

PIMCO MUNICIPAL INCOME FUND
Form N-Q
September 17, 2010

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, 2011

Date of Reporting Period: July 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 respond 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**

July 31, 2010 (unaudited)

Principal Amount (000s)		Credit Rating (Moody s/S&P)	Value*
MUNICIPAL BONDS & NOTES 95.0%			
Alabama 0.9%			
\$ 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	\$ 2,502,650
250	Huntsville-Redstone Village Special Care Facs. Financing Auth. Rev., Redstone Village Project, 5.50%, 1/1/28	NR/NR	208,835
885	5.50%, 1/1/43	NR/NR	663,874
1,350	Montgomery Medical Clinic Board Rev., Jackson Hospital & Clinic, 5.25%, 3/1/31	Baa2/BBB-	1,286,307
			4,661,666
Alaska 1.1%			
3,280	Borough of Matanuska-Susitna Rev., Goose Creek Correctional Center, 6.00%, 9/1/32 (AGC)	Aa2/AAA	3,772,328
900	Industrial Dev. & Export Auth. Rev., Boys & Girls Home, 6.00%, 12/1/36	NR/NR	523,539
2,400	Northern Tobacco Securitization Corp. Rev., 5.00%, 6/1/46, Ser. A	Baa3/NR	1,573,608
			5,869,475
Arizona 4.9%			
5,000	Apache Cnty. Industrial Dev. Auth. Rev., Tucson Electric Power Co. Project, 5.875%, 3/1/33, Ser. B	Baa3/BBB-	5,014,700
2,050	Health Facs. Auth. Rev., Banner Health, 5.50%, 1/1/38, Ser. D	NR/A+	2,112,710
2,750	Beatitudes Campus Project, 5.20%, 10/1/37	NR/NR	2,162,792
2,500	Maricopa Cnty. Pollution Control Corp. Rev., 5.00%, 6/1/35, Ser. A	A1/A	2,526,925
4,150	Pima Cnty. Industrial Dev. Auth. Rev., Tucson Electric Power Co., 6.375%, 9/1/29, Ser. A	Baa3/BBB-	4,247,857
5,000	Salt River Project Agricultural Improvement & Power Dist. Rev., 5.00%, 1/1/39, Ser. A (i)	Aa1/AA	5,262,600
4,200	Salt Verde Financial Corp. Rev., 5.00%, 12/1/37	A3/A	3,721,578
			25,049,162

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Arkansas 0.4%			
8,500	Dev. Finance Auth. Rev., Arkansas Cancer Research Center Project, zero coupon, 7/1/36 (AMBAC)	Aa2/NR	2,324,920
California 8.0%			
3,000	Chula Vista Rev., San Diego Gas & Electric, 5.875%, 2/15/34, Ser. B	Aa3/A+	3,374,220
6,000	Golden State Tobacco Securitization Corp. Rev., 5.00%, 6/1/33, Ser. A-1	Baa3/BBB	4,591,320
2,000	Health Facs. Financing Auth. Rev., Catholic Healthcare West, 6.00%, 7/1/39, Ser. A	A2/A	2,130,420
4,175	Montebello Unified School Dist., GO, 5.00%, 8/1/33 (AGM)	Aa3/AAA	4,271,610
5,000	Orange Cnty. Airport Rev., 5.25%, 7/1/39, Ser. A State, GO,	Aa3/AA-	5,146,700
300	5.00%, 6/1/37	A1/A-	293,475
4,200	6.00%, 4/1/38	A1/A-	4,534,782
1,000	Statewide Communities Dev. Auth. Rev., Catholic Healthcare West, 5.50%, 7/1/31, Ser. E	A2/A	1,031,800
2,600	Methodist Hospital Project (FHA), 6.625%, 8/1/29	Aa2/AA	3,000,712
9,500	6.75%, 2/1/38	Aa2/AA	10,899,730

