

PIMCO MUNICIPAL INCOME FUND  
Form N-Q  
September 25, 2008

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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, 2009

Date of Reporting Period: July 31, 2008

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, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

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

July 31, 2008 (unaudited)

Principal

Amount (000)		Credit Rating (Moody s/S&P)	Value*
<b>MUNICIPAL BONDS &amp; NOTES 91.4%</b>			
<b>Alabama 2.7%</b>			
\$ 2,500	Birmingham Baptist Medical Centers Special Care Facs. Financing Auth. Rev., 5.875%, 11/15/24, Ser. A	Baa1/NR	\$ 2,500,200
8,000	Huntsville Health Care Auth. Rev., 5.75%, 6/1/31, Ser. A, (Pre-refunded @ \$101, 6/1/11) (c) Huntsville-Redstone Village Special Care Facs. Financing Auth. Rev.,	A2/NR	8,684,720
250	5.50%, 1/1/28	NR/NR	212,858
885	5.50%, 1/1/43	NR/NR	706,407
1,350	Montgomery Medical Clinic Board, Jackson Hospital & Clinic Rev., 5.25%, 3/1/31	Baa2/BBB-	1,181,884
1,400	Tuscaloosa Educational Building Auth. Rev., Stillman College, 5.00%, 6/1/26	NR/BBB-	1,199,926
			14,485,995
<b>Alaska 1.7%</b>			
900	Industrial Dev. & Export Auth., Boys & Girls Home Rev., 6.00%, 12/1/36 Northern Tobacco Securitization Corp. Rev.,	NR/NR	778,806
2,400	5.00%, 6/1/46, Ser. A	Baa3/NR	1,714,008
6,000	5.50%, 6/1/29, (Pre-refunded @ \$100, 6/1/11) (c)	Aaa/AAA	6,401,040
			8,893,854
<b>Arizona 1.6%</b>			
2,000	Apache Cnty. Industrial Dev. Auth. Pollution Control Rev., Tucson Electric Power Co., 5.875%, 3/1/33	Baa3/BB+	1,911,160
2,750	Health Facs. Auth. Rev., Beatitudes Project, 5.20%, 10/1/37	NR/NR	2,163,095
1,260	Pima Cnty. Industrial Dev. Auth. Rev., Tuscon Day School, 5.00%, 6/1/37	NR/BBB-	1,024,884
4,200	Salt Verde Financial Corp. Rev., 5.00%, 12/1/37	Aa3/AA-	3,515,316
			8,614,455

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**Arkansas 0.5%**

8,500	Arkansas Dev. Finance Auth. Rev., zero coupon, 7/1/36 (AMBAC)	Aaa/NR	1,859,885
	Little Rock Municipal Property Owners Multipurpose Improvement Dist., Special Tax, Ser.A,		
385	5.00%, 3/1/16	NR/NR	370,886
500	5.25%, 3/1/23	NR/NR	458,875
			2,689,646

**California 5.4%**

6,000	Golden State Tobacco Securitization Corp. Rev., Ser. A-1, 5.00%, 6/1/33	Baa3/BBB	4,681,020
10,000	6.75%, 6/1/39, (Pre-refunded @ \$100, 6/1/13) (c) State, GO,	Aaa/AAA	11,396,700
300	5.00%, 6/1/37	A1/A+	291,066
11,500	5.00%, 11/1/37, Ser. 2670 (h)	A1/A+	11,155,345
1,000	Statewide Community Dev. Auth. Rev., Catholic Healthcare West, 5.50%, 7/1/31, Ser. E	A2/A	979,190
			28,503,321

**Colorado 2.8%**

500	Confluence Metropolitan Dist. Rev., 5.45%, 12/1/34	NR/NR	422,045
2,000	Denver Health & Hospital Auth. Healthcare Rev., Ser. A (c), 5.375%, 12/1/28, (Pre-refunded @ \$101, 12/1/08)	NR/BBB	2,043,540
1,000	6.00%, 12/1/23, (Pre-refunded @ \$100, 12/1/11)	NR/BBB	1,100,460

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**PIMCO Municipal Income Fund Schedule of Investments**

July 31, 2008 (unaudited)

