

PIMCO MUNICIPAL INCOME FUND  
Form N-Q  
March 22, 2010

OMB APPROVAL

OMB Number: 3235-0578  
Expires: April 30, 2010  
Estimated average burden  
hours per response: 10.5

**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, 2010

Date of Reporting Period: January 31, 2010

Form N-Q is to be used by management investment companies, other than small business investment companies 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 30b1-5 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, 100 F Street, NE, Washington, DC 20549-2001. 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, 2010 (unaudited)

| Principal Amount<br>(000s)               |  | Credit Rating<br>(Moody s/S&P) | Value*       |
|--|--|--------------------------------|--------------|
| <b>MUNICIPAL BONDS &amp; NOTES 94.3%</b> |  |                                |              |
| <b>Alabama 0.9%</b>                      |  |                                |              |
| \$ 2,500                                 | Birmingham-Baptist Medical Centers Special Care Facs. Financing Auth. Rev., Baptist Health Systems, Inc., 5.875%, 11/15/24, Ser. A | Baa2/NR                        | \$ 2,414,775 |
|  | Huntsville-Redstone Village Special Care Facs. Financing Auth. Rev., Redstone Village Project,                                     |                                |              |
| 250                                      | 5.50%, 1/1/28  | NR/NR                          | 180,705      |
| 885                                      | 5.50%, 1/1/43  | NR/NR                          | 572,551      |
| 1,350                                    | Montgomery Medical Clinic Board Rev., Jackson Hospital & Clinic, 5.25%, 3/1/31   | Baa2/BBB-                      | 1,229,715    |
|  |  |                                | 4,397,746    |
| <b>Alaska 1.2%</b>                       |  |                                |              |
| 3,280                                    | Borough of Matanuska-Susitna Rev., Goose Creek Correctional Center, 6.00%, 9/1/32 (AGC)  | Aa3/AAA                        | 3,755,436    |
| 900                                      | Industrial Dev. & Export Auth. Rev., Boys & Girls Home, 6.00%, 12/1/36   | NR/NR                          | 628,821      |
| 2,400                                    | Northern Tobacco Securitization Corp. Rev., 5.00%, 6/1/46, Ser. A  | Baa3/NR                        | 1,589,640    |
|  |  |                                | 5,973,897    |
| <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                                 | Baa3/BBB-                      | 4,999,450    |
|  | Health Facs. Auth. Rev.,   |                                |              |
| 2,050                                    | Banner Health, 5.50%, 1/1/38, Ser. D   | NR/A+                          | 2,076,117    |
| 2,750                                    | Beatitudes Campus Project, 5.20%, 10/1/37  | NR/NR                          | 2,044,240    |
|  | Pima Cnty. Industrial Dev. Auth. Rev., Tucson Electric Power Co., Ser. A,  |                                |              |
| 2,750                                    | 4.95%, 10/1/20   | Baa3/BBB-                      | 2,727,368    |
| 4,150                                    | 6.375%, 9/1/29   | Baa3/BBB-                      | 4,228,974    |
| 5,000                                    | Salt River Project Agricultural Improvement & Power Dist. Rev., 5.00%, 1/1/39, Ser. A (k)  | Aa1/AA                         | 5,141,000    |
| 4,200                                    | Salt Verde Financial Corp. Rev., 5.00%, 12/1/37  | A3/A                           | 3,582,348    |
|  |  |                                | 24,799,497   |
| <b>Arkansas 0.4%</b>                     |  |                                |              |
| 8,500                                    | Dev. Finance Auth. Rev., Arkansas Cancer Research Center Project, zero coupon, 7/1/36 (AMBAC)                                      | Aa3/NR                         | 2,272,560    |

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**California 7.9%**

|       |  |          |            |
|-------|--|----------|------------|
| 3,000 | Chula Vista Rev., San Diego Gas & Electric, 5.875%, 2/15/34, Ser. B                | Aa3/A+   | 3,284,850  |
| 6,000 | Golden State Tobacco Securitization Corp. Rev., 5.00%, 6/1/33, Ser. A-1            | Baa3/BBB | 4,692,480  |
| 2,000 | Health Facs. Financing Auth. Rev., Catholic Healthcare West, 6.00%, 7/1/39, Ser. A | A2/A     | 2,116,260  |
| 4,175 | Montebello Unified School Dist., GO, 5.00%, 8/1/33 (AGM)                           | Aa3/AAA  | 4,186,439  |
| 5,000 | Orange Cnty. Airport Rev., 5.25%, 7/1/39, Ser. A                                   | Aa3/AA-  | 5,014,500  |
|       | State, GO,   |          |            |
| 300   | 5.00%, 6/1/37  | Baa1/A-  | 265,476    |
| 4,200 | 6.00%, 4/1/38  | Baa1/A-  | 4,258,674  |
|       | Statewide Communities Dev. Auth. Rev.,   |          |            |
| 1,000 | Catholic Healthcare West, 5.50%, 7/1/31, Ser. E                                    | A2/A     | 1,009,630  |
|       | Methodist Hospital Project (FHA),  |          |            |
| 2,600 | 6.625%, 8/1/29   | Aa2/AA   | 2,939,378  |
| 9,500 | 6.75%, 2/1/38  | Aa2/AA   | 10,675,720 |

