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PIMCO CALIFORNIA MUNICIPAL INCOME FUND II
Form N-CSR
August 09, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT
INVESTMENT COMPANIES

Investment Company Act file number 811-21077

PIMCO California Municipal Income Fund II

(Exact name of registrant as specified in charter)

1345 Avenue of the Americas, New York, New York 10105

(Address of principal executive offices) (Zip code)

Lawrence G. Altadonna - 1345 Avenue of the Americas, New York, New York 10105

(Name and address of agent for service)

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

Date of fiscal year end: May 31, 2005

Date of reporting period: May 31, 2005

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR 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 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. ss. 3507.

ITEM 1. REPORT TO SHAREHOLDERS

PIMCO Municipal Income Fund II
PIMCO California Municipal Income Fund II
PIMCO New York Municipal Income Fund II

Annual Report
May 31, 2005

Contents

Letter to Shareholders	1
Performance & Statistics	2-4
Schedules of Investments	5-24
Statements of Assets and Liabilities	26
Statements of Operations	27
Statements of Changes in Net Assets	28-29
Notes to Financial Statements	30-38
Financial Highlights	39-41
Report of Independent Registered Public Accounting Firm	42
Privacy Policy, Proxy Voting Policies & Procedures, Other Information	43
Tax Information	44
Dividend Reinvestment Plan	45
Board of Trustees	46

PIMCO Municipal Income Funds II Letter to Shareholders

July 19, 2005

Dear Shareholder:

We are pleased to provide you with the annual report of PIMCO Municipal Income Fund II, PIMCO California Municipal Income Fund II, and PIMCO New York Municipal Income Fund II (PIMCO Municipal Income Funds II or the Funds) for the year ended May 31, 2005.

Please refer to the following pages for specific information for each of the PIMCO Municipal Income Funds II. If you have any questions regarding the information provided, we encourage you to contact your financial advisor or call the Funds transfer agent at 1-800-331-1710. Also note that a wide range of information and resources can be accessed through our Web site, www.allianzinvestors.com.

Together with Allianz Global Investors Fund Management LLC (formerly, PA Fund Management LLC), the Funds investment manager and Pacific Investment Management Co. LLC, the Funds sub-adviser, we thank you for investing with us.

We remain dedicated to serving your investment needs.

Sincerely,

Robert E. Connor
Chairman

Brian S. Shlissel
President & Chief Executive Officer

PIMCO Municipal Income Fund II Performance & Statistics

May 31, 2005 (unaudited)

Symbol:

PML

Primary Investments:

Municipal fixed-income securities, the interest from which is exempt from federal income tax.

Inception Date:

June 28, 2002

Objective:

To provide income exempt from federal income tax.

Total Net Assets⁽¹⁾:

\$1,367.3 million

Portfolio Manager:

Mark McCray

Total Return⁽²⁾:

	Market Price	Net Asset Value (NAV)
Six Months	10.16%	6.29%
1 Year	21.00%	13.38%
Commencement of Operations (6/28/02) to 5/31/05	7.21%	8.36%

Common Share Market Price/NAV Performance:

Commencement of Operations (6/28/02) to 5/31/05

Market Price/NAV:

Market Price	\$15.02
NAV	\$14.81
Premium to NAV	1.42%
Market Price Yield ⁽³⁾	6.74%

Moody's Ratings (as a % of total investments)

(1) Inclusive of net assets attributable to Preferred Shares outstanding.

(2) **Past performance is no guarantee of future results.** Total return is calculated by subtracting the value of an investment in the Fund at the beginning of each specified period from the value at the end of the period and dividing the remainder by the value of the investment at the beginning of the period and expressing the result as a percentage. The calculation assumes that all income dividends and capital gain distributions have been reinvested at prices obtained under the Fund's dividend reinvestment plan. Total return does not reflect broker commissions or sales charges. Total return for a period of greater than one year represents the average annual total return. Total return for a period of less than one year is not annualized.

An investment in the Fund involves risk, including the loss of principal. Total return, price, yield and net asset value will fluctuate with changes in market conditions. This data is provided for information only and is not intended for trading purposes. A portion

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of the income generated by the Fund may be subject to federal, state and local taxes, and may at times be subject to the alternative minimum tax. Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. Net asset value is total assets applicable to common shareholders less total liabilities divided by the number of common shares outstanding. Holdings are subject to change daily.

(3) Market Price Yield is determined by dividing the annualized current monthly per share dividend payable to common shareholders by the market price per common share at May 31, 2005.

