

PIMCO MUNICIPAL INCOME FUND  
Form N-Q  
March 22, 2012

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED**  
**MANAGEMENT INVESTMENT COMPANY**

|   |  |
|---|--|
| <b>Investment Company Act File Number:</b>          | <b>811-10377</b>   |
| <b>Registrant Name:</b>                             | <b>PIMCO Municipal Income Fund</b>   |
| Address of Principal Executive Offices:             | 1633 Broadway, 41 <sup>st</sup> Floor,<br>New York, NY 10019                         |
| Name and Address of Agent for Service:              | Lawrence G. Altadonna<br>1633 Broadway, 41 <sup>st</sup> Floor<br>New York, NY 10019 |
| Registrant's telephone number, including area code: | 212-739-3371   |
| Date of Fiscal Year End:                            | April 30, 2012   |
| Date of Reporting Period:                           | January 31, 2012   |

**Item 1. Schedule of Investments****PIMCO Municipal Income Fund Schedule of Investments**

January 31, 2012 (unaudited)

Principal

Amount

| (000s)                                   |   | Value*       |
|--|---|--------------|
| <b>MUNICIPAL BONDS &amp; NOTES 97.7%</b> |   |              |
| <b>Alabama 0.9%</b>                      |   |              |
| \$2,500                                  | Birmingham-Baptist Medical Centers Special Care Facs. Financing Auth. Rev., Baptist Health Systems, Inc.,<br>5.875%, 11/15/24, Ser. A | \$ 2,522,125 |
| 250                                      | Huntsville-Redstone Village Special Care Facs. Financing Auth. Rev., Redstone Village Project,<br>5.50%, 1/1/28                       | 237,777      |
| 885                                      | 5.50%, 1/1/43   | 732,276      |
| 1,350                                    | Montgomery Medical Clinic Board Rev., Jackson Hospital & Clinic, 5.25%, 3/1/31  | 1,359,288    |
|  |   | 4,851,466    |
| <b>Alaska 0.8%</b>                       |   |              |
| 3,280                                    | Borough of Matanuska-Susitna Rev., Goose Creek Correctional Center, 6.00%, 9/1/32 (AGC)   | 3,893,557    |
| 900                                      | Industrial Dev. & Export Auth. Rev., Boys & Girls Home, 6.00%, 12/1/36  | 558,000      |
|  |   | 4,451,557    |
| <b>Arizona 4.9%</b>                      |   |              |
| 5,000                                    | Apache Cnty. Industrial Dev. Auth. Rev., Tucson Electric Power Co. Project, 5.875%, 3/1/33, Ser. B                                    | 5,005,250    |
| 2,050                                    | Health Facs. Auth. Rev.,<br>Banner Health, 5.50%, 1/1/38, Ser. D  | 2,207,030    |
| 2,750                                    | Beatitudes Campus Project, 5.20%, 10/1/37   | 2,011,790    |
| 1,500                                    | Maricopa Cnty. Pollution Control Corp. Rev., Southern California Edison Co., 5.00%, 6/1/35, Ser. A                                    | 1,611,870    |
| 750                                      | Pima Cnty. Industrial Dev. Auth. Rev., Tucson Electric Power Co., Ser. A,<br>5.25%, 10/1/40   | 763,792      |
| 4,150                                    | 6.375%, 9/1/29  | 4,249,683    |
| 5,000                                    | Salt River Project Agricultural Improvement & Power Dist. Rev., 5.00%, 1/1/39, Ser. A (g)   | 5,518,050    |
| 4,200                                    | Salt Verde Financial Corp. Rev., 5.00%, 12/1/37   | 4,236,246    |
|  |   | 25,603,711   |
| <b>Arkansas 0.5%</b>                     |   |              |
| 8,500                                    | Dev. Finance Auth. Rev., Arkansas Cancer Research Center Project, zero coupon, 7/1/36 (AMBAC)   | 2,764,030    |
| <b>California 14.1%</b>                  |   |              |
| 2,875                                    | Bay Area Toll Auth. Rev.,<br>5.00%, 10/1/34   | 3,156,376    |
| 3,255                                    | San Francisco Bay Area, 5.00%, 10/1/42  | 3,528,322    |
| 3,000                                    | Chula Vista Rev., San Diego Gas & Electric, 5.875%, 2/15/34, Ser. B   | 3,471,540    |
| 6,000                                    | Golden State Tobacco Securitization Corp. Rev., Ser. A-1,<br>5.00%, 6/1/33  | 4,482,120    |
| 1,500                                    | 5.75%, 6/1/47   | 1,133,415    |