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	California (continued)		
\$ 4,000	Whittier Union High School Dist., GO, zero coupon, 8/1/25	NR/AA-	\$ 1,711,400
			40,986,169
	Colorado 0.6%		
500	Confluence Metropolitan Dist. Rev., 5.45%, 12/1/34	NR/NR	353,470
450	Denver Health & Hospital Auth. Rev., 5.625%, 12/1/40	NR/BBB	447,692
500	Public Auth. for Colorado Energy Rev., 6.50%, 11/15/38	A2/A	554,290
1,500	Univ. of Colorado Rev., 5.375%, 6/1/38, Ser. A	Aa2/AA-	1,612,725
			2,968,177
	Connecticut 0.2%		
1,000	State Dev. Auth. Rev., Connecticut Light & Power Co., 5.85%, 9/1/28, Ser. A	Baa1/BBB	1,017,910
	Delaware 0.1%		
650	State Economic Dev. Auth. Rev., Delmarva Power & Light Co., 5.40%, 2/1/31	Baa2/BBB+	672,314
	District of Columbia 1.3%		
2,500	Dist. of Columbia Rev., Brookings Institution, 5.75%, 10/1/39	Aa3/A+	2,780,600
3,895	Tobacco Settlement Financing Corp. Rev., 6.25%, 5/15/24	Baa3/BBB	3,943,493
			6,724,093
	Florida 4.0%		
895	Beacon Lakes Community Dev. Dist., Special Assessment, 6.00%, 5/1/38, Ser. A	NR/NR	777,200
4,000	Broward Cnty. Water & Sewer Rev., 5.25%, 10/1/34, Ser. A (i)	Aa2/AA	4,208,280
500	Lee Cnty. Industrial Dev. Auth. Rev., Sara Lee Charter Foundation, 5.375%, 6/15/37, Ser. A	NR/BB	410,445
3,000	Miami-Dade Cnty. Airport Rev., 5.50%, 10/1/36, Ser. A	A2/A-	3,077,880
1,250	Miami-Dade Cnty. School Board, CP, 5.375%, 2/1/34, Ser. A (AGC)	Aa3/AAA	1,301,412
3,900	State Board of Education, GO, 5.00%, 6/1/38, Ser. D (i)	Aa1/AAA	4,089,735

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5,685	State Board of Governors Rev., Florida Univ., 6.50%, 7/1/33	Aa2/AA	6,515,124
			20,380,076
	Georgia 0.4%		
2,300	Medical Center Hospital Auth. Rev., Spring Harbor Green Island Project, 5.25%, 7/1/37	NR/NR	1,881,699
	Illinois 4.9%		
5,000	Chicago, GO, 5.00%, 1/1/34, Ser. C (i)	Aa2/AA-	5,092,550
10,115	Chicago Board of Education School Reform, GO, zero coupon, 12/1/31, Ser. A (FGIC-NPFGC)	Aa2/AA-	2,957,626
1,250	Chicago Motor Fuel Tax Rev., 5.00%, 1/1/38, Ser. A (AGC) Finance Auth. Rev.,	Aa3/AAA	1,273,963
1,000	Memorial Health Systems, 5.50%, 4/1/39	A1/A+	1,009,520
400	OSF Healthcare System, 7.125%, 11/15/37, Ser. A Univ. of Chicago,	A3/A	440,644
190	5.25%, 7/1/41, Ser. 05-A	Aa1/AA	193,230
10,000	5.50%, 7/1/37, Ser. B (i)	Aa1/AA	10,972,500
1,900	Springfield Electric Rev., 5.00%, 3/1/36	Aa3/AA-	1,917,822
1,495	Univ. of Illinois Rev., 5.25%, 4/1/32, Ser. B (FGIC-NPFGC)	Aa2/AA-	1,500,561
			25,358,416