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**PIMCO Municipal Income Fund Schedule of Investments**

January 31, 2010 (unaudited)

| Principal Amount<br>(000s) |  | Credit Rating<br>(Moody s/S&P) | Value*       |
|----------------------------|--|--------------------------------|--------------|
|                            | <b>California (continued)</b>  |                                |              |
| \$ 4,000                   | Whittier Union High School Dist., GO, zero coupon, 8/1/25                                  | NR/AA-                         | \$ 1,588,480 |
|                            |  |                                | 40,031,887   |
|                            | <b>Colorado 0.5%</b>   |                                |              |
| 500                        | Confluence Metropolitan Dist. Rev., 5.45%, 12/1/34   | NR/NR                          | 337,935      |
| 500                        | Public Auth. for Colorado Energy Rev., 6.50%, 11/15/38                                     | A2/A                           | 550,895      |
| 1,500                      | Univ. of Colorado Rev., 5.375%, 6/1/38, Ser. A   | Aa3/AA-                        | 1,598,985    |
|                            |  |                                | 2,487,815    |
|                            | <b>Connecticut 0.2%</b>  |                                |              |
| 1,000                      | State Dev. Auth. Rev., Connecticut Light & Power Co., 5.85%, 9/1/28                        | Baa1/BBB                       | 1,016,130    |
|                            | <b>District of Columbia 1.4%</b>   |                                |              |
| 2,500                      | Dist. of Columbia Rev., Brookings Institution, 5.75%, 10/1/39                              | Aa3/A+                         | 2,736,250    |
| 4,175                      | Tobacco Settlement Financing Corp. Rev., 6.25%, 5/15/24                                    | Baa3/BBB                       | 4,196,835    |
|                            |  |                                | 6,933,085    |
|                            | <b>Florida 4.0%</b>  |                                |              |
| 905                        | Beacon Lakes Community Dev. Dist., Special Assessment, 6.00%, 5/1/38, Ser. A               | NR/NR                          | 752,888      |
| 4,000                      | Broward Cnty. Water & Sewer Rev., 5.25%, 10/1/34, Ser. A (k)                               | Aa3/AA                         | 4,160,560    |
| 500                        | Lee Cnty. Industrial Dev. Auth. Rev., Sara Lee Charter Foundation, 5.375%, 6/15/37, Ser. A | NR/BB                          | 363,650      |
| 3,000                      | Miami-Dade Cnty. Airport Rev., 5.50%, 10/1/36, Ser. A                                      | A2/A-                          | 3,017,640    |
| 1,250                      | Miami-Dade Cnty. School Board, CP, 5.375%, 2/1/34, Ser. A (AGC)                            | Aa3/AAA                        | 1,276,350    |
| 3,900                      | State Board of Education, GO, 5.00%, 6/1/38, Ser. D (k)                                    | Aa1/AAA                        | 4,022,967    |
| 5,685                      | State Board of Governors Rev., Florida Univ., 6.50%, 7/1/33                                | Aa2/AA                         | 6,517,000    |
|                            |  |                                | 20,111,055   |
|                            | <b>Georgia 0.4%</b>  |                                |              |

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|                      |  |         |            |
|----------------------|--|---------|------------|
| 2,300                | Medical Center Hospital Auth. Rev.,<br>Spring Harbor Green Island Project, 5.25%, 7/1/37   | NR/NR   | 1,789,078  |
| <br>                 |  |         |            |
| <b>Illinois 5.6%</b> |  |         |            |
| Chicago, GO,         |  |         |            |
| 5,000                | 5.00%, 1/1/34, Ser. C (k)  | Aa3/AA- | 5,039,150  |
| 2,935                | 5.375%, 1/1/34, Ser. A (FGIC-NPFGC)  | Aa3/AA- | 2,944,686  |
| 10,115               | Chicago Board of Education School Reform, GO, zero coupon,<br>12/1/31, Ser. A (FGIC-NPFGC) | A1/AA-  | 2,897,644  |
| 1,250                | Chicago Motor Fuel Tax Rev., 5.00%, 1/1/38, Ser. A (AGC)<br>Finance Auth. Rev.,            | Aa3/AAA | 1,266,238  |
| 1,000                | Memorial Health Systems, 5.50%, 4/1/39   | A1/A+   | 977,810    |
| 400                  | OSF Healthcare System, 7.125%, 11/15/37, Ser. A<br>Univ. of Chicago,                       | A2/A    | 444,564    |
| 190                  | 5.25%, 7/1/41, Ser. A  | Aa1/AA  | 193,300    |
| 10,000               | 5.50%, 7/1/37, Ser. B (k)  | Aa1/AA  | 11,024,500 |
| 1,900                | Springfield Electric Rev., 5.00%, 3/1/36   | Aa3/AA- | 1,908,702  |
| 1,495                | Univ. of Illinois Rev., 5.25%, 4/1/32, Ser. B (FGIC-NPFGC)                                 | Aa3/AA- | 1,504,762  |
|                      |  |         | 28,201,356 |
| <br>                 |  |         |            |
| <b>Indiana 0.5%</b>  |  |         |            |
| 1,500                | Finance Auth. Rev., Duke Energy Indiana, Inc., 6.00%, 8/1/39,<br>Ser. B                    | NR/A    | 1,606,425  |
| 1,000                | Municipal Power Agcy. Rev., 6.00%, 1/1/39, Ser. B  | A1/A+   | 1,062,280  |
|                      |  |         | 2,668,705  |

