

PIMCO MUNICIPAL INCOME FUND
Form N-Q
September 19, 2007

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY

Investment Company Act File Number: 811-10377

Registrant Name: PIMCO Municipal Income Fund

Address of Principal Executive Offices: 1345 Avenue of the Americas New York, New York 10105

Name and Address of Agent for Service: Lawrence G. Altadonna — 1345 Avenue of the Americas New York, New York 10105

Registrant's telephone number, including area code: 212-739-3371

Date of Fiscal Year End: April 30, 2008

Date of Reporting Period: July 31, 2007

Form N-Q is to be used by the registered management investment company, other than a small business investment company registered on Form N-5 (§§ 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b 1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to the collection of information contained in Form N-Q 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 the 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. § 3507.

Item 1. Schedule of Investments

PIMCO Municipal Income Fund
 Schedule of Investments
 July 31, 2007 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody's/S&P) | Value* |
|------------------------------|---|--------------------------------|--------------|
| | MUNICIPAL BONDS & NOTES—95.9% | | |
| | Alabama—2.3% | | |
| \$ 2,500 | Birmingham Baptist Medical Centers Special Care Facs. Financing Auth. Rev., 5.875%, 11/15/24, Ser. A | Baa1/NR | \$ 2,608,500 |
| 8,000 | Huntsville Health Care Auth. Rev., 5.75%, 6/1/31, Ser. A, (Pre-refunded @ \$101, 6/1/11) (b) | A2/NR | 8,607,840 |
| 2,500 | Tuscaloosa Educational Building Auth. Rev., 5.00%, 6/1/26 | NR/BBB– | 2,425,650 |
| | | | 13,641,990 |
| | Alaska—1.1% | | |
| 6,000 | Northern Tobacco Securitization Corp. Rev., 5.50%, 6/1/29, (Pre-refunded @ \$100, 6/1/11) (b) | Aaa/AAA | 6,344,520 |
| | Arizona—1.1% | | |
| 2,000 | Apache Cnty. Industrial Dev. Auth., Pollution Control Rev., Tucson Electric Power Co., 5.875%, 3/1/33, Ser. B | Baa3/B+ | 2,001,920 |
| 1,260 | Pima Cnty. Industrial Dev. Auth. Rev., 5.00%, 6/1/37 | NR/BBB– | 1,207,206 |
| 3,500 | Salt River Project Agricultural Improvement & Power Dist. Rev., 4.75%, 1/1/35, Ser. A | Aa1/AA | 3,514,315 |
| | | | 6,723,441 |
| | Arkansas—0.5% | | |
| 8,500 | Dev. Finance Auth. Rev., zero coupon, 7/1/36 (AMBAC) | Aaa/AAA | 2,150,925 |
| | Little Rock Municipal Property Owners Multipurpose Improvement Dist., Special Tax, Ser. A, | | |
| 425 | 5.00%, 3/1/16 | NR/NR | 424,396 |
| 500 | 5.25%, 3/1/23 | NR/NR | 500,725 |
| | | | 3,076,046 |
| | California—4.5% | | |
| | Golden State Tobacco Securitization Corp. Rev., Ser. A-1, | | |

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| | | | |
|--------|---|-----------|------------|
| 6,000 | 5.00%, 6/1/33 | Baa3/BBB | 5,604,060 |
| 10,000 | 6.75%, 6/1/39, (Pre-refunded @ \$100, 6/1/13) (b) | Aaa/AAA | 11,466,600 |
| 10,000 | Riverside Cnty. Public Financing Auth., Tax Allocation, 4.50%, 10/1/30, Ser. A (XLCA) | Aaa/AAA | 9,664,200 |
| | Colorado-2.5% | | 26,734,860 |
| 600 | Black Hawk Rev., 5.00%, 12/1/18 Denver Health & Hospital Auth. Healthcare Rev., Ser. A (b), | NR/NR | 609,150 |
| 2,000 | 5.375%, 12/1/28, (Pre-refunded @ \$101, 12/1/08) | Baa3/BBB | 2,060,640 |
| 1,000 | 6.00%, 12/1/23, (Pre-refunded @ \$100, 12/1/11) | Baa3/BBB | 1,081,990 |
| 12,400 | Health Facs. Auth. Rev., Liberty Heights, zero coupon, 7/15/24 | NR/AAA | 5,726,940 |
| 4,965 | Northwest Parkway Public Highway Auth. Rev., 7.125%, 6/15/41, Ser. D | B3/CCC | 5,308,330 |
| | Connecticut-0.2% | | 14,787,050 |
| 1,000 | State Dev. Auth. Pollution Control Rev., 5.85%, 9/1/28 | Baa1/BBB- | 1,035,880 |
| | District of Columbia-0.9% | | |
| 5,010 | Tobacco Settlement Financing Corp. Rev., 6.25%, 5/15/24 | Baa3/BBB | 5,259,247 |