## Principal

Amount (000)		Credit Rating (Moody s/S&P)	Value*
	<b>Colorado (continued)</b>		
\$ 12,400	Health Facs. Auth. Rev., Liberty Heights, zero coupon, 7/15/24	Aaa/AAA	\$ 5,581,116
4,940	Northwest Parkway Public Highway Auth. Rev., 7.125%, 6/15/41, Ser. D, (Pre-refunded @ \$102, 6/15/11) (c)	NR/NR	5,583,731
			14,730,892
	<b>Connecticut 0.2%</b>		
1,000	State Dev. Auth. Pollution Control Rev., 5.85%, 9/1/28	Baa1/BBB-	1,001,730
	<b>District of Columbia 0.9%</b>		
4,600	Tobacco Settlement Financing Corp. Rev., 6.25%, 5/15/24	Baa3/BBB	4,527,044
	<b>Florida 2.3%</b>		
1,000	Beacon Lakes Community Dev. Dist., Special Assessment, 6.00%, 5/1/38, Ser. A	NR/NR	836,620
940	Dev. Finance Corp. Rev., Learning Gate Community School, 6.00%, 2/15/37	NR/BBB-	862,309
9,000	Highlands Cnty. Health Facs. Auth. Rev., Adventist/Sunbelt Health System, 6.00%, 11/15/31, Ser. A, (Pre-refunded @ \$101, 11/15/11) (c)	A1/NR	9,989,640
500	Lee Cnty. Industrial Dev. Auth. Rev., 5.375%, 6/15/37, Ser. A	NR/BB	400,440
			12,089,009
	<b>Georgia 0.3%</b>		
2,300	Medical Center Hospital Auth. Rev., 5.25%, 7/1/37	NR/NR	1,836,872
	<b>Illinois 11.3%</b>		
10,115	Chicago Board of Education School Reform, GO, zero coupon, 12/1/31, Ser. A (FGIC)	A1/AA-	2,802,361
2,935	Chicago, GO, Ser. A (FGIC), 5.375%, 1/1/34	Aaa/AA-	2,959,126
4,145	5.375%, 1/1/34, (Pre-refunded @ \$101, 1/1/09) (c)	Aaa/AA-	4,248,749
190	Educational Facs. Auth. Rev., Univ. of Chicago, 5.25%, 7/1/41	Aa1/AA	192,732

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4,810	5.25%, 7/1/41, (Pre-refunded @ \$101, 7/1/11) (c) Finance Auth. Rev., Adventist Health System, (Pre-refunded @ \$101, 11/15/09) (c),	Aa1/AA	5,186,596
5,000	5.50%, 11/15/29	A1/NR	5,272,200
1,260	5.65%, 11/15/24	A1/NR	1,330,963
1,000	Fairview, 6.25%, 8/15/35, Ser. A	NR/NR	917,410
3,800	Monarch Landing, Inc., 7.00%, 12/1/37, Ser. A Health Fac. Auth. Rev.,	NR/NR	3,689,154
3,000	Decatur Memorial Hospital, 5.75%, 10/1/24	A2/A	3,062,070
5,425	Silver Cross Hospital, 5.50%, 8/15/25, (Pre-refunded @ \$101, 8/15/09) (c) Hillside, Tax Allocation, Mannheim Redev. Project,	NR/A	5,692,019
1,770	6.55%, 1/1/20	NR/NR	1,743,379
1,140	7.00%, 1/1/28 Lake Cnty. Community High School Dist., GO, Ser. B (FGIC),	NR/NR	1,113,928
5,000	zero coupon, 2/1/19	Baa3/AA-	3,018,450
5,000	zero coupon, 2/1/20	Baa3/AA-	2,831,850
5,690	zero coupon, 2/1/22	Baa3/AA-	2,835,725
7,345	Regional Transportation Auth. Rev., 5.50%, 6/1/23, Ser. B (FGIC)	Aa2/AA+	8,007,813

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July 31, 2008 (unaudited)