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**PIMCO Municipal Income Fund Schedule of Investments**

January 31, 2010 (unaudited)

| Principal Amount<br>(000s) |  | Credit Rating<br>(Moody s/S&P) | Value*       |
|----------------------------|--|--------------------------------|--------------|
| <b>Iowa 1.7%</b>           |  |                                |              |
|                            | Finance Auth. Rev.,  |                                |              |
| \$ 4,890                   | Deerfield Retirement Community, Inc., 5.50%, 11/15/37, Ser. A  | NR/NR                          | \$ 3,281,630 |
|                            | Edgewater LLC Project,   |                                |              |
| 3,500                      | 6.75%, 11/15/37  | NR/NR                          | 3,138,835    |
| 1,500                      | 6.75%, 11/15/42  | NR/NR                          | 1,335,105    |
| 1,600                      | Wedum Walnut Ridge LLC Project, 5.625%, 12/1/45, Ser. A (b)  | NR/NR                          | 991,856      |
|                            |  |                                | 8,747,426    |
| <b>Kansas 1.5%</b>         |  |                                |              |
| 1,000                      | Dev. Finance Auth. Rev., Adventist Health, 5.75%, 11/15/38   | A1/AA-                         | 1,030,840    |
| 1,000                      | Lenexa City, Tax Allocation, Center East Project, 6.00%, 4/1/27  | NR/NR                          | 841,980      |
| 650                        | Manhattan Rev., Meadowlark Hills Retirement, 5.125%,<br>5/15/42, Ser. B  | NR/NR                          | 459,641      |
| 5,000                      | Wichita Hospital Rev., Facs. Improvements, 5.625%, 11/15/31,<br>Ser. III   | NR/A+                          | 5,082,450    |
|                            |  |                                | 7,414,911    |
| <b>Kentucky 0.6%</b>       |  |                                |              |
|                            | Economic Dev. Finance Auth. Rev.,  |                                |              |
|                            | Baptist Healthcare Systems, Ser. A,  |                                |              |
| 1,000                      | 5.375%, 8/15/24  | Aa3/NR                         | 1,106,410    |
| 1,200                      | 5.625%, 8/15/27  | Aa3/NR                         | 1,307,580    |
| 760                        | St. Luke's Hospital, 6.00%, 10/1/19, Ser. B  | A3/A                           | 760,099      |
|                            |  |                                | 3,174,089    |
| <b>Louisiana 5.9%</b>      |  |                                |              |
| 3,930                      | Local Gov't Environmental Facs. & Community Dev. Auth.<br>Rev., Capital Projects & Equipment Acquisition, 6.55%, 9/1/25<br>(ACA) | NR/NR                          | 3,504,066    |
| 27,895                     | Tobacco Settlement Financing Corp. Rev., 5.875%, 5/15/39,<br>Ser. 2001-B   | Baa3/BBB                       | 26,104,699   |
|                            |  |                                | 29,608,765   |

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|                           |   |         |            |
|---------------------------|---|---------|------------|
| <b>Maryland 0.3%</b>      |   |         |            |
| 1,500                     | Economic Dev. Corp. Rev., 5.75%, 6/1/35, Ser. B   | Baa3/NR | 1,522,500  |
| <b>Massachusetts 0.4%</b> |   |         |            |
| 550                       | Dev. Finance Agcy. Rev., Linden Ponds, Inc. Fac., 5.75%,<br>11/15/35, Ser. A                            | NR/NR   | 405,361    |
| 1,500                     | State College Building Auth. Rev., 5.50%, 5/1/39, Ser. A  | Aa3/AA- | 1,611,135  |
|                           |   |         | 2,016,496  |
| <b>Michigan 2.3%</b>      |   |         |            |
| 1,000                     | Detroit, GO, 5.375%, 4/1/17, Ser. A-1 (NPFGC)   | Baa1/A  | 922,290    |
| 4,550                     | Garden City Hospital Finance Auth. Rev., 5.00%, 8/15/38, Ser.<br>A                                      | NR/NR   | 2,874,053  |
| 50                        | Royal Oak Hospital Finance Auth. Rev., William Beaumont<br>Hospital,<br>5.25%, 11/15/35, Ser. M (NPFGC) | A1/A    | 44,766     |
| 1,500                     | 8.25%, 9/1/39   | A1/A    | 1,773,345  |
| 4,000                     | State Hospital Finance Auth. Rev., Detroit Medical Center,<br>6.25%, 8/15/13, Ser. A                    | Ba3/BB- | 4,010,240  |
| 2,000                     | Strategic Fund Rev., Detroit Edison Co. Pollution Control,<br>5.45%, 9/1/29, Ser. C                     | A2/A-   | 2,018,840  |
|                           |   |         | 11,643,534 |