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|       |   |           |
|-------|---|-----------|
|       | Health Facs. Financing Auth. Rev.,  |           |
| 2,000 | Catholic Healthcare West, 6.00%, 7/1/39, Ser. A                             | 2,272,120 |
| 1,500 | Sutter Health, 6.00%, 8/15/42, Ser. B                                       | 1,737,375 |
| 5,300 | Los Angeles Community College Dist., GO, 5.00%, 8/1/32, Ser. A (FGIC-NPFGC) | 5,777,159 |

**PIMCO Municipal Income Fund Schedule of Investments**

January 31, 2012 (unaudited)(continued)

Principal

Amount

| (000s)  |  | Value*       |
|---------|--|--------------|
|         | <b>California (continued)</b>  |              |
| \$2,000 | Los Angeles Unified School Dist., GO, 5.00%, 7/1/30, Ser. E (AMBAC)                    | \$ 2,139,460 |
| 4,175   | Montebello Unified School Dist., GO, 5.00%, 8/1/33 (AGM)                               | 4,535,971    |
| 2,000   | M-S-R Energy Auth. Rev., 6.125%, 11/1/29, Ser. C                                       | 2,295,760    |
| 1,600   | Municipal Finance Auth. Rev., Azusa Pacific Univ. Project, 7.75%, 4/1/31, Ser. B       | 1,792,544    |
| 5,000   | Orange Cnty. Airport Rev., 5.25%, 7/1/39, Ser. A                                       | 5,417,250    |
| 1,600   | San Marcos Unified School Dist., GO, 5.00%, 8/1/38, Ser. A                             | 1,739,856    |
|         | State, GO,   |              |
| 700     | 5.00%, 11/1/32   | 752,668      |
| 1,200   | 5.00%, 6/1/37  | 1,266,432    |
| 2,300   | 5.125%, 8/1/36   | 2,467,095    |
| 1,250   | 5.25%, 3/1/38  | 1,343,988    |
| 1,900   | 5.25%, 11/1/40   | 2,091,349    |
| 500     | 5.50%, 3/1/40  | 561,590      |
| 3,200   | 6.00%, 4/1/38  | 3,753,568    |
|         | Statewide Communities Dev. Auth. Rev.,   |              |
| 750     | California Baptist Univ., 6.50%, 11/1/21   | 841,410      |
| 845     | Catholic Healthcare West, 5.50%, 7/1/31, Ser. E  | 919,368      |
|         | Methodist Hospital Project (FHA),  |              |
| 2,600   | 6.625%, 8/1/29   | 3,274,128    |
| 9,500   | 6.75%, 2/1/38  | 11,540,790   |
| 2,000   | Whittier Union High School Dist., GO, zero coupon, 8/1/25                              | 999,600      |
|         |  | 73,291,254   |
|         | <b>Colorado 1.2%</b>   |              |
| 500     | Confluence Metropolitan Dist. Rev., 5.45%, 12/1/34                                     | 379,010      |
| 450     | Denver Health & Hospital Auth. Rev., 5.625%, 12/1/40                                   | 467,888      |
| 2,500   | Health Facs. Auth. Rev., Catholic Health Initiatives, 5.00%, 2/1/41, Ser. A            | 2,681,450    |
| 500     | Public Auth. for Colorado Energy Rev., 6.50%, 11/15/38                                 | 622,050      |
| 400     | Regional Transportation Dist., CP, 5.375%, 6/1/31, Ser. A                              | 451,596      |
| 1,500   | Univ. of Colorado Rev., 5.375%, 6/1/38, Ser. A   | 1,706,295    |
|         |  | 6,308,289    |
|         | <b>Connecticut 1.0%</b>  |              |
| 5,000   | State Health & Educational Fac. Auth. Rev., Hartford Healthcare, 5.00%, 7/1/41, Ser. A | 5,284,250    |
|         | <b>District of Columbia 1.3%</b>   |              |
| 2,500   | Dist. of Columbia Rev., Brookings Institution, 5.75%, 10/1/39                          | 2,804,650    |
| 3,750   | Tobacco Settlement Financing Corp. Rev., 6.25%, 5/15/24                                | 3,804,862    |
|         |  | 6,609,512    |

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**Florida 2.2%**

|       |  |           |
|-------|--|-----------|
| 850   | Beacon Lakes Community Dev. Dist., Special Assessment, 6.00%, 5/1/38, Ser. A                         | 812,132   |
| 4,000 | Broward Cnty. Water & Sewer Utility Rev., 5.25%, 10/1/34, Ser. A (g)                                 | 4,478,040 |
| 300   | Dev. Finance Corp. Rev., Renaissance Charter School, 6.50%, 6/15/21, Ser. A                          | 313,662   |
| 500   | Lee Cnty. Industrial Dev. Auth. Rev., Sara Lee Community Charter Foundation, 5.375%, 6/15/37, Ser. A | 435,515   |