2 PIMCO Municipal Income Funds II Annual Report | 5.31.05

PIMCO California Municipal Income Fund II Performance & Statistics

May 31, 2005 (unaudited)

Symbol:

PCK

Primary Investments:

Municipal fixed-income securities, the interest from which is exempt from federal and California State income tax.

Inception Date:

June 28, 2002

Objective:

To provide income exempt from federal and California State income tax.

Total Net Assets ⁽¹⁾:

\$701.6 million

Portfolio Manager:

Mark McCray

Total Return⁽²⁾:

	Market Price	Net Asset Value (NAV)
Six Months	9.51%	7.39%
1 Year	19.14%	15.68%
Commencement of Operations (6/28/02) to 5/31/05	6.22%	7.50%

Common Share Market Price/NAV Performance:

Commencement of Operations (6/28/02) to 5/31/05

Market Price/NAV:

Market Price	\$14.76
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NAV	\$14.61
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Premium to NAV	1.03%
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Market Price Yield ⁽³⁾	6.61%
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Moody's Ratings (as a % of total investments)

(1) Inclusive of net assets attributable to Preferred Shares outstanding.

(2) **Past performance is no guarantee of future results.** Total return is calculated by subtracting the value of an investment in the Fund at the beginning of each specified period from the value at the end of the period and dividing the remainder by the value of the investment at the beginning of the period and expressing the result as a percentage. The calculation assumes that all income dividends have been reinvested at prices obtained under the Fund's dividend reinvestment plan. Total return does not reflect broker commissions or sales charges. Total return for a period of greater than one year represents the average annual total return. Total return for a period of less than one year is not annualized.

An investment in the Fund involves risk, including the loss of principal. Total return, price, yield and net asset value will fluctuate with changes in market conditions. This data is provided for information only and is not intended for trading purposes. A portion of the income generated by the Fund may be subject to federal, state and local taxes, and may at times be subject to the alternative minimum tax. Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public

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offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. Net asset value is total assets applicable to common shareholders less total liabilities divided by the number of common shares outstanding. Holdings are subject to change daily.

(3) Market Price Yield is determined by dividing the annualized current monthly per share dividend payable to common shareholders by the market price per common share at May 31, 2005.

5.31.05 | PIMCO Municipal Income Funds II Annual Report **3**

PIMCO New York Municipal Income Fund II Performance & Statistics

May 31, 2005 (unaudited)

Symbol:

PNI

Primary Investments:

Municipal fixed-income securities, the interest from which is exempt from federal, New York State and New York City income tax.

Inception Date:

June 28, 2002

Objective:

Seeks to provide current income exempt from federal, New York State and New York City income tax.

Total Net Assets ⁽¹⁾:

\$242.8 million

Portfolio Manager:

Mark McCray

Total Return⁽²⁾:

	Market Price	Net Asset Value (NAV)
Six Months	7.03%	8.47%
1 Year	21.45%	15.69%
Commencement of Operations (6/28/02) to 5/31/05	6.29%	7.51%

Common Share Market Price/NAV Performance:

Commencement of Operations (6/28/02) to 5/31/05

Market Price/NAV:

Market Price	\$14.80
NAV	\$14.62
Premium to NAV	1.23%
Market Price Yield ⁽³⁾	6.59%

Moody's Ratings (as a % of total investments)

(1) Inclusive of net assets attributable to Preferred Shares outstanding.

(2) **Past performance is no guarantee of future results.** Total return is calculated by subtracting the value of an investment in the Fund at the beginning of each specified period from the value at the end of the period and dividing the remainder by the value of the investment at the beginning of the period and expressing the result as a percentage. The calculation assumes that all income dividends have been reinvested at prices obtained under the Fund's dividend reinvestment plan. Total return does not reflect broker commissions or sales charges. Total return for a period of greater than one year represents the average annual total return. Total return for a period of less than one year is not annualized.

An investment in the Fund involves risk, including the loss of principal. Investment return, price, yield and net asset value will fluctuate with changes in market conditions. This data is provided for information only and is not intended for trading purposes. A portion of the income generated by the Fund may be subject to federal, state and local taxes, and may at times be subject to the alternative minimum tax. Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public

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offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. Net asset value is total assets applicable to common shareholders less total liabilities divided by the number of common shares outstanding. Holdings are subject to change daily.

(3) Market Price Yield is determined by dividing the annualized current monthly per share dividend payable to common shareholders by the market price per common share at May 31, 2005.