PIMCO Municipal Income Fund
Schedule of Investments
July 31, 2007 (unaudited) (continued)

| Principal Amount (000) | | Credit Rating (Moody's/S&P) | Value* |
|------------------------------|---|--------------------------------|--------------|
| \$ 9,000 | Florida-1.8% | | |
| | Highlands Cnty. Health Facs. Auth. Rev., Adventist Health System, 6.00%, 11/15/31, Ser. A, (Pre-refunded @ \$101, 11/15/11) (b) | A2/NR | \$ 9,807,120 |
| 500 | Lee Cnty. Industrial Dev. Auth. Rev., 5.375%, 6/15/37, Ser. A | BB/BB | 490,850 |
| | Georgia-1.8% | | 10,297,970 |
| 10,000 | Municipal Electric Auth. Power Rev. (MBIA-IBC), 5.50%, 1/1/20, Ser. Z | Aaa/AAA | 10,887,388 |
| | Illinois-12.3% | | |
| 2,935 | Chicago, GO, Ser. A (FGIC), 5.375%, 1/1/34, | Aaa/AAA | 3,013,805 |
| 6,145 | | Aaa/AAA | 6,338,260 |

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| | | | |
|--------|---|---------|-------------------------|
| | 5.375%, 1/1/34, Ser. A, (Pre-refunded @ \$101, 1/1/09) (b) | | |
| 10,115 | Chicago Board of Education, GO, zero coupon, 12/1/31, Ser. A (FGIC) | Aaa/AAA | 3,182,584 |
| 2,000 | Chicago Water Rev., 5.25%, 11/1/27, (Pre-refunded @ \$102, 11/1/07) (FGIC) (b) | Aaa/AAA | 2,047,020 |
| | Educational Facs. Auth. Rev., | | |
| 1,115 | Midwestern Univ., 5.50%, 5/15/18, Ser. B Univ. of Chicago, | NR/A- | 1,135,037 |
| 5,000 | 5.125%, 7/1/38, Ser. A (i) | NR/NR | 5,077,650 |
| 190 | 5.25%, 7/1/41 | Aa1/AA | 197,226 |
| 4,810 | 5.25%, 7/1/41, (Pre-refunded @ \$101, 7/1/11) (b) | Aa1/AA | 5,093,658 |
| | Finance Auth. Rev., | | |
| 1,500 | 5.00%, 12/1/36 | NR/BBB | 1,466,040 |
| 5,000 | 5.50%, 11/15/29, (Pre-refunded @ \$101, 11/15/09) (b) | A2/A+ | 5,226,450 |
| 1,260 | 5.65%, 11/15/24, (Pre-refunded @ \$101, 11/15/09) (b) | A2/A+ | 1,321,160 |
| | Health Facs. Auth. Rev., | | |
| 3,000 | Decatur Memorial Hospital, 5.75%, 10/1/24 | A2/A | 3,129,090 |
| 5,425 | Silver Cross Hospital, 5.50%, 8/15/25, (Pre-refunded @ \$101, 8/15/09) (b) | NR/A | 5,656,159 |
| | Lake Cnty. Community High School Dist., GO, Ser. B (FGIC), | | |
| 5,000 | zero coupon, 2/1/19 | Aaa/AAA | 2,994,550 |
| 5,000 | zero coupon, 2/1/20 | Aaa/AAA | 2,853,450 |
| 5,690 | zero coupon, 2/1/22 | Aaa/AAA | 2,943,266 |
| 7,345 | Regional Transportation Auth. Rev., 5.50%, 6/1/23, Ser. B (FGIC) | Aaa/AAA | 8,339,880 |
| 3,000 | State Sales Tax Rev., 5.125%, 6/15/20, Ser. 1 Univ. Rev. (FGIC), | Aa3/AAA | 3,116,400 |
| 1,495 | 5.25%, 4/1/32 | Aaa/AAA | 1,551,272 |
| 3,505 | 5.25%, 4/1/32, (Pre-refunded @ \$100, 4/1/11) (b) | Aaa/AAA | 3,673,345 |
| 4,000 | Winnebago-Boone ETC Cntys. Rock Valley Community College, Dist. No. 511, GO, 5.30%, 10/1/18, (Partially pre-refunded @ \$100, 10/1/10) (FGIC) (b) | Aaa/NR | 4,134,720 72,491,022 |
| | Indiana-2.5% | | |
| 500 | Anderson Rev., 5.00%, 10/1/32 | NR/NR | 493,620 |
| 6,500 | Carmel School Building Corp. Rev., 5.00%, 7/15/22, (Pre-refunded @ \$101, 7/15/11) (MBIA) (b) | Aaa/AAA | 6,839,495 |

