

SANDERS COREY IAN
Form 4
November 16, 2018

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
SANDERS COREY IAN

(Last) (First) (Middle)

3600 LAS VEGAS BLVD., S.

(Street)

LAS VEGAS, NV 89109

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

MGM Resorts International [MGM]

3. Date of Earliest Transaction (Month/Day/Year)

11/14/2018

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
X Officer (give title below) ___ Other (specify below)

CHIEF OPERATING OFFICER

6. Individual or Joint/Group Filing(Check Applicable Line)

X Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock \$.01 Par Value ND	11/14/2018		M		7,724	A	\$ 0
Common Stock \$.01 Par Value ND	11/14/2018		F		3,041	D	\$ 25.94
Common Stock \$.01 Par Value ND					11,474	I	By CIS Trust

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares
Restricted Stock Units	(1)	11/14/2018		M	7,724	11/14/2018 11/14/2021	Common Stock \$.01 Par Value ND	7,724

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SANDERS COREY IAN 3600 LAS VEGAS BLVD., S. LAS VEGAS, NV 89109			CHIEF OPERATING OFFICER	

Signatures

/s/ Andrew Hagopian III,
Attorney-In-Fact
Date: 11/16/2018

**Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- Restricted Stock Units ("RSUs") granted under the MGM Resorts International ("MGM Resorts") Amended and Restated 2005 Omnibus (1) Incentive Plan. Each RSU represents the right to receive, following vesting, one share of MGM Resorts common stock. Any fractional shares were paid in cash upon settlement.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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36 PIMCO CLOSED-END FUNDS

See Accompanying Notes

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December 31, 2015

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Metropolitan Transportation Authority, New York Revenue Bonds, Series 2011		
5.000% due 11/15/2036	\$ 3,880	\$ 4,401
Metropolitan Transportation Authority, New York Revenue Bonds, Series 2015		
5.250% due 11/15/2029	5,500	6,771
Nassau County, New York Industrial Development Agency Revenue Bonds, Series 2014		
2.000% due 01/01/2049 ^	298	36
6.700% due 01/01/2049	825	818
New York City, New York Water & Sewer System Revenue Bonds, Series 2007		
4.750% due 06/15/2035 (c)	4,000	4,190
New York City, New York Water & Sewer System Revenue Bonds, Series 2009		
5.000% due 06/15/2039	2,000	2,242
New York Liberty Development Corp. Revenue Bonds, Series 2005		
5.250% due 10/01/2035 (c)	11,505	13,806
New York Liberty Development Corp. Revenue Bonds, Series 2010		
5.125% due 01/15/2044	1,000	1,107
5.625% due 07/15/2047	2,500	2,822
6.375% due 07/15/2049	1,250	1,412
New York Liberty Development Corp. Revenue Bonds, Series 2011		
5.000% due 12/15/2041	10,000	11,278
5.750% due 11/15/2051	54,000	62,899
New York Liberty Development Corp. Revenue Bonds, Series 2014		
5.000% due 11/15/2044	2,000	2,066
New York State Dormitory Authority Revenue Bonds, Series 2010		
5.500% due 07/01/2040	1,750	2,008
		153,474
NORTH CAROLINA 0.1%		
North Carolina Medical Care Commission Revenue Bonds, Series 2006		
5.100% due 10/01/2030	550	560
NORTH DAKOTA 0.5%		
Stark County, North Dakota Revenue Bonds, Series 2007		
6.750% due 01/01/2033	3,710	3,837
OHIO 8.5%		
Buckeye Tobacco Settlement Financing Authority, Ohio Revenue Bonds, Series 2007		
5.125% due 06/01/2024	6,000	5,400
5.875% due 06/01/2047	23,100	19,996
6.500% due 06/01/2047	19,400	18,011
Hamilton County, Ohio Sales Tax Revenue Bonds, Series 2011		
5.000% due 12/01/2030	3,900	4,337
Ohio State Revenue Bonds, Series 2009		
5.500% due 01/01/2039	3,000	3,380
Ohio State Turnpike Commission Revenue Bonds, Series 2013		
5.000% due 02/15/2048	10,000	11,089
Ohio State Water Development Authority Revenue Bonds, Series 2005		
4.000% due 01/01/2034	2,500	2,616
		64,829
OREGON 0.3%		
Clackamas County, Oregon Hospital Facility Authority Revenue Bonds, Series 2009		

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	1,000 PRINCIPAL AMOUNT (000S)	1,126 MARKET VALUE (000S)
5.500% due 07/15/2035		
Oregon Department of Administrative Services State Certificates of Participation Bonds, Series 2009		
5.250% due 05/01/2039	\$ 1,155	\$ 1,275
		2,401
PENNSYLVANIA 9.9%		
Berks County, Pennsylvania Municipal Authority Revenue Bonds, Series 2012		
5.000% due 11/01/2044	7,500	8,141
Capital Region Water, Pennsylvania Revenue Bonds, Series 2007		
6.000% due 09/01/2036 ^	3,190	2,416
Cumberland County, Pennsylvania Municipal Authority Revenue Bonds, Series 2008		
5.625% due 07/01/2028	1,000	1,067
6.000% due 07/01/2035	670	715
Luzerne County, Pennsylvania Industrial Development Authority Revenue Bonds, Series 2009		
5.500% due 12/01/2039	500	564
Montgomery County Industrial Development Authority, Pennsylvania Revenue Bonds, (FHA Insured), Series 2010		
5.375% due 08/01/2038	8,465	9,986
Pennsylvania Higher Educational Facilities Authority Revenue Bonds, Series 2010		
5.000% due 03/01/2040	400	435
6.000% due 07/01/2043	850	891
Pennsylvania Turnpike Commission Revenue Bonds, Series 2013		
5.000% due 12/01/2043	10,000	11,196
Pennsylvania Turnpike Commission Revenue Bonds, Series 2015		
5.000% due 12/01/2040	4,000	4,527
Philadelphia Authority for Industrial Development, Pennsylvania Revenue Bonds, Series 2015		
5.000% due 04/01/2045	5,500	6,174
Philadelphia Hospitals & Higher Education Facilities Authority, Pennsylvania Revenue Bonds, Series 2012		
5.625% due 07/01/2036	1,000	1,086
5.625% due 07/01/2042	7,000	7,537
Philadelphia, Pennsylvania General Obligation Bonds, (AGM Insured), Series 2008		
5.250% due 12/15/2032	17,000	18,576
Philadelphia, Pennsylvania Water & Wastewater Revenue Bonds, Series 2009		
5.250% due 01/01/2036	500	544
Westmoreland County Industrial Development Authority, Pennsylvania Revenue Bonds, Series 2010		
5.125% due 07/01/2030	1,000	1,123
		74,978
RHODE ISLAND 2.9%		
Tobacco Settlement Financing Corp., Rhode Island Revenue Bonds, Series 2015		
5.000% due 06/01/2050	21,450	21,819
SOUTH CAROLINA 1.6%		
Greenwood County, South Carolina Revenue Bonds, Series 2009		
5.375% due 10/01/2039	1,000	1,113
South Carolina State Public Service Authority Revenue Bonds, Series 2013		
5.500% due 12/01/2053	10,000	11,303
		12,416
TENNESSEE 1.8%		
Claiborne County, Tennessee Industrial Development Board Revenue Bonds, Series 2009		
6.625% due 10/01/2039	1,750	1,951
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Johnson City Health & Educational Facilities Board, Tennessee Revenue Bonds, Series 2010		
6.000% due 07/01/2038	\$ 1,000	\$ 1,130
Sullivan County, Tennessee Health Educational & Housing Facilities Board Revenue Bonds, Series 2006		
5.250% due 09/01/2036	500	512
Tennessee Energy Acquisition Corp. Revenue Bonds, Series 2006		
5.000% due 02/01/2023	3,000	3,487
5.000% due 02/01/2027	6,000	6,976

14,056

TEXAS 18.0%

Austin Trust, Texas General Obligation Bonds, Series 2007		
4.750% due 04/01/2036 (c)	17,500	17,685
Dallas, Texas Revenue Bonds, (AGC Insured), Series 2009		
5.250% due 08/15/2038	2,500	2,771
Grand Parkway Transportation Corp., Texas Revenue Bonds, Series 2013		
5.000% due 04/01/2053	21,000	23,192
Harris County, Texas Cultural Education Facilities Finance Corp. Revenue Bonds, Series 2009		
5.250% due 10/01/2029	3,750	4,293
5.500% due 10/01/2039	12,700	14,366
HFDC of Central Texas, Inc. Revenue Bonds, Series 2006		
5.500% due 02/15/2037	700	738
North Harris County, Texas Regional Water Authority Revenue Bonds, Series 2008		
5.250% due 12/15/2033	10,300	11,351
5.500% due 12/15/2038	10,300	11,406
North Texas Tollway Authority Revenue Bonds, Series 2008		
5.625% due 01/01/2033	5,000	5,431
5.750% due 01/01/2033	1,200	1,313
North Texas Tollway Authority Revenue Bonds, Series 2011		
5.000% due 01/01/2038	5,750	6,207
5.500% due 09/01/2041	1,300	1,522
San Juan Higher Education Finance Authority, Texas Revenue Bonds, Series 2010		
6.700% due 08/15/2040	250	290
Tarrant County, Texas Cultural Education Facilities Finance Corp. Revenue Bonds, Series 2009		
6.250% due 11/15/2029	3,000	3,428
Texas Municipal Gas Acquisition & Supply Corp. Revenue Bonds, Series 2008		
6.250% due 12/15/2026	19,380	23,911
Texas State General Obligation Bonds, Series 2008		
4.750% due 04/01/2037	975	1,058
Texas State General Obligation Bonds, Series 2010		
9.023% due 04/01/2037 (d)	4,880	5,560
Texas State Public Finance Authority Charter School Finance Corp. Revenue Bonds, Series 2007		
5.875% due 12/01/2036	1,000	1,065
Wise County, Texas Revenue Bonds, Series 2011		
8.000% due 08/15/2034	1,000	1,161
		136,748

VIRGINIA 0.3%

Fairfax County, Virginia Industrial Development Authority Revenue Bonds, Series 2009		
5.500% due 05/15/2035	1,000	1,131

See Accompanying Notes

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Table of Contents**Schedule of Investments PIMCO Municipal Income Fund II (Cont.)**

December 31, 2015

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
James City County, Virginia Economic Development Authority Revenue Bonds, Series 2013		
2.000% due 10/01/2048 ^	\$ 412	\$ 21
6.000% due 06/01/2043	1,273	1,201
		2,353
WASHINGTON 2.2%		
Washington Health Care Facilities Authority Revenue Bonds, (AGC Insured), Series 2008		
6.000% due 08/15/2039	1,300	1,521
Washington Health Care Facilities Authority Revenue Bonds, Series 2007		
6.125% due 08/15/2037	13,000	13,840
Washington Health Care Facilities Authority Revenue Bonds, Series 2009		
7.375% due 03/01/2038	1,000	1,193
		16,554
WEST VIRGINIA 0.6%		
West Virginia Economic Development Authority Revenue Bonds, Series 2010		
5.375% due 12/01/2038	2,000	2,223
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
West Virginia Hospital Finance Authority Revenue Bonds, Series 2011		
9.125% due 10/01/2041	\$ 1,910	\$ 2,048
		4,271
WISCONSIN 0.2%		
Wisconsin Health & Educational Facilities Authority Revenue Bonds, Series 2009		
6.625% due 02/15/2039	1,000	1,166
Total Municipal Bonds & Notes		1,150,876
(Cost \$1,035,446)		
SHORT-TERM INSTRUMENTS 2.7%		
SHORT-TERM NOTES 2.7%		
Federal Home Loan Bank		
0.142% due 01/22/2016	100	100
0.157% due 01/26/2016	2,300	2,300
0.162% due 01/29/2016	3,100	3,099
0.167% due 01/14/2016	100	100
0.254% due 01/27/2016	1,500	1,500
0.314% due 01/28/2016	2,400	2,400
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
0.330% due 02/26/2016	\$ 9,100	\$ 9,097
0.385% due 02/01/2016	400	400
Freddie Mac		

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0.178% due 01/25/2016	1,500	1,500
		20,496
Total Short-Term Instruments (Cost \$20,494)		20,496
Total Investments in Securities (Cost \$1,055,940)		1,171,372
Total Investments 154.1% (Cost \$1,055,940)	\$	1,171,372
Preferred Shares (48.3%)		(367,000)
Other Assets and Liabilities, net (5.8%)		(44,160)
Net Assets Applicable to Common Shareholders 100.0%	\$	760,212

NOTES TO SCHEDULE OF INVESTMENTS (AMOUNTS IN THOUSANDS*):

* A zero balance may reflect actual amounts rounding to less than one thousand.

^ Security is in default.

(a) When-issued security.

(b) Security becomes interest bearing at a future date.

(c) Represents an underlying municipal bond transferred to a tender option bond trust established in a tender option bond transaction in which the Fund sold, or caused the sale of, the underlying municipal bond and purchased the residual interest certificate. The security serves as collateral in a financing transaction. See Note 5(b) in the Notes to Financial Statements for more information.

(d) Represents an investment in a tender option bond residual interest certificate purchased in a secondary market transaction. The interest rate shown bears an inverse relationship to the interest rate on a tender option bond floating rate certificate. The interest rate disclosed reflects the rate in effect on December 31, 2015.

FAIR VALUE MEASUREMENTS

The following is a summary of the fair valuations according to the inputs used as of December 31, 2015 in valuing the Fund's assets and liabilities:

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 12/31/2015
Investments in Securities, at Value				
Municipal Bonds & Notes				
Alabama	\$ 0	\$ 41,690	\$ 0	\$ 41,690
Arizona	0	97,073	0	97,073
California	0	147,687	0	147,687
Colorado	0	16,875	0	16,875
Connecticut	0	2,542	0	2,542
Florida	0	45,145	0	45,145
Georgia	0	30,040	0	30,040
Illinois	0	93,788	0	93,788
Indiana	0	20,060	0	20,060
Iowa	0	27,789	0	27,789
Kansas	0	1,424	0	1,424
Kentucky	0	1,144	0	1,144
Louisiana	0	8,409	0	8,409
Maryland	0	8,599	0	8,599
Massachusetts	0	9,750	0	9,750
Michigan	0	5,103	0	5,103
Minnesota	0	3,225	0	3,225

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Mississippi	0	41	0	41
Missouri	0	11,436	0	11,436
Nevada	0	10,143	0	10,143

Category and Subcategory				Fair
	Level 1	Level 2	Level 3	Value at 12/31/2015
New Hampshire	\$ 0	\$ 2,215	\$ 0	\$ 2,215
New Jersey	0	55,027	0	55,027
New Mexico	0	2,209	0	2,209
New York	0	153,474	0	153,474
North Carolina	0	560	0	560
North Dakota	0	3,837	0	3,837
Ohio	0	64,829	0	64,829
Oregon	0	2,401	0	2,401
Pennsylvania	0	74,978	0	74,978
Rhode Island	0	21,819	0	21,819
South Carolina	0	12,416	0	12,416
Tennessee	0	14,056	0	14,056
Texas	0	136,748	0	136,748
Virginia	0	2,353	0	2,353
Washington	0	16,554	0	16,554
West Virginia	0	4,271	0	4,271
Wisconsin	0	1,166	0	1,166
Short-Term Instruments				
Short-Term Notes	0	20,496	0	20,496
Total Investments	\$ 0	\$ 1,171,372	\$ 0	\$ 1,171,372

There were no significant transfers between Levels 1, 2, or 3 during the period ended December 31, 2015.

38 PIMCO CLOSED-END FUNDS

See Accompanying Notes

Table of Contents**Schedule of Investments PIMCO Municipal Income Fund III**

December 31, 2015

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
INVESTMENTS IN SECURITIES 160.3%		
MUNICIPAL BONDS & NOTES 157.0%		
ALABAMA 15.6%		
Alabama Docks Department State Revenue Bonds, Series 2010		
6.000% due 10/01/2040	\$ 1,000	\$ 1,163
Birmingham, Alabama Special Care Facilities Financing Authority Revenue Bonds, (AGC Insured), Series 2009		
6.000% due 06/01/2039	500	577
Jefferson County, Alabama Sewer Revenue Bonds, Series 2013		
0.000% due 10/01/2050 (c)	53,000	37,306
6.500% due 10/01/2053	15,000	17,559
		56,605
ARIZONA 10.4%		
Arizona Health Facilities Authority Revenue Bonds, Series 2007		
5.200% due 10/01/2037	2,250	2,243
Arizona Health Facilities Authority Revenue Bonds, Series 2008		
5.000% due 01/01/2035	1,250	1,324
5.500% due 01/01/2038	900	965
Industrial Development Authority of the County, Arizona of Pima Revenue Bonds, Series 2008		
5.000% due 09/01/2039 (d)	13,000	13,800
Industrial Development Authority of the County, Arizona of Pima Revenue Bonds, Series 2010		
5.250% due 10/01/2040	750	823
Salt River Project Agricultural Improvement & Power District, Arizona Revenue Bonds, Series 2009		
5.000% due 01/01/2039 (d)	5,000	5,477
Salt Verde Financial Corp., Arizona Revenue Bonds, Series 2007		
5.000% due 12/01/2037	11,600	13,245
		37,877
CALIFORNIA 26.4%		
Bay Area Toll Authority, California Revenue Bonds, Series 2008		
5.000% due 04/01/2034	500	546
Bay Area Toll Authority, California Revenue Bonds, Series 2010		
5.000% due 10/01/2029	1,500	1,717
5.000% due 10/01/2042	3,260	3,603
Bay Area Toll Authority, California Revenue Bonds, Series 2013		
5.250% due 04/01/2053	12,000	13,585
California Health Facilities Financing Authority Revenue Bonds, (IBC/NPFGC Insured), Series 2007		
5.000% due 11/15/2042	600	619
California Health Facilities Financing Authority Revenue Bonds, Series 2009		
6.000% due 07/01/2039	2,500	2,866
California Health Facilities Financing Authority Revenue Bonds, Series 2011		
6.000% due 08/15/2042	1,500	1,792
California Health Facilities Financing Authority Revenue Bonds, Series 2013		
5.000% due 08/15/2052	2,015	2,235
California Municipal Finance Authority Revenue Bonds, Series 2011		
7.750% due 04/01/2031	1,385	1,741
California State General Obligation Bonds, Series 2007		
5.000% due 06/01/2037	5,000	5,271
5.000% due 12/01/2037	5,300	5,688

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	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
California State General Obligation Bonds, Series 2008		
5.250% due 03/01/2038	\$ 1,350	\$ 1,465
California State General Obligation Bonds, Series 2009		
5.750% due 04/01/2031	2,500	2,874
6.000% due 04/01/2038	5,000	5,780
California State General Obligation Bonds, Series 2010		
5.250% due 11/01/2040	1,300	1,519
5.500% due 03/01/2040	3,200	3,706
California Statewide Communities Development Authority Revenue Bonds, (FHA Insured), Series 2009		
6.625% due 08/01/2029	2,580	3,081
6.750% due 02/01/2038	9,200	11,025
California Statewide Communities Development Authority Revenue Bonds, Series 2007		
5.750% due 11/01/2017	880	924
California Statewide Communities Development Authority Revenue Bonds, Series 2010		
6.250% due 10/01/2039	1,000	1,125
California Statewide Communities Development Authority Revenue Bonds, Series 2011		
5.000% due 12/01/2041	3,000	3,317
Golden State, California Tobacco Securitization Corp. Revenue Bonds, Series 2007		
5.125% due 06/01/2047	3,600	3,125
5.750% due 06/01/2047	1,120	1,052
Indian Wells Redevelopment Agency, California Tax Allocation Bonds, (AMBAC Insured), Series 2006		
4.750% due 09/01/2034	3,350	3,423
Los Angeles Community College District, California General Obligation Bonds, Series 2009		
14.018% due 08/01/2033 (e)	1,675	2,177
M-S-R Energy Authority, California Revenue Bonds, Series 2009		
6.500% due 11/01/2039	2,000	2,810
Palomar Health, California Certificates of Participation Bonds, Series 2009		
6.750% due 11/01/2039	1,250	1,384
San Marcos Unified School District, California General Obligation Bonds, Series 2011		
5.000% due 08/01/2038	1,600	1,774
Tobacco Securitization Authority of Southern California Revenue Bonds, Series 2006		
5.000% due 06/01/2037	6,200	5,776
		96,000
COLORADO 0.9%		
Colorado Health Facilities Authority Revenue Bonds, Series 2010		
5.000% due 01/01/2040	2,000	2,175
Public Authority for Colorado Energy Revenue Bonds, Series 2008		
6.500% due 11/15/2038	500	674
Regional Transportation District, Colorado Revenue Bonds, Series 2010		
6.000% due 01/15/2034	500	563
		3,412
CONNECTICUT 0.4%		
Harbor Point Infrastructure Improvement District, Connecticut Tax Allocation Bonds, Series 2010		
7.875% due 04/01/2039	1,250	1,451
DISTRICT OF COLUMBIA 3.0%		
District of Columbia Water & Sewer Authority Revenue Bonds, Series 2009		
5.500% due 10/01/2039 (d)	10,000	11,065
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
FLORIDA 6.5%		
Brevard County, Florida Health Facilities Authority Revenue Bonds, Series 2005		
5.000% due 04/01/2034	\$ 3,480	\$ 3,519
Broward County, Florida Airport System Revenue Bonds, Series 2009		
5.375% due 10/01/2029	500	567
Broward County, Florida Water & Sewer Utility Revenue Bonds, Series 2009		
5.250% due 10/01/2034 (d)	4,500	5,020
Cape Coral, Florida Water & Sewer Revenue Bonds, (AGM Insured), Series 2011		

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5.000% due 10/01/2041	3,000	3,346
Florida Development Finance Corp. Revenue Notes, Series 2011		
6.500% due 06/15/2021	285	313
Florida State General Obligation Bonds, Series 2009		
5.000% due 06/01/2038 (d)	4,200	4,556
Greater Orlando Aviation Authority, Florida Revenue Bonds, Series 2010		
9.539% due 10/01/2039 (e)	5,000	6,231
		23,552
GEORGIA 3.5%		
Fulton County, Georgia Residential Care Facilities for the Elderly Authority Revenue Bonds, Series 2006		
5.125% due 07/01/2042	1,750	1,754
Medical Center Hospital Authority, Georgia Revenue Bonds, Series 2007		
5.250% due 07/01/2037	400	403
Municipal Electric Authority of Georgia Revenue Bonds, Series 2015		
5.000% due 07/01/2060	10,000	10,735
		12,892
HAWAII 0.5%		
Hawaii Pacific Health Revenue Bonds, Series 2010		
5.500% due 07/01/2040	1,500	1,668
ILLINOIS 8.2%		
Chicago, Illinois General Obligation Bonds, Series 2007		
5.500% due 01/01/2035	2,400	2,532
5.500% due 01/01/2042	1,000	1,041
Chicago, Illinois General Obligation Bonds, Series 2015		
5.375% due 01/01/2029	7,200	7,678
5.500% due 01/01/2034	2,500	2,647
Chicago, Illinois Revenue Bonds, Series 2002		
5.000% due 01/01/2027	1,750	1,896
Illinois Finance Authority Revenue Bonds, Series 2007		
5.875% due 03/01/2027 ^	1,000	250
6.000% due 03/01/2037 ^	625	156
Illinois Finance Authority Revenue Bonds, Series 2009		
5.500% due 07/01/2037 (d)	5,000	5,543
7.125% due 11/15/2037	400	480
Illinois Finance Authority Revenue Bonds, Series 2010		
6.000% due 08/15/2038	1,000	1,097
Illinois State Toll Highway Authority Revenue Bonds, Series 2008		
5.500% due 01/01/2033	5,000	5,451
Metropolitan Pier & Exposition Authority, Illinois Revenue Bonds, Series 2015		
5.000% due 06/15/2052	1,000	1,048
		29,819

See Accompanying Notes

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Table of Contents**Schedule of Investments PIMCO Municipal Income Fund III (Cont.)**