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Amount (000)		Credit Rating (Moody s/S&P)	Value*
	<b>Illinois (continued)</b>		
\$ 1,495	Univ. Rev. (FGIC), 5.25%, 4/1/32	Aa3/AA-	\$ 1,503,716
3,505	5.25%, 4/1/32, (Pre-refunded @ \$100, 4/1/11) (c)	Aa3/AA-	3,735,208
			60,143,449
	<b>Indiana 0.7%</b>		
500	Anderson Rev., 5.00%, 10/1/32	NR/NR	435,460
4,000	Health & Educational Facs. Financing Auth. Rev., Community Foundation of Northwest Indiana, 5.50%, 3/1/37	NR/BBB-	3,441,920
			3,877,380
	<b>Iowa 1.9%</b>		
4,890	Finance Auth. Rev., Deerfield Retirement Community, Inc., 5.50%, 11/15/37	NR/NR	3,498,159
3,500	Edgewater LLC, 6.75%, 11/15/37	NR/NR	3,320,520
1,500	6.75%, 11/15/42	NR/NR	1,410,720
2,000	Finance Auth. Rev., Wedum Walnut Ridge LLC, 5.625%, 12/1/45, Ser. A	NR/NR	1,632,600
			9,861,999
	<b>Kansas 4.1%</b>		
500	Lenexa Rev., 5.50%, 5/15/39	NR/BBB-	433,645
1,000	Lenexa, City Center East Tax Allocation, 6.00%, 4/1/27	NR/NR	936,060
650	Manhattan Rev., 5.125%, 5/15/42	NR/NR	509,360
5,000	Wichita Hospital Rev., 5.625%, 11/15/31, Ser. III	NR/A+	5,015,500
14,370	6.25%, 11/15/24, Ser. XI	NR/A+	14,775,521
			21,670,086
	<b>Kentucky 0.2%</b>		
860		A3/A	865,100

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Economic Dev. Finance Auth. Rev.,  
St. Luke's Hospital, 6.00%, 10/1/19, Ser. B

<b>Louisiana 5.4%</b>			
4,300	Local Gov't Environmental Facs. & Community Dev. Auth. Rev., 6.55%, 9/1/25 (ACA)	NR/NR	4,063,758
27,895	Tobacco Settlement Financing Corp. Rev., 5.875%, 5/15/39, Ser. 2001-B	Baa3/BBB	24,420,678
			28,484,436
<b>Maryland 0.2%</b>			
1,150	Baltimore Water Project Rev., 5.125%, 7/1/42, Ser. A (FGIC)	A2/A+	1,127,288
<b>Massachusetts 0.1%</b>			
550	Dev. Finance Agcy. Rev., Linden Ponds, 5.75%, 11/15/35, Ser. A	NR/NR	479,325
<b>Michigan 2.3%</b>			
1,000	Detroit, GO, 5.375%, 4/1/17, Ser. A-1 (MBIA)	Aaa/AAA	1,047,280
775	East Lansing Economic Corp., Burcham Hills Rev., 5.25%, 7/1/37	NR/NR	635,570
4,550	Garden City Hospital Finance Auth. Rev., 5.00%, 8/15/38, Ser. A	NR/NR	3,304,210
775	Public Educational Facs. Auth. Rev., 5.00%, 9/1/22	NR/BBB-	708,900
50	Royal Oak Hospital Finance Auth. Rev., William Beaumont Hospital, 5.25%, 11/15/35, Ser. M (MBIA)	Aaa/AAA	50,354
460	Star International Academy, CP, 6.125%, 3/1/37	NR/BB+	408,977

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July 31, 2008 (unaudited)

Principal

Amount (000)		Credit Rating (Moody s/S&P)	Value*
	<b>Michigan (continued)</b>		
\$ 4,000	State Hospital Finance Auth. Rev., Detroit Medical Center, 6.25%, 8/15/13	Ba3/BB-	\$ 4,012,840
2,000	Strategic Fund Ltd. Obligation Rev., Detroit Edison Pollution Control Co., 5.45%, 9/1/29	A3/A-	1,882,320
			12,050,451
	<b>Minnesota 0.4%</b>		
95	Agricultural & Economic Dev. Board Rev., Health Care System, 6.375%, 11/15/29	A2/A	98,350
1,070	North Oaks Presbyterian Homes Rev., 6.00%, 10/1/33	NR/NR	1,024,450
620	6.125%, 10/1/39	NR/NR	597,035
100	Rochester Healthcare Housing Rev., 5.30%, 4/1/37, Ser. A	NR/NR	84,482
500	Washington Cnty. Housing & Redev. Auth. Rev., 5.625%, 6/1/37, Ser. A	NR/NR	448,050
			2,252,367
	<b>Missouri 0.3%</b>		
750	Branson Regional Airport Transportation Dev. Dist. Rev., 6.00%, 7/1/37, Ser. A	NR/NR	642,720
1,000	Joplin Industrial Dev. Auth. Rev., 5.75%, 5/15/26, Ser. F	NR/NR	938,520
			1,581,240
	<b>Nevada 2.3%</b>		
12,185	Washoe Cnty., GO, 5.00%, 1/1/35 (MBIA)(h)	NR/AAA	12,191,945
	<b>New Hampshire 0.6%</b>		
3,000	Business Finance Auth. Pollution Control Rev., Conn. Light & Power Co., 5.85%, 12/1/22	Baa1/BBB-	3,034,950
	<b>New Jersey 4.9%</b>		
	Economic Dev. Auth. Rev.,		