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Indiana 0.7%			
	Finance Auth. Rev.,		
\$ 1,500	Duke Energy Indiana, Inc., 6.00%, 8/1/39, Ser. B	NR/A	\$ 1,630,200
1,000	United States Steel Corp., 6.00%, 12/1/26	Ba2/BB	1,032,110
1,000	Municipal Power Agcy. Rev., 6.00%, 1/1/39, Ser. B	A1/A+	1,077,870
			3,740,180
Iowa 1.7%			
	Finance Auth. Rev.,		
4,890	Deerfield Retirement Community, Inc., 5.50%, 11/15/37, Ser. A	NR/NR	3,283,782
	Edgewater LLC Project,		
3,500	6.75%, 11/15/37	NR/NR	3,344,565
1,500	6.75%, 11/15/42	NR/NR	1,408,485
1,600	Wedum Walnut Ridge LLC Project, 5.625%, 12/1/45, Ser. A (b)	NR/NR	969,440
			9,006,272
Kansas 1.5%			
1,000	Dev. Finance Auth. Rev., Adventist Health, 5.75%, 11/15/38	Aa3/AA-	1,101,880
1,000	Lenexa City, Tax Allocation, Center East Project, 6.00%, 4/1/27	NR/NR	815,970
650	Manhattan Rev., Meadowlark Hills Retirement, 5.125%, 5/15/42, Ser. B	NR/NR	513,130
5,000	Wichita Hospital Rev., Facs. Improvements, 5.625%, 11/15/31, Ser. III	NR/A+	5,108,300
			7,539,280
Kentucky 1.0%			
	Economic Dev. Finance Auth. Rev.,		
	Baptist Healthcare Systems, Ser. A,		
1,000	5.375%, 8/15/24	Aa3/NR	1,097,780
1,200	5.625%, 8/15/27	Aa3/NR	1,314,180
1,000	Owensboro Medical Healthcare Systems, 6.375%, 6/1/40, Ser. A	Baa2/NR	1,042,500
760	St. Luke s Hospital, 6.00%, 10/1/19, Ser. B	A3/A	762,789
1,000	Ohio Cnty. Pollution Control Rev., Big Rivers Electric Corp., 6.00%, 7/15/31, Ser. A	Baa1/BBB-	1,023,570
			5,240,819

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Louisiana 6.2%			
3,930	Local Gov t Environmental Facs. & Community Dev. Auth. Rev., Capital Projects & Equipment Acquisition, 6.55%, 9/1/25 (ACA)	NR/NR	3,612,535
750	Woman s Hospital Foundation, 5.875%, 10/1/40, Ser. A	A3/BBB+	751,350
27,895	Tobacco Settlement Financing Corp. Rev., 5.875%, 5/15/39, Ser. 2001-B	Baa3/BBB	27,379,500
			31,743,385
Maryland 0.3%			
1,500	Economic Dev. Corp. Rev., 5.75%, 6/1/35, Ser. B	Baa3/NR	1,540,650
Massachusetts 0.4%			
550	Dev. Finance Agcy. Rev., Linden Ponds, Inc. Fac., 5.75%, 11/15/35, Ser. A	NR/NR	399,867
1,500	State College Building Auth. Rev., 5.50%, 5/1/39, Ser. A	Aa2/AA-	1,647,090
			2,046,957