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
INDIANA 3.8%		
Indiana Municipal Power Agency Revenue Bonds, Series 2016		
5.000% due 01/01/2042 (a)	\$ 8,000	\$ 9,195
Portage, Indiana Tax Allocation Bonds, Series 2006		
5.000% due 07/15/2023	1,000	1,024
5.000% due 01/15/2027	775	794
Vigo County, Indiana Hospital Authority Revenue Bonds, Series 2011		
7.500% due 09/01/2022	2,535	2,971
		13,984
IOWA 1.0%		
Iowa Finance Authority Revenue Bonds, Series 2013		
5.250% due 12/01/2025	3,000	3,267
Iowa Finance Authority Revenue Bonds, Series 2014		
2.000% due 05/15/2056 ^	76	0
2.700% due 11/15/2046 ^	403	336
		3,603
KENTUCKY 0.6%		
Kentucky Economic Development Finance Authority Revenue Bonds, Series 2010		
6.375% due 06/01/2040	2,000	2,288
LOUISIANA 2.1%		
Louisiana Local Government Environmental Facilities & Community Development Authority Revenue Bonds, Series 2010		
5.875% due 10/01/2040	1,500	1,744
6.000% due 10/01/2044	1,000	1,166
6.500% due 11/01/2035	400	474
Louisiana Public Facilities Authority Revenue Bonds, Series 2007		
5.500% due 05/15/2047	1,700	1,778
Louisiana Public Facilities Authority Revenue Bonds, Series 2011		
6.500% due 05/15/2037	2,000	2,386
		7,548
MARYLAND 0.8%		
Maryland Economic Development Corp. Revenue Bonds, Series 2010		
5.750% due 06/01/2035	1,000	1,095
Maryland Health & Higher Educational Facilities Authority Revenue Bonds, Series 2010		
6.250% due 01/01/2041	700	776
Maryland Health & Higher Educational Facilities Authority Revenue Bonds, Series 2011		
6.000% due 07/01/2041	1,000	1,179
		3,050
MASSACHUSETTS 2.1%		
Massachusetts Development Finance Agency Revenue Bonds, Series 2010		
7.625% due 10/15/2037	285	312
Massachusetts Development Finance Agency Revenue Bonds, Series 2011		
0.000% due 11/15/2056 (b)	140	1
6.250% due 11/15/2039	529	507
Massachusetts Housing Finance Agency Revenue Bonds, Series 2003		
5.125% due 06/01/2043	4,910	4,911

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	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Massachusetts State College Building Authority Revenue Bonds, Series 2009		
5.500% due 05/01/2039	\$ 1,600	\$ 1,818
		7,549
MICHIGAN 0.9%		
Detroit, Michigan General Obligation Bonds, Series 2010		
5.250% due 11/01/2035	1,500	1,584
Royal Oak Hospital Finance Authority, Michigan Revenue Bonds, Series 2009		
8.250% due 09/01/2039	1,500	1,784
		3,368
MISSOURI 0.2%		
Jennings, Missouri Revenue Bonds, Series 2006		
5.000% due 11/01/2023	245	242
Manchester, Missouri Tax Allocation Bonds, Series 2010		
6.875% due 11/01/2039	500	516
		758
NEW HAMPSHIRE 0.6%		
New Hampshire Business Finance Authority Revenue Bonds, Series 2009		
6.125% due 10/01/2039	2,000	2,215
NEW JERSEY 5.9%		
New Jersey Economic Development Authority Special Assessment Bonds, Series 2002		
6.500% due 04/01/2028	4,500	5,519
New Jersey Health Care Facilities Financing Authority Revenue Bonds, Series 2007		
5.750% due 07/01/2037	1,000	1,035
New Jersey Health Care Facilities Financing Authority Revenue Bonds, Series 2013		
5.500% due 07/01/2043	2,000	2,301
New Jersey Transportation Trust Fund Authority Revenue Bonds, Series 2015		
5.250% due 06/15/2041	500	538
Tobacco Settlement Financing Corp., New Jersey Revenue Bonds, Series 2007		
4.750% due 06/01/2034	1,600	1,312
5.000% due 06/01/2041	12,745	10,588
		21,293
NEW MEXICO 0.3%		
Farmington, New Mexico Revenue Bonds, Series 2010		
5.900% due 06/01/2040	1,000	1,104
NEW YORK 16.1%		
Brooklyn Arena Local Development Corp., New York Revenue Bonds, Series 2009		
6.250% due 07/15/2040	9,800	11,179
Hudson Yards Infrastructure Corp., New York Revenue Bonds, Series 2011		
5.750% due 02/15/2047	5,000	5,756
Metropolitan Transportation Authority, New York Revenue Bonds, Series 2011		
5.000% due 11/15/2036	3,000	3,403
Nassau County, New York Industrial Development Agency Revenue Bonds, Series 2014		
2.000% due 01/01/2049 ^	311	37
6.700% due 01/01/2049	863	855
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
New York City, New York Industrial Development Agency Revenue Bonds, (AGC Insured), Series 2009		
7.000% due 03/01/2049	\$ 10,450	\$ 12,160
New York City, New York Water & Sewer System Revenue Bonds, Series 2007		
4.750% due 06/15/2035 (d)	4,000	4,191
New York Liberty Development Corp. Revenue Bonds, Series 2007		
5.500% due 10/01/2037	1,700	2,139

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New York Liberty Development Corp. Revenue Bonds, Series 2011		
5.000% due 12/15/2041	3,000	3,383
5.000% due 11/15/2044	11,000	12,293
New York Liberty Development Corp. Revenue Bonds, Series 2014		
5.000% due 11/15/2044	3,000	3,100
		58,496
NORTH CAROLINA 1.9%		
New Hanover County, North Carolina Revenue Bonds, Series 2011		
5.000% due 10/01/2028	6,000	6,883
OHIO 11.3%		
Allen County, Ohio Revenue Bonds, Series 2010		
5.000% due 06/01/2038	500	549
Buckeye Tobacco Settlement Financing Authority, Ohio Revenue Bonds, Series 2007		
5.125% due 06/01/2024	1,000	900
5.875% due 06/01/2047	4,800	4,155
6.500% due 06/01/2047	30,350	28,177
Hamilton County, Ohio Revenue Bonds, Series 2012		
5.000% due 06/01/2042	1,500	1,631
Ohio State Turnpike Commission Revenue Bonds, Series 2013		
5.000% due 02/15/2048	5,000	5,544
		40,956
PENNSYLVANIA 7.4%		
Allegheny County, Pennsylvania Hospital Development Authority Revenue Bonds, Series 2009		
5.625% due 08/15/2039	1,000	1,125
Berks County, Pennsylvania Municipal Authority Revenue Bonds, Series 2012		
5.000% due 11/01/2044	6,600	7,164
Capital Region Water, Pennsylvania Revenue Bonds, Series 2007		
6.000% due 09/01/2036 ^	1,225	928
Cumberland County, Pennsylvania Municipal Authority Revenue Bonds, Series 2008		
5.625% due 07/01/2028	1,000	1,067
6.000% due 07/01/2035	670	715
Dauphin County, Pennsylvania General Authority Revenue Bonds, Series 2009		
6.000% due 06/01/2036	1,000	1,141
Luzerne County, Pennsylvania Industrial Development Authority Revenue Bonds, Series 2009		
5.500% due 12/01/2039	100	113
Pennsylvania Turnpike Commission Revenue Bonds, Series 2009		
5.125% due 12/01/2040	3,000	3,266
Pennsylvania Turnpike Commission Revenue Bonds, Series 2013		
5.000% due 12/01/2043	5,000	5,598
Pennsylvania Turnpike Commission Revenue Bonds, Series 2015		
5.000% due 12/01/2040	3,000	3,395

40 PIMCO CLOSED-END FUNDS

See Accompanying Notes

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	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Philadelphia Hospitals & Higher Education Facilities Authority, Pennsylvania Revenue Bonds, Series 2012		
5.625% due 07/01/2042	\$ 1,645	\$ 1,771
Philadelphia, Pennsylvania Water & Wastewater Revenue Bonds, Series 2009		
5.250% due 01/01/2036	500	545
		26,828
SOUTH CAROLINA 6.7%		
Greenwood County, South Carolina Revenue Bonds, Series 2009		
5.375% due 10/01/2039	1,000	1,113
South Carolina State Ports Authority Revenue Bonds, Series 2010		
5.250% due 07/01/2040	800	887
South Carolina State Public Service Authority Revenue Bonds, Series 2013		
5.125% due 12/01/2043	5,000	5,608
5.500% due 12/01/2053	15,000	16,955
		24,563
TENNESSEE 0.7%		
Claiborne County, Tennessee Industrial Development Board Revenue Bonds, Series 2009		
6.625% due 10/01/2039	1,250	1,394
Johnson City Health & Educational Facilities Board, Tennessee Revenue Bonds, Series 2010		
6.000% due 07/01/2038	1,000	1,130
		2,524
TEXAS 16.2%		
Dallas, Texas Revenue Bonds, (AGC Insured), Series 2009		
5.250% due 08/15/2038	1,300	1,441
Grand Parkway Transportation Corp., Texas Revenue Bonds, Series 2013		
5.000% due 04/01/2053	4,500	4,970
JPMorgan Chase Putters/Drivers Trust, Texas General Obligation Notes, Series 2009		
9.530% due 02/01/2017 (e)	6,500	7,934
North Harris County, Texas Regional Water Authority Revenue Bonds, Series 2008		
5.250% due 12/15/2033	5,500	6,061
5.500% due 12/15/2038	5,500	6,091
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
North Texas Tollway Authority Revenue Bonds, Series 2008		
5.625% due 01/01/2033	\$ 10,800	\$ 11,699
5.750% due 01/01/2033	700	766
North Texas Tollway Authority Revenue Bonds, Series 2011		
5.000% due 01/01/2038	3,000	3,238
5.500% due 09/01/2041	600	702
Tarrant County, Texas Cultural Education Facilities Finance Corp. Revenue Bonds, Series 2009		
6.250% due 11/15/2029	3,000	3,428
Texas Municipal Gas Acquisition & Supply Corp. Revenue Bonds, Series 2006		
5.250% due 12/15/2026	150	177
Texas Municipal Gas Acquisition & Supply Corp. Revenue Bonds, Series 2008		
6.250% due 12/15/2026	9,600	11,845
Wise County, Texas Revenue Bonds, Series 2011		
8.000% due 08/15/2034	500	581

		58,933
VIRGINIA 0.5%		
Fairfax County, Virginia Industrial Development Authority Revenue Bonds, Series 2009		
5.500% due 05/15/2035	1,000	1,131
James City County, Virginia Economic Development Authority Revenue Bonds, Series 2013		
2.000% due 10/01/2048 ^	201	10
6.000% due 06/01/2043	621	586
		1,727
WASHINGTON 0.5%		
Washington Health Care Facilities Authority Revenue Bonds, Series 2009		
7.375% due 03/01/2038	1,000	1,193
Washington Health Care Facilities Authority Revenue Bonds, Series 2010		
5.500% due 12/01/2039	500	598
		1,791
WEST VIRGINIA 0.3%		
West Virginia Hospital Finance Authority Revenue Bonds, Series 2011		
9.125% due 10/01/2041	955	1,024
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
WISCONSIN 1.7%		
University of Wisconsin Hospitals & Clinics Authority Revenue Bonds, Series 2013		
5.000% due 04/01/2038	\$ 3,500	\$ 3,945
Wisconsin Health & Educational Facilities Authority Revenue Bonds, Series 2009		
6.625% due 02/15/2039	1,000	1,166
Wisconsin Health & Educational Facilities Authority Revenue Bonds, Series 2010		
5.625% due 04/15/2039	1,000	1,134
		6,245
Total Municipal Bonds & Notes (Cost \$503,085)		571,071
SHORT-TERM INSTRUMENTS 3.3%		
REPURCHASE AGREEMENTS (f) 2.1%		
		7,800
SHORT-TERM NOTES 0.9%		
Federal Home Loan Bank		
0.106% due 01/19/2016	2,200	2,200
0.142% due 01/22/2016	100	100
Freddie Mac		
0.172% due 02/04/2016	1,000	1,000
		3,300
U.S. TREASURY BILLS 0.3%		
0.193% due 01/14/2016	1,100	1,100
Total Short-Term Instruments (Cost \$12,200)		12,200
Total Investments in Securities (Cost \$515,285)		583,271

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Total Investments 160.3% (Cost \$515,285)	\$	583,271
Preferred Shares (51.9%)		(189,000)
Other Assets and Liabilities, net (8.4%)		(30,439)
Net Assets Applicable to Common Shareholders 100.0%	\$	363,832

NOTES TO SCHEDULE OF INVESTMENTS (AMOUNTS IN THOUSANDS*):

* A zero balance may reflect actual amounts rounding to less than one thousand.

^ Security is in default.

(a) When-issued security.

(b) Zero coupon bond.

(c) Security becomes interest bearing at a future date.

(d) Represents an underlying municipal bond transferred to a tender option bond trust established in a tender option bond transaction in which the Fund sold, or caused the sale of, the underlying municipal bond and purchased the residual interest certificate. The security serves as collateral in a financing transaction. See Note 5(b) in the Notes to Financial Statements for more information.

(e) Represents an investment in a tender option bond residual interest certificate purchased in a secondary market transaction. The interest rate shown bears an inverse relationship to the interest rate on a tender option bond floating rate certificate. The interest rate disclosed reflects the rate in effect on December 31, 2015.

See Accompanying Notes

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Table of Contents**Schedule of Investments PIMCO Municipal Income Fund III (Cont.)**

December 31, 2015

BORROWINGS AND OTHER FINANCING TRANSACTIONS**(f) REPURCHASE AGREEMENTS:**

Counterparty	Lending Rate	Settlement Date	Maturity Date	Principal Amount	Collateralized By	Collateral (Received)	Repurchase Agreements, at Value	Repurchase Agreement Proceeds to be Received ⁽¹⁾
SAL	0.580%	12/31/2015	01/04/2016	\$ 7,800	U.S. Treasury Notes 2.750% due 02/15/2024	\$ (7,959)	\$ 7,800	\$ 7,801
Total Repurchase Agreements						\$ (7,959)	\$ 7,800	\$ 7,801

⁽¹⁾ Includes accrued interest.**BORROWINGS AND OTHER FINANCING TRANSACTIONS SUMMARY**

The following is a summary by counterparty of the market value of Borrowings and Other Financing Transactions and collateral (received) as of December 31, 2015:

Counterparty	Repurchase Agreement Proceeds to be Received	Payable for Reverse Repurchase Agreements	Payable for Sale-Buyback Transactions	Total Borrowings and Other Financing Transactions	Collateral (Received)	Net Exposure ⁽²⁾
Global/Master Repurchase Agreement						
SAL	\$ 7,801	\$ 0	\$ 0	\$ 7,801	\$ (7,959)	\$ (158)
Total Borrowings and Other Financing Transactions	\$ 7,801	\$ 0	\$ 0			

⁽²⁾ Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from borrowings and other financing transactions can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 6, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

FAIR VALUE MEASUREMENTS

The following is a summary of the fair valuations according to the inputs used as of December 31, 2015 in valuing the Fund's assets and liabilities:

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 12/31/2015
Investments in Securities, at Value				
Municipal Bonds & Notes				
Alabama	\$ 0	\$ 56,605	\$ 0	\$ 56,605
Arizona	0	37,877	0	37,877
California	0	96,000	0	96,000
Colorado	0	3,412	0	3,412
Connecticut	0	1,451	0	1,451
District of Columbia	0	11,065	0	11,065
Florida	0	23,552	0	23,552
Georgia	0	12,892	0	12,892
Hawaii	0	1,668	0	1,668
Illinois	0	29,819	0	29,819
Indiana	0	13,984	0	13,984
Iowa	0	3,603	0	3,603
Kentucky	0	2,288	0	2,288
Louisiana	0	7,548	0	7,548
Maryland	0	3,050	0	3,050
Massachusetts	0	7,549	0	7,549
Michigan	0	3,368	0	3,368
Missouri	0	758	0	758
Fair Value at 12/31/2015				
Category and Subcategory	Level 1	Level 2	Level 3	Level 3
New Hampshire	\$ 0	\$ 2,215	\$ 0	\$ 2,215
New Jersey	0	21,293	0	21,293
New Mexico	0	1,104	0	1,104
New York	0	58,496	0	58,496
North Carolina	0	6,883	0	6,883
Ohio	0	40,956	0	40,956
Pennsylvania	0	26,828	0	26,828
South Carolina	0	24,563	0	24,563
Tennessee	0	2,524	0	2,524
Texas	0	58,933	0	58,933
Virginia	0	1,727	0	1,727
Washington	0	1,791	0	1,791
West Virginia	0	1,024	0	1,024
Wisconsin	0	6,245	0	6,245
Short-Term Instruments				
Repurchase Agreements	0	7,800	0	7,800
Short-Term Notes	0	3,300	0	3,300
U.S. Treasury Bills	0	1,100	0	1,100
Total Investments	\$ 0	\$ 583,271	\$ 0	\$ 583,271

There were no significant transfers between Levels 1, 2, or 3 during the period ended December 31, 2015.

Table of Contents**Schedule of Investments PIMCO California Municipal Income Fund**

December 31, 2015

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
INVESTMENTS IN SECURITIES 163.8%		
MUNICIPAL BONDS & NOTES 160.2%		
ALABAMA 0.8%		
Jefferson County, Alabama Sewer Revenue Bonds, Series 2013		
6.500% due 10/01/2053	\$ 2,000	\$ 2,341
CALIFORNIA 156.9%		
Bay Area Toll Authority, California Revenue Bonds, Series 2008		
5.000% due 04/01/2034	10,000	10,915
California County Tobacco Securitization Agency Revenue Bonds, Series 2002		
6.000% due 06/01/2035	4,000	4,001
6.125% due 06/01/2038	1,000	987
California County Tobacco Securitization Agency Revenue Bonds, Series 2006		
5.600% due 06/01/2036	1,500	1,496
California Educational Facilities Authority Revenue Bonds, Series 2009		
5.000% due 01/01/2039 (a)	10,200	11,391
5.000% due 10/01/2039 (a)	10,000	11,028
California Health Facilities Financing Authority Revenue Bonds, (IBC/NPFGC Insured), Series 2007		
5.000% due 11/15/2042	1,600	1,651
California Health Facilities Financing Authority Revenue Bonds, Series 2008		
5.250% due 11/15/2040	5,050	5,877
California Health Facilities Financing Authority Revenue Bonds, Series 2009		
5.750% due 09/01/2039	2,000	2,270
6.000% due 07/01/2039	4,000	4,586
6.500% due 11/01/2038	1,000	1,181
California Health Facilities Financing Authority Revenue Bonds, Series 2010		
5.000% due 11/15/2036	1,450	1,626
9.539% due 11/15/2036 (b)	1,000	1,245
California Health Facilities Financing Authority Revenue Bonds, Series 2011		
5.000% due 08/15/2035	1,000	1,158
6.000% due 08/15/2042	2,800	3,345
11.779% due 11/15/2042 (b)	6,000	6,427
California Health Facilities Financing Authority Revenue Bonds, Series 2012		
5.000% due 08/15/2051	11,000	12,170
California Health Facilities Financing Authority Revenue Bonds, Series 2013		
5.000% due 08/15/2052	3,675	4,077
California Health Facilities Financing Authority Revenue Bonds, Series 2015		
5.000% due 08/15/2054	1,300	1,475
California Infrastructure & Economic Development Bank Revenue Bonds, Series 2013		
5.000% due 02/01/2039	10,000	11,090
California Municipal Finance Authority Revenue Bonds, Series 2008		
5.875% due 10/01/2034	2,900	3,124
California Municipal Finance Authority Revenue Bonds, Series 2011		
7.750% due 04/01/2031	1,000	1,257
California Pollution Control Financing Authority Revenue Bonds, Series 2010		
5.100% due 06/01/2040	2,000	2,178
5.250% due 08/01/2040	1,250	1,331
California State General Obligation Bonds, Series 2006		
5.000% due 09/01/2035	5,885	6,057
California State General Obligation Bonds, Series 2007		
5.000% due 06/01/2037	100	105

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	3,000	3,220
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
5.000% due 12/01/2037		
California State General Obligation Bonds, Series 2009		
6.000% due 04/01/2038	\$ 2,000	\$ 2,312
6.000% due 11/01/2039	2,000	2,365
California State General Obligation Bonds, Series 2010		
5.250% due 11/01/2040	2,400	2,805
5.500% due 03/01/2040	1,500	1,737
California State General Obligation Bonds, Series 2013		
5.000% due 11/01/2043	7,000	8,133
California State General Obligation Bonds, Series 2015		
5.000% due 09/01/2032	1,300	1,565
California State Public Works Board Revenue Bonds, Series 2009		
5.000% due 04/01/2034	2,000	2,256
5.750% due 10/01/2030	2,000	2,306
6.000% due 11/01/2034	2,000	2,332
California State Public Works Board Revenue Bonds, Series 2011		
5.000% due 12/01/2029	1,500	1,758
California State University Revenue Bonds, Series 2015		
5.000% due 11/01/2047	14,000	16,275
California Statewide Communities Development Authority Certificates of Participation Bonds, Series 1999		
5.375% due 04/01/2030	2,150	2,156
California Statewide Communities Development Authority Revenue Bonds, (FGIC Insured), Series 2007		
5.750% due 07/01/2047	3,200	3,517
California Statewide Communities Development Authority Revenue Bonds, (FHA Insured), Series 2009		
6.625% due 08/01/2029	1,870	2,233
6.750% due 02/01/2038	6,875	8,239
California Statewide Communities Development Authority Revenue Bonds, (NPFGC Insured), Series 2000		
5.125% due 07/01/2024	100	110
California Statewide Communities Development Authority Revenue Bonds, Series 2006		
5.250% due 03/01/2045	1,000	1,006
California Statewide Communities Development Authority Revenue Bonds, Series 2007		
5.500% due 11/01/2038	900	910
California Statewide Communities Development Authority Revenue Bonds, Series 2008		
5.500% due 07/01/2031	845	898
California Statewide Communities Development Authority Revenue Bonds, Series 2010		
5.000% due 11/01/2040	10,000	10,952
6.250% due 10/01/2039	1,000	1,125
7.500% due 06/01/2042	990	1,080
California Statewide Communities Development Authority Revenue Bonds, Series 2011		
6.000% due 08/15/2042	2,000	2,389
California Statewide Communities Development Authority Revenue Bonds, Series 2012		
5.000% due 04/01/2042	11,500	12,924
5.125% due 05/15/2031	4,000	4,481
5.375% due 05/15/2038	4,500	5,066
California Statewide Financing Authority Revenue Bonds, Series 2002		
6.000% due 05/01/2037	3,000	3,065
Chula Vista, California Revenue Bonds, Series 2004		
5.875% due 02/15/2034	5,000	5,743
Contra Costa County, California Public Financing Authority Tax Allocation Bonds, Series 2003		
5.850% due 08/01/2033	350	350
Desert Community College District, California General Obligation Bonds, (AGM Insured), Series 2007		
5.000% due 08/01/2037	5,000	5,270
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Eastern Municipal Water District, California Certificates of Participation Bonds, Series 2008		
5.000% due 07/01/2035	\$ 6,300	\$ 6,814
El Monte, California Certificates of Participation Bonds, (AMBAC Insured), Series 2001		
5.250% due 01/01/2034	14,425	14,469
Folsom Redevelopment Agency, California Tax Allocation Bonds, Series 2009		
5.500% due 08/01/2036	1,000	1,082
Golden State, California Tobacco Securitization Corp. Revenue Bonds, Series 2007		
5.125% due 06/01/2047	8,300	7,205
5.750% due 06/01/2047	24,325	22,849
Hayward Unified School District, California General Obligation Bonds, Series 2015		
5.000% due 08/01/2038	6,000	6,794
Imperial Irrigation District, California Revenue Bonds, Series 2011		