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2,510	Arbor Glen, 5.875%, 5/15/16	NR/NR	2,535,627
450	5.875%, 5/15/16, Ser. A, (Pre-refunded @ \$102, 5/15/09) (c)	NR/NR	473,616
16,550	Kapkowski Road Landfill, Special Assessment, 5.75%, 4/1/31	Baa3/NR	15,672,519
1,000	Health Care Facs. Financing Auth. Rev., Trinitas Hospital, 5.25%, 7/1/30, Ser. A	Baa3/BBB-	833,610
9,100	Tobacco Settlement Financing Corp. Rev., 5.00%, 6/1/41, Ser. 1A (h)	Baa3/BBB	6,459,089
			25,974,461
	<b>New Mexico 0.5%</b>		
2,500	Farmington Pollution Control Rev., 5.80%, 4/1/22	Baa3/BB+	2,451,325
	<b>New York 1.5%</b>		
4,200	Nassau Cnty. Industrial Dev. Agcy. Rev., Amsterdam at Harborside, 6.70%, 1/1/43, Ser. A	NR/NR	4,138,554
1,120	New York City Municipal Water Finance Auth., 5.00%, 6/15/37, Ser. D (h)	Aa2/AA+	1,126,395
2,875	Westchester Cnty. Healthcare Corp. Rev., 5.875%, 11/1/25, Ser. A	Baa3/BBB-	2,866,979
			8,131,928

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**PIMCO Municipal Income Fund Schedule of Investments**

July 31, 2008 (unaudited)

## Principal

Amount (000)		Credit Rating (Moody s/S&P)	Value*
<b>North Carolina 0.8%</b>			
\$ 570	Capital Facs. Finance Agcy., Duke Univ. Rev., Ser. A, 5.125%, 10/1/41	Aa1/AA+	\$ 574,497
2,430	5.125%, 10/1/41, (Pre-refunded @ \$100, 10/1/11) (c)	Aaa/AAA	2,610,063
1,500	Medical Care Commission Rev., Village at Brookwood, 5.25%, 1/1/32	NR/NR	1,221,960
			4,406,520
<b>North Dakota 1.0%</b>			
5,400	Stark Cnty. Healthcare Rev., Benedictine Living Communities, 6.75%, 1/1/33	NR/NR	5,092,578
<b>Ohio 2.7%</b>			
11,000	Buckeye Tobacco Settlement Financing Auth. Rev., 5.875%, 6/1/47, Ser. A-2	Baa3/BBB	8,887,010
2,500	Lorain Cnty. Hospital Rev., Catholic Healthcare, 5.625%, 10/1/17	A1/AA-	2,604,950
2,565	5.75%, 10/1/18	A1/AA-	2,685,093
			14,177,053
<b>Pennsylvania 5.2%</b>			
8,600	Allegheny Cnty. Hospital Dev. Auth. Rev., 5.375%, 11/15/40, Ser. A	Ba2/BB	6,693,982
5,780	9.25%, 11/15/30, Ser. B, (Pre-refunded @ \$102, 11/15/10) (c)	Ba3/AAA	6,750,289
1,000	Allegheny Cnty. Industrial Dev. Auth. Rev., 5.60%, 9/1/30	Baa1/BBB+	945,530
500	Cumberland Cnty. Auth., Retirement Community Rev., Messiah Village, 5.625%, 7/1/28, Ser. A	NR/BBB-	463,045
2,575	Delaware Cnty. Auth. College Rev., Neumann College, 5.80%, 10/1/17	NR/BBB	2,664,610
2,000	Harrisburg Auth. Rev., 6.00%, 9/1/36	NR/NR	1,907,460
6,200	Higher Educational Facs. Auth. Rev., Ser. A, 6.00%, 1/15/31	Aa3/AA-	6,480,178
1,000	LaSalle Univ., 5.00%, 5/1/37	NR/BBB	889,190
750	Lancaster Cnty. Hospital Auth. Rev., Ser. A, 6.25%, 7/1/26	NR/NR	735,705
85	6.375%, 7/1/30	NR/NR	82,507

