

PIMCO MUNICIPAL INCOME FUND

Form N-Q

March 26, 2008

OMB APPROVAL

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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, NY 10105

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

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

Date of Fiscal Year End: April 30, 2008

Date of Reporting Period: January 31, 2008

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

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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
January 31, 2008 (unaudited)

| | | Amount | | Principal | |
|--|--|----------------------|---------------|--|------------|
| | | (000) | Credit Rating | | |
| | | (Moody's/S&P) Value* | | | |
| MUNICIPAL BONDS & NOTES—96.6% | | | | | |
| Alabama—2.8% | | | | | |
| \$ 2,500 | Birmingham Baptist Medical Centers Special Care Facs. Financing Auth. Rev., 5.875%, 11/15/24, Ser. A Baa1/NR | \$ 2,555,525 | 8,000 | Huntsville Health Care Auth. Rev., 5.75%, 6/1/31, Ser. A, (Pre-refunded @ \$101, 6/1/11) (b) A2/NR | 8,886,400 |
| | Financing Auth. Rev., 250 5.50%, 1/1/28 NR/NR | 230,130 | 885 | Huntsville-Redstone Village Special Care Facs. Financing Auth. Rev., 5.50%, 1/1/43 NR/NR | 782,083 |
| 1,350 | Montgomery Medical Clinic Board, Jackson Hospital & Clinic Rev., GO, 5.25%, 3/1/31 Baa2/BBB- | 1,287,482 | 2,900 | Tuscaloosa Educational Building Auth. Rev., 5.00%, 6/1/26 NR/BBB- | 2,533,324 |
| | | | | | 16,274,944 |
| Alaska—1.6% | | | | | |
| 900 | Industrial Dev. & Export Auth., Boys & Girls Home Rev., 6.00%, 12/1/36 NR/NR | 844,956 | | Northern Tobacco Securitization Corp. Rev., 2,400 5.00%, 6/1/46, Ser. A Baa3/NR | 2,008,728 |
| | 6,000 5.50%, 6/1/29, (Pre-refunded @ \$100, 6/1/11) (b) Aaa/AAA | 6,562,140 | | | 9,415,824 |
| Arizona—3.0% | | | | | |
| 2,000 | Apache Cnty. Industrial Dev. Auth. Pollution Control Rev., Tucson Electric Power Co., 5.875%, 3/1/33 Baa3/B+ | 1,915,280 | 2,750 | Health Facs. Auth. Rev., Beatitudes Project, 5.20%, 10/1/37 NR/NR | 2,307,085 |
| | Pima Cnty. Industrial Dev. Auth. Rev., 1,260 5.00%, 6/1/37 NR/BBB- | 1,128,368 | 12,045 | 5.00%, 9/1/39 Aa2/AA | 11,875,165 |
| | | | | | 17,225,898 |
| Arkansas—0.5% | | | | | |
| 8,500 | Arkansas Dev. Finance Auth. Rev., zero coupon, 7/1/36 (AMBAC) Aaa/NR | 2,030,735 | | Little Rock Municipal Property Owners Multipurpose Improvement Dist., Special Tax, Ser. A, 425 5.00%, 3/1/16 NR/NR | 419,160 |
| | 500 5.25%, 3/1/23 NR/NR | 477,425 | | | 2,927,320 |
| California—3.0% | | | | | |

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| | | |
|--|------------|------------|
| Golden State Tobacco Securitization Corp. Tobacco Settlement Rev., Ser. A-1, | 6,000 | 5.00%, |
| 6/1/33 Baa3/BBB 5,272,800 10,000 6.75%, 6/1/39, (Pre-refunded @ \$100, 6/1/13) (b) Aaa/AAA | | |
| | 11,815,200 | 17,088,000 |