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**PIMCO Municipal Income Fund Schedule of Investments**

January 31, 2010 (unaudited)

| Principal Amount<br>(000s) |  | Credit Rating<br>(Moody s/S&P) | Value*     |
|----------------------------|--|--------------------------------|------------|
|                            | <b>Minnesota 0.4%</b>  |                                |            |
| \$ 95                      | Agricultural & Economic Dev. Board Rev., Health Care Systems, 6.375%, 11/15/29, Ser. A               | A2/A                           | \$ 96,727  |
| 1,500                      | St. Louis Park Rev., Nicollett Health Services, 5.75%, 7/1/39  | NR/A                           | 1,489,380  |
| 500                        | Washington Cnty. Housing & Redev. Auth. Rev., Birchwood & Woodbury Projects, 5.625%, 6/1/37, Ser. A  | NR/NR                          | 439,180    |
|                            |  |                                | 2,025,287  |
|                            | <b>Missouri 0.2%</b>   |                                |            |
| 1,000                      | Joplin Industrial Dev. Auth. Rev., Christian Homes, Inc., 5.75%, 5/15/26, Ser. F                     | NR/NR                          | 808,700    |
|                            | <b>Nevada 3.5%</b>   |                                |            |
| 5,000                      | Clark Cnty., GO, 4.75%, 6/1/30 (AGM)   | Aa1/AAA                        | 5,026,850  |
| 9,755                      | Washoe Cnty., Water & Sewer, GO (NPFGC), 5.00%, 1/1/35   | Aa2/AA                         | 9,829,040  |
| 2,430                      | 5.00%, 1/1/35, (Pre-refunded @ \$100, 1/1/16) (c)  | Aa2/AA                         | 2,819,772  |
|                            |  |                                | 17,675,662 |
|                            | <b>New Hampshire 0.6%</b>  |                                |            |
| 3,000                      | Business Finance Auth. Pollution Control Rev., Connecticut Light & Power Co., 5.85%, 12/1/22, Ser. A | Baa1/BBB                       | 3,051,960  |
|                            | <b>New Jersey 5.5%</b>   |                                |            |
| 16,550                     | Economic Dev. Auth., Special Assessment, Kapkowski Road Landfill Project, 5.75%, 4/1/31              | Baa3/NR                        | 16,250,610 |
| 2,000                      | Economic Dev. Auth. Rev., School Facs. Construction, 5.50%, 12/15/34, Ser. Z (AGC)                   | Aa3/AAA                        | 2,153,880  |
| 1,000                      | Health Care Facs. Financing Auth. Rev., Trinitas Hospital, 5.25%, 7/1/30, Ser. A                     | Baa3/BBB-                      | 838,920    |
| 2,000                      | State Turnpike Auth. Rev., 5.25%, 1/1/40, Ser. E   | A3/A+                          | 2,063,080  |
| 9,100                      | Tobacco Settlement Financing Corp. Rev., 5.00%, 6/1/41, Ser. 1A                                      | Baa3/BBB                       | 6,310,850  |
|                            |  |                                | 27,617,340 |

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|        |  |          |            |
|--------|--|----------|------------|
|        | <b>New Mexico 1.7%</b>   |          |            |
| 2,500  | Farmington Pollution Control Rev., 5.80%, 4/1/22, Ser. A   | Baa3/BB+ | 2,502,100  |
| 6,400  | Hospital Equipment Loan Council Rev., Presbyterian<br>Healthcare, 5.00%, 8/1/39                  | Aa3/AA-  | 6,293,312  |
|        |  |          | 8,795,412  |
|        | <b>New York 6.7%</b>   |          |            |
| 7,500  | Liberty Dev. Corp. Rev., Goldman Sachs Headquarters,<br>5.25%, 10/1/35                           | A1/A     | 7,541,625  |
| 3,000  | 5.50%, 10/1/37   | A1/A     | 3,029,640  |
| 4,200  | Nassau Cnty. Industrial Dev. Agcy. Rev., Amsterdam at<br>Harborside, 6.70%, 1/1/43, Ser. A       | NR/NR    | 3,829,140  |
| 13,000 | New York City Municipal Water Finance Auth. Water & Sewer<br>Rev.,<br>5.00%, 6/15/26, Ser. E (k) | Aa2/AAA  | 13,287,170 |
| 670    | 5.00%, 6/15/37, Ser. D (k)   | Aa2/AAA  | 686,100    |
| 3,000  | Second Generation Resolutions, 5.00%, 6/15/39, Ser. GG-1   | Aa3/AA+  | 3,092,640  |
| 1,000  | State Dormitory Auth. Rev., 5.00%, 3/15/38, Ser. A   | NR/AAA   | 1,028,710  |