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	Michigan 2.2%		
\$ 1,000	Detroit, GO, 5.375%, 4/1/17, Ser. A-1 (NPFGC)	Baa1/A	\$ 988,380
4,550	Garden City Hospital Finance Auth. Rev., 5.00%, 8/15/38, Ser. A	NR/NR	3,055,052
	Royal Oak Hospital Finance Auth. Rev., William Beaumont Hospital,		
50	5.25%, 11/15/35, Ser. M (NPFGC)	A1/A	47,321
1,500	8.25%, 9/1/39	A1/A	1,800,660
3,260	State Hospital Finance Auth. Rev., Detroit Medical Center, 6.25%, 8/15/13, Ser. A	Ba3/BB-	3,270,562
2,000	Strategic Fund Rev., Detroit Edison Co. Pollution Control, 5.45%, 9/1/29, Ser. C	A2/A-	2,014,840
			11,176,815
	Minnesota 0.4%		
95	Agricultural & Economic Dev. Board Rev., Health Care Systems, 6.375%, 11/15/29, Ser. A	A2/A	96,320
1,500	St. Louis Park Rev., Nicollett Health Services, 5.75%, 7/1/39	NR/A	1,509,255
500	Washington Cnty. Housing & Redev. Auth. Rev., Birchwood & Woodbury Projects, 5.625%, 6/1/37, Ser. A	NR/NR	459,545
			2,065,120
	Missouri 0.2%		
1,000	Joplin Industrial Dev. Auth. Rev., Christian Homes, Inc., 5.75%, 5/15/26, Ser. F	NR/NR	949,220
	Montana 0.2%		
1,000	Forsyth Pollution Control Rev., 5.00%, 5/1/33, Ser. A	A3/A-	1,042,930
	Nevada 3.1%		
5,000	Clark Cnty., GO, 4.75%, 6/1/30 (AGM)	Aaa/AAA	4,999,700
	Washoe Cnty., Water & Sewer, GO (NPFGC),		
9,755	5.00%, 1/1/35	Aa1/AA	9,916,153
1,030	5.00%, 1/1/35 (Pre-refunded @ \$100, 1/1/16) (c)	Aa1/AA	1,214,236
			16,130,089

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New Hampshire 0.6%			
3,000	Business Finance Auth. Pollution Control Rev., Connecticut Light & Power Co., 5.85%, 12/1/22, Ser. A	Baa1/BBB	3,053,820
New Jersey 5.4%			
2,000	Economic Dev. Auth. Rev., School Facs. Construction, 5.50%, 12/15/34, Ser. Z (AGC)	Aa3/AAA	2,212,880
16,550	Economic Dev. Auth., Special Assessment, Kapkowski Road Landfill Project, 5.75%, 4/1/31	Baa3/NR	16,829,860
1,000	Health Care Facs. Financing Auth. Rev., Trinitas Hospital, 5.25%, 7/1/30, Ser. A	Baa3/BBB-	913,470
2,000	State Turnpike Auth. Rev., 5.25%, 1/1/40, Ser. E	A3/A+	2,115,440
9,100	Tobacco Settlement Financing Corp. Rev., 5.00%, 6/1/41, Ser. 1-A	Baa3/BBB	5,990,530
			28,062,180
New Mexico 1.5%			
1,000	Farmington Pollution Control Rev., 5.90%, 6/1/40, Ser. D	Baa3/BB+	1,006,570
6,400	Hospital Equipment Loan Council Rev., Presbyterian Healthcare, 5.00%, 8/1/39	Aa3/AA-	6,544,192
			7,550,762

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New York 6.8%			
\$ 7,500	Liberty Dev. Corp. Rev., Goldman Sachs Headquarters, 5.25%, 10/1/35	A1/A	\$ 7,690,200
3,000	5.50%, 10/1/37	A1/A	3,175,140
4,200	Nassau Cnty. Industrial Dev. Agcy. Rev., Amsterdam at Harborside, 6.70%, 1/1/43, Ser. A	NR/NR	4,206,930
13,000	New York City Municipal Water Finance Auth. Water & Sewer Rev., 5.00%, 6/15/26, Ser. E (i)	Aa1/AAA	13,297,050
670	5.00%, 6/15/37, Ser. D (i)	Aa1/AAA	698,113
3,000	Second Generation Resolutions, 5.00%, 6/15/39, Ser. GG-1	Aa2/AA+	3,162,330
1,000	State Dormitory Auth. Rev., 5.00%, 3/15/38, Ser. A	NR/AAA	1,060,990
1,625	Westchester Cnty. Healthcare Corp. Rev., 5.875%, 11/1/25, Ser. A	Baa1/BBB	1,625,618
			34,916,371
North Carolina 0.3%			
570	Capital Facs. Finance Agcy. Rev., Duke Univ. Project, 5.125%, 10/1/41, Ser. A	Aa1/AA+	581,508
1,500	Medical Care Commission Rev., Village at Brookwood, 5.25%, 1/1/32	NR/NR	1,098,630