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PIMCO Municipal Income Fund Schedule of Investments
January 31, 2008 (unaudited) (continued)

| | | Amount | | Principal | |
|---------------------------|--|---|---|---|---|
| | | (000) | Credit Rating | | |
| | | (Moody's/S&P) Value* | | | |
| Colorado—2.7% | | | | | |
| \$ 500 | Confluence Metropolitan Dist. Rev., 5.45%, 12/1/34 | NR/NR | \$ 432,575 | Denver Health & Hospital Auth. Healthcare Rev., Ser. A (b), 2,000 | 5.375%, 12/1/28, (Pre-refunded @ \$101, 12/1/08) |
| NR/BBB | 2,074,220 | 1,000 | 6.00%, 12/1/23, (Pre-refunded @ \$100, 12/1/11) | NR/BBB | 1,121,350 12,400 |
| | Health Facs. Auth. Rev., Liberty Heights, zero coupon, 7/15/24 (b) | Aaa/AAA | 5,898,184 | 4,965 | Northwest Parkway Public Highway Auth. Rev., 7.125%, 6/15/41, Ser. D, (Pre-refunded @ \$102, 6/15/11) (b) |
| | | NR/NR | 5,732,490 | 15,258,819 | |
| Connecticut—0.2% | | | | | |
| 1,000 | State Dev. Auth. Pollution Control Rev., 5.85%, 9/1/28 | Baa1/BBB- | 1,024,570 | | |
| District of Columbia—0.9% | | | | | |
| 5,010 | Tobacco Settlement Financing Corp. Rev., 6.25%, 5/15/24 | Baa3/BBB | 5,128,036 | | |
| Florida—2.2% | | | | | |
| 1,000 | Beacon Lakes Community Dev. Dist., Special Assessment, 6.00%, 5/1/38, Ser. A | | | | |
| NR/NR | 875,980 | 940 | Dev. Finance Corp. Rev., Learning Gate Community School, 6.00%, 2/15/37 | NR/BBB- | 895,416 |
| | | 9,000 | Highlands Cnty. Health Facs. Auth. Rev., Adventist/Sunbelt, 6.00%, 11/15/31, Ser. A, (Pre-refunded @ \$101, 11/15/11) (b) | A1/NR | 10,133,820 |
| | | | 500 | Lee Cnty. Industrial Dev. Auth. Rev., 5.375%, 6/15/37, Ser. A | NR/BB |
| | | | 433,655 | 12,338,871 | |
| Georgia—0.3% | | | | | |
| 2,300 | Medical Center Hospital Auth. Rev., 5.25%, 7/1/37 | NR/NR | 1,994,859 | | |
| Illinois—11.4% | | | | | |
| | Chicago, GO Ser. A (FGIC), 2,935 | 5.375%, 1/1/34 | Aaa/AAA | 3,027,423 | 4,145 |
| | 5.375%, 1/1/34, (Pre-refunded @ \$101, 1/1/09) (b) | Aaa/AAA | 4,313,992 | 10,115 | Chicago Board of Education, GO, zero coupon, 12/1/31, Ser. A (FGIC) |
| | 1,115 | Aaa/AAA | 2,915,952 | | Educational Facs. Auth. Rev., |
| | 5,000 | 5.50%, 5/15/18, Ser. B | NR/AAA | 1,131,324 | Univ. of Chicago, GO, |
| | 197,321 | 5.125%, 7/1/38, Ser. A (i) | Aa1/AA | 5,066,600 | 190 |
| | 4,810 | 5.25%, 7/1/41, (Pre-refunded @ \$101, 7/1/11) (b) | Aa1/AA | 5,285,126 | Finance Auth. Rev., |
| | 5,000 | 5.50%, 11/15/29, (Pre-refunded @ \$101, 11/15/09) (b) | A1/NR | 5,333,150 | 1,260 |
| | | 5.65%, 11/15/24, (Pre-refunded @ \$101, 11/15/09) (b) | A1/NR | 1,347,230 | 1,000 |
| | | 7.00%, 12/1/37, Ser. A | NR/NR | 3,807,486 | Health Facs. Auth. Rev., |
| | 987,060 | 3,800 | | | |

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| | | | | | | |
|-------|--|-----------|-------|---|------|-----------|
| 3,000 | Decatur Memorial Hospital, 5.75%, 10/1/24 A2/A | 3,119,790 | 5,425 | Silver Cross Hospital, 5.50%, 8/15/25, (Pre-refunded @ \$101, 8/15/09) (b) | NR/A | 5,752,561 |
|-------|--|-----------|-------|---|------|-----------|