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July 31, 2007 (unaudited) (continued)

| Principal Amount (000) | | Credit Rating (Moody's/S&P) | Value* |
|------------------------|---|-----------------------------|--------------|
| | Indiana--(continued) | | |
| \$ 4,000 | Health & Educational Facs. Financing Auth. Rev., Community Foundation of Northwest Indiana, 5.50%, 3/1/37 | NR/BBB- | \$ 4,047,320 |
| 1,225 | Richland-Bean Blossom School Building Corp. Rev., 5.00%, 1/15/22 (FGIC) | Aaa/AAA | 1,255,368 |
| 1,825 | Zionsville Community Schools Building Corp. Rev., 5.00%, 7/15/27, Ser. A (FSA) | NR/AAA | 1,884,148 |
| | | | 14,519,951 |
| | Kansas--3.5% | | |
| 500 | Lenexa Rev., 5.50%, 5/15/39, Ser. A | NR/BBB- | 507,515 |
| | Wichita Hospital Rev., | | |
| 5,000 | 5.625%, 11/15/31, Ser. III | NR/A+ | 5,220,900 |
| 14,370 | 6.25%, 11/15/24, Ser. XI | NR/A+ | 15,108,905 |
| | | | 20,837,320 |
| | Kentucky--0.2% | | |
| 910 | Economic Dev. Finance Auth., Hospital Facs. Rev., St. Luke's Hospital, 6.00%, 10/1/19, Ser. B | A3/A | 995,394 |
| | Louisiana--5.8% | | |
| 4,300 | Local Gov't Environmental Facs. & Community Dev. Auth. Rev., 6.55%, 9/1/25 (ACA) | NR/A | 4,713,961 |
| 27,895 | Tobacco Settlement Financing Corp. Rev., 5.875%, 5/15/39, Ser. 2001-B | Baa3/BBB | 29,549,174 |
| | | | 34,263,135 |
| | Maryland--0.2% | | |
| 1,150 | Baltimore Water Project Rev., 5.125%, 7/1/42, Ser. A (FGIC) | Aaa/AAA | 1,183,350 |
| | Massachusetts--1.9% | | |
| 550 | Dev. Finance Agcy. Rev., 5.75%, 11/15/35, Ser. A | NR/NR | 562,810 |
| 10,000 | Health & Educational Facs. Auth. Rev., Partners Healthcare Systems, 5.75%, 7/1/32, Ser. C (i) | Aa2/AA | 10,553,100 |
| | | | 11,115,910 |
| | Michigan--3.8% | | |
| | Detroit, GO, Ser. A-1 (MBIA), | | |
| 1,000 | 5.375%, 4/1/15 | Aaa/AAA | 1,052,950 |
| 1,000 | 5.375%, 4/1/17 | Aaa/AAA | 1,051,390 |
| 5,650 | Forest Hills Public Schools, GO, 5.25%, 5/1/18, (Pre-refunded @ \$100, 5/1/10) (b) | Aa2/NR | 5,858,259 |
| 1,500 | Garden City Hospital Finance Auth. Rev., 5.00%, 8/15/38, Ser. A | NR/NR | 1,391,025 |
| 3,000 | Mount Clemens Community School Dist., GO, 5.00%, 5/1/31, (Partially pre-refunded @ \$100, 11/1/11) (b) | Aa3/AA | 3,133,740 |
| 50 | | Aaa/AAA | 51,325 |

