financial highlights present fairly, in all material respects, the financial position of PIMCO Municipal Income Fund, PIMCO California Municipal Income Fund and PIMCO New York Municipal Income Fund (collectively hereafter referred to as the "Funds") at April 30, 2004, the results of each of their operations for the year then ended, and the changes in each of their net assets applicable to common shareholders for each of the two years in the period then ended and the financial highlights for each of the two years in the period then ended and for the period June 29, 2001 (commencement of operations) through April 30, 2002, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Funds' management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States), which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at April 30, 2004 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

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PricewaterhouseCoopers LLP  
New York, New York  
June 25, 2004

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

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## PRIVACY POLICY:

### OUR COMMITMENT TO YOU

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

### OBTAINING PERSONAL INFORMATION

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

### RESPECTING YOUR PRIVACY

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

### SHARING INFORMATION WITH THIRD PARTIES

We do reserve the right to disclose or report personal information to non-affiliated third parties in limited circumstances where we believe in good faith that disclosure is required under law, to cooperate with regulators or law enforcement authorities, to protect our rights or property, or upon

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reasonable request by any mutual fund in which you have chosen to invest. In addition, we may disclose information about you or your accounts to a non-affiliated third party at your request or if you consent in writing to the disclosure.

### SHARING INFORMATION WITH AFFILIATES

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

### IMPLEMENTATION OF PROCEDURES

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

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### PROXY VOTING POLICIES AND PROCEDURES:

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

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### OTHER INFORMATION:

Since April 30, 2003, there have been no: (i) material changes in the Funds' investment objectives or policies; (ii) changes to the Funds' charter or by-laws; (iii) material changes in the principal risk factors associated with investment in the Funds; or (iv) change in the persons primarily responsible for the day-to-day management of the Funds' portfolio.

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

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Subchapter M of the Internal Revenue Code of 1986, as amended, requires the Funds to advise shareholders within 60 days of the Funds' tax year end (April 30, 2004) as to the federal tax status of dividends and distributions received by shareholders during such tax period. Accordingly, please note that substantially all dividends paid from net investment income from the Funds during the tax period ended April 30, 2004 were federally exempt interest dividends. Although these Funds invested in municipal bonds containing market discount, whose accretion is taxable. Accordingly, the percentage of dividends paid from net investment income during the tax period which are taxable were:

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Municipal	2.00%
California Municipal	2.06%
New York Municipal	0.68%

Since the Funds' fiscal year is not the calendar year, another notification will be sent with respect to calendar year 2004. In January 2005, you will be advised on IRS Form 1099 DIV as to the federal tax status of the dividends and distributions received during calendar year 2003. The amount that will be reported, will be the amount to use on your 2004 federal income tax return and may differ from the amount which must be reported in connection with each Fund's tax year ended April 30, 2004. Shareholders are advised to consult with their tax advisers as to the federal, state and local tax status of the income received from the Funds. In January 2005, an allocation of interest by state will be provided which may be of value in reducing a shareholder's state or local tax liability, if any.

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

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

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

- (1) If Common Shares are trading at or above net asset value on the payment date, the Fund will issue new shares at the greater of (i) the net asset value per Common Share on the payment date or (ii) 95% of the market price per Common Share on the payment date; or
- (2) If Common Shares are trading below net asset value (minus estimated brokerage commissions that would be incurred upon the purchase of Common

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Shares on the open market) on the payment date, the Plan Agent will receive the dividend or distribution in cash and will purchase Common Shares in the open market, on the New York Stock Exchange or elsewhere, for the participants' accounts. It is possible that the market price for the Common Shares may increase before the Plan Agent has completed its purchases. Therefore, the average purchase price per share paid by the Plan Agent may exceed the market price on the payment date, resulting in the purchase of fewer shares than if the dividend or distribution had been paid in Common Shares issued by the Fund. The Plan Agent will use all dividends and distributions received in cash to purchase Common Shares in the open market on or shortly after the payment date, but in no event later than the ex-dividend date for the next distribution. Interest will not be paid on any uninvested cash payments.