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PIMCO Municipal Income Fund Schedule of Investments
January 31, 2008 (unaudited) (continued)

| | | Amount | | | | Principal | |
|-----------------------|--|----------|-----------------------|----------------------|--|-----------|--------------------------------------|
| | | (000) | Credit Rating | (Moody's/S&P) Value* | | | |
| Illinois--(continued) | | | | | | | |
| | Lake Cnty. Community High School Dist., GO, Ser B. (FGIC), | \$ 5,000 | | | | | zero coupon, 2/1/19 |
| Aaa/AAA | \$ 3,139,550 5,000 zero coupon, 2/1/20 | Aaa/AAA | 2,960,350 5,690 | | | | zero coupon, 2/1/22 |
| Aaa/AAA | 2,987,136 7,345 Regional Transportation Auth. Rev., 5.50%, 6/1/23, Ser. B (FGIC) | Aaa/AAA | | | | | Aaa/AAA |
| 8,343,920 | Univ. Rev. (FGIC), 1,495 5.25%, 4/1/32 | Aaa/AAA | 1,556,549 3,505 | | | | 5.25%, |
| | 4/1/32, (Pre-refunded @ \$100, 4/1/11) (b) | Aaa/AAA | 3,807,832 65,080,352 | | | | |
| Indiana--0.7% | | | | | | | |
| 500 | Anderson Rev., 5.00%, 10/1/32 | NR/NR | 460,115 4,000 | | | | Health & Educational Facs. Financing |
| Auth. Rev., | Community Foundation of Northwest Indiana, 5.50%, 3/1/37 | NR/BBB- | | | | | 3,747,040 |
| | | | 4,207,155 | | | | |
| Iowa--1.9% | | | | | | | |
| | Finance Auth. Rev., 4,890 5.50%, 11/15/37 | NR/NR | 4,254,887 3,500 | | | | 6.75%, |
| 11/15/37 | NR/NR 3,541,930 1,500 6.75%, 11/15/42 | NR/NR | 1,512,600 2,000 | | | | Wedum Walnut |
| | Ridge LLC, 5.625%, 12/1/45, Ser. A | NR/NR | 1,772,260 11,081,677 | | | | |
| Kansas--3.9% | | | | | | | |
| 1,000 | Lenexa, City Center East Tax Allocation, 6.00%, 4/1/27 | NR/NR | 948,710 500 | | | | Lenexa Rev., |
| 5.50%, 5/15/39 | NR/BBB- 456,980 650 Manhattan Rev., 5.125%, 5/15/42 | NR/NR | 547,124 | | | | Wichita |
| Hospital Rev., | 5,000 5.625%, 11/15/31, Ser. III | NR/A+ | 5,141,600 14,370 | | | | 6.25%, 11/15/24, |
| | Ser. XI | NR/A+ | 14,994,377 22,088,791 | | | | |
| Kentucky--0.2% | | | | | | | |
| 860 | Economic Dev. Finance Auth., Hospital Facs. Rev., | | | | | | St. Luke's Hospital, 6.00%, 10/1/19, |
| | Ser. B A3/A | | 865,126 | | | | |
| Louisiana--5.5% | | | | | | | |
| 4,300 | Local Gov't Environmental Facs. & Community Dev. Auth. Rev., GO, | | | | | | 6.55%, 9/1/25 |
| (ACA) NR/NR | 4,273,125 27,895 Tobacco Settlement Financing Corp. Rev., 5.875%, 5/15/39, Ser. 2001-B | Baa3/BBB | 27,286,889 31,560,014 | | | | |
| Maryland--0.2% | | | | | | | |

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1,150 Baltimore Water Project Rev., 5.125%, 7/1/42, Ser. A (FGIC) Aaa/AAA 1,169,193

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PIMCO Municipal Income Fund Schedule of Investments
January 31, 2008 (unaudited) (continued)