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|-------|---|---------|-----------|
| | Royal Oak Hospital Finance Auth. Rev., William Beaumont Hospital, 11/15/35, Ser. M (MBIA) | | |
| 4,000 | State Hospital Finance Auth. Rev., Detroit Medical Center, 6.25%, 8/15/13 | Ba3/BB- | 4,020,040 |
| 775 | State Public Educational Facs. Auth. Rev., 5.00%, 9/1/22 | NR/BBB- | 771,722 |

PIMCO Municipal Income Fund
Schedule of Investments
July 31, 2007 (unaudited) (continued)

| Principal Amount (000) | | Credit Rating (Moody's/S&P) | Value* |
|------------------------------|--|--------------------------------|--------------|
| | Michigan--(continued) | | |
| \$ 2,000 | State Strategic Fund Ltd. Obligation Rev., Detroit Edison Pollution Control Co., 5.45%, 9/1/29 | A3/BBB+ | \$ 2,056,480 |
| 3,000 | Taylor Tax Increment Finance Auth., Tax Allocation, 5.375%, 5/1/17 (FSA) | Aaa/AAA | 3,151,530 |
| | Minnesota--0.6% | | 22,538,461 |
| 95 | Agricultural & Economic Dev. Board Rev., Health Care System, 6.375%, 11/15/29 | A2/A | 101,584 |
| 2,905 | 6.375%, 11/15/29, (Pre-refunded @ \$101, 11/15/10) (b) | A2/A | 3,160,262 |
| | Missouri--0.6% | | 3,261,846 |
| 2,500 | Interstate 470 & 350 Transportation Dev. Dist. Rev., 6.35%, 5/1/22, (Pre-refunded @ \$100, 5/1/08) (b) | NR/NR | 2,520,650 |
| 1,000 | Joplin Industrial Dev. Auth. Rev., 5.75%, 5/15/26, Ser. F | NR/NR | 1,014,850 |
| | Nevada--3.4% | | 3,535,500 |
| 3,000 | Clark Cnty. Rev., 5.25%, 7/1/34, Ser. B, (Pre-refunded @ \$100, 7/1/11) (FGIC) (b) | Aaa/AAA | 3,153,270 |
| 4,250 | Truckee Meadows Water Auth. Rev., 5.25%, 7/1/34, Ser. A, (Pre-refunded @ \$100, 7/1/11) (FSA)(b) | Aaa/AAA | 4,467,132 |
| 12,185 | Washoe Cnty., Water & Sewer, GO, 5.00%, 1/1/35 (MBIA) (i) | NR/NR | 12,624,513 |
| | New Hampshire--0.5% | | 20,244,915 |
| 3,000 | | Baa1/BBB- | 3,110,430 |

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| | State Business Finance Auth. Pollution Control Rev., Conn. Light & Power Co., 5.85%, 12/1/22 | | |
| | New Jersey-3.7% | | |
| 16,550 | Economic Dev. Auth., Kapkowski Road Landfill, Special Assessment, 5.75%, 4/1/31 | Baa3/NR | 17,861,257 |
| 2,510 | Economic Dev. Auth. Rev., Arbor Glen, 5.875%, 5/15/16 | NR/NR | 2,569,864 |
| 450 | 5.875%, 5/15/16, Ser. A, (Pre-refunded @ \$102, 5/15/09) (b) | NR/NR | 474,340 |
| 1,000 | Health Care Facs. Financing Auth. Rev., Trinitas Hospital, 5.25%, 7/1/30, Ser. A | Baa3/BBB- | 995,070 |
| | | | 21,900,531 |
| | New Mexico-0.4% | | |
| 2,500 | Farmington Pollution Control Rev., 5.80%, 4/1/22 | Baa2/BBB | 2,516,650 |
| | New York-2.1% | | |
| 5,000 | Liberty Dev. Corp. Rev., Goldman Sachs Headquarters, 5.25%, 10/1/35 | NR/NR | 5,305,050 |
| | New York City Municipal Water Finance Auth., Water & Sewer System Rev., | | |
| 1,120 | 5.00%, 6/15/37, Ser. D (i) | Aa2/AA+ | 1,155,201 |
| 3,000 | 5.00%, 6/15/39, Ser. A | Aa2/AA+ | 3,080,460 |
| 2,875 | Westchester Cnty. Healthcare Corp. Rev., 5.875%, 11/1/25, Ser. A | Ba2/BBB- | 2,958,404 |
| | | | 12,499,115 |