4 PIMCO Municipal Income Funds II Annual Report | 5.31.05

PIMCO Municipal Income Fund II Schedule of Investments

May 31, 2005

Principal Amount (000)		Credit Rating (Moody[s/S&P])*	Value
MUNICIPAL BONDS & NOTES 88.9%			
Alabama 2.3%			
	Birmingham Waterworks & Sewer Board Rev.,		
\$ 1,145	5.00%, 1/1/27, Ser. B (MBIA)	Aaa/AAA	\$ 1,204,643
10,000	5.00%, 1/1/37, Ser. B (MBIA)	Aaa/AAA	10,441,700
1,750	Huntsville Health Care Auth. Rev., 5.75%, 6/1/32, Ser. B	A2/NR	1,892,835
16,580	Jefferson Cnty. Sewer Rev., 4.75%, 2/1/38, Ser. B (FGIC) (Pre-refunded @ \$100, 8/1/12) (a)	Aaa/AAA	18,101,547
			<u>31,640,725</u>
Alaska 0.3%			
3,550	State Housing Finance Corp. Rev., 5.25%, 6/1/32, Ser. C (MBIA)	Aaa/AAA	<u>3,621,355</u>
Arizona 0.1%			
1,300	Health Fac. Auth. Hospital System Rev., 5.75%, 12/1/32	NR/BBB	<u>1,379,729</u>
California 4.1%			
9,610	Alameda Corridor Transportation Auth. Rev., zero coupon, 10/1/16, Ser. A (AMBAC)	Aaa/AAA	5,968,002
	Golden State Tobacco Securitization Corp., Tobacco Settlement Rev.,		
3,300	6.25%, 6/1/33, Ser. 2003-A-1	Baa3/BBB	3,491,136
9,000	6.75%, 6/1/39, Ser. 2003-A-1	Baa3/BBB	9,810,900
1,000	Rancho Cucamonga Community Facs. Dist. Special Tax, 6.30%, 9/1/23, Ser. A	NR/NR	1,039,900
4,000	Southern California Public Power Auth., Transmission Project Rev., zero coupon, 7/1/13	Aa3/A+	2,934,880
28,775	State Economic Recovery, GO, 5.00%, 7/1/11, Ser. A (MBIA)	Aaa/AAA	<u>31,681,275</u>
			<u>54,926,093</u>
Colorado 5.1%			
30,000	Dawson Ridge Dist. No. 1, GO, zero coupon, 10/1/22, Ser. A	Aaa/NR	13,413,000
5,000	Denver City & Cnty., CP, 5.50%, 12/1/25, Ser. B (AMBAC) (Pre-refunded @ \$101, 12/1/10) (a)	Aaa/AAA	5,638,800
25,000	Health Fac. Auth. Rev., Catholic Health Initiatives, 5.50%, 3/1/32	Aa2/AA	27,490,500
18,305	Health Fac. Auth. Rev., Exempla, Inc., 5.625%, 1/1/33, Ser. A	A1/A-	19,337,402
6,500	Health Fac. Auth., Retirement Fac. Rev., Liberty Height, zero coupon, 7/15/22	Aaa/AAA	2,934,750

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			68,814,452
	District of Columbia 1.3%		
17,500	Washington DC Convention Center Auth. Tax Rev., 4.75%, 10/1/28, (AMBAC)	Aaa/AAA	17,697,400
	Florida 3.2%		
8,000	Highlands Cnty. Health Fac. Auth. Rev., 6.00%, 11/15/31, Ser. A	A2/A	8,772,240
2,335	Hillsborough Cnty. Industrial Dev. Auth., Pollution Control Rev., Tampa Electric Co. Project, 5.50%, 10/1/23	Baa2/BBB-	2,428,960