| | Amount (000) | Credit Rating (Moody's/S&P) Value* | Principal |
|---|-----------------|---|---|
| Massachusetts-1.9% | | | |
| \$ 550 State Dev. Finance Agcy. Rev., Linden Ponds, 5.75%, 7/1/32, Ser. A NR/NR | | | \$ 507,122 10,000 |
| State Health & Educational Facs. Auth., | | Partners Healthcare Systems Rev., 5.75%, 7/1/32, Ser. C (i) | |
| Aa2/AA | 10,599,600 | | 11,106,722 |
| Michigan-2.8% | | | |
| 1,000 Detroit, GO, 5.375%, 4/1/17, Ser. A-1 (MBIA) Aaa/AAA | 1,082,330 | | 775 East Lansing Economic Corp., Burcham Hills Rev., 5.25%, 7/1/37 NR/NR |
| | 661,152 | 4,550 | Garden City Hospital Finance Auth. Rev., 5.00%, 8/15/38, Ser. A NR/NR |
| | 3,648,873 | 3,000 | Mount Clemens Community School Dist., GO, 5.00%, 5/1/31, (Pre-refunded @ \$100, 11/1/11) (Q-SBLF) (b) Aa3/AA- |
| | 3,261,540 | 50 | Royal Oak Hospital Finance Auth. Rev., William Beaumont Hospital, 5.25%, 11/15/35, Ser. M (MBIA) Aaa/AAA |
| | 51,042 | 460 | Star International Academy, CP, 6.125%, 3/1/37 (ACA) NR/BB+ |
| | 460,363 | 4,000 | State Hospital Finance Auth. Rev., Detroit Medical Center, 6.25%, 8/15/13 Ba3/BB- |
| | 4,020,880 | 775 | State Public Educational Facs. Auth. Rev., 5.00%, 9/1/22 NR/BBB- |
| | 738,707 | 2,000 | State Strategic Fund Ltd. Obligation Rev., Detroit Edison Pollution Control Co., 5.45%, 9/1/29 A3/A- |
| | 2,039,500 | | 15,964,387 |
| Minnesota-1.0% | | | |
| Agricultural & Economic Dev. Board Rev., Health Care System, | 95 | 6.375%, 11/15/29 | A2/A |
| 100,281 2,905 6.375%, 11/15/29, (Pre-refunded @ \$101, 11/15/10) (b) A2/A | | 3,238,058 | North Oaks, Presbyterian Homes Rev., 1,070 6.00%, 10/1/33 NR/NR |
| | 1,047,969 | 620 | 6.125%, 10/1/39 NR/NR |
| 611,828 100 Rochester Rev., 5.30%, 4/1/37, Ser. A NR/NR | 86,958 | 500 | Washington Cnty. Housing & Redev. Auth., 5.625%, 6/1/37, Ser. A NR/NR |
| | 443,550 | | 5,528,644 |
| Missouri-0.7% | | | |
| 750 Branson Regional Airport Transportation Dev. Dist. Rev., | | 6.00%, 7/1/37, Ser. A NR/NR | |
| 709,477 2,500 Interstate 470 & 350 Transportation Dev. Dist. Rev., | | 6.35%, 5/1/22, (Pre-refunded @ \$100, 5/1/08) (b) NR/NR | |
| | 2,525,600 | 1,000 | Joplin Industrial Dev. Auth. Rev., 5.75%, 5/15/26, Ser. F NR/NR |
| | 988,760 | | 4,223,837 |
| Nevada-3.6% | | | |
| 3,000 Clark Cnty. Rev., 5.25%, 7/1/34, | | Ser. B, (Pre-refunded @ \$100, 7/1/11) (FGIC) (b) Aaa/AAA | 3,273,810 |
| 4,250 Truckee Meadows Water Auth. Rev., | | 5.25%, 7/1/34, Ser. A, (Pre-refunded @ \$100, 7/1/11) (FSA) (b) Aaa/AAA | 4,637,897 |
| | 12,185 | Washoe Cnty., GO, 5.00%, 1/1/35 (MBIA) (i) Aaa/AAA | 12,488,163 |
| | 20,399,870 | | |

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PIMCO Municipal Income Fund Schedule of Investments
January 31, 2008 (unaudited) (continued)