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

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

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

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

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

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PIMCO MUNICIPAL INCOME FUNDS BOARD OF TRUSTEES (UNAUDITED)

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PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS:

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STEPHEN TREADWAY  
1345 Avenue of the Americas  
New York, NY 10105  
Age: 56  
Trustee since: 2001

Managing Director, Allianz Dresdner Asset Management of  
Managing Director and Chief Executive Officer, PA Fund  
LLC; Managing Director and Chief Executive Officer, PA  
Member of the Board of Management of Allianz Dresdner  
Management GmbH. Mr. Treadway serves as a director/tru

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Term of office: Expected to stand for re-election at 2005 annual meeting of shareholders.  
Trustee/Director of 61 funds in Fund Complex  
Trustee/Director of no funds outside of Fund Complex

PAUL BELICA  
1345 Avenue of the Americas  
New York, NY 10105  
Age: 82

Trustee since: 2001  
Term of office: Expected to stand for re-election at 2004 annual meeting of shareholders.  
Trustee/Director of 20 funds in Fund Complex  
Trustee of 10 funds outside of Fund Complex

ROBERT E. CONNOR  
1345 Avenue of the Americas  
New York, NY 10105  
Age: 69

Trustee since: 2001  
Term of office: Expected to stand for re-election at 2006 annual meeting of shareholders.  
Trustee/Director of 20 funds in Fund Complex  
Trustee of no funds outside of Fund Complex

JOHN J. DALESSANDRO II  
1345 Avenue of the Americas  
New York, NY 10105  
Age: 66

Trustee since: 2001  
Term of office: Expected to stand for re-election at 2004 annual meeting of shareholders.  
Trustee of 15 funds in Fund Complex  
Trustee of no funds outside of Fund Complex

HANS W. KERTESS  
1345 Avenue of the Americas  
New York, NY 10105  
Age: 64

Trustee since: 2001  
Term of office: Expected to stand for re-election at 2006 annual meeting of shareholders.  
Trustee of 15 funds in Fund Complex  
Trustee of no funds outside of Fund Complex

R. PETER SULLIVAN III  
1345 Avenue of the Americas  
New York, NY 10105  
Age: 62

holds various executive officer positions in connection with Dresdner Asset Management of America L.P.'s affiliated closed-end mutual funds.

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

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

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

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

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

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Trustee since: 2002

Term of office: Expected to stand for  
re-election at 2005 annual meeting of  
shareholders.

Trustee of 10 funds in Fund Complex

Trustee of no funds outside of Fund  
Complex

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TRUSTEES AND PRINCIPAL OFFICERS

Stephen Treadway  
Trustee, Chairman, Chairman of the Board

Paul Belica  
Trustee

Robert E. Connor  
Trustee

John J. Dalessandro II  
Trustee

Hans W. Kertess  
Trustee

R. Peter Sullivan III  
Trustee

Brian S. Shlissel  
President & Chief Executive Officer

Newton B. Schott, Jr.  
Vice President & Secretary

Mark V. McCray  
Vice President



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Lawrence G. Altadonna  
Treasurer, Principal Financial & Accounting Officer

Jennifer A. Patula  
Assistant Secretary

### INVESTMENT MANAGER

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

### SUB-ADVISER

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

### TRANSFER AGENT, DIVIDEND PAYING AGENT AND REGISTRAR

PFPC Inc.  
P.O. Box 43027  
Providence, RI 02940-3027

### INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

PricewaterhouseCoopers LLP  
1177 Avenue of the Americas  
New York, NY 10036

### LEGAL COUNSEL

Ropes & Gray LLP  
One International Place  
Boston, MA 02210-2624

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

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

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

### ITEM 2. CODE OF ETHICS

- (a) As of the end of the period covered by this report, the registrant has adopted a code of ethics (the "Section 406 Standards for Investment Companies -- Ethical Standards for Principal Executive

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and Financial Officers") that applies to the registrant's Principal Executive Officer and Principal Financial Officer; the registrant's Principal Financial Officer also serves as the Principal Accounting Officer. The registrant undertakes to provide a copy of such code of ethics to any person upon request, without charge, by calling 1-800-331-1710.

- (b) During the period covered by this report, there were not any amendments to a provision of the code of ethics adopted in 2(a) above.
- (c) During the period covered by this report, there were not any waivers or implicit waivers to a provision of the code of ethics adopted in 2(a) above.

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

### ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES

- a) Audit fees. The aggregate fees billed for each of the last two fiscal years (the "Reporting Periods") for professional services rendered by the Registrant's principal accountant (the "Auditor") for the audit of the Registrant's annual financial statements, or services that are normally provided by the Auditor in connection with the statutory and regulatory filings or engagements for the Reporting Periods, were \$36,200 in 2003 and \$42,690 in 2004.
- b) Audit-Related Fees. The aggregate fees billed in the Reporting Periods for assurance and related services by the principal accountant that are reasonably related to the performance of the audit registrant's financial statements and are not reported under paragraph (e) of this Item were \$8,152 in 2003 and \$8,715 in 2004. These services consist of accounting consultations, agreed upon procedure reports (inclusive of annual review of basic maintenance testing associated with the Preferred Shares), attestation reports and comfort letters.
- c) Tax Fees. The aggregate fees billed in the Reporting Periods for professional services rendered by the Auditor for tax compliance, tax service and tax planning ("Tax Services") were \$7,200 in 2003 and \$7,200 in 2004. These services consisted of review or preparation of U.S. federal, state, local and excise tax returns.
- d) All Other Fees. There were no other fees billed in the Reporting Periods for products and services provided by the Auditor to the Registrant.
- e) 1. Audit Committee Pre-Approval Policies and Procedures. The Registrant's Audit Committee has established policies and procedures for pre-approval of all audit and permissible non-