**PIMCO Municipal Income Fund Schedule of Investments**

January 31, 2012 (unaudited)(continued)

Principal

Amount

| (000s)                     |   | Value*       |
|----------------------------|---|--------------|
| <b>Florida (continued)</b> |   |              |
| \$1,250                    | Miami-Dade Cnty. School Board, CP, 5.375%, 2/1/34, Ser. A (AGC)                         | \$ 1,354,750 |
| 3,900                      | State Board of Education, GO, 5.00%, 6/1/38, Ser. D (g)                                 | 4,302,675    |
|                            |   | 11,696,774   |
| <b>Georgia 0.4%</b>        |   |              |
| 2,300                      | Medical Center Hospital Auth. Rev., Spring Harbor Green Island Project, 5.25%, 7/1/37   | 2,030,141    |
| <b>Illinois 2.6%</b>       |   |              |
| 5,000                      | Chicago, GO, 5.00%, 1/1/34, Ser. C (g)<br>Finance Auth. Rev.,                           | 5,296,050    |
| 400                        | OSF Healthcare System, 7.125%, 11/15/37, Ser. A<br>Univ. of Chicago,                    | 468,348      |
| 190                        | 5.25%, 7/1/41, Ser. 05-A  | 190,946      |
| 5,000                      | 5.50%, 7/1/37, Ser. B (g)   | 5,640,050    |
| 1,900                      | Springfield Electric Rev., 5.00%, 3/1/36  | 1,996,330    |
|                            |   | 13,591,724   |
| <b>Indiana 1.0%</b>        |   |              |
| 1,500                      | Finance Auth. Rev., Duke Energy Indiana, Inc., 6.00%, 8/1/39, Ser. B                    | 1,698,840    |
| 1,000                      | Municipal Power Agcy. Rev., 6.00%, 1/1/39, Ser. B                                       | 1,124,180    |
| 1,900                      | Vigo Cnty. Hospital Auth. Rev., Union Hospital, Inc., 7.50%, 9/1/22                     | 2,294,972    |
|                            |   | 5,117,992    |
| <b>Iowa 1.6%</b>           |   |              |
|                            | Finance Auth. Rev.,   |              |
| 4,890                      | Deerfield Retirement Community, Inc., 5.50%, 11/15/37, Ser. A<br>Edgewater LLC Project, | 3,618,013    |
| 3,500                      | 6.75%, 11/15/37   | 3,281,145    |
| 1,500                      | 6.75%, 11/15/42   | 1,387,185    |
|                            |   | 8,286,343    |
| <b>Kansas 0.5%</b>         |   |              |
| 1,000                      | Dev. Finance Auth. Rev., Adventist Health, 5.75%, 11/15/38                              | 1,132,420    |
| 1,000                      | Lenexa City, Tax Allocation, Center East Project, 6.00%, 4/1/27                         | 711,980      |
| 650                        | Manhattan Rev., Meadowlark Hills Retirement, 5.125%, 5/15/42, Ser. B                    | 588,543      |
|                            |   | 2,432,943    |
| <b>Kentucky 0.4%</b>       |   |              |

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|                       |  |           |
|-----------------------|--|-----------|
| 1,000                 | Economic Dev. Finance Auth. Rev., Owensboro Medical Healthcare Systems, 6.375%, 6/1/40, Ser. A | 1,088,380 |
| 1,000                 | Ohio Cnty. Pollution Control Rev., Big Rivers Electric Corp. Project, 6.00%, 7/15/31, Ser. A   | 1,067,490 |
|                       |  | 2,155,870 |
| <b>Louisiana 6.2%</b> |  |           |
|                       | Local Gov t Environmental Facs. & Community Dev. Auth. Rev.,                                   |           |
| 3,930                 | Capital Projects & Equipment Acquisition, 6.55%, 9/1/25 (ACA)                                  | 4,274,464 |
| 400                   | Westlake Chemical Corp., 6.50%, 11/1/35, Ser. A-2  | 437,300   |
| 750                   | Woman s Hospital Foundation, 5.875%, 10/1/40, Ser. A   | 790,763   |

**PIMCO Municipal Income Fund Schedule of Investments**

January 31, 2012 (unaudited)(continued)