| | | Amount (000) Credit Rating (Moody's/S&P) Value* | Principal |
|---------------------|---|---|--|
| New Hampshire-0.5% | | | |
| \$ 3,000 | State Business Finance Auth. Pollution Control Rev., 5.85%, 12/1/22 Baa1/BBB- | \$ 3,077,640 | Conn. Light & Power Co., |
| New Jersey-5.0% | | | |
| 16,550 | Economic Dev. Auth., Kapkowski Road Landfill, Baa3/NR 16,797,588 Economic Dev. Auth. Rev., Arbor Glen, 2,567,805 450 5.875%, 5/15/16, Ser. A, (Pre-refunded @ \$102, 5/15/09) (b) NR/NR | 2,510 | Special Assessment, 5.75%, 4/1/31 5.875%, 5/15/16 NR/NR |
| 935,020 | Health Care Facs. Financing Auth. Rev., 9,100 Tobacco Settlement Financing Corp. Rev., 5.00%, 6/1/41, Ser. 1A (i) Baa3/BBB- | 480,591 1,000 | Trinitas Hospital, 5.25%, 7/1/30, Ser. A Baa3/BBB- |
| | | 28,575,063 | 7,794,059 |
| New Mexico-0.4% | | | |
| 2,500 | Farmington Pollution Control Rev., 5.80%, 4/1/22 Baa2/BBB- | 2,504,000 | |
| New York-2.0% | | | |
| 4,200 | Nassau Cnty. Industrial Dev. Agcy. Rev., Ser. A NR/NR 4,278,708 | 1,120 | Amsterdam at Harborside, 6.70%, 1/1/43, New York City Municipal Water Finance Auth., |
| 584,358 | Water & Sewer System Rev. 1,120 5.00%, 6/15/37, Ser. D (i) Aa2/AA+ 5.00%, 6/15/39, Ser. A Aa2/AA+ 3,080,340 2,875 | 1,153,992 3,000 | Westchester Cnty. Healthcare Corp. Rev., 5.875%, 11/1/25, Ser. A Baa3/BBB- 2,886,299 11,399,339 |
| North Carolina-0.8% | | | |
| 584,358 | Capital Facs. Finance Agcy., Duke Univ. Rev., Ser. A, 2,430 5.125%, 10/1/41, (Pre-refunded @ \$100, 10/1/11) (b) Aaa/AAA | 570 2,652,321 1,500 | 5.125%, 10/1/41 Aa1/AA+ |
| | Medical Care Commission Rev., 5.25%, 1/1/32 NR/NR | 1,276,530 | 4,513,209 |
| North Dakota-1.0% | | | |
| 5,400 | Stark Cnty., 6.75%, 1/1/33 NR/NR | 5,433,102 | |
| Ohio-2.8% | | | |
| 11,000 | Buckeye Tobacco Settlement Financing Auth. Rev., Baa3/BBB 10,647,230 | 2,500 | 5.875%, 6/1/47, Ser. A-2 5.625%, 10/1/17 |
| | Lorain Cnty. Hospital Rev., Catholic Healthcare, | | |

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A1/AA- 2,654,875 2,565 5.75%, 10/1/18 A1/AA- 2,724,799 16,026,904

Pennsylvania-5.1%

Allegheny Cnty. Hospital Dev. Auth. Rev., 8,600 5.375%, 11/15/40, Ser. A Ba2/BB
7,523,108 5,780 9.25%, 11/15/30, Ser. B, (Pre-refunded @ \$102, 11/15/10) (b) Ba3/AAA 6,896,985

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PIMCO Municipal Income Fund Schedule of Investments
January 31, 2008 (unaudited) (continued)