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

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below.

PIMCO Municipal Income Funds (THE "FUNDS")

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

The Funds' Audit Oversight Committee ("Committee") is charged with the oversight of the Funds' financial reporting policies and practices and their internal controls. As part of this responsibility, the Committee must pre-approve any independent accounting firm's engagement to render audit and/or permissible non-audit services, as required by law. In evaluating a proposed engagement by the independent accountants, the Committee will assess the effect that the engagement might reasonably be expected to have on the accountant's independence. The Committee's evaluation will be based on:

- a review of the nature of the professional services expected to be provided,
- the fees to be charged in connection with the services expected to be provided,
- a review of the safeguards put into place by the accounting firm to safeguard independence, and
- periodic meetings with the accounting firm.

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

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

### AUDIT SERVICES

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

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

### AUDIT-RELATED SERVICES

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

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

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

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

### TAX SERVICES

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

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

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

### PROSCRIBED SERVICES

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

- Bookkeeping or other services related to the accounting records or financial statements of the Funds
- Financial information systems design and implementation
- Appraisal or valuation services, fairness opinions, or contribution-in-kind reports

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Actuarial services  
Internal audit outsourcing services  
Management functions or human resources  
Broker or dealer, investment adviser or investment banking services  
Legal services and expert services unrelated to the audit  
Any other service that the Public Company Accounting Oversight Board determines, by regulation, is impermissible

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

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

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

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

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

- (1) The aggregate amount of all such permitted non-audit services provided constitutes no more than (i) with respect to such services provided to the Fund, five percent (5%) of the total amount of revenues paid by the Fund to its independent accountant during the fiscal year in which the services are provided, and(ii) with respect to such services provided to Accounting Affiliates, five percent (5%) of the total amount of revenues paid to the Fund's independent accountant by the Fund and the Accounting Affiliates during the fiscal year in which the services are provided;
- (2) Such services were not recognized by the Fund at the time of the engagement for such services to be non-audit services; and
- (3) Such services are promptly brought to the attention of the Committee and approved prior to the completion of the audit by the Committee or by the Committee Chairman (or any other Committee member who is a disinterested trustee under the Investment Company Act to whom this Committee Chairman or other delegate shall be reported to the full Committee at its next regularly scheduled meeting.

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- e) 2. No services were approved pursuant to the procedures contained in paragraph (C) (7) (i) (C) of Rule 2-01 of Registration S-X.
- f) Not applicable
- g) Non-audit fees. The aggregate non-audit fees billed by the Auditor for services rendered to the Registrant, and rendered to the Adviser, for the 2003 Reporting Period was \$3,223,981 and the 2004 Reporting Period was \$4,298,980.
- h) Auditor Independence. The Registrant's Audit Oversight Committee has considered whether the provision of non-audit services that were rendered to the Adviser which were not pre-approved is compatible with maintaining the Auditor's independence.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANT Not applicable

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

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

ITEM 8. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED COMPANIES. Disclosure requirement not currently effective

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

ITEM 10. CONTROLS AND PROCEDURES

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

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

(b) There were no significant changes in the registrant's internal controls or

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in factors that could affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

### ITEM 11. EXHIBITS

- (a) Exhibit 99.302 Cert. - Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- (b) Exhibit 99.906 Cert. - Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- (c) Exhibit 99.PROXYPOL - Proxy Voting Policies and Procedures
- (d) Exhibit 99.CODE ETH - Code of Ethics

### Signature

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

PIMCO Municipal Income Fund

By /s/ Brian S. Shlissel

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Brian S. Shlissel, President & Chief Executive Officer

Date: July 9, 2004

By /s/ Lawrence G. Altadonna

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

Date: July 9, 2004

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

By /s/ Brian S. Shlissel

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Brian S. Shlissel, President & Chief Executive Officer

Date: July 9, 2004

By /s/ Lawrence G. Altadonna

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

Date: July 9, 2004