Principal

Amount

| (000s)                       |   | Value*       |
|------------------------------|---|--------------|
| <b>Louisiana (continued)</b> |   |              |
| \$2,000                      | Public Facs. Auth. Rev., Ochsner Clinic Foundation Project, 6.50%, 5/15/37                          | \$ 2,226,740 |
| 24,395                       | Tobacco Settlement Financing Corp. Rev. 5.875%, 5/15/39, Ser. 2001-B                                | 24,637,730   |
|                              |   | 32,366,997   |
| <b>Maryland 0.4%</b>         |   |              |
| 1,500                        | Economic Dev. Corp. Rev., 5.75%, 6/1/35, Ser. B   | 1,546,890    |
| 650                          | Health & Higher Educational Facs. Auth. Rev., Charlestown Community, 6.25%, 1/1/41                  | 712,218      |
|                              |   | 2,259,108    |
| <b>Massachusetts 0.5%</b>    |   |              |
|                              | Dev. Finance Agcy. Rev.,  |              |
| 750                          | Foxborough Regional Charter School, 7.00%, 7/1/42, Ser. A   | 799,425      |
|                              | Linden Ponds, Inc. Fac.,  |              |
| 103                          | zero coupon, 11/15/56, Ser. B   | 1,133        |
| 21                           | 5.50%, 11/15/46, Ser. A-2   | 13,796       |
| 388                          | 6.25%, 11/15/39, Ser. A-1   | 296,931      |
| 1,500                        | State College Building Auth. Rev., 5.50%, 5/1/39, Ser. A  | 1,692,465    |
|                              |   | 2,803,750    |
| <b>Michigan 1.1%</b>         |   |              |
| 1,500                        | Royal Oak Hospital Finance Auth. Rev., William Beaumont Hospital, 8.25%, 9/1/39                     | 1,853,700    |
| 5,000                        | Tobacco Settlement Finance Auth. Rev., 6.00%, 6/1/48, Ser. A  | 3,789,250    |
|                              |   | 5,642,950    |
| <b>Minnesota 0.4%</b>        |   |              |
| 95                           | Agricultural & Economic Dev. Board Rev., Health Care Systems, 6.375%, 11/15/29, Ser. A              | 95,433       |
| 100                          | Duluth Housing & Redev. Auth. Rev., 5.875%, 11/1/40, Ser. A   | 97,220       |
| 1,500                        | St. Louis Park Rev., Nicollett Health Services, 5.75%, 7/1/39                                       | 1,623,855    |
| 500                          | Washington Cnty. Housing & Redev. Auth. Rev., Birchwood & Woodbury Projects, 5.625%, 6/1/37, Ser. A | 487,765      |
|                              |   | 2,304,273    |
| <b>Missouri 0.3%</b>         |   |              |
| 1,000                        | Joplin Industrial Dev. Auth. Rev., Christian Homes, Inc., 5.75%, 5/15/26, Ser. F                    | 1,016,270    |
| 500                          | Lee s Summit, Tax Allocation, Summit Fair Project, 5.625%, 10/1/23                                  | 519,190      |
|                              |   | 1,535,460    |



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**Nevada 4.0%**

|       |  |            |
|-------|--|------------|
|       | Clark Cnty., GO,                                       |            |
| 5,000 | 4.75%, 6/1/30 (AGM)                                    | 5,246,700  |
| 5,230 | 4.75%, 11/1/35 (FGIC-NPFGC) (g)                        | 5,393,804  |
| 9,755 | Washoe Cnty., Water & Sewer, GO, 5.00%, 1/1/35 (NPFGC) | 10,054,673 |
|       |  | 20,695,177 |

**New Jersey 8.3%**

|        |   |            |
|--------|---|------------|
| 16,550 | Economic Dev. Auth., Special Assessment, Kapkowski Road Landfill Project, 5.75%, 4/1/31 | 16,837,970 |
| 2,000  | Economic Dev. Auth. Rev., School Facs. Construction, 5.50%, 12/15/34, Ser. Z (AGC)      | 2,233,140  |

**PIMCO Municipal Income Fund Schedule of Investments**

January 31, 2012 (unaudited)(continued)