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5.000% due 11/01/2041	1,000	1,106
Kern County, California Certificates of Participation Bonds, (AGC Insured), Series 2009		
5.750% due 08/01/2035	10,590	11,847
Lancaster Redevelopment Agency, California Tax Allocation Bonds, Series 2009		
6.875% due 08/01/2039	500	588
Long Beach Bond Finance Authority, California Revenue Bonds, Series 2007		
5.500% due 11/15/2027	1,000	1,232
Long Beach, California Airport System Revenue Bonds, Series 2010		
5.000% due 06/01/2040	5,000	5,536
Los Angeles Department of Water & Power, California Revenue Bonds, Series 2009		
5.375% due 07/01/2034 (a)	3,000	3,364
5.375% due 07/01/2038 (a)	7,000	7,818
Los Angeles Department of Water & Power, California Revenue Bonds, Series 2012		
5.000% due 07/01/2037	4,100	4,745
5.000% due 07/01/2043	5,000	5,751
Los Angeles Department of Water & Power, California Revenue Bonds, Series 2014		
5.000% due 07/01/2043	3,650	4,190
Los Angeles Unified School District, California General Obligation Bonds, Series 2009		
5.000% due 07/01/2029 (a)	10,000	11,239
5.000% due 01/01/2034 (a)	8,500	9,547
5.300% due 01/01/2034	250	284
M-S-R Energy Authority, California Revenue Bonds, Series 2009		
6.500% due 11/01/2039	18,845	26,474
Malibu, California Certificates of Participation Bonds, Series 2009		
5.000% due 07/01/2039	700	770
Peralta Community College District, California General Obligation Bonds, Series 2009		
5.000% due 08/01/2039	1,250	1,380
Regents of the University of California Medical Center Pooled Revenue Bonds, Series 2013		
5.000% due 05/15/2043	2,000	2,231
River Islands Public Financing Authority, California Special Tax Bonds, Series 2015		
5.500% due 09/01/2045	3,000	3,200
San Diego County, California Water Authority Certificates of Participation Bonds, (AGM Insured), Series 2008		
5.000% due 05/01/2038	6,250	6,699
San Diego Regional Building Authority, California Revenue Bonds, Series 2009		
5.375% due 02/01/2036	3,285	3,627

See Accompanying Notes

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Table of Contents**Schedule of Investments PIMCO California Municipal Income Fund (Cont.)**

December 31, 2015

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
San Francisco, California City & County Certificates of Participation Bonds, Series 2009		
5.250% due 04/01/2031	\$ 650	\$ 722
San Jose, California Hotel Tax Revenue Bonds, Series 2011		
6.500% due 05/01/2036	1,500	1,810
San Jose, California Special Assessment Bonds, Series 2001		
5.600% due 09/02/2017	230	235
San Marcos Redevelopment Agency Successor Agency, California Tax Allocation Bonds, Series 2015		
5.000% due 10/01/2031	2,315	2,768
San Marcos Unified School District, California General Obligation Bonds, Series 2011		
5.000% due 08/01/2038	1,200	1,331
Santa Clara County, California Financing Authority Revenue Bonds, (AMBAC Insured), Series 2007		
5.750% due 02/01/2041	3,500	3,776
Santa Cruz County, California Redevelopment Agency Tax Allocation Bonds, Series 2009		
7.000% due 09/01/2036	1,300	1,518
Tobacco Securitization Authority of Southern California Revenue Bonds, Series 2006		
5.000% due 06/01/2037	800	745
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Torrance, California Revenue Bonds, Series 2010		
5.000% due 09/01/2040	\$ 6,300	\$ 6,877
Turlock, California Certificates of Participation Bonds, Series 2007		
5.500% due 10/15/2037	2,000	2,168
Washington Township Health Care District, California General Obligation Bonds, Series 2013		
5.000% due 08/01/2043	2,500	2,795
Westlake Village, California Certificates of Participation Bonds, Series 2009		
5.000% due 06/01/2039	1,000	1,019
		427,231
ILLINOIS 2.5%		
Chicago, Illinois General Obligation Bonds, Series 2007		
5.500% due 01/01/2042	2,000	2,082
Chicago, Illinois General Obligation Bonds, Series 2015		
5.250% due 01/01/2028	4,400	4,675
		6,757
Total Municipal Bonds & Notes		
(Cost \$387,753)		436,329
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
SHORT-TERM INSTRUMENTS 3.6%		
SHORT-TERM NOTES 3.6%		
Federal Home Loan Bank		
0.162% due 01/29/2016	\$ 2,950	\$ 2,949
0.167% due 02/01/2016	5,000	4,999
0.233% due 01/25/2016	100	100
0.314% due 01/28/2016	600	600

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0.385% due 02/01/2016	1,000	1,000
		9,648
Total Short-Term Instruments (Cost \$9,649)		9,648
Total Investments in Securities (Cost \$397,402)		445,977
Total Investments 163.8% (Cost \$397,402)	\$	445,977
Preferred Shares (55.1%)		(150,000)
Other Assets and Liabilities, net (8.7%)		(23,632)
Net Assets Applicable to Common Shareholders 100.0%	\$	272,345

NOTES TO SCHEDULE OF INVESTMENTS (AMOUNTS IN THOUSANDS*):

* A zero balance may reflect actual amounts rounding to less than one thousand.

(a) Represents an underlying municipal bond transferred to a tender option bond trust established in a tender option bond transaction in which the Fund sold, or caused the sale of, the underlying municipal bond and purchased the residual interest certificate. The security serves as collateral in a financing transaction. See Note 5(b) in the Notes to Financial Statements for more information.

(b) Represents an investment in a tender option bond residual interest certificate purchased in a secondary market transaction. The interest rate shown bears an inverse relationship to the interest rate on a tender option bond floating rate certificate. The interest rate disclosed reflects the rate in effect on December 31, 2015.

FAIR VALUE MEASUREMENTS

The following is a summary of the fair valuations according to the inputs used as of December 31, 2015 in valuing the Fund's assets and liabilities:

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 12/31/2015
Investments in Securities, at Value				
Municipal Bonds & Notes				
Alabama	\$ 0	\$ 2,341	\$ 0	\$ 2,341
California	0	427,231	0	427,231
Illinois	0	6,757	0	6,757
Short-Term Instruments				
Short-Term Notes	0	9,648	0	9,648
Total Investments	\$ 0	\$ 445,977	\$ 0	\$ 445,977

There were no significant transfers between Levels 1, 2, or 3 during the period ended December 31, 2015.

44 PIMCO CLOSED-END FUNDS

See Accompanying Notes

Table of Contents**Schedule of Investments PIMCO California Municipal Income Fund II**

December 31, 2015

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
INVESTMENTS IN SECURITIES 165.4%		
MUNICIPAL BONDS & NOTES 161.9%		
CALIFORNIA 157.0%		
Alhambra, California Revenue Bonds, Series 2010		
7.625% due 01/01/2040	\$ 2,000	\$ 2,150
Bay Area Toll Authority, California Revenue Bonds, Series 2014		
5.000% due 10/01/2054	3,000	3,384
California County Tobacco Securitization Agency Revenue Bonds, Series 2002		
5.875% due 06/01/2043	1,800	1,800
California County Tobacco Securitization Agency Revenue Bonds, Series 2006		
5.600% due 06/01/2036	1,500	1,496
California Health Facilities Financing Authority Revenue Bonds, (IBC/NPFGC Insured), Series 2007		
5.000% due 11/15/2042	4,220	4,354
California Health Facilities Financing Authority Revenue Bonds, Series 2007		
5.250% due 11/15/2046 (b)	12,195	12,637
California Health Facilities Financing Authority Revenue Bonds, Series 2008		
5.250% due 11/15/2040	5,400	6,284
California Health Facilities Financing Authority Revenue Bonds, Series 2009		
5.750% due 09/01/2039	250	284
6.000% due 07/01/2039	3,000	3,439
6.500% due 11/01/2038	500	591
California Health Facilities Financing Authority Revenue Bonds, Series 2011		
5.000% due 08/15/2035	1,000	1,158
California Health Facilities Financing Authority Revenue Bonds, Series 2012		
5.000% due 11/15/2034	1,000	1,079
5.000% due 11/15/2040	4,000	4,484
5.000% due 08/15/2051	8,755	9,687
California Health Facilities Financing Authority Revenue Bonds, Series 2015		
5.000% due 08/15/2054	5,000	5,673
California Infrastructure & Economic Development Bank Revenue Bonds, Series 2008		
5.250% due 02/01/2038	175	187
California Infrastructure & Economic Development Bank Revenue Bonds, Series 2013		
5.000% due 02/01/2039	10,000	11,090
California Municipal Finance Authority Revenue Bonds, Series 2011		
7.750% due 04/01/2031	1,085	1,363
California Pollution Control Financing Authority Revenue Bonds, Series 2010		
5.250% due 08/01/2040	1,500	1,597
California State General Obligation Bonds, Series 2006		
5.000% due 09/01/2031	2,500	2,575
California State General Obligation Bonds, Series 2009		
6.000% due 04/01/2038	10,000	11,560
California State General Obligation Bonds, Series 2013		
5.000% due 11/01/2043	7,000	8,133
California State General Obligation Bonds, Series 2015		
5.000% due 09/01/2032	1,300	1,565
California State Public Works Board Revenue Bonds, Series 2008		
5.000% due 03/01/2033	7,915	8,612
California State Public Works Board Revenue Bonds, Series 2009		
5.750% due 10/01/2030	3,000	3,459
6.000% due 11/01/2034	2,000	2,332
California State Public Works Board Revenue Bonds, Series 2011		
5.000% due 12/01/2029	2,000	2,345

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	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
California State Public Works Board Revenue Bonds, Series 2013		
5.000% due 03/01/2038	\$ 2,500	\$ 2,858
California State University Revenue Bonds, Series 2015		
5.000% due 11/01/2047	7,000	8,138
California Statewide Communities Development Authority Revenue Bonds, (FGIC Insured), Series 2007		
5.750% due 07/01/2047	3,700	4,066
California Statewide Communities Development Authority Revenue Bonds, (FHA Insured), Series 2009		
6.625% due 08/01/2029	2,135	2,549
6.750% due 02/01/2038	7,860	9,419
California Statewide Communities Development Authority Revenue Bonds, Series 2006		
5.000% due 11/01/2029	500	502
California Statewide Communities Development Authority Revenue Bonds, Series 2007		
5.150% due 07/01/2030	250	251
5.250% due 07/01/2042	1,250	1,234
California Statewide Communities Development Authority Revenue Bonds, Series 2008		
5.250% due 11/15/2048	5,490	5,974
5.500% due 07/01/2031	3,040	3,231
California Statewide Communities Development Authority Revenue Bonds, Series 2010		
7.000% due 07/01/2040	3,760	4,129
7.500% due 06/01/2042	990	1,080
California Statewide Communities Development Authority Revenue Bonds, Series 2011		
6.000% due 08/15/2042	5,600	6,690
California Statewide Communities Development Authority Revenue Bonds, Series 2012		
5.000% due 04/01/2042	9,705	10,907
5.375% due 05/15/2038	4,500	5,066
California Statewide Financing Authority Revenue Bonds, Series 2002		
6.000% due 05/01/2037	2,000	2,043
Chabot-Las Positas Community College District, California General Obligation Bonds, (AMBAC Insured), Series 2006		
0.000% due 08/01/2036 (a)	17,305	6,212
0.000% due 08/01/2037 (a)	5,000	1,703
0.000% due 08/01/2043 (a)	15,000	3,769
Chula Vista, California Revenue Bonds, Series 2004		
5.875% due 02/15/2034	1,000	1,149
Coronado Community Development Agency, California Tax Allocation Bonds, (AMBAC Insured), Series 2005		
4.875% due 09/01/2035	8,435	8,457
Desert Community College District, California General Obligation Bonds, (AGM Insured), Series 2007		
0.000% due 08/01/2046 (a)	25,000	5,039
Desert Community College District, California General Obligation Bonds, (AGM Insured), Series 2009		
9.389% due 08/01/2032 (c)	6,035	6,712
Fremont Community Facilities District No. 1, California Special Tax Bonds, Series 2015		
5.000% due 09/01/2045	1,400	1,526
Golden State, California Tobacco Securitization Corp. Revenue Bonds, Series 2007		
5.125% due 06/01/2047	8,500	7,378
5.750% due 06/01/2047	34,715	32,609
Hayward Unified School District, California General Obligation Bonds, Series 2015		
5.000% due 08/01/2038	3,000	3,397
Imperial Irrigation District, California Revenue Bonds, Series 2011		
5.000% due 11/01/2041	4,500	4,977
Irvine Unified School District, California Special Tax Bonds, Series 2010		
6.700% due 09/01/2035	515	600
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
JPMorgan Chase Putters/Drivers Trust, California Revenue Bonds, Series 2009		
5.000% due 07/01/2037 (b)	\$ 5,000	\$ 5,292
JPMorgan Chase Putters/Drivers Trust, California Revenue Bonds, Series 2010		
9.519% due 05/15/2034 (c)	7,500	9,443
JPMorgan Chase Putters/Drivers Trust, California Revenue Notes, Series 2009		
5.000% due 04/01/2039 (b)	20,000	21,830
Lancaster Redevelopment Agency, California Tax Allocation Bonds, Series 2009		
6.875% due 08/01/2039	1,000	1,176
Long Beach Bond Finance Authority, California Revenue Bonds, Series 2007		
5.500% due 11/15/2037	7,500	9,343
Long Beach Unified School District, California General Obligation Bonds, Series 2009		
5.250% due 08/01/2033 (b)	10,000	11,280
Long Beach, California Airport System Revenue Bonds, Series 2010		
5.000% due 06/01/2040	500	554

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Los Angeles Community College District, California General Obligation Bonds, Series 2009		
14.018% due 08/01/2033 (c)	4,000	5,200
Los Angeles Department of Water & Power, California Revenue Bonds, Series 2014		
5.000% due 07/01/2043	3,000	3,444
Los Angeles Unified School District, California General Obligation Bonds, Series 2009		
5.000% due 01/01/2034	11,000	12,355
M-S-R Energy Authority, California Revenue Bonds, Series 2009		
6.500% due 11/01/2039	16,445	23,103
7.000% due 11/01/2034	1,000	1,451
Manteca Redevelopment Agency, California Tax Allocation Bonds, (AMBAC Insured), Series 2004		
5.000% due 10/01/2036	10,000	10,007
Oakland Unified School District/Alameda County, California General Obligation Bonds, Series 2009		
6.125% due 08/01/2029	5,000	5,633
Palomar Health, California Certificates of Participation Bonds, Series 2009		
6.750% due 11/01/2039	4,750	5,259
Placentia-Yorba Linda Unified School District, California Certificates of Participation Bonds, (NPFGC Insured), Series 2006		
5.000% due 10/01/2032	10,000	10,027
Poway Unified School District, California General Obligation Bonds, Series 2011		
0.000% due 08/01/2040 (a)	11,000	4,107
0.000% due 08/01/2046 (a)	16,000	4,382
River Islands Public Financing Authority, California Special Tax Bonds, Series 2015		
5.500% due 09/01/2045	3,000	3,200
San Diego Community College District, California General Obligation Notes, Series 2009		
10.074% due 02/01/2017 (c)	5,000	6,261
San Diego Public Facilities Financing Authority Sewer, California Revenue Bonds, Series 2009		
5.250% due 05/15/2039	1,000	1,119
San Diego Public Facilities Financing Authority Water, California Revenue Bonds, Series 2009		
5.250% due 08/01/2038	4,000	4,360
San Diego Regional Building Authority, California Revenue Bonds, Series 2009		
5.375% due 02/01/2036	2,800	3,091
San Francisco, California City & County Certificates of Participation Bonds, Series 2009		
5.250% due 04/01/2031	300	333
San Joaquin Hills Transportation Corridor Agency, California Revenue Bonds, Series 2014		
5.000% due 01/15/2050	2,430	2,624

See Accompanying Notes

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Table of Contents**Schedule of Investments PIMCO California Municipal Income Fund II (Cont.)**

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
San Jose, California Hotel Tax Revenue Bonds, Series 2011		
6.500% due 05/01/2036	\$ 1,000	\$ 1,207
San Marcos Redevelopment Agency Successor Agency, California Tax Allocation Bonds, Series 2015		
5.000% due 10/01/2032	850	1,012
5.000% due 10/01/2033	1,125	1,335
San Marcos Unified School District, California General Obligation Bonds, Series 2011		
5.000% due 08/01/2038	1,300	1,442
Santa Cruz County, California Certificates of Participation Bonds, Series 2002		
5.250% due 08/01/2032	1,260	1,263
Santa Cruz County, California Redevelopment Agency Tax Allocation Bonds, Series 2009		
7.000% due 09/01/2036	1,500	1,752
Torrance, California Revenue Bonds, Series 2010		
5.000% due 09/01/2040	3,100	3,384
Turlock Irrigation District, California Revenue Bonds, Series 2011		
5.500% due 01/01/2041	1,700	1,954
Tustin Unified School District, California Special Tax Bonds, Series 2010		
6.000% due 09/01/2040	1,000	1,136
Washington Township Health Care District, California General Obligation Bonds, Series 2013		
5.000% due 08/01/2043	3,000	3,354
		447,696
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
ILLINOIS 3.1%		
Chicago, Illinois General Obligation Bonds, Series 2007		
5.500% due 01/01/2042	\$ 2,350	\$ 2,446
Chicago, Illinois General Obligation Bonds, Series 2015		
5.250% due 01/01/2028	6,035	6,413
		8,859
NEW JERSEY 1.3%		
Tobacco Settlement Financing Corp., New Jersey Revenue Bonds, Series 2007		
4.750% due 06/01/2034	1,300	1,066
5.000% due 06/01/2041	3,000	2,492
		3,558
NEW YORK 0.5%		
New York Liberty Development Corp. Revenue Bonds, Series 2005		
5.250% due 10/01/2035	1,250	1,500
Total Municipal Bonds & Notes (Cost \$402,237)		
		461,613
SHORT-TERM INSTRUMENTS 3.5%		
REPURCHASE AGREEMENTS (d) 3.2%		
		9,000
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)

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U.S. TREASURY BILLS 0.3%			
0.193% due 01/14/2016	\$	800	\$ 800
Total Short-Term Instruments			
(Cost \$9,800)			9,800
Total Investments in Securities			
(Cost \$412,037)			471,413
Total Investments 165.4%			
(Cost \$412,037)	\$		471,413
Preferred Shares (57.2%)			(163,000)
Other Assets and Liabilities, net (8.2%)			(23,316)
Net Assets Applicable to Common Shareholders 100.0%		\$	285,097

NOTES TO SCHEDULE OF INVESTMENTS (AMOUNTS IN THOUSANDS*):

* A zero balance may reflect actual amounts rounding to less than one thousand.

(a) Zero coupon bond.

(b) Represents an underlying municipal bond transferred to a tender option bond trust established in a tender option bond transaction in which the Fund sold, or caused the sale of, the underlying municipal bond and purchased the residual interest certificate. The security serves as collateral in a financing transaction. See Note 5(b) in the Notes to Financial Statements for more information.

(c) Represents an investment in a tender option bond residual interest certificate purchased in a secondary market transaction. The interest rate shown bears an inverse relationship to the interest rate on a tender option bond floating rate certificate. The interest rate disclosed reflects the rate in effect on December 31, 2015.

BORROWINGS AND OTHER FINANCING TRANSACTIONS

(d) REPURCHASE AGREEMENTS:

Counterparty	Lending Rate	Settlement Date	Maturity Date	Principal Amount	Collateralized By	Collateral (Received)	Repurchase Agreements, at Value	Repurchase Agreement Proceeds to be Received ⁽¹⁾
SAL	0.580%	12/31/2015	01/04/2016	\$ 9,000	U.S. Treasury Notes 2.750% due 02/15/2024	\$ (9,185)	\$ 9,000	\$ 9,001
Total Repurchase Agreements						\$ (9,185)	\$ 9,000	\$ 9,001

⁽¹⁾ Includes accrued interest.

BORROWINGS AND OTHER FINANCING TRANSACTIONS SUMMARY

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The following is a summary by counterparty of the market value of Borrowings and Other Financing Transactions and collateral (received) as of December 31, 2015:

Counterparty	Repurchase Agreement Proceeds to be Received	Payable for Reverse Repurchase Agreements	Payable for Sale-Buyback Transactions	Total Borrowings and Other Financing Transactions	Collateral (Received)	Net Exposure ⁽²⁾
Global/Master Repurchase Agreement						
SAL	\$ 9,001	\$ 0	\$ 0	\$ 9,001	\$ (9,185)	\$ (184)
Total Borrowings and Other Financing Transactions	\$ 9,001	\$ 0	\$ 0			

⁽²⁾Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from borrowings and other financing transactions can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 6, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

46 PIMCO CLOSED-END FUNDS

See Accompanying Notes

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December 31, 2015

FAIR VALUE MEASUREMENTS

The following is a summary of the fair valuations according to the inputs used as of December 31, 2015 in valuing the Fund's assets and liabilities:

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 12/31/2015
Investments in Securities, at Value				
Municipal Bonds & Notes				
California	\$ 0	\$ 447,696	\$ 0	\$ 447,696
Illinois	0	8,859	0	8,859
New Jersey	0	3,558	0	3,558
New York	0	1,500	0	1,500
Short-Term Instruments				
Repurchase Agreements	0	9,000	0	9,000
U.S. Treasury Bills	0	800	0	800
Total Investments	\$ 0	\$ 471,413	\$ 0	\$ 471,413

There were no significant transfers between Levels 1, 2, or 3 during the period ended December 31, 2015.