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**PIMCO Municipal Income Fund Schedule of Investments**

January 31, 2010 (unaudited)

| Principal Amount<br>(000s)  |   | Credit Rating<br>(Moody s/S&P) | Value*       |
|-----------------------------|---|--------------------------------|--------------|
| <b>New York (continued)</b> |   |                                |              |
| \$ 1,625                    | Westchester Cnty. Healthcare Corp. Rev., 5.875%, 11/1/25, Ser. A  | Baa1/BBB-                      | \$ 1,605,939 |
|                             |   |                                | 34,100,964   |
| <b>North Carolina 0.3%</b>  |   |                                |              |
| 570                         | Capital Facs. Finance Agcy. Rev., Duke Univ. Project, 5.125%, 10/1/41, Ser. A                           | Aa1/AA+                        | 578,157      |
| 1,500                       | Medical Care Commission Rev., Village at Brookwood, 5.25%, 1/1/32                                       | NR/NR                          | 1,051,845    |
|                             |   |                                | 1,630,002    |
| <b>Ohio 2.9%</b>            |   |                                |              |
| 11,000                      | Buckeye Tobacco Settlement Financing Auth. Rev., 5.875%, 6/1/47, Ser. A-2                               | Baa3/BBB                       | 8,471,760    |
|                             | Lorain Cnty. Hospital Rev., Catholic Healthcare, Ser. A,  |                                |              |
| 2,500                       | 5.625%, 10/1/17   | A1/AA-                         | 2,585,475    |
| 2,565                       | 5.75%, 10/1/18  | A1/AA-                         | 2,649,414    |
| 500                         | Montgomery Cnty. Rev., Miami Valley Hospital, 6.25%, 11/15/39, Ser. A                                   | Aa3/NR                         | 521,290      |
| 500                         | State Higher Educational Fac. Commission Rev., Univ. Hospital Health Systems,<br>6.75%, 1/15/39, Ser. A | A2/A                           | 531,185      |
|                             |   |                                | 14,759,124   |
| <b>Oregon 0.5%</b>          |   |                                |              |
| 2,000                       | Oregon Health & Science Univ. Rev., 5.75%, 7/1/39, Ser. A   | A2/BBB+                        | 2,150,260    |
| 600                         | State Department of Administrative Services, CP, 5.25%, 5/1/39, Ser. A                                  | Aa3/AA-                        | 624,012      |
|                             |   |                                | 2,774,272    |
| <b>Pennsylvania 5.8%</b>    |   |                                |              |
| 5,000                       | Geisinger Auth. Rev., 5.25%, 6/1/39, Ser. A   | Aa2/AA                         | 5,028,950    |
| 2,000                       | Harrisburg Auth. Rev., Harrisburg Univ. of Science, 6.00%, 9/1/36, Ser. B                               | NR/NR                          | 1,744,940    |
| 6,200                       | Higher Educational Facs. Auth. Rev., UPMC Health System, 6.00%, 1/15/31, Ser. A                         | Aa3/A+                         | 6,320,962    |
|                             | Lancaster Cnty. Hospital Auth. Rev., Brethren Village Project, Ser. A,                                  |                                |              |
| 750                         | 6.25%, 7/1/26   | NR/NR                          | 715,215      |
| 85                          | 6.375%, 7/1/30  | NR/NR                          | 79,354       |
| 1,100                       | Luzerne Cnty. Industrial Dev. Auth. Rev., Pennsylvania American Water Co., 5.50%,<br>12/1/39            | A2/A                           | 1,113,233    |
| 7,000                       | Philadelphia, GO, 5.25%, 12/15/32, Ser. A (AGM)   | Aa3/AAA                        | 7,199,430    |

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|        |  |           |            |
|--------|--|-----------|------------|
| 4,700  | Philadelphia Hospitals & Higher Education Facs. Auth. Rev., Temple Univ. Hospital,<br>6.625%, 11/15/23, Ser. A         | Baa3/BBB  | 4,705,734  |
| 500    | Philadelphia Water Rev., 5.25%, 1/1/36, Ser. A   | A3/A      | 509,595    |
| 2,000  | Turnpike Commission Rev., 5.125%, 12/1/40, Ser. D  | A2/A-     | 2,009,820  |
|        |  |           | 29,427,233 |
|        | <b>Puerto Rico 0.8%</b>  |           |            |
| 135    | Commonwealth of Puerto Rico, Public Improvements, GO, 5.00%, 7/1/35, Ser. B<br>Sales Tax Financing Corp. Rev., Ser. A, | Baa3/BBB- | 121,720    |
| 32,550 | zero coupon, 8/1/54 (AMBAC)  | Aa3/AA-   | 2,123,562  |
| 29,200 | zero coupon, 8/1/56  | Aa3/AA-   | 1,688,052  |
|        |  |           | 3,933,334  |