Principal

Amount

| (000s)                        |  | Value*     |
|-------------------------------|--|------------|
| <b>New Jersey (continued)</b> |  |            |
| \$500                         | Health Care Facs. Financing Auth. Rev., AHS Hospital Corp., 6.00%, 7/1/37  | \$ 581,175 |
| 2,000                         | State Turnpike Auth. Rev., 5.25%, 1/1/40, Ser. E   | 2,206,700  |
|                               | Tobacco Settlement Financing Corp. Rev., Ser. 1-A,   |            |
| 6,600                         | 4.75%, 6/1/34  | 4,922,478  |
| 11,500                        | 5.00%, 6/1/41  | 8,684,340  |
| 7,000                         | Transportation Trust Fund Auth. Rev., 5.00%, 6/15/42, Ser. B   | 7,644,980  |
|                               |  | 43,110,783 |
| <b>New Mexico 1.5%</b>        |  |            |
| 1,000                         | Farmington Pollution Control Rev., 5.90%, 6/1/40, Ser. D   | 1,048,810  |
| 6,400                         | Hospital Equipment Loan Council Rev., Presbyterian Healthcare, 5.00%, 8/1/39   | 6,832,256  |
|                               |  | 7,881,066  |
| <b>New York 12.0%</b>         |  |            |
| 14,000                        | Hudson Yards Infrastructure Corp. Rev., 5.25%, 2/15/47, Ser. A   | 15,139,180 |
|                               | Liberty Dev. Corp. Rev.,   |            |
| 10,000                        | 1 World Trade Center Project, 5.00%, 12/15/41  | 11,092,200 |
| 10,000                        | 4 World Trade Center Project, 5.00%, 11/15/44  | 10,743,800 |
|                               | Goldman Sachs Headquarters,  |            |
| 7,500                         | 5.25%, 10/1/35   | 8,243,850  |
| 3,000                         | 5.50%, 10/1/37   | 3,345,810  |
| 3,000                         | Metropolitan Transportation Auth. Rev., 5.00%, 11/15/36, Ser. D  | 3,240,750  |
| 4,200                         | Nassau Cnty. Industrial Dev. Agcy. Rev., Amsterdam at Harborside, 6.70%, 1/1/43, Ser. A                                  | 3,378,018  |
| 3,000                         | New York City Municipal Water Finance Auth. Water & Sewer Rev., Second Generation Resolutions, 5.00%, 6/15/39, Ser. GG-1 | 3,285,780  |
| 3,500                         | State Dormitory Auth. Rev., The New School, 5.50%, 7/1/40  | 3,879,610  |
|                               |  | 62,348,998 |
| <b>North Carolina 0.2%</b>    |  |            |
| 1,500                         | Medical Care Commission Rev., Village at Brookwood, 5.25%, 1/1/32  | 1,287,675  |
| <b>Ohio 1.8%</b>              |  |            |
| 11,000                        | Buckeye Tobacco Settlement Financing Auth. Rev., 5.875%, 6/1/47, Ser. A-2  | 8,189,500  |
| 500                           | Higher Educational Fac. Commission Rev., Univ. Hospital Health Systems, 6.75%, 1/15/39, Ser. 2009-A                      | 540,495    |
| 500                           | Montgomery Cnty. Rev., Miami Valley Hospital, 6.25%, 11/15/39, Ser. A  | 533,665    |
|                               |  | 9,263,660  |
| <b>Oregon 0.6%</b>            |  |            |

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|       |   |           |
|-------|---|-----------|
| 2,000 | Oregon Health & Science Univ. Rev., 5.75%, 7/1/39, Ser. A                 | 2,255,280 |
| 600   | State Department of Administrative Services, CP, 5.25%, 5/1/39, Ser. A    | 658,194   |
|       |   | 2,913,474 |
|       | <b>Pennsylvania 4.8%</b>  |           |
| 5,000 | Geisinger Auth. Rev., 5.25%, 6/1/39, Ser. A                               | 5,473,050 |
| 2,000 | Harrisburg Auth. Rev., Harrisburg Univ. of Science, 6.00%, 9/1/36, Ser. B | 1,644,220 |

**PIMCO Municipal Income Fund Schedule of Investments**

January 31, 2012 (unaudited)(continued)