See Accompanying Notes

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Table of Contents**Schedule of Investments PIMCO California Municipal Income Fund III**

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
INVESTMENTS IN SECURITIES 165.6%		
MUNICIPAL BONDS & NOTES 163.8%		
CALIFORNIA 156.9%		
Bay Area Toll Authority, California Revenue Bonds, Series 2008		
5.000% due 04/01/2034	\$ 1,250	\$ 1,364
Bay Area Toll Authority, California Revenue Bonds, Series 2013		
5.250% due 04/01/2048	8,000	9,079
California County Tobacco Securitization Agency Revenue Bonds, Series 2002		
5.875% due 06/01/2035	8,100	8,101
6.000% due 06/01/2042	7,000	7,001
California County Tobacco Securitization Agency Revenue Bonds, Series 2006		
5.600% due 06/01/2036	2,000	1,995
California Educational Facilities Authority Revenue Bonds, Series 2009		
5.000% due 01/01/2039 (a)	9,800	10,944
5.000% due 10/01/2039 (a)	10,000	11,028
California Health Facilities Financing Authority Revenue Bonds, (IBC/NPFGC Insured), Series 2007		
5.000% due 11/15/2042	500	516
California Health Facilities Financing Authority Revenue Bonds, Series 2008		
5.000% due 08/15/2038	5,000	5,441
5.250% due 11/15/2040	4,550	5,295
California Health Facilities Financing Authority Revenue Bonds, Series 2009		
5.750% due 09/01/2039	4,000	4,541
6.000% due 07/01/2039	4,000	4,586
6.500% due 11/01/2038	500	591
California Health Facilities Financing Authority Revenue Bonds, Series 2010		
5.000% due 11/15/2036	1,300	1,458
California Health Facilities Financing Authority Revenue Bonds, Series 2011		
5.000% due 08/15/2035	1,000	1,158
6.000% due 08/15/2042	1,200	1,434
California Health Facilities Financing Authority Revenue Bonds, Series 2012		
5.000% due 08/15/2051	8,305	9,189
California Health Facilities Financing Authority Revenue Bonds, Series 2015		
5.000% due 08/15/2054	3,000	3,404
California Infrastructure & Economic Development Bank Revenue Bonds, Series 2013		
5.000% due 02/01/2039	10,000	11,090
California Municipal Finance Authority Revenue Bonds, Series 2011		
7.750% due 04/01/2031	835	1,049
California Pollution Control Financing Authority Revenue Bonds, Series 2010		
5.250% due 08/01/2040	1,250	1,331
California State General Obligation Bonds, Series 2009		
6.000% due 04/01/2038	7,300	8,439
California State General Obligation Bonds, Series 2013		
5.000% due 11/01/2043	5,000	5,809
California State General Obligation Bonds, Series 2015		
5.000% due 09/01/2032	10,400	12,518
California State Public Works Board Revenue Bonds, Series 2009		
6.000% due 11/01/2034	2,000	2,332
California State Public Works Board Revenue Bonds, Series 2013		
5.000% due 03/01/2038	2,500	2,858
California State University Revenue Bonds, Series 2011		
5.000% due 11/01/2042	9,200	10,572
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
California State University Revenue Bonds, Series 2015		
5.000% due 11/01/2047	\$ 12,750	\$ 14,822
California Statewide Communities Development Authority Certificates of Participation Bonds, Series 1999		

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5.375% due 04/01/2030	945	948
California Statewide Communities Development Authority Revenue Bonds, (FGIC Insured), Series 2007		
5.750% due 07/01/2047	3,100	3,407
California Statewide Communities Development Authority Revenue Bonds, (FHA Insured), Series 2009		
6.625% due 08/01/2029	1,780	2,125
6.750% due 02/01/2038	6,430	7,706
California Statewide Communities Development Authority Revenue Bonds, Series 2006		
5.000% due 03/01/2041	4,500	4,524
California Statewide Communities Development Authority Revenue Bonds, Series 2007		
5.500% due 11/01/2038	1,300	1,315
California Statewide Communities Development Authority Revenue Bonds, Series 2008		
5.500% due 07/01/2031	2,030	2,157
California Statewide Communities Development Authority Revenue Bonds, Series 2010		
6.250% due 10/01/2039	500	562
7.500% due 06/01/2042	990	1,080
California Statewide Communities Development Authority Revenue Bonds, Series 2011		
5.000% due 12/01/2041	11,000	12,163
6.000% due 08/15/2042	1,800	2,150
6.500% due 11/01/2021	335	369
California Statewide Communities Development Authority Revenue Bonds, Series 2012		
5.000% due 04/01/2042	11,220	12,609
5.375% due 05/15/2038	2,000	2,251
California Statewide Communities Development Authority Revenue Bonds, Series 2014		
5.500% due 12/01/2054	2,500	2,661
Chula Vista, California Revenue Bonds, Series 2004		
5.875% due 02/15/2034	2,000	2,297
Contra Costa County, California Public Financing Authority Tax Allocation Bonds, Series 2003		
5.625% due 08/01/2033	1,415	1,415
Fremont Community Facilities District No. 1, California Special Tax Bonds, Series 2015		
5.000% due 09/01/2045	1,400	1,526
Golden State, California Tobacco Securitization Corp. Revenue Bonds, Series 2007		
5.750% due 06/01/2047	15,165	14,245
Hayward Unified School District, California General Obligation Bonds, Series 2015		
5.000% due 08/01/2038	5,000	5,662
JPMorgan Chase Putters/Drivers Trust, California Revenue Bonds, Series 2009		
5.000% due 07/01/2037 (a)	5,000	5,292
Lancaster Redevelopment Agency, California Tax Allocation Bonds, Series 2009		
6.875% due 08/01/2039	500	588
Long Beach Unified School District, California General Obligation Bonds, Series 2009		
5.750% due 08/01/2033	5,000	5,736
Long Beach, California Airport System Revenue Bonds, Series 2010		
5.000% due 06/01/2040	2,120	2,347
Los Angeles Community College District, California General Obligation Bonds, Series 2009		
14.018% due 08/01/2033 (b)	1,000	1,300
Los Angeles Department of Water & Power, California Revenue Bonds, Series 2009		
5.000% due 07/01/2039 (a)	10,000	11,037
	PRINCIPAL	MARKET
	AMOUNT	VALUE
	(000S)	(000S)
Los Angeles Department of Water & Power, California Revenue Bonds, Series 2012		
5.000% due 07/01/2037	\$ 2,000	\$ 2,315
5.000% due 07/01/2043	2,115	2,433
Los Angeles Department of Water & Power, California Revenue Bonds, Series 2014		
5.000% due 07/01/2043	3,000	3,444
Los Angeles Unified School District, California General Obligation Bonds, Series 2009		
5.000% due 01/01/2034 (a)	10,000	11,232
M-S-R Energy Authority, California Revenue Bonds, Series 2009		
6.500% due 11/01/2039	10,825	15,207
7.000% due 11/01/2034	2,285	3,316
Malibu, California Certificates of Participation Bonds, Series 2009		
5.000% due 07/01/2039	550	605
Manteca Financing Authority, California Revenue Bonds, Series 2009		
5.750% due 12/01/2036	1,000	1,161
Montebello Unified School District, California General Obligation Bonds, (AGM Insured), Series 2008		
5.000% due 08/01/2033	3,000	3,311
Oakland Redevelopment Agency Successor Agency, California Tax Allocation Bonds, (AGM Insured), Series 2015		
5.000% due 09/01/2036	800	920
Peralta Community College District, California General Obligation Bonds, Series 2009		
5.000% due 08/01/2039	1,250	1,380
Regents of the University of California Medical Center Pooled Revenue Bonds, Series 2013		

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5.000% due 05/15/2043	5,000	5,579
River Islands Public Financing Authority, California Special Tax Bonds, Series 2015		
5.500% due 09/01/2045	3,000	3,200
Rocklin Unified School District Community Facilities District, California Special Tax Bonds, (NPFGC Insured), Series 2004		
5.000% due 09/01/2029	500	501
Sacramento Municipal Utility District, California Revenue Bonds, Series 2013		
5.000% due 08/15/2037	3,000	3,526
San Diego County, California Regional Airport Authority Revenue Bonds, Series 2013		
5.000% due 07/01/2043	1,325	1,499
San Diego County, California Water Authority Certificates of Participation Bonds, (AGM Insured), Series 2008		
5.000% due 05/01/2038	6,250	6,699
San Diego Public Facilities Financing Authority Sewer, California Revenue Bonds, Series 2009		
5.250% due 05/15/2039	4,000	4,477
San Diego Regional Building Authority, California Revenue Bonds, Series 2009		
5.375% due 02/01/2036	2,200	2,429
San Francisco, California City & County Certificates of Participation Bonds, Series 2009		
5.250% due 04/01/2031	550	611
San Francisco, California City & County Redevelopment Agency Special Tax Bonds, Series 2013		
5.000% due 08/01/2028	1,505	1,670
San Joaquin Hills Transportation Corridor Agency, California Revenue Bonds, Series 2014		
5.000% due 01/15/2050	2,000	2,160
San Jose, California Hotel Tax Revenue Bonds, Series 2011		
6.500% due 05/01/2036	1,500	1,810
San Marcos Redevelopment Agency Successor Agency, California Tax Allocation Bonds, Series 2015		
5.000% due 10/01/2034	885	1,046

48 PIMCO CLOSED-END FUNDS

See Accompanying Notes

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December 31, 2015

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
San Marcos Unified School District, California General Obligation Bonds, Series 2011		
5.000% due 08/01/2038	\$ 1,000	\$ 1,109
Santa Clara County, California Financing Authority Revenue Bonds, (AMBAC Insured), Series 2007		
5.750% due 02/01/2041	500	539
Santa Cruz County, California Redevelopment Agency Tax Allocation Bonds, Series 2009		
7.000% due 09/01/2036	1,200	1,402
Torrance, California Revenue Bonds, Series 2001		
5.500% due 06/01/2031	2,950	2,999
Washington Township Health Care District, California General Obligation Bonds, Series 2013		
5.000% due 08/01/2043	2,500	2,795
Western Municipal Water District Facilities Authority, California Revenue Bonds, Series 2009		
5.000% due 10/01/2039	2,000	2,221
Westlake Village, California Certificates of Participation Bonds, Series 2009		
5.000% due 06/01/2039	1,000	1,019
		358,032
ILLINOIS 4.3%		
Chicago, Illinois General Obligation Bonds, Series 2007		
5.500% due 01/01/2035	3,000	3,166
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Chicago, Illinois General Obligation Bonds, Series 2015		
5.250% due 01/01/2028	\$ 3,700	\$ 3,931
5.500% due 01/01/2033	2,500	2,656
		9,753
INDIANA 2.2%		
Vigo County, Indiana Hospital Authority Revenue Bonds, Series 2007		
5.750% due 09/01/2042	5,000	5,151
NEW JERSEY 0.4%		
Tobacco Settlement Financing Corp., New Jersey Revenue Bonds, Series 2007		
4.750% due 06/01/2034	1,000	820
Total Municipal Bonds & Notes (Cost \$334,215)		373,756
SHORT-TERM INSTRUMENTS 1.8%		
SHORT-TERM NOTES 1.7%		
Federal Home Loan Bank		
0.142% due 01/22/2016	3,300	3,299
0.188% due 01/20/2016	200	200
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
0.233% due 01/25/2016	\$ 100	\$ 100
0.314% due 01/28/2016	200	200
		3,799

U.S. TREASURY BILLS 0.1%		
0.203% due 01/14/2016	300	300
Total Short-Term Instruments (Cost \$4,100)		4,099
Total Investments in Securities (Cost \$338,315)		377,855
Total Investments 165.6% (Cost \$338,315)	\$	377,855
Preferred Shares (54.8%)		(125,000)
Other Assets and Liabilities, net (10.8%)		(24,634)
Net Assets Applicable to Common Shareholders 100.0%	\$	228,221

NOTES TO SCHEDULE OF INVESTMENTS (AMOUNTS IN THOUSANDS*):

* A zero balance may reflect actual amounts rounding to less than one thousand.

(a) Represents an underlying municipal bond transferred to a tender option bond trust established in a tender option bond transaction in which the Fund sold, or caused the sale of, the underlying municipal bond and purchased the residual interest certificate. The security serves as collateral in a financing transaction. See Note 5(b) in the Notes to Financial Statements for more information.

(b) Represents an investment in a tender option bond residual interest certificate purchased in a secondary market transaction. The interest rate shown bears an inverse relationship to the interest rate on a tender option bond floating rate certificate. The interest rate disclosed reflects the rate in effect on December 31, 2015.

FAIR VALUE MEASUREMENTS

The following is a summary of the fair valuations according to the inputs used as of December 31, 2015 in valuing the Fund's assets and liabilities:

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 12/31/2015
Investments in Securities, at Value				
Municipal Bonds & Notes				
California	\$ 0	\$ 358,032	\$ 0	\$ 358,032
Illinois	0	9,753	0	9,753
Indiana	0	5,151	0	5,151
New Jersey	0	820	0	820
Short-Term Instruments				
Short-Term Notes	0	3,799	0	3,799
U.S. Treasury Bills	0	300	0	300
Total Investments	\$ 0	\$ 377,855	\$ 0	\$ 377,855

There were no significant transfers between Levels 1, 2, or 3 during the period ended December 31, 2015.

Table of Contents**Schedule of Investments PIMCO New York Municipal Income Fund**

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
INVESTMENTS IN SECURITIES 157.5%		
MUNICIPAL BONDS & NOTES 155.4%		
ILLINOIS 2.7%		
Chicago, Illinois General Obligation Bonds, Series 2007		
5.500% due 01/01/2042	\$ 885	\$ 921
Chicago, Illinois General Obligation Bonds, Series 2015		
5.250% due 01/01/2028	1,500	1,594
		2,515
NEW YORK 149.8%		
Build NYC Resource Corp., New York Revenue Bonds, Series 2014		
5.000% due 06/01/2043	820	925
Hudson Yards Infrastructure Corp., New York Revenue Bonds, Series 2011		
5.250% due 02/15/2047	3,000	3,369
5.750% due 02/15/2047	4,000	4,605
Long Island Power Authority, New York Revenue Bonds, Series 2009		
5.750% due 04/01/2039	4,500	5,043
Metropolitan Transportation Authority, New York Revenue Bonds, Series 2012		
5.000% due 11/15/2042	2,000	2,250
Metropolitan Transportation Authority, New York Revenue Bonds, Series 2013		
5.000% due 11/15/2043	1,000	1,135
Nassau County, New York Industrial Development Agency Revenue Bonds, Series 2014		
2.000% due 01/01/2049 ^	433	52
6.700% due 01/01/2049	1,200	1,190
Nassau County, New York Tobacco Settlement Corp. Revenue Bonds, Series 2006		
5.125% due 06/01/2046	1,230	1,071
New York City, New York General Obligation Bonds, Series 2013		
5.000% due 08/01/2031	2,000	2,367
New York City, New York Health & Hospital Corp. Revenue Bonds, Series 2010		
5.000% due 02/15/2030	3,500	3,857
New York City, New York Industrial Development Agency Revenue Bonds, (AGC Insured), Series 2009		
6.500% due 01/01/2046	900	1,017
7.000% due 03/01/2049	3,200	3,724
New York City, New York Transitional Finance Authority Building Aid Revenue Bonds, Series 2009		
5.250% due 01/15/2039	5,000	5,502
New York City, New York Water & Sewer System Revenue Bonds, Series 2007		
4.750% due 06/15/2035 (a)	5,000	5,238
New York City, New York Water & Sewer System Revenue Bonds, Series 2009		
5.000% due 06/15/2040	2,500	2,802
New York Convention Center Development Corp. Revenue Bonds, Series 2015		
5.000% due 11/15/2045	2,500	2,869
New York Liberty Development Corp. Revenue Bonds, Series 2005		
5.250% due 10/01/2035 (a)	11,410	13,692
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
New York Liberty Development Corp. Revenue Bonds, Series 2007		
5.500% due 10/01/2037	\$ 1,925	\$ 2,423
New York Liberty Development Corp. Revenue Bonds, Series 2010		
5.125% due 01/15/2044	6,150	6,807
6.375% due 07/15/2049	1,500	1,694
New York Liberty Development Corp. Revenue Bonds, Series 2011		
5.000% due 12/15/2041	2,000	2,256

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5.750% due 11/15/2051	6,000	6,989
New York Liberty Development Corp. Revenue Bonds, Series 2014		
5.000% due 11/15/2044	1,900	1,963
New York State Dormitory Authority Revenue Bonds, (AGC Insured), Series 2009		
5.125% due 07/01/2039	1,000	1,082
New York State Dormitory Authority Revenue Bonds, Series 2008		
4.500% due 07/01/2035	2,500	2,598
5.000% due 07/01/2038	1,500	1,648
New York State Dormitory Authority Revenue Bonds, Series 2009		
5.000% due 03/15/2038	1,000	1,098
5.125% due 07/01/2039	1,300	1,472
5.500% due 03/01/2039	1,800	2,018
New York State Dormitory Authority Revenue Bonds, Series 2010		
5.000% due 07/01/2035	500	563
5.500% due 07/01/2040	1,250	1,435
New York State Dormitory Authority Revenue Bonds, Series 2011		
5.000% due 07/01/2031	2,000	2,216
5.500% due 07/01/2036	1,000	1,180
6.000% due 07/01/2040	1,225	1,422
New York State Dormitory Authority Revenue Bonds, Series 2012		
5.000% due 07/01/2042	1,350	1,535
New York State Dormitory Authority Revenue Bonds, Series 2013		
5.000% due 02/15/2029	1,000	1,177
New York State Dormitory Authority Revenue Bonds, Series 2015		
5.000% due 07/01/2034	1,000	1,140
5.000% due 07/01/2040	2,000	2,310
New York State Thruway Authority Revenue Bonds, Series 2012		
5.000% due 01/01/2037	2,000	2,255
5.000% due 01/01/2042	3,645	4,046
New York State Urban Development Corp. Revenue Bonds, Series 2009		
5.000% due 03/15/2036 (a)	1,800	1,987
Onondaga County, New York Revenue Bonds, Series 2011		
5.000% due 12/01/2036	600	685
Port Authority of New York & New Jersey Revenue Bonds, Series 2010		
6.000% due 12/01/2036	1,000	1,168
	PRINCIPAL	MARKET
	AMOUNT	VALUE
	(000S)	(000S)
Triborough Bridge & Tunnel Authority, New York Revenue Notes, Series 2009		
5.250% due 11/15/2034 (a)	\$ 3,000	\$ 3,332
Troy Capital Resource Corp., New York Revenue Bonds, Series 2010		
5.125% due 09/01/2040	3,000	3,363
Troy Industrial Development Authority, New York Revenue Bonds, Series 2002		
4.625% due 09/01/2026	5,860	6,503
TSASC, Inc., New York Revenue Bonds, Series 2006		
5.000% due 06/01/2026	4,000	4,035
5.000% due 06/01/2034	3,000	2,811
5.125% due 06/01/2042	2,205	2,008
Westchester County Healthcare Corp., New York Revenue Bonds, Series 2010		
6.125% due 11/01/2037	910	1,040
Yonkers Economic Development Corp., New York Revenue Bonds, Series 2010		
6.000% due 10/15/2030	200	210
Yonkers Industrial Development Agency, New York Revenue Bonds, Series 2001		
6.000% due 06/01/2041	400	451
		139,628
OHIO 2.9%		
Buckeye Tobacco Settlement Financing Authority, Ohio Revenue Bonds, Series 2007		
6.500% due 06/01/2047	2,875	2,669
Total Municipal Bonds & Notes		
(Cost \$131,136)		144,812
SHORT-TERM INSTRUMENTS 2.1%		
SHORT-TERM NOTES 2.1%		
Federal Home Loan Bank		
0.142% due 01/22/2016	100	100

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0.157% due 01/26/2016	100	100
0.314% due 01/28/2016	200	200
Freddie Mac		
0.172% due 01/28/2016	1,600	1,600
		2,000
Total Short-Term Instruments (Cost \$2,000)		2,000
Total Investments in Securities (Cost \$133,136)		146,812
Total Investments 157.5%		
(Cost \$133,136)	\$	146,812
Preferred Shares (50.4%)		(47,000)
Other Assets and Liabilities, net (7.1%)		(6,607)
Net Assets Applicable to Common Shareholders 100.0%	\$	93,205

NOTES TO SCHEDULE OF INVESTMENTS (AMOUNTS IN THOUSANDS*):

* A zero balance may reflect actual amounts rounding to less than one thousand.

^ Security is in default.

(a) Represents an underlying municipal bond transferred to a tender option bond trust established in a tender option bond transaction in which the Fund sold, or caused the sale of, the underlying municipal bond and purchased the residual interest certificate. The security serves as collateral in a financing transaction. See Note 5(b) in the Notes to Financial Statements for more information.

50 PIMCO CLOSED-END FUNDS

See Accompanying Notes

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FAIR VALUE MEASUREMENTS

The following is a summary of the fair valuations according to the inputs used as of December 31, 2015 in valuing the Fund's assets and liabilities:

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 12/31/2015
Investments in Securities, at Value				
Municipal Bonds & Notes				
Illinois	\$ 0	\$ 2,515	\$ 0	\$ 2,515
New York	0	139,628	0	139,628
Ohio	0	2,669	0	2,669
Short-Term Instruments				
Short-Term Notes	0	2,000	0	2,000
Total Investments	\$ 0	\$ 146,812	\$ 0	\$ 146,812

There were no significant transfers between Levels 1, 2, or 3 during the period ended December 31, 2015.

See Accompanying Notes

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Table of Contents**Schedule of Investments PIMCO New York Municipal Income Fund II**

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
INVESTMENTS IN SECURITIES 167.6%		
MUNICIPAL BONDS & NOTES 167.4%		
FLORIDA 0.9%		
Clearwater, Florida Water & Sewer Revenue Bonds, Series 2009		
5.250% due 12/01/2039	\$ 1,000	\$ 1,132
ILLINOIS 1.8%		
Chicago, Illinois General Obligation Bonds, Series 2015		
5.250% due 01/01/2028	2,100	2,231
LOUISIANA 0.9%		
East Baton Rouge Sewerage Commission, Louisiana Revenue Bonds, Series 2009		
5.250% due 02/01/2039	1,000	1,124
NEW YORK 161.9%		
Build NYC Resource Corp., New York Revenue Bonds, Series 2014		
5.000% due 06/01/2038	1,000	1,144
Chautauqua Industrial Development Agency, New York Revenue Bonds, Series 2009		
5.875% due 04/01/2042	1,000	1,053
Dutchess County, New York Local Development Corp. Revenue Bonds, Series 2015		
5.000% due 07/01/2045	3,000	3,399
Erie County, New York Industrial Development Agency Revenue Bonds, Series 2006		
6.000% due 11/15/2036	150	157
Hudson Yards Infrastructure Corp., New York Revenue Bonds, Series 2011		
5.750% due 02/15/2047	9,000	10,362
JPMorgan Chase Putters/Drivers Trust, New York Revenue Bonds, Series 2009		
9.530% due 07/01/2033 (b)	5,000	6,125
Long Island Power Authority, New York Revenue Bonds, Series 2014		
5.000% due 09/01/2044	3,500	3,939
Metropolitan Transportation Authority, New York Revenue Bonds, Series 2009		
5.000% due 11/15/2034	2,000	2,258
5.500% due 11/15/2039	5,000	5,551
Metropolitan Transportation Authority, New York Revenue Bonds, Series 2012		
5.000% due 11/15/2030	2,100	2,471
Metropolitan Transportation Authority, New York Revenue Bonds, Series 2013		
5.000% due 11/15/2043	3,000	3,406
Metropolitan Transportation Authority, New York Revenue Bonds, Series 2015		
5.000% due 11/15/2036	4,000	4,660
Monroe County Industrial Development Corp., New York Revenue Bonds, (FHA Insured), Series 2010		
5.500% due 08/15/2040	3,500	4,015
Monroe County Industrial Development Corp., New York Revenue Bonds, Series 2013		
5.000% due 07/01/2043	1,750	1,966
Nassau County, New York Industrial Development Agency Revenue Bonds, Series 2014		
2.000% due 01/01/2049 ^	650	78
6.700% due 01/01/2049	1,800	1,785
Nassau County, New York Tobacco Settlement Corp. Revenue Bonds, Series 2006		
5.125% due 06/01/2046	4,000	3,483
New York City, New York General Obligation Bonds, Series 2013		
5.000% due 08/01/2031	2,000	2,367
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
New York City, New York Health & Hospital Corp. Revenue Bonds, Series 2010		

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5.000% due 02/15/2030	\$	1,500	\$	1,653
New York City, New York Industrial Development Agency Revenue Bonds, (AGC Insured), Series 2009				
6.500% due 01/01/2046		1,500		1,695
7.000% due 03/01/2049		4,900		5,702
New York City, New York Industrial Development Agency Revenue Bonds, (FGIC Insured), Series 2006				
5.000% due 03/01/2031		750		768
New York City, New York Industrial Development Agency Revenue Bonds, (NPFGC Insured), Series 2006				
5.000% due 03/01/2036		1,900		1,943
New York City, New York Transitional Finance Authority Building Aid Revenue Bonds, Series 2009				
5.250% due 01/15/2039		5,000		5,503
New York City, New York Transitional Finance Authority Future Tax Secured Revenue Bonds, Series 2012				
5.000% due 05/01/2039		2,000		2,271
New York City, New York Water & Sewer System Revenue Bonds, Series 2009				
5.000% due 06/15/2039		500		561
5.250% due 06/15/2040		1,000		1,130
New York City, New York Water & Sewer System Revenue Bonds, Series 2013				
5.000% due 06/15/2047		1,000		1,132
New York Convention Center Development Corp. Revenue Bonds, Series 2015				
5.000% due 11/15/2045		4,000		4,590
New York Liberty Development Corp. Revenue Bonds, Series 2005				
5.250% due 10/01/2035 (a)		6,350		7,620
New York Liberty Development Corp. Revenue Bonds, Series 2007				
5.500% due 10/01/2037		3,500		4,405
New York Liberty Development Corp. Revenue Bonds, Series 2010				
5.125% due 01/15/2044		1,500		1,660
5.625% due 07/15/2047		1,400		1,580
6.375% due 07/15/2049		1,300		1,468
New York Liberty Development Corp. Revenue Bonds, Series 2011				
5.000% due 12/15/2041		3,000		3,383
5.750% due 11/15/2051		10,000		11,648
New York Liberty Development Corp. Revenue Bonds, Series 2014				
5.000% due 11/15/2044		2,000		2,066
New York State Dormitory Authority Revenue Bonds, (AMBAC Insured), Series 2005				
5.500% due 05/15/2031		7,490		9,824
New York State Dormitory Authority Revenue Bonds, Series 2006				
5.000% due 07/01/2035		2,750		2,812
New York State Dormitory Authority Revenue Bonds, Series 2007				
5.625% due 07/01/2037		1,000		1,072
New York State Dormitory Authority Revenue Bonds, Series 2008				
5.000% due 07/01/2036		2,000		2,175
5.000% due 07/01/2038		2,100		2,307
New York State Dormitory Authority Revenue Bonds, Series 2009				
5.000% due 03/15/2038		3,000		3,294
5.500% due 05/01/2037		600		686
5.500% due 03/01/2039		3,000		3,363
New York State Dormitory Authority Revenue Bonds, Series 2010				
5.500% due 07/01/2040		1,000		1,148
		PRINCIPAL		MARKET
		AMOUNT		VALUE
		(000S)		(000S)
New York State Dormitory Authority Revenue Bonds, Series 2011				
5.000% due 07/01/2031	\$	2,000	\$	2,216
5.500% due 07/01/2036		1,500		1,770
New York State Dormitory Authority Revenue Bonds, Series 2015				
5.000% due 07/01/2039		1,000		1,123
5.000% due 07/01/2045		4,000		4,610
New York State Environmental Facilities Corp. Revenue Bonds, Series 2009				
5.125% due 06/15/2038		5,000		5,615
New York State Thruway Authority Revenue Bonds, Series 2012				
5.000% due 01/01/2042		3,800		4,218
New York State Urban Development Corp. Revenue Bonds, Series 2009				
5.000% due 03/15/2036 (a)		6,000		6,624
Niagara Tobacco Asset Securitization Corp., New York Revenue Bonds, Series 2014				
5.250% due 05/15/2034		500		566
5.250% due 05/15/2040		500		562
Onondaga County, New York Revenue Bonds, Series 2011				
5.000% due 12/01/2036		1,000		1,142
Port Authority of New York & New Jersey Revenue Bonds, Series 2010				
6.000% due 12/01/2036		1,400		1,635
Triborough Bridge & Tunnel Authority, New York Revenue Notes, Series 2009				