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January 31, 2010 (unaudited)

| Principal Amount<br>(000s) |   | Credit Rating<br>(Moody s/S&P) | Value*        |
|----------------------------|---|--------------------------------|---------------|
| <b>Rhode Island 4.3%</b>   |   |                                |               |
| \$ 23,800                  | Tobacco Settlement Financing Corp. Rev., 6.25%, 6/1/42, Ser. A  | Baa3/BBB                       | \$ 21,920,038 |
| <b>South Carolina 1.4%</b> |   |                                |               |
| 3,500                      | Greenwood Cnty. Hospital Rev., Self Memorial Hospital, 5.50%, 10/1/21   | A2/A                           | 3,552,955     |
| 2,000                      | 5.50%, 10/1/26  | A2/A                           | 2,015,600     |
| 450                        | Jobs-Economic Dev. Auth. Rev., Lutheran Homes, 5.50%, 5/1/28  | NR/NR                          | 395,289       |
| 1,000                      | State Public Service Auth. Rev., 5.25%, 1/1/39, Ser. B  | Aa2/AA-                        | 1,055,270     |
|                            |   |                                | 7,019,114     |
| <b>Tennessee 4.6%</b>      |   |                                |               |
| 5,000                      | Energy Acquisition Corp. Rev., 5.00%, 2/1/27, Ser. C  | Baa1/A                         | 4,758,000     |
| 940                        | Memphis Health Educational & Housing Fac. Board Rev., Wesley Housing Corp. Project, 6.95%, 1/1/20 (a)(b)(e)(l) (acquisition cost \$935,300; purchased 7/5/01) | NR/NR                          | 470,000       |
| 5,000                      | Metropolitan Gov t Nashville & Davidson Cnty. Health & Educational Facs. Board Rev., Vanderbilt Univ., 5.00%, 10/1/39, Ser. B (k)                             | Aa2/AA                         | 5,233,750     |
| 370                        | Tennessee Energy Acquisition Corp. Rev., 5.00%, 2/1/21, Ser. C  | Baa1/A                         | 366,607       |
| 6,460                      | 5.25%, 9/1/17, Ser. A   | Ba3/BB+                        | 6,634,356     |
| 600                        | 5.25%, 9/1/21, Ser. A   | Ba3/BB+                        | 601,524       |
| 300                        | 5.25%, 9/1/22, Ser. A   | Ba3/BB+                        | 299,166       |
| 5,000                      | 5.25%, 9/1/24, Ser. A   | Ba3/BB+                        | 4,914,850     |
|                            |   |                                | 23,278,253    |
| <b>Texas 8.5%</b>          |   |                                |               |
| 10,000                     | Coppell Independent School Dist., GO, zero coupon, 8/15/29 (PSF-GTD)  | Aaa/AAA                        | 4,035,500     |
| 1,200                      | Dallas Civic Center Rev., 5.25%, 8/15/38 (AGC)  | Aa3/AAA                        | 1,222,500     |
| 20                         | Duncanville Independent School Dist., GO, 5.25%, 2/15/32, Ser. B (PSF-GTD)  | Aaa/AAA                        | 20,468        |
| 285                        | Mansfield Independent School Dist., GO, 5.25%, 2/15/23 (PSF-GTD)  | Aaa/AAA                        | 290,860       |

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|       |  |           |            |
|-------|--|-----------|------------|
|       | Municipal Gas Acquisition & Supply Corp. I Rev.,                   |           |            |
| 6,500 | 5.25%, 12/15/23, Ser. A  | A2/A      | 6,474,260  |
| 150   | 5.25%, 12/15/25, Ser. A  | A2/A      | 147,612    |
| 6,500 | 6.25%, 12/15/26, Ser. D  | A2/A      | 7,015,970  |
|       | North Harris Cnty. Regional Water Auth. Rev.,                      |           |            |
| 4,200 | 5.25%, 12/15/33  | A3/A+     | 4,274,214  |
| 4,200 | 5.50%, 12/15/38  | A3/A+     | 4,303,320  |
|       | North Texas Tollway Auth. Rev.,                                    |           |            |
| 3,000 | 5.25%, 1/1/44, Ser. C  | A2/A-     | 2,903,040  |
| 6,050 | 5.625%, 1/1/33, Ser. A   | A2/A-     | 6,195,018  |
| 600   | 5.75%, 1/1/33, Ser. F  | A3/BBB+   | 613,344    |
| 400   | State Public Finance Auth. Rev., 5.875%, 12/1/36, Ser. A           | Baa3/BBB- | 380,564    |
| 4,000 | Tarrant Cnty. Cultural Education Facs. Finance Corp. Rev.,         |           |            |
|       | Baylor Health Care Systems Project, 6.25%, 11/15/29                | Aa2/AA-   | 4,289,840  |
| 1,000 | Uptown Dev. Auth., Tax Allocation, Infrastructure                  |           |            |
|       | Improvement Facs., 5.50%, 9/1/29                                   | NR/BBB+   | 984,530    |
|       |  |           | 43,151,040 |
|       | <b>U. S. Virgin Islands 0.1%</b>                                   |           |            |
| 500   | Virgin Islands Public Finance Auth. Rev., 5.00%, 10/1/39, Ser. A-1 | Baa2/BBB  | 450,815    |