Principal

Amount

| (000s) |   | Value*     |
|--------|---|------------|
|        | <b>Pennsylvania (continued)</b>   |            |
|        | Higher Educational Facs. Auth. Rev.,  |            |
| \$500  | Edinboro Univ. Foundation, 6.00%, 7/1/43  | \$ 531,145 |
| 350    | Thomas Jefferson Univ., 5.00%, 3/1/40   | 377,454    |
|        | Lancaster Cnty. Hospital Auth. Rev., Brethren Village Project Ser. A,   |            |
| 750    | 6.25%, 7/1/26   | 780,592    |
| 85     | 6.375%, 7/1/30  | 88,395     |
| 1,100  | Luzerne Cnty. Industrial Dev. Auth. Rev., Pennsylvania American Water Co., 5.50%, 12/1/39   | 1,213,784  |
| 7,000  | Philadelphia, GO, 5.25%, 12/15/32, Ser. A (AGM)   | 7,616,910  |
| 4,465  | Philadelphia Hospitals & Higher Education Facs. Auth. Rev., Temple Univ. Hospital, 6.625%, 11/15/23, Ser. A   | 4,472,948  |
| 500    | Philadelphia Water and Sewer Rev., 5.25%, 1/1/36, Ser. A  | 540,845    |
| 2,000  | Turnpike Commission Rev., 5.125%, 12/1/40, Ser. D   | 2,114,020  |
|        |   | 24,853,363 |
|        | <b>Puerto Rico 0.6%</b>   |            |
| 3,000  | Sales Tax Financing Corp. Rev., 5.375%, 8/1/38, Ser. C  | 3,292,320  |
|        | <b>Rhode Island 4.6%</b>  |            |
| 23,800 | Tobacco Settlement Financing Corp. Rev., 6.25%, 6/1/42, Ser. A  | 23,800,952 |
|        | <b>South Carolina 0.9%</b>  |            |
| 2,000  | Greenwood Cnty. Hospital Rev., Self Memorial Hospital, 5.50%, 10/1/26   | 2,003,940  |
| 450    | Jobs-Economic Dev. Auth. Rev., Lutheran Homes, 5.50%, 5/1/28  | 419,733    |
| 2,200  | State Ports Auth. Rev., 5.25%, 7/1/40   | 2,416,128  |
|        |   | 4,839,801  |
|        | <b>Tennessee 2.2%</b>   |            |
| 940    | Memphis Health Educational & Housing Fac. Board Rev., Wesley Housing Corp. Project, 6.95%, 1/1/20<br>(a)(b)(d)(h) (acquisition cost-\$935,300; purchased 6/29/01) | 472,350    |
|        | Tennessee Energy Acquisition Corp. Rev.,  |            |
| 370    | 5.00%, 2/1/21, Ser. C   | 392,552    |
| 5,000  | 5.00%, 2/1/27, Ser. C   | 5,138,400  |
| 5,000  | 5.25%, 9/1/24, Ser. A   | 5,381,950  |
|        |   | 11,385,252 |
|        | <b>Texas 9.6%</b>   |            |
| 1,200  | Dallas Rev., Dallas Civic Center, 5.25%, 8/15/38 (AGC)  | 1,318,812  |
| 2,000  | Love Field Airport Modernization Corp. Rev., Southwest Airlines Co. Project, 5.25%, 11/1/40   | 2,030,660  |
|        | North Harris Cnty. Regional Water Auth. Rev.,   |            |
| 4,200  | 5.25%, 12/15/33   | 4,636,926  |
| 4,200  | 5.50%, 12/15/38   | 4,646,502  |
|        | North Texas Tollway Auth. Rev.,   |            |

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|       |                        |           |
|-------|------------------------|-----------|
| 2,750 | 5.00%, 1/1/38          | 2,926,770 |
| 3,000 | 5.25%, 1/1/44, Ser. C  | 3,170,550 |
| 600   | 5.50%, 9/1/41, Ser. A  | 695,862   |
| 6,050 | 5.625%, 1/1/33, Ser. A | 6,639,512 |
| 600   | 5.75%, 1/1/33, Ser. F  | 645,288   |

**PIMCO Municipal Income Fund Schedule of Investments**

January 31, 2012 (unaudited)(continued)