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5.250% due 11/15/2034 (a)	5,000	5,554
Troy Capital Resource Corp., New York Revenue Bonds, Series 2010		
5.125% due 09/01/2040	3,435	3,851
TSASC, Inc., New York Revenue Bonds, Series 2006		
5.000% due 06/01/2026	7,000	7,062
5.000% due 06/01/2034	5,000	4,685
5.125% due 06/01/2042	1,000	911
Ulster County, New York Industrial Development Agency Revenue Bonds, Series 2007		
6.000% due 09/15/2037	1,815	1,817
Westchester County Healthcare Corp., New York Revenue Bonds, Series 2010		
6.125% due 11/01/2037	1,490	1,703
Westchester County, New York Local Development Corp. Revenue Bonds, Series 2014		
5.500% due 05/01/2042	1,000	1,116
Yonkers Economic Development Corp., New York Revenue Bonds, Series 2010		
6.000% due 10/15/2030	1,000	1,051
Yonkers Industrial Development Agency, New York Revenue Bonds, Series 2001		
6.000% due 06/01/2041	600	677
		204,186
OHIO 1.0%		
Buckeye Tobacco Settlement Financing Authority, Ohio Revenue Bonds, Series 2007		
6.500% due 06/01/2047	1,435	1,332
U.S. VIRGIN ISLANDS 0.9%		
Virgin Islands Public Finance Authority, U.S. Virgin Islands Revenue Bonds, Series 2009		
6.000% due 10/01/2039	1,000	1,099
Total Municipal Bonds & Notes (Cost \$190,917)		211,104

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	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
SHORT-TERM INSTRUMENTS 0.2%		
SHORT-TERM NOTES 0.2%		
Freddie Mac		
0.254% due 01/27/2016	\$ 200	\$ 200
Total Short-Term Instruments (Cost \$200)		200
Total Investments in Securities (Cost \$191,117)		211,304
Total Investments 167.6% (Cost \$191,117)		\$ 211,304
Preferred Shares (62.7%)		(79,000)
Other Assets and Liabilities, net (4.9%)		(6,219)
Net Assets Applicable to Common Shareholders 100.0%		\$ 126,085

NOTES TO SCHEDULE OF INVESTMENTS (AMOUNTS IN THOUSANDS*):

* A zero balance may reflect actual amounts rounding to less than one thousand.

^ Security is in default.

(a) Represents an underlying municipal bond transferred to a tender option bond trust established in a tender option bond transaction in which the Fund sold, or caused the sale of, the underlying municipal bond and purchased the residual interest certificate. The security serves as collateral in a financing transaction. See Note 5(b) in the Notes to Financial Statements for more information.

(b) Represents an investment in a tender option bond residual interest certificate purchased in a secondary market transaction. The interest rate shown bears an inverse relationship to the interest rate on a tender option bond floating rate certificate. The interest rate disclosed reflects the rate in effect on December 31, 2015.

FAIR VALUE MEASUREMENTS

The following is a summary of the fair valuations according to the inputs used as of December 31, 2015 in valuing the Fund's assets and liabilities:

Category and Subcategory				Fair Value at
	Level 1	Level 2	Level 3	12/31/2015
Investments in Securities, at Value				
Municipal Bonds & Notes				
Florida	\$ 0	\$ 1,132	\$ 0	\$ 1,132
Illinois	0	2,231	0	2,231
Louisiana	0	1,124	0	1,124
New York	0	204,186	0	204,186

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Ohio	0	1,332	0	1,332
U.S. Virgin Islands	0	1,099	0	1,099
Short-Term Instruments				
Short-Term Notes	0	200	0	200
Total Investments	\$ 0	\$ 211,304	\$ 0	\$ 211,304

There were no significant transfers between Levels 1, 2, or 3 during the period ended December 31, 2015.

See Accompanying Notes

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Table of Contents**Schedule of Investments PIMCO New York Municipal Income Fund III**

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
INVESTMENTS IN SECURITIES 165.9%		
MUNICIPAL BONDS & NOTES 162.2%		
ILLINOIS 3.7%		
Chicago, Illinois General Obligation Bonds, Series 2015		
5.250% due 01/01/2028	\$ 1,900	\$ 2,019
NEW YORK 154.2%		
Brooklyn Arena Local Development Corp., New York Revenue Bonds, Series 2009		
6.375% due 07/15/2043	1,000	1,147
Chautauqua Industrial Development Agency, New York Revenue Bonds, Series 2009		
5.875% due 04/01/2042	1,500	1,580
Dutchess County, New York Industrial Development Agency Revenue Bonds, Series 2007		
5.250% due 01/01/2037	695	651
Hudson Yards Infrastructure Corp., New York Revenue Bonds, Series 2011		
5.750% due 02/15/2047	4,000	4,605
Long Island Power Authority, New York Revenue Bonds, Series 2009		
5.750% due 04/01/2039	1,500	1,681
Metropolitan Transportation Authority, New York Revenue Bonds, Series 2009		
5.000% due 11/15/2034	500	565
Metropolitan Transportation Authority, New York Revenue Bonds, Series 2013		
5.000% due 11/15/2042	2,000	2,247
5.000% due 11/15/2043	4,000	4,541
Monroe County Industrial Development Corp., New York Revenue Bonds, (FHA Insured), Series 2010		
5.500% due 08/15/2040	1,500	1,721
Monroe County Industrial Development Corp., New York Revenue Bonds, Series 2013		
5.000% due 07/01/2043	1,750	1,966
Nassau County, New York Industrial Development Agency Revenue Bonds, Series 2014		
2.000% due 01/01/2049 ^	135	16
6.700% due 01/01/2049	375	372
New York City, New York General Obligation Bonds, Series 2013		
5.000% due 08/01/2031	2,590	3,065
New York City, New York Industrial Development Agency Revenue Bonds, (AGC Insured), Series 2009		
6.500% due 01/01/2046	600	678
7.000% due 03/01/2049	2,200	2,560
New York City, New York Transitional Finance Authority Future Tax Secured Revenue Bonds, Series 2013		
5.000% due 11/01/2042	2,000	2,280
New York City, New York Trust for Cultural Resources Revenue Bonds, Series 2014		
5.000% due 08/01/2043	2,000	2,236
New York City, New York Water & Sewer System Revenue Bonds, Series 2007		
4.750% due 06/15/2035 (a)	5,000	5,238
New York City, New York Water & Sewer System Revenue Bonds, Series 2009		
5.000% due 06/15/2039	1,500	1,682
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
New York City, New York Water & Sewer System Revenue Bonds, Series 2012		
5.000% due 06/15/2047	\$ 2,500	\$ 2,830
New York Convention Center Development Corp. Revenue Bonds, Series 2015		
5.000% due 11/15/2045	2,000	2,295
New York Counties Tobacco Trust Revenue Bonds, Series 2001		
5.750% due 06/01/2043	2,000	2,026
New York Liberty Development Corp. Revenue Bonds, Series 2007		
5.500% due 10/01/2037	2,400	3,020
New York Liberty Development Corp. Revenue Bonds, Series 2010		
5.125% due 01/15/2044	2,000	2,214
6.375% due 07/15/2049	1,050	1,186
New York Liberty Development Corp. Revenue Bonds, Series 2011		

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5.750% due 11/15/2051	4,000	4,659
New York Liberty Development Corp. Revenue Bonds, Series 2014		
5.000% due 11/15/2044	2,000	2,066
New York State Dormitory Authority Revenue Bonds, Series 2009		
5.000% due 03/15/2038	1,000	1,098
5.500% due 03/01/2039	1,200	1,345
New York State Dormitory Authority Revenue Bonds, Series 2010		
5.500% due 07/01/2040	500	574
New York State Dormitory Authority Revenue Bonds, Series 2011		
6.000% due 07/01/2040	250	290
New York State Dormitory Authority Revenue Bonds, Series 2012		
5.000% due 05/15/2026	1,225	1,456
5.000% due 12/15/2027	2,000	2,413
New York State Dormitory Authority Revenue Bonds, Series 2013		
5.000% due 02/15/2029	750	883
New York State Environmental Facilities Corp. Revenue Bonds, Series 2007		
4.750% due 06/15/2032	750	792
New York State Thruway Authority Revenue Bonds, Series 2012		
5.000% due 01/01/2042	1,600	1,776
New York State Urban Development Corp. Revenue Bonds, Series 2009		
5.000% due 03/15/2036 (a)	2,200	2,429
Niagara Tobacco Asset Securitization Corp., New York Revenue Bonds, Series 2014		
5.250% due 05/15/2034	500	566
5.250% due 05/15/2040	500	562
Onondaga County, New York Revenue Bonds, Series 2011		
5.000% due 12/01/2036	400	457
Port Authority of New York & New Jersey Revenue Bonds, Series 2010		
6.000% due 12/01/2036	600	701
Triborough Bridge & Tunnel Authority, New York Revenue Notes, Series 2009		
5.250% due 11/15/2034 (a)	2,000	2,222
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Troy Capital Resource Corp., New York Revenue Bonds, Series 2010		
5.125% due 09/01/2040	\$ 1,400	\$ 1,570
TSASC, Inc., New York Revenue Bonds, Series 2006		
5.000% due 06/01/2026	4,000	4,035
5.000% due 06/01/2034	100	94
5.125% due 06/01/2042	500	455
Westchester County Healthcare Corp., New York Revenue Bonds, Series 2010		
6.125% due 11/01/2037	600	686
Yonkers Economic Development Corp., New York Revenue Bonds, Series 2010		
6.000% due 10/15/2030	100	105
		83,636
OHIO 3.3%		
Buckeye Tobacco Settlement Financing Authority, Ohio Revenue Bonds, Series 2007		
6.500% due 06/01/2047	1,950	1,810
U.S. VIRGIN ISLANDS 1.0%		
Virgin Islands Public Finance Authority, U.S. Virgin Islands Revenue Bonds, Series 2009		
6.000% due 10/01/2039	500	549
Total Municipal Bonds & Notes (Cost \$79,778)		88,014
SHORT-TERM INSTRUMENTS 3.7%		
SHORT-TERM NOTES 3.3%		
Federal Home Loan Bank		
0.254% due 01/15/2016	100	100
Freddie Mac		
0.172% due 01/28/2016	1,700	1,700
		1,800
U.S. TREASURY BILLS 0.4%		

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0.203% due 01/14/2016	200	200
Total Short-Term Instruments (Cost \$2,000)		2,000
Total Investments in Securities (Cost \$81,778)		90,014
Total Investments 165.9% (Cost \$81,778)	\$	90,014
Preferred Shares (59.0%)		(32,000)
Other Assets and Liabilities, net (6.9%)		(3,767)
Net Assets Applicable to Common Shareholders 100.0%	\$	54,247

NOTES TO SCHEDULE OF INVESTMENTS (AMOUNTS IN THOUSANDS*):

* A zero balance may reflect actual amounts rounding to less than one thousand.

^ Security is in default.

(a) Represents an underlying municipal bond transferred to a tender option bond trust established in a tender option bond transaction in which the Fund sold, or caused the sale of, the underlying municipal bond and purchased the residual interest certificate. The security serves as collateral in a financing transaction. See Note 5(b) in the Notes to Financial Statements for more information.

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FAIR VALUE MEASUREMENTS

The following is a summary of the fair valuations according to the inputs used as of December 31, 2015 in valuing the Fund's assets and liabilities:

Category and Subcategory	Level 1	Level 2	Level 3	Fair
				Value at 12/31/2015
Investments in Securities, at Value				
Municipal Bonds & Notes				
Illinois	\$ 0	\$ 2,019	\$ 0	\$ 2,019
New York	0	83,636	0	83,636
Ohio	0	1,810	0	1,810
U.S. Virgin Islands	0	549	0	549
Short-Term Instruments				
Short-Term Notes	0	1,800	0	1,800
U.S. Treasury Bills	0	200	0	200
Total Investments	\$ 0	\$ 90,014	\$ 0	\$ 90,014

There were no significant transfers between Levels 1, 2, or 3 during the period ended December 31, 2015.

See Accompanying Notes

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Table of Contents**Notes to Financial Statements****1. ORGANIZATION**

PIMCO Municipal Income Fund, PIMCO Municipal Income Fund II, PIMCO Municipal Income Fund III, PIMCO California Municipal Income Fund, PIMCO California Municipal Income Fund II, PIMCO California Municipal Income Fund III, PIMCO New York Municipal Income Fund, PIMCO New York Municipal Income Fund II and PIMCO New York Municipal Income Fund III (each a Fund and collectively the Funds) are organized as Massachusetts business trusts as closed-end management investment companies registered under the Investment Company Act of 1940, as amended, and the rules and regulations thereunder (the Act). Pacific Investment Management Company LLC (PIMCO or the Manager) serves as the Funds investment manager.

Fund Name	Formation Date
PIMCO Municipal Income Fund	May 9, 2001
PIMCO Municipal Income Fund II	March 29, 2002
PIMCO Municipal Income Fund III	August 20, 2002
PIMCO California Municipal Income Fund	May 10, 2001
PIMCO California Municipal Income Fund II	March 29, 2002
PIMCO California Municipal Income Fund III	August 20, 2002
PIMCO New York Municipal Income Fund	May 10, 2001
PIMCO New York Municipal Income Fund II	March 29, 2002
PIMCO New York Municipal Income Fund III	August 20, 2002

Prior to the close of business on September 5, 2014, Allianz Global Investors Fund Management LLC (AGIFM) and PIMCO served as the Funds investment manager and sub-adviser, respectively. Effective at the close of business on September 5, 2014, each Fund entered into a new investment management agreement (the Agreement) with PIMCO, pursuant to which PIMCO replaced AGIFM as the investment manager to the Funds. Under the Agreement, PIMCO continues to provide the day-to-day portfolio management services it provided to each Fund as its sub-adviser and also assumed responsibility for providing the supervisory and administrative services previously provided by AGIFM to each Fund as its investment manager. PIMCO personnel have replaced AGIFM personnel as Fund officers and in other roles to provide and oversee the administrative, accounting/financial reporting, compliance, legal, marketing, transfer agency, shareholder servicing and other services required for the daily operations of each Fund. Please see Fees and Expenses below for additional information.

The Boards of Trustees (collectively, the Board) of the Funds approved a change of the fiscal year end of the Funds on December 16, 2014 as set forth in the table below:

Fund Name	Prior Fiscal Year End	Current Fiscal Year End	Effective Date
PIMCO Municipal Income Fund	April 30	December 31	Immediately following April 30, 2015
PIMCO Municipal Income Fund II	May 31	December 31	Immediately following May 31, 2015
PIMCO Municipal Income Fund III	September 30	December 31	Immediately following September 30, 2015
PIMCO California Municipal Income Fund	April 30	December 31	Immediately following April 30, 2015
PIMCO California Municipal Income Fund II	May 31	December 31	Immediately following May 31, 2015
PIMCO California Municipal Income Fund III	September 30	December 31	Immediately following September 30, 2015
PIMCO New York Municipal Income Fund	April 30	December 31	Immediately following April 30, 2015
PIMCO New York Municipal Income Fund II	May 31	December 31	Immediately following May 31, 2015
PIMCO New York Municipal Income Fund III	September 30	December 31	Immediately following September 30, 2015

Each Fund has authorized an unlimited number of Common Shares at a par value of \$0.00001 per share.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by each Fund in the preparation of its financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Each Fund is treated as an investment company under the reporting requirements of U.S. GAAP. The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of

contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

(a) Securities Transactions and Investment Income Securities transactions are recorded as of the trade date for financial reporting purposes. Securities purchased or sold on a when-issued or delayed-delivery basis may be settled 15 days or more after the trade date. Realized gains and losses from securities sold are recorded on the

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identified cost basis. Dividend income is recorded on the ex-dividend date, except certain dividends from foreign securities where the ex-dividend date may have passed, which are recorded as soon as a Fund is informed of the ex-dividend date. Interest income, adjusted for the accretion of discounts and amortization of premiums, is recorded on the accrual basis from settlement date.

Debt obligations may be placed on non-accrual status and related interest income may be reduced by ceasing current accruals and writing off interest receivable when the collection of all or a portion of interest has become doubtful based on consistently applied procedures. A debt obligation is removed from non-accrual status when the issuer resumes interest payments or when collectability of interest is probable.

(b) Distributions – Common Shares – The Funds intend to declare distributions from net investment income to common shareholders monthly. Distributions of net realized capital gains, if any, are paid at least annually.

Income distributions and capital gain distributions are determined in accordance with income tax regulations which may differ from U.S. GAAP. Differences between tax regulations and U.S. GAAP may cause timing differences between income and capital gain recognition. Examples of events that give rise to timing differences include wash sales, straddles and capital loss carryforwards. Further, the character of investment income and capital gains may be different for certain transactions under the two methods of accounting. Examples of characterization differences include the treatment of paydowns on mortgage-backed securities, swaps, foreign currency transactions and contingent debt instruments. As a result, income distributions and capital gain distributions declared during a fiscal period may differ significantly from the net investment income (loss) and realized gains (losses) reported on each Fund's annual financial statements presented under U.S. GAAP.

Distributions classified as a tax basis return of capital, if any, are reflected on the Statements of Changes in Net Assets and have been recorded to paid in capital. In addition, other amounts have been reclassified between undistributed (overdistributed) net investment income (loss), accumulated undistributed (overdistributed) net realized gains (losses) and/or paid in capital to more appropriately conform financial accounting to tax characterizations of distributions.

(c) New Accounting Pronouncements – In June 2014, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU), ASU 2014-11, which expanded secured borrowing accounting for certain repurchase agreements. The ASU also sets forth additional disclosure requirements for certain transactions accounted for as sales in order to provide financial statement users with

information to compare to similar transactions accounted for as secured borrowings. The ASU is effective prospectively for annual periods beginning after December 15, 2014, and interim periods beginning after March 15, 2015. The Funds have adopted the ASU. The implementation of the ASU did not have an impact on the Funds' financial statements.

In August 2014, the FASB issued ASU 2014-15 requiring management to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern. The ASU is effective prospectively for annual periods ending after December 15, 2016, and interim periods thereafter. At this time, management is evaluating the implications of these changes on the financial statements.

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In May 2015, the FASB issued ASU 2015-07 which removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. The ASU also removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. The ASU is effective for annual periods beginning after December 15, 2015 and interim periods within those annual periods. At this time, management is evaluating the implications of these changes on the financial statements.

3. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS

(a) Investment Valuation Policies The net asset value (NAV) of a Fund 's shares is determined by dividing the total value of portfolio investments and other assets attributable to that Fund, less any liabilities, by the total number of shares outstanding of that Fund.

On each day that the New York Stock Exchange (NYSE) is open, Fund shares are ordinarily valued as of the close of regular trading (NYSE Close). Information that becomes known to the Funds or their agents after the time as of which NAV has been calculated on a particular day will not generally be used to retroactively adjust the price of a security or the NAV determined earlier that day. Each Fund reserves the right to change the time as of which its respective NAV is calculated if the Fund closes earlier, or as permitted by the SEC.

For purposes of calculating NAV, portfolio securities and other assets for which market quotes are readily available are valued at market value. Market value is generally determined on the basis of official closing prices or the last reported sales prices, or if no sales are reported, based on quotes obtained from established market makers, or prices (including evaluated prices) supplied by the Funds ' approved pricing services, quotation reporting systems and other third-party

Table of Contents**Notes to Financial Statements (Cont.)**

sources (together, Pricing Services). The Funds will normally use pricing data for domestic equity securities received shortly after the NYSE Close and do not normally take into account trading, clearances or settlements that take place after the NYSE Close. A foreign (non-U.S.) equity security traded on a foreign exchange or on more than one exchange is typically valued using pricing information from the exchange considered by the Manager to be the primary exchange. A foreign (non-U.S.) equity security will be valued as of the close of trading on the foreign exchange, or the NYSE Close, if the NYSE Close occurs before the end of trading on the foreign exchange. Domestic and foreign (non-U.S.) fixed income securities, non-exchange traded derivatives, and equity options are normally valued on the basis of quotes obtained from brokers and dealers or Pricing Services using data reflecting the earlier closing of the principal markets for those securities. Prices obtained from Pricing Services may be based on, among other things, information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics. Certain fixed income securities purchased on a delayed-delivery basis are marked to market daily until settlement at the forward settlement date. Exchange-traded options, except equity options, futures and options on futures are valued at the settlement price determined by the relevant exchange. Swap agreements are valued on the basis of bid quotes obtained from brokers and dealers or market-based prices supplied by Pricing Services or other pricing sources. With respect to any portion of a Fund's assets that are invested in one or more open-end management investment companies (other than exchange-traded funds (ETFs)), the Fund's NAV will be calculated based upon the NAVs of such investments.

Investments for which market quotes or market-based valuations are not readily available are valued at fair value as determined in good faith by the Board of Trustees of the Funds (the Board) or persons acting at their direction. The Board has adopted methods for valuing securities and other assets in circumstances where market quotes are not readily available, and has delegated to PIMCO the responsibility for applying the fair valuation methods. In the event that market quotes or market-based valuations are not readily available, and the security or asset cannot be valued pursuant to a Board approved valuation method, the value of the security or asset will be determined in good faith by the Valuation Oversight Committee of the Board (Valuation Oversight Committee), generally based on recommendations provided by the Manager. Market quotes are considered not readily available in circumstances where there is an absence of current or reliable market-based data (e.g., trade information, bid/ask information, indicative market quotations (Broker Quotes), Pricing Services prices), including where events occur after the close of the relevant market, but

prior to the NYSE Close, that materially affect the values of a Fund's securities or assets. In addition, market quotes are considered not readily available when, due to extraordinary circumstances, the exchanges or markets on which the securities trade do not open for trading for the entire day and no other market prices are available. The Board has delegated to the Manager the responsibility for monitoring significant events that may materially affect the values of a Fund's securities or assets and for determining whether the value of the applicable securities or assets should be reevaluated in light of such significant events.

When a Fund uses fair valuation to determine the value of a portfolio security or other asset for purposes of calculating its NAV, such investments will not be priced on the basis of quotes from the primary market in which they are traded, but rather may be priced by another method that the Board or persons acting at their direction believe reflects fair value. Fair valuation may require subjective determinations about the value of a security. While the Funds' policy is intended to result in a calculation of a Fund's NAV that fairly reflects security values as of the time of pricing, the Funds cannot ensure that fair values determined by the Board or persons acting at their direction would accurately reflect the price that a Fund could obtain for a security if it were to dispose of that security as of the time of pricing (for instance, in a forced or distressed sale). The prices used by a Fund may differ from the value that would be realized if the securities were sold.