			27,612,496
	<b>Puerto Rico 0.7%</b>		
135	Commonwealth of Puerto Rico, GO, 5.00%, 7/1/35	Baa3/BBB-	123,972
	Sales Tax Financing Corp. Rev., Ser. A,		
32,550	zero coupon, 8/1/54 (AMBAC)	Aaa/AAA	2,225,118
29,200	zero coupon, 8/1/56	A1/A+	1,625,564
			3,974,654
	<b>Rhode Island 4.0%</b>		
23,800	Tobacco Settlement Financing Corp. Rev., 6.25%, 6/1/42, Ser. A	Baa3/BBB	21,481,880
	<b>South Carolina 5.0%</b>		
	Greenwood Cnty. Hospital Rev., Self Memorial Hospital,		
3,500	5.50%, 10/1/21	A2/A	3,561,495
2,000	5.50%, 10/1/26	A2/A	2,013,640
	Jobs Economic Dev. Auth. Rev.,		
3,000	Georgetown Memorial Hospital, 5.375%, 2/1/30 (Radian)	NR/AA	2,923,530

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**PIMCO Municipal Income Fund Schedule of Investments**

July 31, 2008 (unaudited)

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Amount (000)		Credit Rating (Moody s/S&P)	Value*
	<b>South Carolina (continued)</b>		
\$ 450	Lutheran Homes, 5.50%, 5/1/28	NR/NR	\$ 391,743
15,600	Tobacco Settlement Rev. Management Auth. Rev., 6.375%, 5/15/30, Ser. B	Baa3/BBB	17,378,088
			26,268,496
	<b>Tennessee 0.7%</b>		
940	Memphis Health Educational & Housing Fac. Rev., Wesley Housing Corp. Project, 6.95%, 1/1/20 (a)(b)	NR/NR	470,000
3,500	Sumner Cnty. Health Educational & Housing Facs. Board, 5.50%, 11/1/37	NR/NR	3,153,395
			3,623,395
	<b>Texas 8.7%</b>		
1,750	Austin Convention Enterprises, Inc. Rev., 5.75%, 1/1/32, Ser. B, (Pre-refunded @ \$100, 1/1/11) (c)	Aaa/NR	1,874,722
4,000	Austin Rev., 5.25%, 5/15/31, Ser. A & B, (Partially pre-refunded @ \$100, 5/15/11) (FSA)(c)	Aaa/AAA	4,061,560
2,935	Bell Cnty. Health Fac. Dev. Corp. Rev., 5.25%, 11/15/19, (Pre-refunded @ \$101, 11/15/08) (c)	NR/AAA	2,990,589
10,000	Coppell Independent School Dist., GO, zero coupon, 8/15/29 (PSF-GTD)	Aaa/AAA	3,208,400
20	Duncanville Independent School Dist., GO, Ser. B (PSF-GTD), 5.25%, 2/15/32	Aaa/AAA	20,321
3,660	5.25%, 2/15/32, (Pre-refunded @ \$100, 2/15/12) (c)	Aaa/AAA	3,951,519
5,000	Harris Cnty. Health Facs. Dev. Corp. Rev. (c), Christus Health, 5.375%, 7/1/29, Ser. A, (Pre-refunded @ \$101, 7/1/09) (MBIA)	Aaa/AAA	5,210,350
7,000	Memorial Hermann Healthcare, 6.375%, 6/1/29, (Pre-refunded @ \$101, 6/1/11)	A2/A	7,706,720
285	Mansfield Independent School Dist., GO, 5.25%, 2/15/23 (PSF-GTD)	Aaa/AAA	292,171
8,800	North Texas Tollway Auth. Rev., 5.625%, 1/1/33, Ser. A	A2/A-	8,793,664
400	State Public Finance Auth. Rev., 5.875%, 12/1/36, Ser. A	Baa3/BBB-	373,148
19,990	State Turnpike Auth. Central Turnpike System Rev., zero coupon, 8/15/25, Ser. A (AMBAC)	Aaa/AAA	7,676,960