PIMCO Municipal Income Fund II Schedule of Investments

May 31, 2005

Principal Amount (000)		Credit Rating (Moody□s/S&P)*	Value
Florida□(continued)			
\$ 635	Hillsborough Cnty. Industrial Dev. Rev., Health Fac. Project, 5.625%, 8/15/23, Ser. A	Baa2/BBB	\$ 659,987
7,135	Jacksonville Health Facs. Auth. Rev., 5.25%, 11/15/32, Ser. A	Aa2/AA	7,543,479
11,500	Lakeland Hospital System Rev., Regional Health System, 5.50%, 11/15/32	A1/NR	12,317,305
3,000	Leesburg Hospital Rev., Leesburg Regional Medical Center Project, 5.50%, 7/1/32	A3/A-	3,137,460
2,550	Orange Cnty. Health Fac. Auth. Rev., Adventist Health System, 5.625%, 11/15/32	A2/A	2,748,110
5,000	6.25%, 11/15/24	A2/A	5,670,300
1,500	Winter Springs Water & Sewer Rev., zero coupon, 10/1/29 (FGIC)	Aaa/AAA	479,880
			43,757,721
Georgia□0.8%			
4,000	Atlanta Water & Wastewater Rev., 5.00%, 11/1/39, Ser. A (MBIA)	Aaa/AAA	4,160,880
1,500	Grantor Trust Govt, CP, 4.75%, 6/1/28, Ser. A (MBIA)	Aaa/AAA	1,616,265
9,600	Richmond Cnty. Dev. Auth. Rev., zero coupon, 12/1/21	Aaa/NR	4,475,904
			10,253,049
Hawaii□1.4%			
19,170	Honolulu City & Cnty. Wastewater System Rev., First Board Resolution, 4.75%, 7/1/28 (FGIC)	Aaa/NR	19,646,950
Illinois□19.2%			
3,610	Central Lake Cnty. Water Agency Rev., 5.125%, 5/1/28, Ser. A (AMBAC)	Aaa/NR	3,834,831
8,150	5.125%, 5/1/32, Ser. A (AMBAC)	Aaa/NR	8,593,686
15,535	Chicago Board of Education School Reform, GO, zero coupon, 12/1/16, Ser. A (FGIC)	Aaa/AAA	9,483,651
5,000	zero coupon, 12/1/28, Ser. A (FGIC)	Aaa/AAA	1,614,400
4,500	zero coupon, 12/1/31 (FGIC)	Aaa/AAA	1,235,115
32,670	Chicago City Colleges, GO, zero coupon, 1/1/37 (FGIC)	Aaa/AAA	6,975,372
29,145	zero coupon, 1/1/38 (FGIC)	Aaa/AAA	5,888,164
32,670	zero coupon, 1/1/39 (FGIC)	Aaa/AAA	6,284,074
7,000	Chicago Midway Airport Rev., 5.00%, 1/1/31, Ser. B (MBIA)	Aaa/AAA	7,232,540
	Chicago, GO,		

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5,110	5.00%, 1/1/33 (AMBAC)	Aaa/AAA	5,352,981
5,050	5.125%, 1/1/29, Ser. A (FGIC)	Aaa/AAA	5,329,770
	Chicago, Lake Shore East, Special Assessment,		
3,162	6.625%, 12/1/22	NR/NR	3,346,851
6,700	6.75%, 12/1/32	NR/NR	7,119,487
5,000	Cicero, GO, 5.25%, 12/1/31 (MBIA)	Aaa/AAA	5,377,850
	Dev. Finance Auth. Retirement Housing Rev.,		
10,000	zero coupon, 7/15/23	NR/AAA	4,287,200
134,650	zero coupon, 7/15/25	NR/AAA	52,061,076

PIMCO Municipal Income Fund II Schedule of Investments

May 31, 2005

Principal Amount (000)		Credit Rating (Moody's/S&P)*	Value
Illinois (continued)			
\$ 20,100	Health Facs. Auth. Rev., Elmurst Memorial Healthcare, 5.625%, 1/1/28	A2/NR	\$ 21,365,094
1,000	McHenry & Kane Cnty. Community Consolidated School Dist. 158, GO, zero coupon, 1/1/12 (FGIC)	Aaa/AAA	779,150
60,000	Metropolitan Pier & Exposition Auth. Rev., zero coupon, 12/15/30 (MBIA)	Aaa/AAA	18,141,000
50,000	zero coupon, 12/15/33 (MBIA)	Aaa/AAA	13,026,000
2,460	zero coupon, 6/15/38 (MBIA)	Aaa/AAA	511,729
4,500	Schaumburg, GO, 5.00%, 12/1/41, Ser. B (FGIC)	Aaa/AAA	4,725,540
68,470	State Sports Facs. Auth. Rev., zero coupon, 6/15/30 (AMBAC)	Aaa/AAA	57,062,898
10,000	State, GO, 5.00%, 3/1/34, Ser. A	Aa3/AA	10,475,400
			<u>260,103,859</u>
Indiana 0.6%			
1,000	Brownsburg 1999 School Building Corp. Rev., 5.00%, 9/15/25, Ser. A (FSA)	Aaa/AAA	1,058,290
2,000	5.25%, 3/15/25, Ser. A (FSA)	Aaa/AAA	2,173,200
4,125	Fort Wayne Pollution Control Rev., 6.20%, 10/15/25	Baa3/BB	3,999,518
500	State Bank Rev., 5.25%, 4/1/30, Ser. D (AMBAC)	Aaa/AAA	532,075
			<u>7,763,083</u>
Iowa 0.6%			
8,850	Tobacco Settlement Auth. Rev., 5.60%, 6/1/35, Ser. B	Baa3/BBB	8,607,068
Kansas 0.2%			
2,800	Univ. of Kansas, Hospital Auth. Health Facs. Rev., 5.625%, 9/1/32	NR/A-	2,971,360
Kentucky 0.9%			
2,500	Economic Dev. Finance Auth. Hospital Facs. Rev., 5.25%, 10/1/30	A1/AA-	2,618,950
8,210	6.00%, 10/1/19	A3/A	9,151,933
			<u>11,770,883</u>
Louisiana 4.3%			
20,400	Public Facs. Auth. Rev., Ochsner Clinic Foundation, 5.50%, 5/15/32, Ser. B	A3/NR	21,485,484
36,395	Tobacco Settlement Financing Corp. Rev., 5.875%, 5/15/39, Ser. 2001 B	Baa3/BBB	36,754,947