Principal

Amount

| (000s) |   | Value*     |
|--------|---|------------|
|        | <b>Texas (continued)</b>  |            |
| \$250  | San Juan Higher Education Finance Auth. Rev., 6.70%, 8/15/40, Ser. A  | \$ 275,755 |
|        | State Public Finance Auth. Charter School Finance Corp. Rev., Ser. A  |            |
| 400    | 5.875%, 12/1/36   | 404,972    |
| 2,000  | Cosmos Foundation, 5.375%, 2/15/37  | 2,002,440  |
| 4,000  | Tarrant Cnty. Cultural Education Facs. Finance Corp. Rev., Baylor Health Care Systems Project, 6.25%,<br>11/15/29 | 4,711,680  |
|        | Texas Municipal Gas Acquisition & Supply Corp. I Rev.,  |            |
| 6,500  | 5.25%, 12/15/23, Ser. A   | 6,901,050  |
| 6,500  | 6.25%, 12/15/26, Ser. D   | 7,591,545  |
| 1,000  | Uptown Dev. Auth., Tax Allocation, Infrastructure Improvement Facs., 5.50%, 9/1/29                                | 1,043,990  |
| 500    | Wise Cnty. Rev., Parker Cnty. Junior College Dist., 8.00%, 8/15/34  | 547,450    |
|        |   | 50,189,764 |
|        | <b>U. S. Virgin Islands 0.1%</b>  |            |
| 500    | Virgin Islands Public Finance Auth. Rev., 5.00%, 10/1/39, Ser. A-1  | 511,140    |
|        | <b>Utah 1.7%</b>  |            |
| 7,000  | Salt Lake Cnty. Rev., IHC Health Services, 5.125%, 2/15/33 (AMBAC)  | 8,800,680  |
|        | <b>Virginia 0.6%</b>  |            |
| 1,000  | Fairfax Cnty. Industrial Dev. Auth. Rev., Inova Health Systems, 5.50%, 5/15/35, Ser. A                            | 1,127,550  |
| 1,985  | Peninsula Town Center Community Dev. Auth. Rev., 6.45%, 9/1/37  | 1,873,483  |
|        |   | 3,001,033  |
|        | <b>Washington 1.2%</b>  |            |
|        | Health Care Facs. Auth. Rev.,   |            |
| 700    | Multicare Health Systems, 6.00%, 8/15/39, Ser. B (AGC)  | 780,157    |
| 250    | Seattle Cancer Care Alliance, 7.375%, 3/1/38  | 291,988    |
| 2,000  | Virginia Mason Medical Center, 6.125%, 8/15/37, Ser. A  | 2,080,140  |
|        | State Housing Finance Commission Rev., Skyline at First Hill Project Ser. A,                                      |            |
| 275    | 5.25%, 1/1/17   | 247,024    |
| 3,600  | 5.625%, 1/1/38  | 2,619,108  |
|        |   | 6,018,417  |
|        | <b>West Virginia 0.2%</b>   |            |
| 1,000  | Hospital Finance Auth. Rev., Highland Hospital, 9.125%, 10/1/41   | 1,127,060  |
|        | <b>Wisconsin 0.5%</b>   |            |
|        | Health & Educational Facs. Auth. Rev.,  |            |
| 2,230  | Kenosha Hospital & Medical Center Project, 5.625%, 5/15/29  | 2,238,809  |

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|  |   |             |
|--|---|-------------|
| 500  | Prohealth Care, Inc., 6.625%, 2/15/39                                 | 572,185     |
|  |   | 2,810,994   |
|  | Total Municipal Bonds & Notes (cost \$468,488,089)                    | 509,520,003 |
| <b>VARIABLE RATE NOTES (a)(c)(e)(f) 2.3%</b> |   |             |
| <b>Texas 0.4%</b>                            |   |             |
| 1,000  | JPMorgan Chase Putters/Drivers Trust, GO, 8.047%, 2/1/17, Ser. 3480   | 1,275,230   |
| 600  | JPMorgan Chase Putters/Drivers Trust Rev., 8.569%, 10/1/31, Ser. 3227 | 800,394     |
|  |   | 2,075,624   |

**PIMCO Municipal Income Fund Schedule of Investments**

January 31, 2012 (unaudited)(continued)

Principal

Amount

| (000s)   | Value*                |
|--|-----------------------|
| <b>Washington 1.9%</b>   |                       |
| \$6,670 JPMorgan Chase Putters/Drivers Trust, GO, 11.751%, 8/1/28, Ser. 3388 | \$ 9,685,841          |
| <b>Total Variable Rate Notes (cost \$8,168,020)</b>                          | <b>11,761,465</b>     |
| <b>Total Investments (cost \$476,656,109) (i) 100.0%</b>                     | <b>\$ 521,281,468</b> |



**Notes to Schedule of Investments:**

\* Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. Market value is generally determined on the basis of last reported sales prices, or if no sales are reported, on the basis of quotes obtained from a quotation reporting system, established market makers, or independent pricing services.

Portfolio securities and other financial instruments for which market quotations are not readily available, or for which a development/event occurs that may significantly impact the value of a security, are fair-valued, in good faith, pursuant to procedures established by the Board of Trustees, or persons acting at their discretion pursuant to procedures 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 mean between the last quoted bid and ask price. 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. Short term securities 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 and these differences could be material. 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 \$12,233,815, representing 2.3% of total investments.
- (b) Illiquid.
- (c) 144A 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) In default.
- (e) Inverse Floater The interest rate shown bears an inverse relationship to the interest rate on another security or the value of an index. The interest rate disclosed reflects the rate in effect on January 31, 2012.
- (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, 2012.
- (g) 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.
- (h) Restricted. The acquisition cost of such security is \$935,300 and the market value is \$472,350, representing 0.1% of total investments.
- (i) At January 31, 2012, the cost basis of portfolio securities for federal income tax purposes was \$460,604,976. Gross unrealized appreciation was \$54,196,975, gross unrealized depreciation was \$9,052,910 and net unrealized appreciation was \$45,144,065. The difference between book and tax cost is attributable to inverse floater transactions.