PIMCO Municipal Income Fund
 Schedule of Investments
 July 31, 2007 (unaudited) (continued)

| Principal Amount (000) | | Credit Rating (Moody's/S&P) | Value* |
|------------------------|---|-----------------------------|------------|
| | North Carolina-0.5% | | |
| | Capital Facs. Finance Agcy., Duke Univ. Rev., Ser. A, | | |
| \$ 570 | 5.125%, 10/1/41 | Aa1/AA+ | \$ 583,783 |
| 2,430 | 5.125%, 10/1/41, (Pre-refunded @ \$100, 10/1/11) (b) | Aaa/AAA | 2,552,715 |
| | | | 3,136,498 |
| | Ohio-1.1% | | |
| | Lorain Cnty. Hospital Rev., Catholic Healthcare Partners, | | |
| 2,500 | 5.625%, 10/1/17 | Aa3/AA- | 2,637,950 |
| 2,565 | 5.75%, 10/1/18 | Aa3/AA- | 2,713,590 |
| 1,235 | State Turnpike Commission Rev., 5.50%, 2/15/15 | Aa3/AA | 1,300,443 |

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|--------|--|-----------|------------|
| | | | 6,651,983 |
| | Pennsylvania—4.8% | | |
| | Allegheny Cnty. Rev., Hospital Dev. Auth., | | |
| 5,500 | 5.375%, 11/15/40, Ser. A | Ba2/BB | 5,354,140 |
| 5,780 | 9.25%, 11/15/30, Ser. B, (Pre-refunded @ \$102, 11/15/10) (b) | Ba3/CCC+ | 6,831,498 |
| 1,000 | Industrial Dev. Auth., 5.60%, 9/1/30 | Baa1/BBB+ | 1,027,340 |
| 1,095 | Port Auth., 5.25%, 3/1/20 (FGIC) | Aaa/AAA | 1,147,056 |
| 2,575 | Delaware Cnty. Auth. College Rev., Neumann College, 5.80%, 10/1/17 | NR/BBB- | 2,679,751 |
| 6,200 | Higher Educational Facs. Auth. Rev., 6.00%, 1/15/31, Ser. A | Aa3/A+ | 6,579,812 |
| 4,610 | Philadelphia Hospitals & Higher Education Facs. Auth. Hospital Rev., Temple Univ. Hospital, 6.625%, 11/15/23, Ser. A | Baa2/BBB | 4,620,557 |
| | | | 28,240,154 |
| | Puerto Rico—3.2% | | |
| 850 | Commonwealth of Puerto Rico, GO, 5.00%, 7/1/35, Ser. B | Baa3/BBB | 870,221 |
| 1,600 | Electric Power Auth., Power Rev., 5.125%, 7/1/29, Ser. NN, (Pre-refunded @ \$100, 7/1/13) (b) | A3/BBB+ | 1,706,000 |
| 10,665 | Gov't. Dev. Bank for Puerto Rico Rev., 5.00%, 12/1/08, Ser. B | Baa3/BBB | 10,800,979 |
| | Puerto Rico Sales Tax Financing Corp. Rev., Ser. A, | | |
| 32,550 | zero coupon, 8/1/54 (AMBAC) | Aaa/AAA | 3,109,502 |
| 29,200 | zero coupon, 8/1/56 | A+/A1 | 2,327,240 |
| | | | 18,813,942 |
| | Rhode Island—3.2% | | |
| 18,000 | Tobacco Settlement Financing Corp. Rev., 6.25%, 6/1/42, Ser. A | Baa3/BBB | 18,850,860 |
| | South Carolina—4.4% | | |
| | Greenwood Cnty. Hospital Rev., Self Memorial Hospital, | | |
| 3,500 | 5.50%, 10/1/21 | A2/A | 3,632,580 |
| 2,000 | 5.50%, 10/1/26 | A2/A | 2,072,700 |
| 3,000 | Jobs Economic Dev. Auth. Hospital Facs. Rev., Georgetown Memorial Hospital, 5.375%, 2/1/30 (Radian) | NR/AA | 3,097,200 |
| 15,600 | Tobacco Settlement Rev. Management Auth., 6.375%, 5/15/30, Ser. B | Baa3/BBB | 17,446,416 |
| | | | 26,248,896 |