(b) Fair Value Hierarchy U.S. GAAP describes fair value as the price that a Fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. It establishes a fair value hierarchy that prioritizes inputs to valuation methods and requires disclosure of the fair value hierarchy, separately for each major category of assets and liabilities, that segregates fair value measurements into levels (Level 1, 2, or 3). The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. Levels 1, 2, and 3 of the fair value hierarchy are defined as follows:

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- ⁿ Level 1 Inputs using (unadjusted) quoted prices in active markets or exchanges for identical assets and liabilities.

- ⁿ Level 2 Significant other observable inputs, which may include, but are not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market corroborated inputs.

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ⁿ Level 3 Significant unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available, which may include assumptions made by the Board or persons acting at their direction that are used in determining the fair value of investments.

In accordance with the requirements of U.S. GAAP, the amounts of transfers between Levels 1 and 2 and transfers in and out of Level 3, if material, are disclosed in the Notes to Schedule of Investments of each respective Fund.

For fair valuations using significant unobservable inputs, U.S. GAAP requires a reconciliation of the beginning to ending balances for reported fair values that presents changes attributable to realized gain (loss), unrealized appreciation (depreciation), purchases and sales, accrued discounts (premiums), and transfers in and out of the Level 3 category during the period. The end of period timing recognition is used for the transfers between Levels of a Fund's assets and liabilities. Additionally, U.S. GAAP requires quantitative information regarding the significant unobservable inputs used in the determination of fair value of assets or liabilities categorized as Level 3 in the fair value hierarchy. In accordance with the requirements of U.S. GAAP, a fair value hierarchy, and if material, a Level 3 reconciliation and details of significant unobservable inputs, have been included in the Notes to Schedule of Investments for each respective Fund.

(c) Valuation Techniques and the Fair Value Hierarchy Level 1 and Level 2 trading assets and trading liabilities, at fair value The valuation methods (or techniques) and significant inputs used in determining the fair values of portfolio securities or other assets and liabilities categorized as Level 1 and Level 2 of the fair value hierarchy are as follows:

Fixed income securities including corporate, convertible and municipal bonds and notes, U.S. government agencies, U.S. treasury obligations, sovereign issues, bank loans, convertible preferred securities and non-U.S. bonds are normally valued on the basis of quotes obtained from brokers and dealers or Pricing Services that use broker-dealer quotations, reported trades or valuation estimates from their internal pricing models. The Pricing Services' internal models use inputs that are observable such as issuer details, interest rates, yield curves, prepayment speeds, credit risks/spreads, default rates and quoted prices for similar assets. Securities that use similar valuation techniques and inputs as described above are categorized as Level 2 of the fair value hierarchy.

Fixed income securities purchased on a delayed-delivery basis or as a repurchase commitment in a sale-buyback transaction are marked to market daily until settlement at the forward settlement date and are categorized as Level 2 of the fair value hierarchy.

Short-term debt instruments (such as commercial paper) having a remaining maturity of 60 days or less may be valued at amortized cost, so long as the amortized cost of such short-term debt instrument is approximately the same as the fair value of the instrument as determined without the use of amortized cost valuation. Prior to July 31, 2015, short-term investments having a maturity of 60 days or less and repurchase agreements were generally valued at amortized cost which approximates fair value. Short-term debt instruments having a remaining maturity of 60 days or less are categorized as Level 2 of the fair value hierarchy.

4. SECURITIES AND OTHER INVESTMENTS

(a) Investments in Securities

U.S. Government Agencies or Government-Sponsored Enterprises Certain Funds may invest in securities of U.S. Government agencies or government-sponsored enterprises. U.S. Government securities are obligations of and, in certain cases, guaranteed by, the U.S. Government, its agencies or instrumentalities. Some U.S. Government securities, such as Treasury bills, notes and bonds, and securities guaranteed by the Government National Mortgage Association (GNMA or Ginnie Mae), are supported by the full faith and credit of the U.S. Government; others, such as those of the Federal Home Loan Banks, are supported by the right of the issuer to borrow from the U.S. Department of the Treasury (the U.S. Treasury); and others, such as those of the Federal National Mortgage Association (FNMA or Fannie Mae), are supported by the discretionary authority of the U.S. Government to purchase the agency s obligations. U.S. Government securities may include zero coupon securities. Zero coupon securities do not distribute interest on a current basis and tend to be subject to a greater risk than interest-paying securities.

Government-related guarantors (*i.e.*, not backed by the full faith and credit of the U.S. Government) include FNMA and the Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac). FNMA is a government-sponsored corporation. FNMA purchases conventional (*i.e.*, not insured or guaranteed by any government agency) residential mortgages from a list of approved seller/servicers which include state and federally chartered savings and loan associations, mutual savings banks, commercial banks and credit unions and mortgage bankers. Pass-through securities issued by FNMA are guaranteed as to timely payment of principal and interest by FNMA, but are not backed by the full faith and credit of the U.S. Government. FHLMC issues Participation Certificates (PCs), which are pass-through securities, each representing an undivided interest in a pool of residential mortgages. FHLMC guarantees the timely payment of interest and ultimate collection of principal, but PCs are not backed by the full faith and credit of the U.S. Government.

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Notes to Financial Statements (Cont.)

When-Issued Transactions Certain Funds may purchase or sell securities on a when-issued basis. These transactions are made conditionally because a security, although authorized, has not yet been issued in the market. A commitment is made by a Fund to purchase or sell these securities for a predetermined price or yield, with payment and delivery taking place beyond the customary settlement period. Since the value of securities purchased may fluctuate prior to settlement, a Fund may be required to pay more at settlement than the security is worth. In addition, a Fund is not entitled to any of the interest earned prior to settlement. When purchasing a security on a delayed-delivery basis, a Fund assumes the rights and risks of ownership of the security, including the risk of price and yield fluctuations. A Fund may sell when-issued securities before they are delivered, which may result in a realized gain or loss.

5. BORROWINGS AND OTHER FINANCING TRANSACTIONS

The following disclosures contain information on a Fund's ability to lend or borrow cash or securities to the extent permitted under the Act, which may be viewed as borrowing or financing transactions by a Fund. The location of these instruments is described below. For a detailed description of credit and counterparty risks that can be associated with borrowings and other financing transactions, please see Note 6, Principal Risks.

(a) **Repurchase Agreements** Certain Funds may engage in repurchase agreements. Under the terms of a typical repurchase agreement, a Fund takes possession of an underlying debt obligation (collateral) subject to an obligation of the seller to repurchase, and a Fund to resell, the obligation at an agreed-upon price and time. The underlying securities for all repurchase agreements are held in safekeeping at the Fund's custodian or designated subcustodians under tri-party repurchase agreements. The market value of the collateral must be equal to or exceed the total amount of the repurchase obligations, including interest. Repurchase agreements, including accrued interest, are included on the Statements of Assets and Liabilities. Interest earned is recorded as a component of interest income on the Statements of Operations. In periods of increased demand for collateral, a Fund may pay a fee for the receipt of collateral, which may result in interest expense to the Fund.

(b) **Tender Option Bond Transactions** Certain Funds may leverage their assets through the use of tender option bond transactions. In a tender option bond transaction (TOB), a tender option bond trust (TOB Trust) issues floating rate certificates (TOB Floater) and residual interest certificates (TOB Residual) and utilizes the proceeds of such issuance to purchase a fixed-rate municipal bond (Fixed Rate Bond) that either is owned or identified by a Fund. The TOB Floater is generally issued to third party investors (typically a money market fund) and the

TOB Residual is generally issued to the Fund that sold or identified the Fixed Rate Bond. The TOB Trust divides the income stream provided by the Fixed Rate Bond to create two securities, the TOB Floater, which is a short-term security, and the TOB Residual, which is a longer-term security. The interest rates payable on the TOB Residual issued to a Fund bear an inverse relationship to the interest rate on the TOB Floater. The interest rate on the TOB Floater is reset by a remarketing process typically every 7 to 35 days. After income is paid on the TOB Floater at current rates, the residual income from the Fixed Rate Bond goes to the TOB Residual. Therefore, rising short-term rates result in lower income for the TOB Residual, and vice versa. In the case of a TOB Trust that utilizes the cash received from the issuance of the TOB Floater and TOB Residual (less transaction expenses) to purchase the Fixed Rate Bond from a Fund, the Fund may then invest the cash received in additional securities, generating leverage for the Fund. Other PIMCO-Managed Funds may also contribute municipal bonds to a TOB Trust into which a Fund has contributed Fixed Rate Bonds. If multiple PIMCO-Managed Funds participate in the same TOB Trust, the economic rights and obligations under the TOB Residual will be shared among the funds ratably in proportion to their participation in the TOB Trust.

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The TOB Residual may be more volatile and less liquid than other municipal bonds of comparable maturity. In most circumstances the TOB Residual holder bears substantially all of the underlying Fixed Rate Bond's downside investment risk and also benefits from any appreciation in the value of the underlying Fixed Rate Bond. Investments in a TOB Residual typically will involve greater risk than investments in Fixed Rate Bonds.

The TOB Residual held by a Fund provides the Fund with the right to: (1) cause the holders of the TOB Floater to tender their notes at par, and (2) cause the sale of the Fixed-Rate Bond held by the TOB Trust, thereby collapsing the TOB Trust. TOB Trusts are generally supported by a liquidity facility provided by a third party bank or other financial institution (the "Liquidity Provider") that provides for the purchase of TOB Floaters that cannot be remarketed. The holders of the TOB Floaters have the right to tender their certificates in exchange for payment of par plus accrued interest on a periodic basis (typically weekly) or on the occurrence of certain mandatory tender events. The tendered TOB Floaters are remarketed by a remarketing agent, which is typically an affiliated entity of the Liquidity Provider. If the TOB Floaters cannot be remarketed, the TOB Floaters are purchased by the TOB Trust either from the proceeds of a loan from the Liquidity Provider or from a liquidation of the Fixed Rate Bond.

The TOB Trust may also be collapsed without the consent of a Fund, as the TOB Residual holder, upon the occurrence of certain tender option termination events (or "TOTEs") as defined in the TOB Trust agreements. Such termination events typically include the bankruptcy

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or default of the municipal bond, a substantial downgrade in credit quality of the municipal bond, or a judgment or ruling that interest on the Fixed Rate Bond is subject to federal income taxation. Upon the occurrence of a termination event, the TOB Trust would generally be liquidated in full with the proceeds typically applied first to any accrued fees owed to the trustee, remarketing agent and liquidity provider, and then to the holders of the TOB Floater up to par plus accrued interest owed on the TOB Floater and a portion of gain share, if any, with the balance paid out to the TOB Residual holder. In the case of a mandatory termination event (MTE), after the payment of fees, the TOB Floater holders would be paid before the TOB Residual holders (i.e., the Funds). In contrast, in the case of a TOTE, after payment of fees, the TOB Floater holders and the TOB Residual holders would be paid pro rata in proportion to the respective face values of their certificates.

Each Fund's transfer of Fixed Rate Bonds to a TOB Trust is considered a secured borrowing for financial reporting purposes. The cash received by the TOB Trust from the sale of the TOB Floaters, less certain transaction expenses, is paid to a Fund. The Funds typically invest the cash received in additional municipal bonds. The Funds account for the transactions described above as secured borrowings by including the Fixed Rate Bonds in their Schedules of Investments, and account for the TOB Floater as a liability under the caption Payable for tender option bond floating rate certificates in the Funds' Statements of Assets and Liabilities. Interest income, including amortization and accretion of premiums and discounts, from the underlying municipal bonds is recorded by each Fund on an accrual basis and is shown as interest on the Statements of Operations. Interest expense incurred on the secured borrowing is shown as interest expense on the Statements of Operations.

The Funds may also purchase TOB Residuals in a secondary market transaction without transferring a fixed rate municipal bond into a TOB Trust. Such transactions are not accounted for as secured borrowings but rather as a security purchase with the TOB Residual being included in the Schedule of Investments.

Regulators recently finalized rules implementing Section 619 (the Volcker Rule) and Section 941 (the Risk Retention Rules) of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The implementation of the final rules is being phased in. Both the Volcker Rule and the Risk Retention Rules apply to tender option bond programs and operate to require that such programs be restructured. In particular, when effective, these rules will preclude banking entities from (i) sponsoring or acquiring interests in the trusts used to hold a municipal bond in the creation of TOB Trusts; and (ii) continuing to service or maintain relationships with existing programs involving TOB Trusts to the same extent and in the same capacity as existing programs. Banking entities subject to the Volcker Rule were required to fully comply by July 21, 2015, with respect to investments in and

relationships with TOB Trusts established after December 31, 2013 (Non-Legacy TOB Trusts), and are required to fully comply by July 21, 2016, with respect to investments in and relationships with TOB Trusts established prior to December 31, 2013 (Legacy TOB Trusts).

At this time, the full impact of these rules is not certain; however, in response to these rules, industry participants are continuing to explore various structuring alternatives for Non-Legacy and Legacy TOB Trusts. For example, under a new tender option bond structure, the Funds would hire service providers to assist the Funds with establishing, structuring and sponsoring a TOB Trust. Service providers to a TOB Trust, such as administrators, liquidity providers, trustees and remarketing agents would be acting at the direction of, and as agent of, the Funds as the TOB residual holders. This structure remains untested. It is possible that regulators could take positions that could limit the market for such newly structured TOB Trust transactions or the Funds' ability to hold TOB Residuals. Because of the important role that tender option bond programs play in the municipal bond market, it is possible that implementation of these rules and any resulting impact may adversely impact the municipal bond market and the Funds. For example, as a result of the implementation of these rules, the municipal bond market may experience reduced demand or liquidity and increased financing costs. Under the new TOB Trust structure, the Funds will have certain additional duties and responsibilities, which may give rise to certain additional risks including, but not limited to, compliance, legal, regulatory and operational risks.

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The SEC and various federal banking and housing agencies adopted Risk Retention Rules which are scheduled to take effect in December 2016. The Risk Retention Rules would require the sponsor to a TOB Trust to retain at least five percent of the credit risk of the underlying assets supporting the TOB Trust's municipal bonds. The Risk Retention Rules may adversely affect the Funds' ability to engage in TOB Trust transactions or increase the costs of such transactions in certain circumstances.

The Funds are in the process of restructuring Legacy TOB Trusts in conformity with regulatory guidelines. However, there can be no assurances that the Funds can successfully enter into restructured TOB Trust transactions in order to refinance their existing TOB Residual holdings prior to the compliance date for the Volcker Rule, which may require that the Funds unwind existing TOB Trusts. Until all restructurings are completed, a Fund may, for a period of time, hold TOB Residuals in both Legacy TOB Trusts and non-bank sponsored restructured TOB Trusts. Under the new TOB Trust structure, the Liquidity Provider or remarketing agent will no longer purchase the tendered TOB Floaters, even in the event of failed remarketing. This may increase the likelihood that a TOB Trust will need to be collapsed and liquidated in order to purchase the tendered TOB Floaters. The TOB Trust may draw upon a loan from the Liquidity Provider to purchase the tendered TOB Floaters. Any loans made

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by the Liquidity Provider will be secured by the purchased TOB Floaters held by the TOB Trust and will be subject to an increased interest rate based on the number of days the loan is outstanding.

For the period ended December 31, 2015, the Funds' average leverage outstanding from the use of TOB transactions and the daily weighted average interest rate, including fees, were as follows:

Fund Name	Average Leverage Outstanding	Weighted Average Interest Rate*
PIMCO Municipal Income Fund	\$ 13,063	0.31%
PIMCO Municipal Income Fund II	38,787	0.26%
PIMCO Municipal Income Fund III	26,100	0.32%
PIMCO California Municipal Income Fund	28,433	0.26%
PIMCO California Municipal Income Fund II	28,125	0.19%
PIMCO California Municipal Income Fund III	28,229	0.31%
PIMCO New York Municipal Income Fund	10,477	0.06%
PIMCO New York Municipal Income Fund II	8,186	0.36%
PIMCO New York Municipal Income Fund III	4,933	0.19%

* Annualized

6. PRINCIPAL RISKS

In the normal course of business, the Funds trade financial instruments and enter into financial transactions where risk of potential loss exists due to such things as changes in the market (market risk) or failure or inability of the other party to a transaction to perform (credit and counterparty risk). See below for a detailed description of select principal risks. For a more comprehensive list of potential risks the Funds may be subject to, please see the Important Information About the Funds.

Market Risks A Fund's investments in financial derivatives and other financial instruments expose the Fund to various risks such as, but not limited to, interest rate, foreign currency, equity and commodity risks.

Interest rate risk is the risk that fixed income securities will decline in value because of changes in interest rates. As nominal interest rates rise, the value of certain fixed income securities held by a Fund is likely to decrease. A nominal interest rate can be described as the sum of a real interest rate and an expected inflation rate. Interest rate changes can be sudden and unpredictable, and a Fund may lose money if these changes are not anticipated by Fund management. A Fund may not be able to hedge against changes in interest rates or may choose not to do so for cost or other reasons. In addition, any hedges may not work as intended. Fixed income securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. Duration is useful primarily as a measure of the sensitivity of a fixed income security's market price to interest rate (i.e. yield) movements. At present, the U.S. is experiencing historically low interest rates. The Funds may be subject to heightened

interest rate risk because the Fed has ended its quantitative easing program and has begun, and may continue, to raise interest rates. Further, while U.S. bond markets have steadily grown over the past three decades, dealer market making ability has remained relatively stagnant. Given the importance of intermediary market making in creating a robust and active market, fixed income securities may face increased volatility and liquidity risks. All of these factors, collectively and/or individually, could cause a Fund to lose value.

The market values of a Fund's investments may decline due to general market conditions which are not specifically related to a particular company or issuer, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Equity securities and equity related investments generally have greater market price volatility than fixed income securities, although under certain market conditions fixed income securities may have comparable or greater price volatility. Credit ratings downgrades may also negatively affect securities held by a Fund. Even when markets perform well, there is no assurance that the investments held by a Fund will increase in value along with the broader market. In addition, market risk includes the risk that geopolitical events will disrupt the economy on a national or global level.

Credit and Counterparty Risks A Fund will be exposed to credit risk to parties with whom it trades and will also bear the risk of settlement default. A Fund seeks to minimize concentrations of credit risk by undertaking transactions with a large number of counterparties on recognized and reputable exchanges, where applicable. A Fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a financial derivatives contract, repurchase agreement or a loan of portfolio securities, is unable or unwilling to make timely principal and/or interest payments, or to otherwise honor its obligations. Securities are subject to varying degrees of credit risk, which are often reflected in credit ratings.

Similar to credit risk, a Fund may be exposed to counterparty risk, or the risk that an institution or other entity with which a Fund has unsettled or open transactions will default. PIMCO, as Manager, seeks to minimize counterparty risks to a Fund in a number of ways. Prior to entering into transactions with a new counterparty, the PIMCO Counterparty Risk Committee conducts an extensive credit review of such counterparty and must approve the use of such counterparty. Furthermore, pursuant to the terms of the underlying contract, to the extent that unpaid amounts owed to a Fund exceed a predetermined threshold, such counterparty is required to advance collateral to a Fund in the form of cash or securities equal in value to the unpaid amount

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owed to a Fund. A Fund may invest such collateral in securities or other instruments and will typically pay interest to the counterparty on the collateral received. If the unpaid amount owed to a Fund subsequently decreases, a Fund would be required to return to the counterparty all or a portion of the collateral previously advanced to a Fund.

All transactions in listed securities are settled/paid for upon delivery using approved counterparties. The risk of default is considered minimal, as delivery of securities sold is only made once a Fund has received payment. Payment is made on a purchase once the securities have been delivered by the counterparty. The trade will fail if either party fails to meet its obligation.

Master Netting Arrangements The Funds may be subject to various netting arrangements with select counterparties (**Master Agreements**). Master Agreements govern the terms of certain transactions, and are intended to reduce the counterparty risk associated with relevant transactions by specifying credit protection mechanisms and providing standardization that is intended to improve legal certainty. Each type of Master Agreement governs certain types of transactions. Different types of transactions may be traded out of different legal entities or affiliates of a particular organization, resulting in the need for multiple agreements with a single counterparty. As the Master Agreements are specific to unique operations of different asset types, they allow a Fund to close out and net its total exposure to a counterparty in the event of a default with respect to all the transactions governed under a single Master Agreement with a counterparty.

Master Agreements can also help limit counterparty risk by specifying collateral posting arrangements at pre-arranged exposure levels. Under the Master Agreements, collateral is routinely transferred if the total net exposure to certain transactions (net of existing collateral already in place) governed under the relevant Master Agreement with a counterparty in a given account exceeds a specified threshold, which typically ranges from zero to \$250,000 depending on the counterparty and the type of Master Agreement. United States Treasury Bills and U.S. dollar cash are generally the preferred forms of collateral, although other forms of AAA rated paper or sovereign securities may be used. Securities and cash pledged as collateral are reflected as assets on the Statements of Assets and Liabilities as either a component of Investments at value (securities) or Deposits with counterparty (cash). Cash collateral received is typically not held in a segregated account and as such is reflected as a liability on the Statements of Assets and Liabilities as Deposits from counterparty. The market value of any securities received as collateral is not reflected as a component of NAV. A Fund's overall exposure to counterparty risk can change substantially within a short period, as it is affected by each transaction subject to the relevant Master Agreement.

Master Repurchase Agreements and Global Master Repurchase Agreements (individually and collectively **Master Repo Agreements**) govern repurchase, reverse repurchase, and sale-buyback transactions between the Funds and select counterparties. Master Repo Agreements maintain provisions for, among other things, initiation, income payments, events of default, and maintenance of collateral. The market value of transactions under the Master Repo Agreement, collateral pledged or received, and the net exposure by counterparty as of period end are disclosed in the Notes to Schedule of Investments.

7. FEES AND EXPENSES

Management Fee Effective at the close of business on September 5, 2014, each Fund entered into an Investment Management Agreement with PIMCO (the **Agreement**). Pursuant to the Agreement, subject to the supervision of the Board, PIMCO is responsible for providing to each Fund investment guidance and policy direction in connection with the management of the Fund, including oral and written research, analysis, advice, and statistical and economic data and information. In addition, pursuant to the Agreement and subject to the general supervision of the Board, PIMCO, at its expense, provides or causes to be furnished most other supervisory and administrative services the Funds require, including but

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not limited to, expenses of most third-party service providers (e.g., audit, custodial, legal, transfer agency, printing) and other expenses, such as those associated with insurance, proxy solicitations and mailings for shareholder meetings, New York Stock Exchange listing and related fees, tax services, valuation services and other services the Funds require for their daily operations.

Prior to the close of business on September 5, 2014, AGIFM served as the investment manager to each Fund and received annual fees, payable monthly, at the annual rates shown in the table below. Prior to the close of business on September 5, 2014, AGIFM retained PIMCO as sub-adviser to manage the Funds' investments. AGIFM, and not the Funds, paid a portion of the fees it received as investment manager to PIMCO in return for its services. Management fees, as applicable, paid to AGIFM prior to the close of business on September 5, 2014, are disclosed on the Statements of Operations.

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Pursuant to the Agreement, PIMCO receives an annual fee, payable monthly, at the annual rates below:

Fund Name	Annual Rate	AGIFM Rate
PIMCO Municipal Income Fund	0.705% ⁽¹⁾	0.650% ⁽¹⁾
PIMCO Municipal Income Fund II	0.685% ⁽¹⁾	0.650% ⁽¹⁾
PIMCO Municipal Income Fund III	0.705% ⁽¹⁾	0.650% ⁽¹⁾
PIMCO California Municipal Income Fund	0.705% ⁽¹⁾	0.650% ⁽¹⁾
PIMCO California Municipal Income Fund II	0.705% ⁽¹⁾	0.650% ⁽¹⁾
PIMCO California Municipal Income Fund III	0.715% ⁽¹⁾	0.650% ⁽¹⁾
PIMCO New York Municipal Income Fund	0.770% ⁽¹⁾	0.650% ⁽¹⁾
PIMCO New York Municipal Income Fund II	0.735% ⁽¹⁾	0.650% ⁽¹⁾
PIMCO New York Municipal Income Fund III	0.860% ⁽¹⁾	0.650% ⁽¹⁾

⁽¹⁾ Management fees calculated based on the Fund's average daily net asset value (including daily net assets attributable to any preferred shares of the Fund that may be outstanding).