**PIMCO Municipal Income Fund Schedule of Investments**

January 31, 2010 (unaudited)

| Principal<br>Amount<br>(000s) |  | Credit Rating<br>(Moody s/S&P) | Value*       |
|-------------------------------|--|--------------------------------|--------------|
|                               | <b>Utah 1.4%</b>   |                                |              |
| \$ 7,000                      | Salt Lake Cnty. Rev., IHC Health Services, 5.125%, 2/15/33<br>(AMBAC)  | WR/AA+                         | \$ 7,216,580 |
|                               | <b>Virginia 0.6%</b>   |                                |              |
| 1,000                         | Fairfax Cnty. Industrial Dev. Auth. Rev., Inova Health<br>Systems, 5.50%, 5/15/35, Ser. A  | Aa2/AA+                        | 1,048,810    |
| 2,000                         | Peninsula Town Center Community Dev. Auth. Rev., 6.45%,<br>9/1/37  | NR/NR                          | 1,861,680    |
|                               |  |                                | 2,910,490    |
|                               | <b>Washington 1.2%</b>   |                                |              |
|                               | Health Care Facs. Auth. Rev.,  |                                |              |
| 700                           | Multicare Health Systems, 6.00%, 8/15/39, Ser. B (AGC)   | Aa3/AAA                        | 738,430      |
| 250                           | Seattle Cancer Care Alliance, 7.375%, 3/1/38   | A3/NR                          | 276,170      |
| 2,000                         | Virginia Mason Medical Center, 6.125%, 8/15/37, Ser. A<br>State Housing Finance Commission Rev., Skyline at First Hill<br>Project, Ser. A, | Baa2/BBB                       | 2,044,060    |
| 275                           | 5.25%, 1/1/17  | NR/NR                          | 240,058      |
| 3,600                         | 5.625%, 1/1/38   | NR/NR                          | 2,574,216    |
|                               |  |                                | 5,872,934    |
|                               | <b>Wisconsin 2.7%</b>  |                                |              |
|                               | Health & Educational Facs. Auth. Rev.,   |                                |              |
| 2,230                         | Kenosha Hospital & Medical Center Project, 5.625%, 5/15/29   | NR/A                           | 2,230,357    |
| 500                           | Prohealth Care, Inc., 6.625%, 2/15/39  | A1/A+                          | 535,935      |
| 10,000                        | State Rev., 6.00%, 5/1/36, Ser. A  | A1/AA-                         | 11,012,100   |
|                               |  |                                | 13,778,392   |
|                               | Total Municipal Bonds & Notes (cost \$466,750,303)   |                                | 477,007,478  |
|                               | <b>VARIABLE RATE NOTES (a)(d)(g) 3.4%</b>  |                                |              |
|                               | <b>Illinois 1.5%</b>   |                                |              |
| 7,252                         | Cook Cnty., GO, 7.69%, 11/15/28, Ser. 458 (FGIC) (f)   | Aa3/NR                         | 7,395,156    |

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|       |  |        |           |
|-------|--|--------|-----------|
|       | <b>Texas 0.4%</b>  |        |           |
| 1,000 | JPMorgan Chase Putters/Drivers Trust, GO, 7.901%, 2/1/17,<br>Ser. 3480 | NR/AA+ | 1,081,430 |
| 200   | JPMorgan Chase Putters/Drivers Trust Rev.,<br>8.34%, 2/1/27, Ser. 3224 | Aa1/NR | 238,570   |
| 600   | 8.424%, 10/1/31, Ser. 3227   | NR/AAA | 704,820   |
|       |  |        | 2,024,820 |

|       |   |        |            |
|-------|---|--------|------------|
|       | <b>Washington 1.5%</b>  |        |            |
| 6,670 | JPMorgan Chase Putters/Drivers Trust, GO, 11.478%, 8/1/28,<br>Ser. 3388 | NR/AA+ | 7,437,517  |
|       | Total Variable Rate Notes (cost \$15,301,815)                           |        | 16,857,493 |

Shares

**COMMON STOCK 0.0%**

**Airlines 0.0%**

|     |                                      |  |       |
|-----|--------------------------------------|--|-------|
| 486 | Delta Air Lines, Inc. (i) (cost \$0) |  | 5,944 |
|-----|--------------------------------------|--|-------|