| Principal Amount (000) | | Credit Rating (Moody's/S&P) | Value* |
|---------------------------|---|--------------------------------|------------|
| | Tennessee-0.1% | | |
| \$ 940 | Memphis Health Educational & Housing Fac. Rev., Wesley Housing Corp. Project, 6.95%, 1/1/20 (a)(d) | NR/NR | \$ 474,406 |
| | Texas-12.8% | | |
| 1,750 | Austin Convention Enterprises, Inc. Rev., 5.75%, 1/1/32, Ser. B, (Pre-refunded @ \$100, 1/1/11) (b) | Aaa/NR | 1,855,280 |
| 4,000 | Austin Rev., 5.25%, 5/15/31, Ser. A & B (FSA) | Aaa/AAA | 4,125,480 |
| 2,935 | Bell Cnty. Health Fac. Dev. Corp. Rev., 5.25%, 11/15/19, (Pre-refunded @ \$101, 11/15/08) (b) | NR/A- | 2,970,015 |
| 10,000 | Coppell Independent School Dist., GO, zero coupon, 8/15/29 (PSF-GTD) | Aaa/AAA | 3,493,900 |
| | Corpus Christi Refinance & Improvement, GO (FSA), | | |
| 1,125 | 5.375%, 3/1/18 | Aaa/AAA | 1,173,386 |
| 1,740 | 5.375%, 3/1/18, (Pre-refunded @ \$100, 3/1/11) (b) | Aaa/AAA | 1,829,036 |
| 9,000 | Cypress-Fairbanks Independent School Dist., GO, 4.80%, 2/15/26, Ser. B (PSF-GTD) | Aaa/AAA | 9,131,670 |
| | Duncanville Independent School Dist., GO, Ser. B (PSF-GTD), | | |
| 20 | 5.25%, 2/15/32 | Aaa/AAA | 20,733 |
| 3,660 | 5.25%, 2/15/32, (Pre-refunded @ \$100, 2/15/12) (b) | Aaa/AAA | 3,866,570 |
| | Harris Cnty. Health Facs. Dev. Corp. Rev. (b), | | |
| 5,000 | Christus Health, 5.375%, 7/1/29, Ser. A, (Pre-refunded @ \$101, 7/1/09) (MBIA) | Aaa/AAA | 5,192,100 |
| 7,000 | Memorial Hermann Healthcare, 6.375%, 6/1/29, (Pre-refunded @ \$101, 6/1/11) | A2/A+ | 7,670,460 |
| 8,500 | St. Luke's Episcopal Hospital, 5.375%, 2/15/26, Ser. A, (Pre-refunded @ \$100, 8/15/11) (i) | NR/AAA | 8,979,825 |
| | Mansfield Independent School Dist., GO (PSF-GTD), | | |
| 285 | 5.25%, 2/15/23 | Aaa/AAA | 294,727 |
| 1,715 | 5.25%, 2/15/23, (Pre-refunded @ \$100, 2/15/11) (b) | Aaa/AAA | 1,794,748 |
| 4,380 | Southlake Park Dev. Corp. Rev., 5.60%, 8/15/31, (Pre-refunded @ \$100, 2/15/11) (AMBAC)(b) | Aaa/AAA | 4,585,203 |
| 4,530 | State, GO, 5.30%, 8/1/18, Ser. A | Aa1/AA | 4,695,934 |
| 19,990 | State Turnpike Auth. Rev., zero coupon, 8/15/25, Ser. A (AMBAC) | Aaa/AAA | 8,695,050 |
| 4,920 | Univ. Rev., 5.00%, 7/1/26, Ser. B, (Pre-refunded @ \$100, 7/1/14) (b) | Aaa/AAA | 5,226,565 |
| | | | 75,600,682 |