| | | Amount | | Principal | |
|---|---|--|-------------------------|--|---|
| | | (000) | Credit Rating | | |
| | | (Moody's/S&P) Value* | | | |
| Pennsylvania—(continued) | | | | | |
| \$ 1,000 | Allegheny Cnty. Industrial Dev. Auth. Rev., 5.60%, 9/1/30 | Baa1/BBB+ | \$ 1,018,320 | 500 | |
| Cumberland Cnty. Municipal Auth. Rev., 5.625%, 7/1/28 (d) | NR/BBB- | 493,700 | 2,575 | Delaware Cnty. Auth. College Rev., Neumann College, 5.80%, 10/1/17 | NR/BBB |
| 2,716,677 | 2,000 | Harrisburg Auth. Rev., 6.00%, 9/1/36 | NR/NR | 1,965,020 | Higher Educational Facs. Auth. Rev., 6.200 |
| 6.00%, 1/15/31, Ser. A | Aa3/AA- | 6,558,980 | 1,000 | LaSalle Univ., 5.00%, 5/1/37, Ser. A | NR/BBB |
| 941,440 | Lancaster Cnty. Hospital Auth., Ser. A | 750 | 6.25%, 7/1/26 | NR/NR | 753,645 |
| 85 | 6.375%, 7/1/30 | NR/NR | 85,202 | 28,953,077 | |
| Puerto Rico—1.1% | | | | | |
| 135 | Commonwealth of Puerto Rico, GO, 5.00%, 7/1/35 | Baa3/BBB- | 129,928 | Electric Power Auth. Power Rev., Ser. NN, 5.125%, 7/1/29 | 1,600 (Pre-refunded@\$100,7/1/13)(b) |
| A3/AAA | 1,788,768 | Puerto Rico Sales Tax Financing Corp. Rev., | 32,550 | zero coupon, 8/1/54 (AMBAC) | Aaa/AAA |
| 2,577,635 | 29,200 | zero coupon, 8/1/56 | A1/A+ | 2,073,200 | 6,569,531 |
| Rhode Island—4.2% | | | | | |
| 23,800 | Tobacco Settlement Financing Corp. Rev., 6.25%, 6/1/42, Ser. A | Baa3/BBB | 23,904,482 | | |
| South Carolina—4.4% | | | | | |
| 3,630,865 | Greenwood Cnty. Hospital Rev., Self Memorial Hospital, | 3,500 | 5.50%, 10/1/21 | A2/A | |
| 2,000 | 5.50%, 10/1/26 | A2/A | 2,050,340 | 3,000 | Jobs Economic Dev. Auth. Hospital Facs. Rev., |
| Georgetown Memorial Hospital, 5.375%, 2/1/30 (Radian) | NR/AA | 3,007,050 | 450 | Jobs Economic Dev. Auth. Rev., 5.50%, 5/1/28 | NR/NR |
| 413,424 | 15,600 | Tobacco Settlement Rev. Management Auth. Rev., | 6.375%, 5/15/30, Ser. B | Baa3/BBB | 15,868,632 |
| 24,970,311 | | | | | |
| Tennessee—0.7% | | | | | |
| 940 | Memphis Health Educational & Housing Fac. Rev., | Wesley Housing Corp. Project, 6.95%, | | | |
| 1/1/20 (a) (j) | NR/NR | 470,000 | 3,500 | Sumner Cnty. Health Educational & Housing Facs. Board, 5.50%, | |
| 11/1/37 | NR/NR | 3,424,470 | 3,894,470 | | |
| Texas—10.4% | | | | | |
| 1,750 | Austin Convention Enterprises, Inc. Rev., 5.75%, 1/1/32, Ser. B, (Pre-refunded @ \$100, 1/1/11) (b) | Aaa/NR | 1,911,472 | 4,000 | Austin Rev., 5.25%, 5/15/31, Ser. A & B (FSA) |
| 4,117,200 | | | | | |

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PIMCO Municipal Income Fund Schedule of Investments
January 31, 2008 (unaudited) (continued)