**PIMCO Municipal Income Fund Schedule of Investments**

January 31, 2010 (unaudited)

| Principal<br>Amount<br>(000s)                 |   | Credit Rating<br>(Moody s/S&P) | Value*                |
|---|---|--------------------------------|-----------------------|
| <b>SHORT-TERM INVESTMENTS 2.3%</b>            |   |                                |                       |
| <b>Corporate Notes 2.0%</b>                   |   |                                |                       |
| <b>Financial Services 2.0%</b>                |   |                                |                       |
| \$ 10,000                                     | American General Finance Corp., 4.625%, 9/1/10 (j)            | B2/BB+                         | \$ 9,769,820          |
| 600   | International Lease Finance Corp., 0.482%, 5/24/10, FRN       | B1/BB+                         | 588,200               |
|   | Total Corporate Notes (cost \$8,951,393)                      |                                | 10,358,020            |
| <b>Variable Rate Demand Notes (g)(h) 0.3%</b> |   |                                |                       |
| <b>California 0.2%</b>                        |   |                                |                       |
| 500   | Irvine, Special Assessment, 0.17%, 2/1/10                     | VMIG1/A-1                      | 500,000               |
| 600   | Pollution Control Financing Auth. Rev., 0.16%, 2/1/10, Ser. E | NR/A-1+                        | 600,000               |
|   |   |                                | 1,100,000             |
| <b>Colorado 0.1%</b>                          |   |                                |                       |
| 300   | City & Cnty. of Denver, CP, 0.18%, 2/1/10, Ser. A2            | VMIG1/NR                       | 300,000               |
|   | Total Variable Rate Demand Notes (cost \$1,400,000)           |                                | 1,400,000             |
|   | Total Short-Term Investments (cost \$10,351,393)              |                                | 11,758,020            |
|   | <b>Total Investments (cost \$492,403,511) 100.0%</b>          |                                | <b>\$ 505,628,935</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, based on 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 for those securities 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.

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 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) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$17,327,493, representing 3.4% of total investments.
- (b) Illiquid.
- (c) 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).
- (d) 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.

- (e) In default.
- (f) 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, 2010.
- (g) Variable Rate Notes Instruments whose interest rates change on a specified date (such as a coupon date or interest payment date) and/or whose interest rates vary with changes in a designated base rate (such as the prime interest rate). The interest rate disclosed reflects the rate in effect on January 31, 2010.
- (h) Maturity date shown is date of next put.
- (i)

Non-income  
producing.

- (j) All or partial amount segregated as collateral for reverse repurchase agreements.
  - (k) 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.
  - (l) Restricted. The aggregate acquisition cost of this security is \$935,300. The aggregate market value of \$470,000 is approximately 0.1% of total investments.
-

**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

FRN Floating Rate Note. The interest rate disclosed reflects the rate in effect on January 31, 2010.

GO General Obligation Bond

GTD Guaranteed

NPFGC insured by National Public Finance Guarantee Corp.

NR Not Rated

PSF Public School Fund

WR Withdrawn Rating

**Other Investments:****Open reverse repurchase agreements at January 31, 2010:**

| Counterparty  | Rate   | Trade Date | Maturity Date | Principal & Interest | Principal    |
|---------------|--------|------------|---------------|----------------------|--------------|
| Barclays Bank | 0.75 % | 1/6/10     | 2/9/10        | \$ 8,734,547         | \$ 8,730,000 |

The weighted average daily balance of reverse repurchase agreements outstanding during the nine months ended January 31, 2010 was \$11,096,736 at a weighted average interest rate of 0.78%. The total market value of underlying collateral (refer to the Schedule of Investments for positions segregated as collateral for reverse repurchase agreements) for open reverse repurchase agreements at January 31, 2010 was \$9,769,820.

The Fund received \$282,063 in principal value of U.S. government agency securities as collateral for reverse repurchase agreements outstanding. Collateral received as securities cannot be pledged.

**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, 2010 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.

A summary of the inputs used at January 31, 2010 in valuing the Fund's assets and liabilities is listed below:

|   | Level 1 -<br>Quoted<br>Prices | Level 2 -<br>Other Significant<br>Observable<br>Inputs | Level 3 -<br>Significant<br>Unobservable<br>Inputs | Value at<br>1/31/10 |
|---|-------------------------------|--|--|---------------------|
| <b>Investments in Securities Assets</b> |                               |  |  |                     |
| Municipal Bonds & Notes                 |                               | \$477,007,478  |  | \$477,007,478       |
| Variable Rate Notes                     |                               | 16,857,493   |  | 16,857,493          |
| Common Stock                            | \$ 5,944                      |  |  | 5,944               |
| Short-Term Investments                  |                               | 11,758,020   |  | 11,758,020          |
| <b>Total Investments</b>                | \$ 5,944                      | \$505,622,991  |  | \$505,628,935       |

In January 2010, the Financial Accounting Standards Board released ASU 2010-06, Improving Disclosures About Fair Value Measurements. ASU 2010-06 is effective for annual and interim reporting periods beginning after December 15, 2009. At this time the Fund management is in the process of reviewing ASU 2010-06 to determine future applicability.



**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 controls 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, 2010

By /s/ Lawrence G. Altadonna

Treasurer, Principal Financial & Accounting Officer

Date: March 22, 2010

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, 2010

By /s/ Lawrence G. Altadonna

Treasurer, Principal Financial & Accounting Officer

Date: March 22, 2010