Prior to the close of business on September 5, 2014, in addition to the management fee paid to AGIFM, as described above, each Fund directly had borne expenses for other administrative services and costs, including expenses associated with various third-party service providers, such as audit, custodial, legal, transfer agency, printing and other services the Funds require. Effective beginning at the close of business on September 5, 2014, PIMCO (and not the Funds) bears such expenses with respect to each Fund pursuant to its management fee arrangements under the Agreement described above.

Fund Expenses Each Fund bears other expenses, which may vary and affect the total level of expenses paid by shareholders, such as (i) salaries and other compensation or expenses, including travel expenses of any of the Fund's executive officers and employees, if any, who are not officers, directors, shareholders, members, partners or employees of PIMCO or its subsidiaries or affiliates; (ii) taxes and governmental fees, if any, levied against the Fund; (iii) brokerage fees and commissions and other portfolio transaction expenses incurred by or for the Fund (including, without limitation, fees and expenses of outside legal counsel or third-party consultants retained in connection with reviewing, negotiating and structuring specialized loan and other investments made by the Fund, subject to specific or general authorization by the Fund's Board); (iv) expenses of the Fund's securities lending (if any), including any securities lending agent fees, as governed by a separate securities lending agreement; (v) costs, including interest expense, of borrowing money or engaging in other types of leverage financing, including, without limitation, through the use by the Fund of reverse repurchase agreements, tender option bonds, bank borrowings and credit facilities; (vi) costs, including dividend and/or interest expenses and other costs (including, without limitation, offering and related legal costs, fees to brokers, fees to auction agents, fees to transfer agents, fees to ratings agencies and fees to auditors associated with satisfying ratings agency requirements

for preferred shares or other securities issued by the Fund and other related requirements in the Fund's organizational documents) associated with the Fund's issuance, offering, redemption and maintenance of preferred shares, commercial paper or other senior securities for the purpose of incurring leverage; (vii) fees and expenses of any underlying funds or other pooled investment vehicles in which the Fund invests; (viii) dividend and interest expenses on short positions taken by the Fund; (ix) fees and expenses, including travel expenses, and fees and expenses of legal counsel retained for their benefit, of Trustees who are not officers, employees, partners, shareholders or members of PIMCO or its subsidiaries or affiliates; (x) extraordinary expenses, including extraordinary legal expenses, as may arise, including expenses incurred in connection with litigation, proceedings, other claims, and the legal obligations of the Fund to indemnify its Trustees, officers, employees, shareholders, distributors, and agents with respect thereto; (xi) organizational and offering expenses of the Fund, including with respect to share offerings, such as rights offerings and shelf offerings, following the Fund's initial offering, and expenses associated with tender offers and other share repurchases and redemptions; and (xii) expenses of the Fund which are capitalized in accordance with U.S. GAAP.

Each of the Trustees of the Funds who is not an interested person under Section 2(a)(19) of the Act, (the Independent Trustees) also serves as a trustee of a number of other closed-end funds for which PIMCO serves as investment manager (together with the Funds, the PIMCO Closed-End Funds), as well as PIMCO Managed Accounts Trust, an open-end investment company with multiple series for which PIMCO serves as investment manager (PMAT and, together with the PIMCO Closed-End Funds, the PIMCO-Managed Funds). In addition, each of the Independent Trustees also serves as a trustee of certain investment companies (together, the Allianz-Managed Funds), for which Allianz Global Investors Fund Management (AGIFM), serves as investment adviser.

Prior to the close of business on September 5, 2014, each of the PIMCO-Managed Funds and Allianz-Managed Funds held joint meetings of their Boards of Trustees whenever possible, and each Trustee, other than any Trustee who was a director, officer, partner or employee of PIMCO, AGIFM or any entity controlling, controlled by or under common control with PIMCO or AGIFM, received annual compensation of \$250,000 for service on the Boards of all of the PIMCO-Managed Funds and Allianz-Managed Funds, payable quarterly. The Independent Chairman of the Boards received an additional \$75,000 annually, payable quarterly. The Audit Oversight Committee Chairman received an additional \$50,000 annually, payable quarterly. Trustees were also reimbursed for meeting-related expenses.

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During periods prior to September 5, 2014, each Trustee's compensation and other costs in connection with joint meetings were allocated among the PIMCO-Managed Funds and Allianz-Managed Funds, as applicable, on the basis of fixed percentages as between such groups of Funds. Trustee compensation and other costs were then further allocated pro rata among the individual funds within each grouping based on the complexity of issues relating to each such fund and relative time spent by the Trustees in addressing them, and on each such fund's relative net assets.

Subsequent to September 5, 2014, in connection with the new investment management agreement between the PIMCO-Managed Funds and PIMCO and the termination of the investment management agreement between the PIMCO-Managed Funds and AGIFM, each of the PIMCO-Managed Funds began holding, and are expected to continue to hold, joint meetings of their Boards of Trustees whenever possible, but will generally no longer hold joint meetings with the Allianz-Managed Funds. Under the new Board structure, each Independent Trustee receives annual compensation of \$225,000 for his or her service on the Boards of the PIMCO-Managed Funds, payable quarterly. The Independent Chairman of the Boards receives an additional \$75,000 per year, payable quarterly. The Audit Oversight Committee Chairman receives an additional \$50,000 annually, payable quarterly. Trustees are also reimbursed for meeting-related expenses.

Each Trustee's compensation for his or her service as a Trustee on the Boards of the PIMCO-Managed Funds and other costs in connection with joint meetings of such Funds are allocated among the PIMCO-Managed Funds, as applicable, on the basis of fixed percentages as between PMAT and the PIMCO Closed-End Funds. Trustee compensation and other costs will then be further allocated pro rata among the individual PIMCO-Managed Funds within each grouping based on each such PIMCO-Managed Fund's relative net assets.

8. RELATED PARTY TRANSACTIONS

The Manager is a related party. Fees payable to this party are disclosed in Note 7 and the accrued related party fee amounts are disclosed on the Statements of Assets and Liabilities.

Certain Funds are permitted to purchase or sell securities from or to certain related affiliated funds under specified conditions outlined in procedures adopted by the Board. The procedures have been designed to ensure that any purchase or sale of securities by the Funds from or to another fund or portfolio that are, or could be, considered an affiliate by virtue of having a common investment adviser (or affiliated investment advisers), common Trustees and/or common officers complies with Rule 17a-7 of the Act. Further, as defined under the procedures, each transaction is effected at the current market price.

During the periods ended December 31, 2015, the Funds below engaged in purchases and sales of securities pursuant to Rule 17a-7 of the Act (amounts in thousands):

Fund Name	Purchases	Sales
PIMCO Municipal Income Fund ⁽¹⁾	\$ 9,219	\$ 0
PIMCO Municipal Income Fund II ⁽²⁾	10,204	8,128

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PIMCO California Municipal Income Fund ⁽¹⁾	8,076	9,496
PIMCO California Municipal Income Fund II ⁽²⁾	2,043	5,152
PIMCO New York Municipal Income Fund ⁽¹⁾	0	1,192
PIMCO New York Municipal Income Fund II ⁽²⁾	1,882	0

⁽¹⁾ Period from May 1, 2015 to December 31, 2015

⁽²⁾ Period from June 1, 2015 to December 31, 2015

A zero balance may reflect actual amounts rounding to less than one thousand.

9. GUARANTEES AND INDEMNIFICATIONS

Under each Fund's organizational documents, each Trustee and officer is indemnified, to the extent permitted by the Act, against certain liabilities that may arise out of performance of their duties to the Funds. Additionally, in the normal course of business, the Funds enter into contracts that contain a variety of indemnification clauses. The Funds' maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Funds that have not yet occurred. However, the Funds have not had prior claims or losses pursuant to these contracts.

10. PURCHASES AND SALES OF SECURITIES

The length of time a Fund has held a particular security is not generally a consideration in investment decisions. A change in the securities held by a Fund is known as portfolio turnover. Each Fund may engage in frequent and active trading of portfolio securities to achieve its investment objective, particularly during periods of volatile market movements. High portfolio turnover involves correspondingly greater transaction costs to a Fund, including brokerage commissions or dealer mark-ups and other transaction costs on the sale of securities and reinvestments in other securities. Such sales may also result in realization of taxable capital gains, including short-term capital gains (which are generally taxed at ordinary income tax rates). The transaction costs and tax effects associated with portfolio turnover may adversely affect a Fund's performance. The portfolio turnover rates are reported in the Financial Highlights.

Table of Contents**Notes to Financial Statements (Cont.)**

Purchases and sales of securities (excluding short-term investments) for the periods ended December 31, 2015, as indicated below, were as follows (amounts in thousands):

Fund Name	U.S. Government/Agency		All Other	
	Purchases	Sales	Purchases	Sales
PIMCO Municipal Income Fund ⁽¹⁾	\$ 0	\$ 0	\$ 80,206	\$ 79,649
PIMCO Municipal Income Fund II ⁽²⁾	0	0	119,337	115,640
PIMCO Municipal Income Fund III ⁽³⁾	0	0	13,034	11,800
PIMCO California Municipal Income Fund ⁽¹⁾	0	0	55,107	61,099
PIMCO California Municipal Income Fund II ⁽²⁾	0	0	46,957	53,739
PIMCO California Municipal Income Fund III ⁽³⁾	0	0	12,207	6,574
PIMCO New York Municipal Income Fund ⁽¹⁾	0	0	7,419	9,131
PIMCO New York Municipal Income Fund II ⁽²⁾	0	0	20,907	14,523
PIMCO New York Municipal Income Fund III ⁽³⁾	0	0	0	0

⁽¹⁾ Period from May 1, 2015 to December 31, 2015

⁽²⁾ Period from June 1, 2015 to December 31, 2015

⁽³⁾ Period from October 1, 2015 to December 31, 2015

A zero balance may reflect actual amounts rounding to less than one thousand.

11. AUCTION-RATE PREFERRED SHARES

Each series of Auction-Rate Preferred Shares (ARPS) outstanding of each Fund has a liquidation preference of \$25,000 per share plus any accumulated, unpaid dividends. Dividends are accumulated daily at an annual rate that is typically re-set every seven days through auction procedures (or through default procedures in the event of failed auctions). Distributions of net realized capital gains, if any, are paid annually.

For the periods ended December 31, 2015, the annualized dividend rates on the ARPS ranged from:

Fund Name	Shares Issued and Outstanding	High	Low	As of December 31, 2015
PIMCO Municipal Income Fund				
Series A	1,520	0.430%	0.122%	0.430%
Series B	1,520	0.430%	0.077%	0.430%
Series C	1,520	0.430%	0.077%	0.430%
Series D	1,520	0.430%	0.099%	0.430%
Series E	1,520	0.430%	0.110%	0.430%
PIMCO Municipal Income Fund II				
Series A	2,936	0.430%	0.122%	0.430%
Series B	2,936	0.430%	0.077%	0.430%
Series C	2,936	0.430%	0.077%	0.430%
Series D	2,936	0.430%	0.099%	0.430%

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Series E	2,936	0.430%	0.110%	0.430%
PIMCO Municipal Income Fund III				
Series A	1,512	0.430%	0.133%	0.430%
Series B	1,512	0.430%	0.133%	0.430%
Series C	1,512	0.430%	0.133%	0.430%
Series D	1,512	0.430%	0.110%	0.430%
Series E	1,512	0.430%	0.110%	0.430%
PIMCO California Municipal Income Fund				
Series A	2,000	0.430%	0.122%	0.430%
Series B	2,000	0.430%	0.077%	0.430%
Series C	2,000	0.430%	0.110%	0.430%

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December 31, 2015

Fund Name	Shares Issued and Outstanding	High	Low	As of December 31, 2015
PIMCO California Municipal Income Fund II				
Series A	1,304	0.430%	0.122%	0.430%
Series B	1,304	0.430%	0.077%	0.430%
Series C	1,304	0.430%	0.077%	0.430%
Series D	1,304	0.430%	0.099%	0.430%
Series E	1,304	0.430%	0.110%	0.430%
PIMCO California Municipal Income Fund III				
Series A	2,500	0.430%	0.133%	0.430%
Series B	2,500	0.430%	0.110%	0.430%
PIMCO New York Municipal Income Fund				
Series A	1,880	0.430%	0.077%	0.430%
PIMCO New York Municipal Income Fund II				
Series A	1,580	0.430%	0.077%	0.430%
Series B	1,580	0.430%	0.110%	0.430%
PIMCO New York Municipal Income Fund III				
Series A	1,280	0.430%	0.133%	0.430%

Each Fund is subject to certain limitations and restrictions while ARPS are outstanding. Failure to comply with these limitations and restrictions could preclude a Fund from declaring or paying any dividends or distributions to common shareholders or repurchasing common shares and/or could trigger the mandatory redemption of ARPS at their liquidation preference plus any accumulated, unpaid dividends.

Preferred shareholders of each Fund, who are entitled to one vote per share, generally vote together with the common shareholders of the Fund but vote separately as a class to elect two Trustees of the Fund and on certain matters adversely affecting the rights of the ARPS.

Since mid-February 2008, holders of ARPS issued by the Funds have been directly impacted by a lack of liquidity, which has similarly affected ARPS holders in many of the nation's closed-end funds. Since then, regularly scheduled auctions for ARPS issued by the Funds have consistently failed because of insufficient demand (bids to buy shares) to meet the supply (shares offered for sale) at each auction. In a failed auction, ARPS holders cannot sell all, and may not be able to sell any, of their shares tendered for sale. While repeated auction failures have affected the liquidity for ARPS, they do not constitute a default or automatically alter the credit quality of the ARPS, and ARPS holders have continued to receive dividends at the defined maximum rate, as defined for the Funds in the table below.

Applicable %	Reference Rate	Maximum Rate
110%*	The higher of 30-day AA Composite Commercial Paper Rates OR The Taxable Equivalent of the Short-Term Municipal Obligation Rate**	Maximum Rate for the Funds

* 150% if all or part of the dividend consists of taxable income or capital gain.

** Taxable Equivalent of the Short-Term Municipal Obligations Rate means 90% of the quotient of (A) the per annum rate expressed on an interest equivalent basis equal to the S&P Municipal Bond 7-day High Grade Rate Index divided by (B) 1.00 minus the Marginal Tax Rate (defined as the maximum marginal regular Federal individual income tax rate applicable to an individual's or a corporation's ordinary income, whichever is greater).

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The maximum rate is a function of short-term interest rates and is typically higher than the rate that would have otherwise been set through a successful auction. If the Funds' ARPS auctions continue to fail and the maximum rate payable on the ARPS rises as a result of changes in short-term interest rates, returns for each Fund's common shareholders could be adversely affected.

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Notes to Financial Statements (Cont.)

12. REGULATORY AND LITIGATION MATTERS

The Funds are not named as defendants in any material litigation or arbitration proceedings and are not aware of any material litigation or claim pending or threatened against them.

PIMCO has received a Wells Notice from the staff of the U.S. Securities and Exchange Commission (SEC) that relates to the PIMCO Total Return Active Exchange-Traded Fund (BOND), a series of PIMCO ETF Trust. The notice indicates the staff's preliminary determination to recommend that the SEC commence a civil action against PIMCO stemming from a non-public investigation relating to BOND. A Wells Notice is neither a formal allegation of wrongdoing nor a finding that any law was violated.

This matter principally pertains to the valuation of smaller sized positions in non-agency mortgage-backed securities purchased by BOND between its inception on February 29, 2012 and June 30, 2012, BOND's performance disclosures for that period, and PIMCO's compliance policies and procedures related to these matters.

The Wells process provides PIMCO with the opportunity to demonstrate to the SEC staff why it believes its conduct was appropriate, in keeping with industry standards, and that no action should be taken. PIMCO believes that this matter is unlikely to have a material adverse effect on any Fund or on PIMCO's ability to provide investment management services to any Fund.

The foregoing speaks only as of the date of this report.

13. FEDERAL INCOME TAX MATTERS

Each Fund intends to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code (the Code) and distribute all of its taxable income and net realized gains, if applicable, to shareholders. Accordingly, no provision for Federal income taxes has been made.

The Funds may be subject to local withholding taxes, including those imposed on realized capital gains. Any applicable foreign capital gains tax is accrued daily based upon net unrealized gains, and may be following the sale of any applicable investments.

In accordance with U.S. GAAP, the Manager has reviewed the Funds' tax positions for all open tax years. As of December 31, 2015, the Funds have recorded no liability for net unrecognized tax benefits relating to uncertain income tax positions they have taken or expect to take in future

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tax returns.

Each Fund files U.S. tax returns. While the statute of limitations remains open to examine the Funds' U.S. tax returns filed for the fiscal years from 2012-2014, no examinations are in progress or anticipated at this time. No Fund is aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

As of December 31, 2015, the components of distributable taxable earnings are as follows (amounts in thousands):

	Undistributed		Undistributed		Other	Qualified	
	Tax Exempt	Ordinary	Long-Term	Net Tax Basis Unrealized	Book-to-Tax Accounting	Accumulated Capital	Post-October Loss Deferral
	Income	Income	Capital Gains	Appreciation/ (Depreciation) ⁽¹⁾	Differences ⁽²⁾	Losses ⁽³⁾	Capital ⁽⁴⁾
							Ordinary ⁽⁵⁾
PIMCO Municipal Income Fund	\$ 2,129	\$	\$	\$ 61,196	\$	\$ (55,033)	\$
PIMCO Municipal Income Fund II	26,677			115,247		(184,983)	
PIMCO Municipal Income Fund III	430			68,530		(139,120)	
PIMCO California Municipal Income Fund	13,194			48,627		(33,610)	(1)
PIMCO California Municipal Income Fund II				59,508	(1,268)	(176,464)	
PIMCO California Municipal Income Fund III	4,864			39,698		(106,086)	
PIMCO New York Municipal Income Fund	2,432			13,625		(20,315)	
PIMCO New York Municipal Income Fund II	274			20,082		(42,292)	(1)
PIMCO New York Municipal Income Fund III	911			8,379		(30,550)	

(1) Adjusted for open wash sale loss deferrals and inverse floater transactions. Also adjusted for differences between book and tax defaulted bond interest accrual.

(2) Represents differences in income tax regulations and financial accounting principles generally accepted in the United States of America, namely for distributions payable at fiscal year-end.

(3) Capital losses available to offset future net capital gains expire in varying amounts in the years shown below.

(4) Capital losses realized during the period November 1, 2015 through December 31, 2015, which the Funds elected to defer to the following taxable year pursuant to income tax regulations.

(5) Specified losses realized during the period November 1, 2015 through December 31, 2015, which the Funds elected to defer to the following taxable year pursuant to income tax regulations

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December 31, 2015

As of December 31, 2015, the Funds had accumulated capital losses expiring in the following years (amounts in thousands). The Funds will resume capital gain distributions in the future to the extent gains are realized in excess of accumulated capital losses.

	Expiration of Accumulated Capital Losses			
	12/31/2016	12/31/2017	12/31/2018	12/31/2019
PIMCO Municipal Income Fund	\$ 891	\$ 49,232	\$	\$
PIMCO Municipal Income Fund II	7,955	164,802		
PIMCO Municipal Income Fund III	11,389	116,860	695	
PIMCO California Municipal Income Fund		23,867		
PIMCO California Municipal Income Fund II	18,401	157,995		
PIMCO California Municipal Income Fund III	9,243	89,815		
PIMCO New York Municipal Income Fund	3,099	16,947		
PIMCO New York Municipal Income Fund II	2,962	34,379		
PIMCO New York Municipal Income Fund III	3,264	26,936		

Under the Regulated Investment Company Modernization Act of 2010, a fund is permitted to carry forward any new capital losses for an unlimited period. Additionally, such capital losses that are carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short-term under previous law.

As of December 31, 2015, the Funds had the following post-effective capital losses with no expiration (amounts in thousands):

	Short-Term	Long-Term
PIMCO Municipal Income Fund	\$ 4,689	\$ 221
PIMCO Municipal Income Fund II	12,226	
PIMCO Municipal Income Fund III	7,978	2,198
PIMCO California Municipal Income Fund	9,743	
PIMCO California Municipal Income Fund II	68	
PIMCO California Municipal Income Fund III	6,921	107
PIMCO New York Municipal Income Fund	269	
PIMCO New York Municipal Income Fund II	4,336	615
PIMCO New York Municipal Income Fund III	350	

As of December 31, 2015, the aggregate cost and the net unrealized appreciation (depreciation) of investments for federal income tax purposes are as follows (amounts in thousands):

	Net Unrealized			
	Federal	Unrealized	Unrealized	Appreciation/
	Tax Cost	Appreciation	(Depreciation)	(Depreciation) ⁽⁶⁾
PIMCO Municipal Income Fund	\$ 474,229	\$ 65,902	\$ (4,319)	\$ 61,583
PIMCO Municipal Income Fund II	1,055,578	118,590	(2,796)	115,794
PIMCO Municipal Income Fund III	514,515	71,267	(2,511)	68,756
PIMCO California Municipal Income Fund	397,353	48,735	(111)	48,624
PIMCO California Municipal Income Fund II	411,903	60,990	(1,480)	59,510

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PIMCO California Municipal Income Fund III	338,159	39,787	(91)	39,696
PIMCO New York Municipal Income Fund	133,410	14,129	(727)	13,402
PIMCO New York Municipal Income Fund II	191,192	20,766	(654)	20,112
PIMCO New York Municipal Income Fund III	81,637	8,562	(185)	8,377

⁽⁶⁾ Primary differences, if any, between book and tax net unrealized appreciation/(depreciation) on investments are attributable to wash sale loss deferrals and inverse floater transactions for federal income tax purposes.

Table of Contents**Notes to Financial Statements (Cont.)**

For the fiscal year ended December 31, 2015 and each Fund's respective previous fiscal year end, the Funds made the following tax basis distributions (amounts in thousands):

	Period from May 1, 2015 to December 31, 2015				Year Ended April 30, 2015				Year Ended April 30, 2014			
	Tax-Exempt		Long-Term		Tax-Exempt		Long-Term		Tax-Exempt		Long-Term	
	Income	Income	Capital Gain	Return of Capital ⁽⁸⁾	Income	Income	Capital Gain	Return of Capital ⁽⁸⁾	Income	Income	Capital Gain	Return of Capital ⁽⁸⁾
	Distributions	Distributions ⁽⁷⁾	Distributions ⁽⁸⁾	Distributions ⁽⁸⁾	Distributions	Distributions ⁽⁷⁾	Distributions ⁽⁸⁾	Distributions ⁽⁸⁾	Distributions	Distributions ⁽⁷⁾	Distributions ⁽⁸⁾	Distributions ⁽⁸⁾
PIMCO Municipal Income Fund	\$ 15,511	\$ 1,282	\$	\$	\$ 24,027	\$ 981	\$	\$	\$ 24,500	\$ 473	\$	\$
PIMCO California Municipal Income Fund	11,447	205			17,057	291			17,010	325		
PIMCO New York Municipal Income Fund	3,547	21			5,295	28			5,238	82		
	Period from June 1, 2015 to December 31, 2015				Year Ended May 31, 2015				Year Ended May 31, 2014			
	Tax-Exempt		Long-Term		Tax-Exempt		Long-Term		Tax-Exempt		Long-Term	
	Income	Income	Capital Gain	Return of Capital ⁽⁸⁾	Income	Income	Capital Gain	Return of Capital ⁽⁸⁾	Income	Income	Capital Gain	Return of Capital ⁽⁸⁾
	Distributions	Distributions ⁽⁷⁾	Distributions ⁽⁸⁾	Distributions ⁽⁸⁾	Distributions	Distributions ⁽⁷⁾	Distributions ⁽⁸⁾	Distributions ⁽⁸⁾	Distributions	Distributions ⁽⁷⁾	Distributions ⁽⁸⁾	Distributions ⁽⁸⁾
PIMCO Municipal Income Fund II	\$ 27,797	\$ 463	\$	\$	\$ 47,405	\$ 755	\$	\$	\$ 47,167	\$ 855	\$	\$
PIMCO California Municipal Income Fund II	11,634	508			19,815	866			20,391	748		2,253
PIMCO New York Municipal Income Fund II	5,120	79			8,667	173			8,647	155		
	Period from October 1, 2015 to December 31, 2015				Year Ended September 30, 2015				Year Ended September 30, 2014			
	Tax-Exempt		Long-Term		Tax-Exempt		Long-Term		Tax-Exempt		Long-Term	
	Income	Income	Capital Gain	Return of Capital ⁽⁸⁾	Income	Income	Capital Gain	Return of Capital ⁽⁸⁾	Income	Income	Capital Gain	Return of Capital ⁽⁸⁾
	Distributions	Distributions ⁽⁷⁾	Distributions ⁽⁸⁾	Distributions ⁽⁸⁾	Distributions	Distributions ⁽⁷⁾	Distributions ⁽⁸⁾	Distributions ⁽⁸⁾	Distributions	Distributions ⁽⁷⁾	Distributions ⁽⁸⁾	Distributions ⁽⁸⁾
PIMCO Municipal Income Fund III	\$ 6,096	\$ 108	\$	\$	\$ 24,340	\$ 288	\$	\$	\$ 25,767	\$ 274	\$	\$
PIMCO California Municipal Income Fund III	4,009	42			15,897	185			15,884	148		
PIMCO New York Municipal Income Fund III	905	6			3,590	22			3,554	43		

⁽⁷⁾ Includes short-term capital gains distributed, if any.