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|-------|--|---------|-----------|
| | Utah–1.2% | | |
| 7,000 | Salt Lake Cnty. Hospital Rev., IHC Health Services, 5.125%, 2/15/33 (AMBAC) | Aaa/AAA | 7,317,870 |
| | Washington–2.4% | | |
| | Cowlitz Cnty. School Dist. No. 458 Kelso, GO, (Pre-refunded @ \$100, 12/1/11) (FSA) (b), | | |
| 985 | 5.625%, 12/1/14 | Aaa/NR | 1,054,836 |
| 1,225 | 5.625%, 12/1/16 | Aaa/NR | 1,311,852 |
| 3,415 | Kent, GO, 5.375%, 12/1/20 (MBIA) | Aaa/AAA | 3,587,492 |
| 5,420 | King Cnty. School Dist. No. 1 Seattle, GO, 5.25%, 12/1/21, Ser. A (MBIA) | Aaa/AAA | 5,662,382 |

PIMCO Municipal Income Fund
Schedule of Investments
July 31, 2007 (unaudited) (continued)

| Principal Amount (000) | | Credit Rating (Moody's/S&P) | Value* |
|------------------------|---|-----------------------------|---------------------------------|
| | Washington–(continued) | | |
| | State Housing Finance Commission Rev., Skyline at First Hill, Ser. A, | | |
| \$ 275 | 5.25%, 1/1/17 | NR/NR | \$ 273,576 |
| 2,250 | 5.625%, 1/1/38 | NR/NR | 2,263,748 |
| | | | 14,153,886 |
| | Wisconsin–4.0% | | |
| | Badger Tobacco Asset Securitization Corp. Rev., | | |
| 5,000 | 5.75%, 6/1/12 | Baa3/BBB | 5,288,150 |
| 9,785 | 6.00%, 6/1/17 | Baa3/BBB | 10,463,003 |
| | Health & Educational Facs. Auth. Rev., | | |
| 2,250 | Divine Savior Healthcare, 5.00%, 5/1/32 | NR/BBB | 2,230,897 |
| 2,230 | Kenosha Hospital & Medical Center, 5.625%, 5/15/29 | NR/A | 2,263,873 |
| 3,515 | State, GO, 5.00%, 5/1/22, Ser. A (FGIC) | Aaa/AAA | 3,637,674 |
| | | | 23,883,597 |
| | Total Municipal Bonds & Notes (cost–\$537,786,010) | | 567,174,696 |
| | | | VARIABLE RATE NOTES (c)(f)–3.5% |
| | Hawaii–0.3% | | |
| 1,388 | City & Cnty. of Honolulu Rev., 9.84%, 7/1/23, Ser. 400 (FGIC) (e) | Aaa/NR | 1,566,487 |
| | Illinois–0.6% | | |
| 2,902 | Cook Cnty., GO, 9.84%, 11/15/28, Ser. 458 (FGIC) (e) | Aaa/NR | 3,236,113 |
| | New York–1.6% | | |

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| | | | |
|------------------------------|--|---------|------------------------------|
| | New York City Municipal Water Finance Auth., Water & Sewer System Rev., | | |
| 2,600 | 7.13%, 6/15/26 (e) | NR/AA+ | 2,948,270 |
| 6,000 | 8.658%, 6/15/39 | Aa2/AA2 | 6,722,160 |
| | | | 9,670,430 |
| | Texas-0.7% | | |
| 3,595 | Harris Cnty. Health Facs. Dev. Corp. Rev., 11.72%, 7/1/29, Ser. 357 (MBIA) (e) | Aaa/NR | 4,285,600 |
| | Washington-0.3% | | |
| 1,800 | Seattle, GO, 10.47%, 12/15/28, Ser. 348 (e) | Aa1/NR | 1,967,760 |
| | Total Variable Rate Notes (cost-\$17,853,591) | | 20,726,390 |
| | | | COMMON STOCK-0.5% |
| Shares | | | |
| 158,560 | Northwest Airlines Corp. (h) (cost-\$4,068,918) | | 2,763,701 |
| | | | U.S. TREASURY BILLS (g)-0.1% |
| Principal Amount (000) | | | |
| \$865 | 4.405%-4.755%, 8/30/07-9/13/07 (cost-\$860,382) | | 860,382 |
| | Total Investments (cost-\$560,568,901)-100.0% | | \$591,525,16 |

Notes to Schedule of Investments:

* Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. Portfolio securities and other financial instruments for which market quotations are not readily available or if a development/event occurs that may significantly impact the value of a security are fair-valued, in good faith, pursuant to guidelines established by the Board of Trustees. The Fund's investments are valued daily using prices supplied by an independent pricing service or dealer quotations, or are valued at the last sale price on the exchange that is the primary market for such securities, or the last quoted bid price for those securities for which the over-the-counter market is the primary market or for listed securities in which there were no sales. Independent pricing services use information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics. Exchange traded options and futures are valued at the settlement price determined by the relevant exchange. Short-term investments maturing in 60 days or less are valued at amortized cost, if their original term to maturity was 60 days or less, or by amortizing their value on the 61st day prior to maturity, if the original term to maturity exceeded 60 days. The prices used by the Fund to value securities may differ from the value that would be realized if the securities were sold. The Fund's net asset value is determined daily as of the close of regular trading (normally, 4:00 p.m. Eastern time) on the New York Stock Exchange ("NYSE") on each day the NYSE is open for business.

- (a) Illiquid security.
(b)

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Pre-refunded bonds are collateralized by U.S. Government or other eligible securities which are held in escrow and used to pay principal and interest and retire the bonds at the earliest refunding date (payment date) and/or whose interest rates vary with changes in a designated base rate (such as the prime interest rate).

- (c) 144A Security – Security exempt from registration, under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, typically only to qualified institutional buyers. Unless otherwise indicated, these securities are not considered to be illiquid.
- (d) Fair-valued security – Securities with an aggregate value of \$474,406, representing 0.08% of total investments, have been fair-valued.
- (e) Inverse Floater – The interest rate shown bears an inverse relationship to the interest rate on another security or the value of an index.
- (f) Variable Rate Notes – Instruments whose interest rates change on specified date (such as a coupon date or interest payment date) and/or whose interest rates vary with changes in a designated base rate (such as the prime interest rate). The interest rate disclosed reflects the rate in effect on July 31, 2007.
- (g) All or partial amount segregated as initial margin on futures contracts.
- (h) Non-income producing.
- (i) Residual Interest Bonds held in trust – Securities represent underlying bonds transferred to a separate securitization trust established in a tender option bond transaction in which the Fund acquired the residual interest certificates. These securities serve as collateral in a financing transaction.

Glossary:

ACA – insured by American Capital Access Holding Ltd.
 AMBAC – insured by American Municipal Bond Assurance Corp.
 FGIC – insured by Financial Guaranty Insurance Co.
 FSA – insured by Financial Security Assurance, Inc.
 GO – General Obligation Bond
 GTD – Guaranteed
 IBC – Insurance Bond Certificate
 MBIA – insured by Municipal Bond Investors Assurance
 NR – Not Rated
 PSF – Public School Fund
 Radian – insured by Radian Guaranty, Inc.
 XLCA – insured by XL Capital Assurance

Other Investments:

- (1) Futures contracts outstanding at July 31, 2007:

| Type | Contracts | Market Value (000) | Expiration Date | Unrealized Appreciation (Depreciation) |
|--------------------------------------|-----------|--------------------|-----------------|--|
| Long: Financial Future Euro – 90 day | 176 | \$ 41,679 | 9/17/07 | \$(129,600) |
| Financial Future Euro – 90 day | 176 | 41,758 | 12/17/07 | (52,600) |
| Financial Future Euro – 90 day | 176 | 41,826 | 3/17/08 | 20,000 |

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| | | | | | |
|--------|------------------------------------|-------|----------|---------|-------------|
| Short: | U.S. Treasury Bond Futures | (296) | (32,579) | 9/19/07 | (456,312) |
| | U.S. Treasury Notes 10 yr. Futures | (354) | (38,027) | 9/19/07 | (282,094) |
| | | | | | \$(900,606) |

Item 2. 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 Act (17CFR270.30a-3(c)), 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 changes in the registrant's internal controls over financial reporting (as defined in Rule 30a-3(d)) under the Act (17 CFR270.30a-3(d)) that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3. Exhibits

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

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

Registrant: PIMCO Municipal Income Fund
By /s/ Brian S. Shlissel President & Chief Executive Officer

Date: September 19, 2007

By /s/ Lawrence G. Altadonna
Treasurer, Principal Financial & Accounting Officer

Date: September 19, 2007

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 dated indicated.

By /s/ Brian S. Shlissel
President & Chief Executive Officer

Date: September 19, 2007

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By /s/ Lawrence G. Altadonna
Treasurer, Principal Financial & Accounting Officer

Date: September 19, 2007