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			46,160,124
	<b>Utah 1.5%</b>		
7,000	Salt Lake Cnty. Hospital Rev., IHC Health Services, 5.125%, 2/15/33 (AMBAC)	Aaa/AAA	7,338,660
600	Utah Cnty. Lincoln Academy Charter School Rev., GO, 5.875%, 6/15/37, Ser. A (d)	NR/NR	541,308
			7,879,968
	<b>Virginia 0.3%</b>		
2,000	Peninsula Town Center Community Dev. Auth. Rev., 6.45%, 9/1/37	NR/NR	1,831,720
	<b>Washington 2.0%</b>		
2,000	Health Care Facs. Auth. Rev., Virginia Mason Medical Center, 6.125%, 8/15/37, Ser. A	Baa2/BBB	1,887,200
5,420	King Cnty. School Dist. No. 1 Seattle, GO, 5.25%, 12/1/21, Ser. A (MBIA)	Aaa/AAA	5,587,641
	State Housing Finance Commission Rev., Skyline at First Hill, Ser. A,		
275	5.25%, 1/1/17	NR/NR	266,277
3,600	5.625%, 1/1/38	NR/NR	3,113,532
			10,854,650

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July 31, 2008 (unaudited)

Principal		Credit	
Amount		Rating	Value*
(000)		(Moody s/S&P)	
	<b>Wisconsin 3.7%</b>		
	Badger Tobacco Asset Securitization Corp. Rev.,		
\$ 5,000	5.75%, 6/1/12	Baa3/BBB	\$ 5,111,150
9,785	6.00%, 6/1/17	Baa3/BBB	9,813,768
	Health & Educational Facs. Auth. Rev.,		
2,250	Divine Savior Heathcare Rev., 5.00%, 5/1/32	NR/BBB	1,911,577
2,230	Kenosha Hospital & Medical Center, 5.625%, 5/15/29	NR/A	2,217,623
550	Milwaukee Redev. Auth. Rev., 5.65%, 8/1/37, Ser. A	NR/NR	477,186
			19,531,304
	Total Municipal Bonds & Notes (cost \$493,055,247)		484,445,386
	<b>VARIABLE RATE NOTES (a)(d)(f) 3.7%</b>		
	<b>Hawaii 0.3%</b>		
1,388	Honolulu City & Cnty. Wastewater System Rev.,		
	First Board Resolution, 0.13%, 7/1/23, Ser. 400 (FGIC)(e)	A1/NR	1,456,154
	<b>Illinois 0.6%</b>		
2,902	Cook Cnty., GO, 14.84%, 11/15/28, Ser. 458 (FGIC)(e)	Aa2/NR	2,994,451
	<b>New York 1.7%</b>		
	New York City Municipal Water Finance Auth., Water & Sewer		
	System Rev.,		
6,000	9.799%, 6/15/39	Aa2/NR	6,137,040
2,600	13.743%, 6/15/26 (e)	NR/AA+	2,733,770
			8,870,810
	<b>Texas 0.8%</b>		
3,595	Harris Cnty. Health Facs. Dev. Corp. Rev.,		
	18.52%, 7/1/29, Ser. 357 (MBIA)(e)	Aaa/NR	4,351,208
	<b>Washington 0.3%</b>		
1,800	Seattle, GO, 17.27%, 12/15/28, Ser. 348 (e)	Aa1/NR	1,916,190

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Total Variable Rate Notes (cost \$17,832,107) 19,588,813

**VARIABLE RATE DEMAND NOTES (f)(g) 4.9%**

**Illinois 1.9%**

8,000	Chicago Sales Tax Rev., 1.35%, 8/1/08	VMIG1/A-1+	8,000,000
2,000	Finance Auth. Rev., Elmhurst Memorial Healthcare, 1.35%, 8/1/08, Ser. B	VMIG1/NR	2,000,000
			10,000,000