**Glossary:**

ACA insured by American Capital Access Holding Ltd.

AGC insured by Assured Guaranty Corp.

AGM insured by Assured Guaranty Municipal Corp.

AMBAC insured by American Municipal Bond Assurance Corp.

CP Certificates of Participation

FGIC insured by Financial Guaranty Insurance Co.

FHA insured by Federal Housing Administration

GO General Obligation Bond

NPFGC insured by National Public Finance Guarantee Corp.

**Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the exit price) in an orderly transaction between market participants. The three levels of the fair value hierarchy are described below:

Level 1 quoted prices in active markets for identical investments that the Fund has the ability to access

Level 2 valuations based on other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.) or quotes from inactive exchanges

Level 3 valuations based on significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

An investment asset's or liability's level within the fair value hierarchy is based on the lowest level input, individually or in the aggregate, that is significant to fair value measurement. The objective of fair value measurement remains the same even when there is a significant decrease in the volume and level of activity for an asset or liability and regardless of the valuation technique used.

The valuation techniques used by the Fund to measure fair value during the nine months ended January 31, 2012 maximized the use of observable inputs and minimized the use of unobservable inputs.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following are certain inputs and techniques that the Fund generally uses to evaluate how to classify each major category of assets and liabilities for Level 2 and Level 3, in accordance with Generally Accepted Accounting Principles.

**Municipal Bonds & Notes and Variable Rate Notes** Municipal bonds and notes and variable rate notes are valued by independent pricing services based on pricing models that take into account, among other factors, information received from market makers and broker-dealers, current trades, bid-want lists, offerings, market movements, the callability of the bond or note, state of issuance, benchmark yield curves, and bond or note insurance. To the extent that these inputs are observable, the values of municipal bonds and notes and variable rate notes are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

The Fund's policy is to recognize transfers between levels at the end of the reporting period.

A summary of the inputs used at January 31, 2012 in valuing the Fund's assets and liabilities is listed below (refer to the Schedule of Investments for detailed information on Investments in Securities):

|   | Level 1 -<br>Quoted Prices | Level 2 -<br>Other Significant<br>Observable<br>Inputs | Level 3 -<br>Significant<br>Unobservable<br>Inputs | Value at<br>1/31/12 |
|---|----------------------------|--|--|---------------------|
| <b>Investments in Securities - Assets</b> |                            |  |  |                     |
| Municipal Bonds & Notes:                  |                            |  |  |                     |
| Tennessee                                 |                            | \$ 10,912,902  | \$ 472,350   | \$ 11,385,252       |
| All Other                                 |                            | 498,134,751  |  | 498,134,751         |
| Variable Rate Notes                       |                            | 11,761,465   |  | 11,761,465          |
| <b>Total Investments</b>                  |                            | \$ 520,809,118   | \$ 472,350   | \$ 521,281,468      |

There were no significant transfers between Levels 1 and 2 during the nine months ended January 31, 2012.

A roll forward of fair value measurements using significant unobservable inputs (Level 3) for the nine months ended January 31, 2012, was as follows:

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|   | Beginning<br>Balance<br>4/30/11 | Purchases | Sales | Accrued<br>Discounts<br>(Premiums) | Net<br>Realized<br>Gain (Loss) | Net<br>Change<br>in Unrealized<br>Appreciation/<br>Depreciation | Transfers<br>into<br>Level<br>3 | Transfers<br>out of<br>Level<br>3 | Ending<br>Balance<br>1/31/12 |
|---|---------------------------------|-----------|-------|------------------------------------|--------------------------------|---|---------------------------------|-----------------------------------|------------------------------|
| <b>Investments in Securities - Assets</b> |                                 |           |       |                                    |                                |   |                                 |                                   |                              |
| Municipal Bonds & Notes:                  |                                 |           |       |                                    |                                |   |                                 |                                   |                              |
| Tennessee                                 | \$ 472,350                      |           |       |                                    |                                |   |                                 |                                   | \$ 472,350                   |
| <b>Total Investments</b>                  | \$ 472,350                      |           |       |                                    |                                |   |                                 |                                   | \$ 472,350                   |

There was no change in unrealized appreciation/depreciation of Level 3 investments which the Fund held at January 31, 2012.

**Item 2. Controls and Procedures**

(a) The registrant's President & Chief Executive Officer and Treasurer, Principal Financial & Accounting Officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Act (17 CFR 270.30a -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 control over financial reporting (as defined in Rule 30a-3(d) under the Act (17 CFR 270.30a -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 22, 2012

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

Date: March 22, 2012

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  
President & Chief Executive Officer

Date: March 22, 2012

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

Date: March 22, 2012