| | | Amount | | Principal |
|-------------------|---|---|---|---------------------------|
| | | (000) | Credit Rating | |
| | | (Moody's/S&P) Value* | | |
| Texas—(continued) | | | | |
| \$ 2,935 | Bell Cnty. Health Fac. Dev. Corp. Rev., 5.25%, 11/15/19, (Pre-refunded @ \$101, 11/15/08) (b) | | | |
| NR/AAA | \$ 3,039,163 | 10,000 | Coppell Independent School Dist., GO, zero coupon, 8/15/29, (PSF-GTD) | |
| Aaa/AAA | 3,497,500 | | Duncanville Independent School Dist., GO, Ser. B (PSF-GTD), | 20 5.25%, |
| 2/15/32 | Aaa/AAA | 20,703 | 3,660 5.25%, 2/15/32, (Pre-refunded @ \$100, 2/15/12) (b) | Aaa/AAA 4,031,527 |
| | | | 5,000 Harris Cnty. Health Facs. Dev. Corp. Rev., (b), | |
| | Christus Health, 5.375%, 7/1/29, Ser. A, (Pre-refunded @ \$101, 7/1/09) (MBIA) | Aaa/AAA | 5,273,350 | 7,000 |
| | Memorial Hermann Healthcare, 6.375%, 6/1/29, (Pre-refunded @ \$101, 6/1/11) | A2/A | 7,902,160 | 8,500 |
| | St. Lukes Episcopal Hospital Rev., 5.375%, 2/15/26, Ser. A, (Pre-refunded @ \$100, 8/15/11) (i) | NR/AAA | | |
| 9,323,225 | Mansfield Independent School Dist., GO (PSF-GTD), | 1,715 | 5.25%, 2/15/23, (Pre-refunded | |
| | @ \$100, 2/15/11) (b) | Aaa/AAA | 1,857,431 | 285 5.25%, 2/15/23 |
| | Park Dev. Corp. Rev., | 5.60%, 8/15/31, (Pre-refunded @ \$100, 2/15/11) (AMBAC) (b) | Aaa/AAA | 295,967 |
| 4,546,265 | 400 | State Public Finance Auth. Rev., 5.875%, 12/1/36, Ser. A | Baa3/BBB- | 395,304 |
| | State Turnpike Auth. Rev., zero coupon, 8/15/25, Ser. A (AMBAC) | Aaa/AAA | 8,512,941 | 4,530 |
| | Financial Assistance, GO, 5.30%, 8/1/18, Ser. A | Aa1/AA | 4,738,154 | 59,462,362 |
| Utah—1.4% | | | | |
| 7,000 | Salt Lake Cnty. Hospital Rev., | | IHC Health Services, 5.125%, 2/15/33 (AMBAC) (b) | |
| Aaa/AAA | 7,449,400 | 600 | Utah Cnty. Lincoln Academy Charter School, | GO, 5.875%, 6/15/37, Ser. |
| | | A (ACA) (a) (c) | NR/NR | 572,952 |
| | | | | 8,022,352 |
| Virginia—0.3% | | | | |
| 2,000 | Peninsula Town Center Community Dev. Auth. Rev., 6.45%, 9/1/37 | NR/NR | | 1,963,620 |
| Washington—2.0% | | | | |
| 5,420 | King Cnty. School Dist. No. 1 Seattle, | | GO, 5.25%, 12/1/21, Ser. A (MBIA) | Aaa/AAA |
| 5,700,810 | 2,000 | State Health Care Facs. Auth. Rev., 6.125%, 8/15/37 | Baa2/BBB | 1,945,460 |
| | Housing Finance Commission Rev., Skyline at First Hill, | 275 | 5.25%, 1/1/17, Ser. A | NR/NR |
| | 3,600 | 5.625%, 1/1/38, Ser. A | NR/NR | 3,278,880 |
| | | | | 11,197,249 |
| Wisconsin—3.5% | | | | |
| 5,268,750 | 9,785 | Badger Tobacco Asset Securitization Corp. Rev., | 5,000 | 5.75%, 6/1/12 |
| | | 6.00%, 6/1/17 | Baa3/BBB | 10,000,172 |
| | | 2,250 | Health & Educational Facs. Auth. Rev., | |
| | | | Divine Savior Healthcare Rev., 5.00%, 5/1/32 | NR/BBB |
| | | | | 2,025,180 |

PIMCO Municipal Income Fund Schedule of Investments
January 31, 2008 (unaudited) (continued)

| | | Amount | | | Principal |
|--|---|----------------------|---|---------------------------|-----------|
| | | (000) | Credit Rating | | |
| | | (Moody's/S&P) Value* | | | |
| Wisconsin--(continued) | | | | | |
| \$ 2,230 | Kenosha Hospital & Medical Center, 5.625%, 5/15/29 | NR/A | \$ 2,254,686 | 550 | Milwaukee |
| Redev. Auth. Rev., 5.65%, 8/1/37, Ser. A | NR/NR | 505,104 | 20,053,892 | Total Municipal Bonds & | |
| | Notes (cost-\$533,099,640) | | 552,473,512 | | |
| VARIABLE RATE NOTES (a)(c)(e)(f)-3.7% | | | | | |
| Hawaii-0.3% | | | | | |
| 1,388 | City & Cnty. of Honolulu Rev., 6.12%, 7/1/23, Ser. 400 (FGIC) | Aaa/NR | 1,556,303 | | |
| Illinois-0.5% | | | | | |
| 2,902 | Cook Cnty., GO, 12.12%, 11/15/28, Ser. 458 (FGIC) | Aaa/NR | 3,164,741 | | |
| New York-1.7% | | | | | |
| 6/15/39 | New York City Municipal Water Finance Auth., Water & Sewer System Rev., | Aa2/NR | 6,000 | 9.979%, | |
| | 6,728,400 2,600 11.815%, 6/15/26 NR/AA+ | 2,975,570 | 9,703,970 | | |
| Texas-0.8% | | | | | |
| 3,595 | Harris Cnty. Health Facs. Dev. Corp. Rev., | | 14.60%, 7/1/29, Ser. 357 (MBIA) | Aaa/NR | |
| | 4,577,693 | | | | |
| Washington-0.4% | | | | | |
| 1,800 | Seattle, GO, 13.35%, 12/15/28, Ser. 348 | Aa1/NR | 2,045,700 | Total Variable Rate Notes | |
| | (cost-\$17,843,029) | | 21,048,407 | | |
| U.S. TREASURY BILLS (g)-0.0% | | | | | |
| 90 | 2.985%, 3/13/08 (cost-\$89,695) NR/NR | 89,695 | Total Investments before options written | | |
| | (cost-\$551,032,364)-100.3% | 573,611,614 | | | |
| OPTIONS WRITTEN (h)-(0.3)% | | | | | |