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			58,240,431
Maryland 0.1%			
1,000	State Health & Higher Educational Fac. Auth. Rev., Adventist Healthcare, 5.75%, 1/1/25, Ser. A	Baa1/NR	1,074,610
Massachusetts 3.1%			
1,300	Bay Transportation Auth. Rev., 4.75%, 3/1/21, Ser. A (MBIA)	Aaa/AAA	1,338,740
5,560	State College Building Auth. Project Rev., 5.50%, 5/1/28, Ser. B (XLCA)	Aaa/AAA	6,508,036
7,645	5.50%, 5/1/33, Ser. B (XLCA)	Aaa/AAA	8,975,001
5,000	5.50%, 5/1/39, Ser. B (XLCA)	Aaa/AAA	5,954,050

PIMCO Municipal Income Fund II Schedule of Investments

May 31, 2005

Principal Amount (000)		Credit Rating (Moody's/S&P)*	Value
Massachusetts (continued)			
\$ 4,295	State Turnpike Auth. Rev., 4.75%, 1/1/34, Ser. A (AMBAC)	Aaa/AAA	\$ 4,365,481
2,300	State Water Res. Auth. Rev., 4.75%, 12/1/21, Ser. B (MBIA)	Aaa/AAA	2,341,653
12,050	4.75%, 8/1/37, Ser. A (FSA)	Aaa/AAA	12,172,548
			41,655,509
Michigan 2.6%			
8,500	Detroit City School Dist., GO, 5.00%, 5/1/32, Ser. A (FGIC)	Aaa/AAA	8,918,370
1,750	5.125%, 5/1/31, Ser. A (FSA)	Aaa/AAA	1,846,162
2,500	Detroit Water Supply System Rev., 5.00%, 7/1/30, Ser. A (FGIC)	Aaa/AAA	2,600,775
5,000	State Hospital Finance Auth. Rev., Ascension Health, 5.25%, 11/15/26, Ser. B	Aa2/AA	5,268,250
13,500	State Hospital Finance Auth. Rev., Oakwood Obligation Group, 5.75%, 4/1/32, Ser. A	A2/A	14,391,135
1,925	6.00%, 4/1/22, Ser. A	A2/A	2,124,276
			35,148,968
Mississippi 0.3%			
3,605	Business Finance Corp., Pollution Control Rev., 5.875%, 4/1/22	Ba1 /BBB-	3,666,393
1,000	Dev Bank Special Obligation, Projects & Equipment Acquisitions Rev., 5.00%, 7/1/24 (AMBAC)	Aaa/AAA	1,129,660
			4,796,053
Missouri 0.1%			
1,500	St. Louis Parking Facs. Rev., Downtown Parking Facility, 6.00%, 2/1/28	NR/NR	1,557,300
Nevada 1.8%			
3,400	Clark Cnty., GO, 5.00%, 6/1/31, (FGIC)	Aaa/AAA	3,539,162
3,960	Reno Transportation Project Rev., 5.125%, 6/1/27 (AMBAC)	Aaa/AAA	4,189,838
2,000	5.125%, 6/1/32 (AMBAC)	Aaa/AAA	2,107,400
3,500	5.125%, 6/1/37 (AMBAC)	Aaa/AAA	3,683,610
7,570	5.25%, 6/1/41 (AMBAC)	Aaa/AAA	7,967,728
3,290	Truckee Meadows Water Auth. Rev., 5.125%, 7/1/30, Ser. A (FSA)	Aaa/AAA	3,467,890

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24,955,628

New Hampshire 0.2%

3,000	Health & Education Fac. Auth. Hospital Rev., 6.125%, 7/1/32	Baa1/BBB+	3,157,800
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New Jersey 2.6%

20	Camden Cnty. Improvement Auth. Rev., Cooper Health, 5.875%, 2/15/15	Baa3/BBB	20,949
40	6.00%, 2/15/27		