**Massachusetts 0.7%**

4,000	Health & Educational Facs. Auth. Rev., Museum, 1.30%, 8/1/08, Ser. A	VMIG1/A-1+	4,000,000
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**Missouri 0.8%**

4,100	State Health & Educational Facilities Auth. Rev., 2.07%, 8/1/08, Ser. C	VMIG1/A-1+	4,100,000
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**New York 1.5%**

8,000	New York City, GO, 1.20%, 8/1/08, Ser. J	VMIG1/A-1+	8,000,000
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Total Variable Rate Demand Notes (cost \$26,100,000) 26,100,000

**Total Investments (cost \$536,987,354) 100.0%** **\$ 530,134,199**

**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 pricing services. Portfolio securities and other financial instruments for which market quotations are not readily available or if a development/event occurs that may significantly impact the value of a security are fair-valued, in good faith, pursuant to 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, are valued at the last quoted bid price for those securities for which the over-the-counter market is the primary market or for listed securities in which there were no sales. Prices obtained by independent pricing services use information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics. Exchange traded options and futures are valued at the settlement price determined by the relevant exchange. Short-term 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. The Fund's net asset value is normally 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 \$20,058,813, representing 3.78% of total investments.
- (b) Security in default.
- (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 Security Security exempt from registration, under Rule 144A of the Securities Act of 1933. These

securities may be resold in transactions exempt from registration, typically only to qualified institutional buyers. Unless otherwise indicated, these securities are not considered to be illiquid.

- (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 July 31, 2008.
- (f) Variable Rate Notes Instruments whose interest rates change on specified date (such as a coupon date or interest payment date) and/or whose interest rates vary with changes in a designated base rate (such as the prime interest rate). The interest rate disclosed reflects the rate in effect on July 31, 2008.
- (g) Maturity date shown is date of next put.
- (h) Residual Interest Bonds held in trust Securities represent underlying bonds transferred to

a separate securitization trust established in a tender option bond transaction in which the Fund acquired the residual interest certificates. These securities serve as collateral in a financing transaction.

**Glossary:**

ACA insured by American Capital Access Holding Ltd.

AMBAC insured by American Municipal Bond Assurance Corp.

CP Certificates of Participation

FGIC insured by Financial Guaranty Insurance Co.

FSA insured by Financial Security Assurance, Inc.

GO General Obligation Bond

GTD Guaranteed

MBIA insured by Municipal Bond Investors Assurance

NR Not Rated

PSF Public School Fund

Radian insured by Radian Guaranty, Inc.

**Other Investments:**

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

Type	Contracts	Market Value (000)	Expiration Date	Unrealized Depreciation
Short: U.S. Treasury Bond Futures	(689)	\$(79,580)	9/19/08	\$(432,939)

The Fund pledged \$1,577,400, in cash as collateral for futures contracts.

(2) Transactions in options written for the three months ended July 31, 2008:

	Contracts	Premiums
Options outstanding, April 30, 2008	276	\$ 225,464
Options terminated in closing transactions	(276)	(225,464)
Options outstanding, July 31, 2008		\$

**Fair Value Measurements** Effective May 1, 2008, the Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements ( FAS 157 ). This standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value and requires additional disclosures about the use of the fair value measurements. The three levels of the fair value hierarchy under FAS 157 are described below:

Level 1 quoted prices in active markets for identical investments

Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

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

The valuation techniques used by the Fund to measure fair value during the three months ended July 31, 2008 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 is a summary of the inputs used as of July 31, 2008 in valuing the Fund's investments carried at value:

<b>Valuation Inputs</b>	<b>Investments in Securities</b>	<b>Other Financial Instruments</b>
Level 1 - Quoted Prices	\$	\$ (432,939)
Level 2 - Other Significant Observable Inputs	530,134,199	
Level 3 - Significant Unobservable Inputs		
<b>Total</b>	<b>\$530,134,199</b>	<b>\$ (432,939)</b>

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**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.

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**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: September 25, 2008

By /s/ Lawrence G. Altadonna

Treasurer, Principal Financial & Accounting Officer

Date: September 25, 2008

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By /s/ Brian S. Shlissel

President & Chief Executive Officer

Date: September 25, 2008

By /s/ Lawrence G. Altadonna

Treasurer, Principal Financial & Accounting Officer

Date September 25, 2008