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Contracts

Call Options--(0.3)%

U.S. Treasury Notes 10 yr. Futures (CBOT), 573 strike price \$114, expires 2/22/08
(1,665,281)

Put Options--(0.0)%

U.S. Treasury Notes 10 yr. Futures (CBOT), 573 strike price \$110, expires 2/22/08
(8,953) Total Options Written (premiums received--\$790,746) (1,674,234)

Total Investments net of options written (cost--\$550,241,618)--100.0%

\$ 571,937,380

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 or persons acting at their discretion 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 by using the last sale price on the exchange that is the primary market for such securities, or the last quoted mean 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. Securities purchased on a when-issued or delayed-delivery basis are marked to market daily until settlement at the forward settlement date. 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 normally determined as of the close of regular trading (normally, 4:00 p.m. Eastern time) on the New York Stock Exchange ("NYSE") on each day the NYSE is open for business. (a) Private Placement — Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$21,518,407, representing 3.8% of total investments. (b) 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) When-issued or delayed-delivery security. To be settled/delivered after January 31, 2008. (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 January 31, 2008. (g) All or partial amount segregated as initial margin on futures contracts. (h) Non-income producing. (i) Residual Interest Bonds held in trust — Represent underlying bonds transferred to a separate securitization trust established in a tender option bond transaction in which the Fund acquired the residual interest certificates. These securities serve as collateral in a financing transaction. (j) Security in Default

Glossary:

ACA – insured by American Capital Access Holding Ltd. AMBAC – insured by American Municipal Bond Assurance Corp. CBOT – Chicago Board of Trade CP – Certificates of Participation FGIC – insured by Financial Guaranty Insurance Co. FSA – insured by Financial Security Assurance, Inc. GO – General Obligation Bond GTD – Guaranteed MBIA – insured by Municipal Bond Investors Assurance NR – Not Rated PSF – Public School Fund Q-SBLF – Qualified School Bond Loan Fund Radian – insured by Radian Guaranty, Inc.

Other Investments:

(1) Futures contracts outstanding at January 31, 2008:

| Type | Contracts | Market | Value |
|---------------------|----------------------------------|-----------------|----------------------|
| (000) Expiration | | | |
| Date Unrealized | | | |
| Depreciation Short: | U.S. Treasury Bond Futures (406) | \$ (48,440,875) | 3/19/08 \$ (691,641) |

(2) Transactions in options written for the nine months ended January 31, 2008:

| | | | | | | | |
|---------------------------------------|----------|-------------------------------------|---|------|-----------------|-------|---------|
| Contracts/Notional | Premiums | Options outstanding, April 30, 2007 | — | \$ — | Options written | 1,146 | 790,746 |
| Options outstanding, January 31, 2008 | 1,146 | \$ 790,746 | | | | | |

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)), 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 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

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: March 26, 2008

By /s/ Lawrence G. Altadonna

Treasurer, Principal Financial & Accounting Officer

Date: March 26, 2008

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: March 26, 2008

By /s/ Lawrence G. Altadonna

Treasurer, Principal Financial & Accounting Officer

Date: March 26, 2008