⁽⁸⁾ A portion of the distributions made represents a tax return of capital. Return of capital distributions have been reclassified from undistributed net investment income to paid-in capital to more appropriately conform financial accounting to tax accounting.

14. SUBSEQUENT EVENTS

In preparing these financial statements, the Funds' management has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were issued.

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On January 4, 2016, the following distributions were declared to common shareholders payable February 1, 2016, to shareholders of record on January 14, 2016:

PIMCO Municipal Income Fund	\$	0.08125 per common share
PIMCO Municipal Income Fund II	\$	0.06500 per common share
PIMCO Municipal Income Fund III	\$	0.06230 per common share
PIMCO California Municipal Income Fund	\$	0.07700 per common share
PIMCO California Municipal Income Fund II	\$	0.05375 per common share
PIMCO California Municipal Income Fund III	\$	0.06000 per common share
PIMCO New York Municipal Income Fund	\$	0.05700 per common share
PIMCO New York Municipal Income Fund II	\$	0.06625 per common share
PIMCO New York Municipal Income Fund III	\$	0.05250 per common share

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December 31, 2015

On February 1, 2016, the following distributions were declared to common shareholders payable March 1, 2016, to shareholders of record on February 11, 2016:

PIMCO Municipal Income Fund	\$	0.08125 per common share
PIMCO Municipal Income Fund II	\$	0.06500 per common share
PIMCO Municipal Income Fund III	\$	0.06230 per common share
PIMCO California Municipal Income Fund	\$	0.07700 per common share
PIMCO California Municipal Income Fund II	\$	0.05375 per common share
PIMCO California Municipal Income Fund III	\$	0.06000 per common share
PIMCO New York Municipal Income Fund	\$	0.05700 per common share
PIMCO New York Municipal Income Fund II	\$	0.06625 per common share
PIMCO New York Municipal Income Fund III	\$	0.05250 per common share

There were no other subsequent events identified that require recognition or disclosure.

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Report of Independent Registered Public Accounting Firm

To the Board of Trustees and Shareholders of

PIMCO Municipal Income Fund

PIMCO Municipal Income Fund II

PIMCO Municipal Income Fund III

PIMCO California Municipal Income Fund

PIMCO California Municipal Income Fund II

PIMCO California Municipal Income Fund III

PIMCO New York Municipal Income Fund

PIMCO New York Municipal Income Fund II

PIMCO New York Municipal Income Fund III

In our opinion, the accompanying statements of assets and liabilities, including the schedules of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of PIMCO Municipal Income Fund, PIMCO Municipal Income Fund II, PIMCO Municipal Income Fund III, PIMCO California Municipal Income Fund, PIMCO California Municipal Income Fund II, PIMCO California Municipal Income Fund III, PIMCO New York Municipal Income Fund, PIMCO New York Municipal Income Fund II and PIMCO New York Municipal Income Fund III (the Funds) at December 31, 2015, the results of each of their operations, the changes in each of their net assets and the financial highlights for each of the periods presented, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as financial statements) are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at December 31, 2015 by correspondence with the custodian, agent banks and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

Kansas City, Missouri

February 25, 2016

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Glossary: (abbreviations that may be used in the preceding statements)

(Unaudited)

Counterparty Abbreviations:

SAL Citigroup Global Markets, Inc.

Currency Abbreviations:

USD (or \$) United States Dollar

Municipal Abbreviations:

ACA	American Capital Access Holding Ltd.	AMBAC	American Municipal Bond Assurance Corp.	IBC	Insured Bond Certificate
AGC	Assured Guaranty Corp.	FGIC	Financial Guaranty Insurance Co.	NPFGC	National Public Finance Guarantee Corp.
AGM	Assured Guaranty Municipal	FHA	Federal Housing Administration		

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The Funds held their annual meetings of shareholders on December 23, 2015. Common/Preferred shareholders voted as indicated below:

	Affirmative	Withheld Authority
PIMCO California Municipal Income Fund		
Re-election of Alan Rappaport Class I to serve until the annual meeting for the 2018 fiscal year	16,763,893	294,387
Re-election of Hans W. Kertess* Class I to serve until the annual Meeting for the 2018 fiscal year	4,495	174
Re-election of William B. Ogden, IV Class I to serve until the annual Meeting for the 2018 fiscal year	16,742,617	315,663

The other members of the Board of Trustees at the time of the meeting, namely, Messrs. James A. Jacobson, Bradford K. Gallagher, John C. Maney and Craig A. Dawson and Ms. Deborah A. DeCotis continued to serve as Trustees of the Fund.

* Preferred Share Trustee

	Affirmative	Withheld Authority
PIMCO Municipal Income Fund		
Re-election of Alan Rappaport Class I to serve until the annual meeting for the 2018 fiscal year	22,212,163	590,145
Re-election of Hans W. Kertess* Class I to serve until the annual Meeting for the 2018 fiscal year	6,476	150
Re-election of William B. Ogden, IV Class I to serve until the annual Meeting for the 2018 fiscal year	22,245,636	556,672

The other members of the Board of Trustees at the time of the meeting, namely, Messrs. James A. Jacobson, Bradford K. Gallagher, John C. Maney and Craig A. Dawson and Ms. Deborah A. DeCotis continued to serve as Trustees of the Fund.

* Preferred Share Trustee

	Affirmative	Withheld Authority
PIMCO New York Municipal Income Fund		
Re-election of Alan Rappaport Class I to serve until the annual meeting for the 2018 fiscal year	6,793,547	353,843
Re-election of Hans W. Kertess* Class I to serve until the annual Meeting for the 2018 fiscal year	1,496	73
Re-election of William B. Ogden, IV Class I to serve until the annual Meeting for the 2018 fiscal year	6,793,547	353,843

The other members of the Board of Trustees at the time of the meeting, namely, Messrs. James A. Jacobson, Bradford K. Gallagher, John C. Maney and Craig A. Dawson and Ms. Deborah A. DeCotis continued to serve as Trustees of the Fund.

* Preferred Share Trustee

	Affirmative	Withheld Authority
PIMCO California Municipal Income Fund II		
Re-election of Alan Rappaport Class I to serve until the annual meeting for the 2018 fiscal year	26,436,475	1,085,518
Re-election of Hans W. Kertess* Class I to serve until the annual Meeting for the 2018 fiscal year	3,880	327
Re-election of William B. Ogden, IV Class I to serve until the annual Meeting for the 2018 fiscal year	26,379,308	1,142,685

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The other members of the Board of Trustees at the time of the meeting, namely, Messrs. James A. Jacobson, Bradford K. Gallagher, John C. Maney and Craig A. Dawson and Ms. Deborah A. DeCotis continued to serve as Trustees of the Fund.

* Preferred Share Trustee

PIMCO Municipal Income Fund II		Affirmative	Withheld Authority
Re-election of Alan Rappaport	Class I to serve until the annual meeting for the 2018 fiscal year	53,864,657	1,428,703
Re-election of Hans W. Kertess*	Class I to serve until the annual Meeting for the 2018 fiscal year	11,229	497
Re-election of William B. Ogden, IV	Class I to serve until the annual Meeting for the 2018 fiscal year	53,821,846	1,471,514

The other members of the Board of Trustees at the time of the meeting, namely, Messrs. James A. Jacobson, Bradford K. Gallagher, John C. Maney and Craig A. Dawson and Ms. Deborah A. DeCotis continued to serve as Trustees of the Fund.

* Preferred Share Trustee

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(Unaudited)

	Affirmative	Withheld Authority
PIMCO New York Municipal Income Fund II		
Re-election of Alan Rappaport Class I to serve until the annual meeting for the 2018 fiscal year	9,120,483	336,830
Re-election of Hans W. Kertess* Class I to serve until the annual Meeting for the 2018 fiscal year	2,456	58
Re-election of William B. Ogden, IV Class I to serve until the annual Meeting for the 2018 fiscal year	9,108,302	349,011

The other members of the Board of Trustees at the time of the meeting, namely, Messrs. James A. Jacobson, Bradford K. Gallagher, John C. Maney and Craig A. Dawson and Ms. Deborah A. DeCotis continued to serve as Trustees of the Fund.

* Preferred Share Trustee

	Affirmative	Withheld Authority
PIMCO California Municipal Income Fund III		
Re-election of Alan Rappaport* Class I to serve until the annual meeting for the 2018 fiscal year	3,508	215
Re-election of Hans W. Kertess Class I to serve until the annual Meeting for the 2018 fiscal year	19,594,727	557,141
Re-election of William B. Ogden, IV Class I to serve until the annual Meeting for the 2018 fiscal year	19,640,838	511,030

The other members of the Board of Trustees at the time of the meeting, namely, Messrs. James A. Jacobson, Bradford K. Gallagher, John C. Maney and Craig A. Dawson and Ms. Deborah A. DeCotis continued to serve as Trustees of the Fund.

* Preferred Share Trustee

	Affirmative	Withheld Authority
PIMCO Municipal Income Fund III		
Re-election of Alan Rappaport* Class I to serve until the annual meeting for the 2018 fiscal year	5,779	103
Re-election of Hans W. Kertess Class I to serve until the annual Meeting for the 2018 fiscal year	28,068,714	867,931
Re-election of William B. Ogden, IV Class I to serve until the annual Meeting for the 2018 fiscal year	28,101,354	835,291

The other members of the Board of Trustees at the time of the meeting, namely, Messrs. James A. Jacobson, Bradford K. Gallagher, John C. Maney and Craig A. Dawson and Ms. Deborah A. DeCotis continued to serve as Trustees of the Fund.

* Preferred Share Trustee

	Affirmative	Withheld Authority
PIMCO New York Municipal Income Fund III		
Re-election of Alan Rappaport* Class I to serve until the annual meeting for the 2018 fiscal year	1,129	3
Re-election of Hans W. Kertess Class I to serve until the annual Meeting for the 2018 fiscal year	4,741,619	267,567
Re-election of William B. Ogden, IV Class I to serve until the annual Meeting for the 2018 fiscal year	4,743,195	265,991

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The other members of the Board of Trustees at the time of the meeting, namely, Messrs. James A. Jacobson, Bradford K. Gallagher, John C. Maney and Craig A. Dawson and Ms. Deborah A. DeCotis continued to serve as Trustees of the Fund.

* Preferred Share Trustee

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Changes to Portfolio Managers

(Unaudited)

Effective August 20, 2015, David Hammer joined Joseph Deane as co-Portfolio Manager of each Fund

Mr. Hammer is an Executive Vice President and Municipal Bond Portfolio Manager based in New York. He first joined PIMCO in 2012 as a Senior Vice President. In 2014, he joined Morgan Stanley as Managing Director, Head of Municipal Trading and Research, responsible for institutional and retail municipal trading, risk management and municipal credit research. Mr. Hammer re-joined PIMCO in 2015. Prior to first joining PIMCO in 2012, he was an Executive Director at Morgan Stanley, where he served as head of the high yield and distressed municipal bond trading group. Mr. Hammer holds a Bachelor's Degree from Syracuse University.

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Investment Strategy Updates

(Unaudited)

Effective October 6, 2015, each of PIMCO Municipal Income Fund, PIMCO California Municipal Income Fund and PIMCO New York Municipal Income Fund rescinded the following non-fundamental investment policy:

The staff of the SEC has taken the position that purchased over-the-counter (OTC) options and the assets used as cover for written OTC options are illiquid securities. Therefore, the Fund has adopted an investment policy pursuant to which it will not purchase or sell OTC options if, as a result of such transactions, the sum of: 1) the market value of OTC options currently outstanding which are held by the Fund, 2) the market value of the underlying securities covered by OTC call options currently outstanding which were sold by the Fund and 3) margin deposits on the Fund's existing OTC options on futures contracts, exceeds 15% of the net assets of the Fund, taken at market value, together with all other assets of the Fund which are illiquid or are otherwise not readily marketable. However, if an OTC option is sold by the Fund to a primary U.S. Government securities dealer recognized by the Federal Reserve Bank of New York and if the Fund has the unconditional contractual right to repurchase such OTC option from the dealer at a predetermined price, then the Fund will treat as illiquid such amount of the underlying securities equal to the repurchase price less the amount by which the option is in-the-money (i.e., current market value of the underlying securities minus the option's strike price). The repurchase price with the primary dealers is typically a formula price which is generally based on a multiple of the premium received for the

option, plus the amount by which the option is in-the-money. This policy is not a fundamental policy of the Fund and may be amended by the Trustees without the approval of shareholders. However, the Fund will not change or modify this policy prior to the change or modification by the SEC staff of its position.

Effective October 6, 2015, each Fund adopted the following non-fundamental investment policy:

The staff of the SEC has taken the position that purchased OTC options and the assets used as cover for written OTC options should generally be treated as illiquid. However, the staff of the SEC has also taken the position that the determination of whether a particular instrument is liquid should be made under guidelines and standards established by a fund's board of trustees. The SEC staff has provided examples of factors that may be taken into account in determining whether a particular instrument should be treated as liquid. Pursuant to policies adopted by the Fund's Board of Trustees, purchased OTC options and the assets used as cover for OTC options written by a Fund may be treated as liquid under certain circumstances, such as when PIMCO has the contractual right to terminate or close out the OTC option on behalf of a Fund within seven days. These policies are not fundamental policies of the Funds and may be changed or modified by the Board of Trustees without the approval of shareholders, provided that any such change or modification will be consistent with applicable positions of the SEC staff.

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Dividend Reinvestment Plan

Each Fund has adopted a Dividend Reinvestment Plan (the Plan) which allows common shareholders to reinvest Fund distributions in additional common shares of the Fund. American Stock Transfer & Trust Company, LLC (the Plan Agent) serves as agent for common shareholders in administering the Plan. It is important to note that participation in the Plan and automatic reinvestment of Fund distributions does not ensure a profit, nor does it protect against losses in a declining market.

Automatic enrollment/voluntary participation Under the Plan, common shareholders whose shares are registered with the Plan Agent (registered shareholders) are automatically enrolled as participants in the Plan and will have all Fund distributions of income, capital gains and returns of capital (together, distributions) reinvested by the Plan Agent in additional common shares of a Fund, unless the shareholder elects to receive cash. Registered shareholders who elect not to participate in the Plan will receive all distributions in cash paid by check and mailed directly to the shareholder of record (or if the shares are held in street or other nominee name, to the nominee) by the Plan Agent. Participation in the Plan is voluntary. Participants may terminate or resume their enrollment in the Plan at any time without penalty by notifying the Plan Agent online at www.amstock.com, by calling (844) 33PIMCO (844-337-4626), by writing to the Plan Agent, American Stock Transfer & Trust Company, LLC, at P.O. Box 922, Wall Street Station, New York, NY 10269-0560, or, as applicable, by completing and returning the transaction form attached to a Plan statement. A proper notification will be effective immediately and apply to each Fund's next distribution if received by the Plan Agent at least three (3) days prior to the record date for the distribution; otherwise, a notification will be effective shortly following the Fund's next distribution and will apply to the Fund's next succeeding distribution thereafter. If you withdraw from the Plan and so request, the Plan Agent will arrange for the sale of your shares and send you the proceeds, minus a transaction fee and brokerage commissions.

How shares are purchased under the Plan For each Fund distribution, the Plan Agent will acquire common shares for participants either (i) through receipt of newly issued common shares from each Fund (newly issued shares) or (ii) by purchasing common shares of the Fund on the open market (open market purchases). If, on a distribution payment date, the net asset value per common shares of each Fund (NAV) is equal to or less than the market price per common shares plus estimated brokerage commissions (often referred to as a market premium), the Plan Agent will invest the distribution amount on behalf of participants in newly issued shares at a price equal to the greater of (i) NAV or (ii) 95% of the market price per common share on the payment date. If the NAV is greater than the

market price per common shares plus estimated brokerage commissions (often referred to as a market discount) on a distribution payment date, the Plan agent will instead attempt to invest the distribution amount through open market purchases. If the Plan Agent is unable to invest the full distribution amount in open market purchases, or if the market discount shifts to a market premium during the purchase period, the Plan Agent will invest any un-invested portion of the distribution in newly issued shares at a price equal to the greater of (i) NAV or (ii) 95% of the market price per share as of the last business day immediately prior to the purchase date (which, in either case, may be a price greater or lesser than the NAV per common shares on the distribution payment date). No interest will be paid on distributions awaiting reinvestment. Under the Plan, the market price of common shares on a particular date is the last sales price on the exchange where the shares are listed on that date or, if there is no sale on the exchange on that date, the mean between the closing bid and asked quotations for the shares on the exchange on that date.

The NAV per common share on a particular date is the amount calculated on that date (normally at the close of regular trading on the New York Stock Exchange) in accordance with each Fund's then current policies.

Fees and expenses No brokerage charges are imposed on reinvestments in newly issued shares under the Plan. However, all participants will pay a pro rata share of brokerage commissions incurred by the Plan Agent when it makes open market purchases. There are currently no direct service charges imposed on participants in the Plan, although each Fund reserves the right to amend the Plan to include such charges. The Plan Agent imposes a transaction fee (in addition to brokerage commissions that are incurred) if it arranges for the sale of your common shares held under the Plan.

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Shares held through nominees In the case of a registered shareholder such as a broker, bank or other nominee (together, a nominee) that holds common shares for others who are the beneficial owners, the Plan Agent will administer the Plan on the basis of the number of common shares certified by the nominee/record shareholder as representing the total amount registered in such shareholder's name and held for the account of beneficial owners who are to participate in the Plan. If your common shares are held through a nominee and are not registered with the Plan Agent, neither you nor the nominee will be participants in or have distributions reinvested under the Plan. If you are a beneficial owner of common shares and wish to participate in the Plan, and your nominee is unable or unwilling to become a registered shareholder and a Plan participant on your behalf, you may request that your nominee arrange to have all or a portion of your shares re-registered with the Plan Agent in your

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(Unaudited)

name so that you may be enrolled as a participant in the Plan. Please contact your nominee for details or for other possible alternatives. Participants whose shares are registered with the Plan Agent in the name of one nominee firm may not be able to transfer the shares to another firm and continue to participate in the Plan.

Tax consequences Automatically reinvested dividends and distributions are taxed in the same manner as cash dividends and distributions i.e., automatic reinvestment in additional shares does not relieve shareholders of, or defer the need to pay, any income tax that may be payable (or that is required to be withheld) on Fund dividends and distributions. The Funds and the Plan Agent reserve the right to amend or terminate the Plan. Additional information about the Plan, as well as a copy of the full Plan itself, may be obtained from the Plan Agent, American Stock Transfer & Trust Company, LLC, at P.O. Box 922, Wall Street Station, New York, NY 10269-0560; telephone number: (844) 33-PIMCO (844-337-4626); website: www.amstock.com.

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Table of Contents**Management of the Funds**

The chart below identifies Trustees and Officers of the Funds. Unless otherwise indicated, the address of all persons below is c/o Pacific Investment Management Company LLC, 1633 Broadway, New York, New York 10019.

Trustees

Name And Year of Birth	Position(s) Held with the Funds	Term of Office and Length of Time Served	Principal Occupation(s) During the Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee During the Past 5 Years
Independent Trustees					
Hans W. Kertess 1939	Chairman of the Board, Trustee	Trustee of PMF, PCQ and PNF since 2001, of PML, PCK and PNI since 2002 and of PMX, PZC and PYN since 2003, expected to stand for re-election at the annual meeting of shareholders during the 2018 fiscal year for each Fund.	President, H. Kertess & Co., a financial advisory company; and Senior Adviser (formerly Managing Director), Royal Bank of Canada Capital Markets (since 2004).	91	None
Deborah A. DeCotis 1952	Trustee	Trustee of the Funds since 2011, expected to stand for re-election at the annual meeting of shareholders during the 2016 fiscal year for PMF, PCQ, PNF, PCK, PNI and PML and during the 2017 fiscal year for PMX, PZC and PYN.	Advisory Director, Morgan Stanley & Co., Inc. (since 1996); Circle Financial Group (since 2009); and Member, Council on Foreign Relations (since 2013). Formerly, Trustee, Stanford University (2010-2015); Co-Chair Special Projects Committee, Memorial Sloan Kettering (2005-2015); Director, Helena Rubenstein Foundation (1997-2010); Principal, LaLoop LLC, a retail accessories company (1999-2014); and Director, Armor Holdings (2002-2010).	91	None
Bradford K. Gallagher 1944	Trustee	Trustee of the Funds since 2010, expected to stand for re-election at the annual meeting of shareholders during the 2017 fiscal year for PMF, PCQ, PNF, PCK, PNI and PML and during the 2016 fiscal year for PMX, PCZ and PYN.	Retired. Founder, Spyglass Investments LLC, a private investment vehicle (since 2001). Formerly, Partner, New Technology Ventures Capital Management LLC, a venture capital fund (2011-2013); Chairman and Trustee, Atlantic Maritime Heritage Foundation (2007-2012); Founder, President and CEO, Cypress Holding Company and Cypress Tree Investment Management Company (1995-2001); and Chairman and Trustee, The Common Fund (2005-2014).	91	Formerly, Chairman and Trustee of Grail Advisors ETF Trust (2009-2010) and Trustee of Nicholas-Applegate Institutional Funds (2007-2010).
James A. Jacobson 1945	Trustee	Trustee of the Funds since 2009, expected to stand for re-election at the annual meeting of shareholders during the 2016 fiscal year for each Fund.	Retired. Trustee (since 2002) and Chairman of Investment Committee (since 2007), Ronald McDonald House of New York; Trustee, New Jersey City University (since 2014). Formerly, Vice Chairman and Managing Director, Spear, Leeds & Kellogg Specialists, LLC, a specialist firm on the New York Stock Exchange	91	Trustee, Alpine Mutual Funds Complex consisting of 18 funds.

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			(2003-2008).		
William B. Ogden, IV 1945	Trustee	Trustee of the Funds since 2006, expected to stand for re-election at the annual meeting of shareholders during the 2018 fiscal year for each Fund.	Retired. Formerly, Asset Management Industry Consultant; and Managing Director, Investment Banking Division of Citigroup Global Markets Inc.	91	None
Alan Rappaport 1953	Trustee	Trustee of the Funds since 2010, expected to stand for re-election at the annual meeting of shareholders during the 2018 fiscal year for each Fund.	Advisory Director (formerly Vice Chairman), Roundtable Investment Partners (since 2009); Adjunct Professor, New York University Stern School of Business (since 2011); Lecturer, Stanford University Graduate School of Business (since 2013); Member of Board of Overseers, NYU Langone Medical Center (since 2015); and Director, Victory Capital Holdings, Inc., an asset management firm (since 2013). Formerly, Trustee, American Museum of Natural History (2005-2015); Trustee, NYU Langone Medical Center (2007-2015); Vice Chairman, US Trust (formerly Chairman and President of Private Bank of Bank of America, the predecessor entity of US Trust) (2001-2008).	91	None

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(Unaudited)

Name And Year of Birth	Position(s) Held with the Funds	Term of Office and Length of Time Served	Principal Occupation(s) During the Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee During the Past 5 Years
Interested Trustees					
Craig A. Dawson* 1968	Trustee	Trustee of the Funds since 2014, expected to stand for re-election at the annual meeting of shareholders during the 2017 fiscal year for each Fund.	Managing Director and Head of Strategic Business Management, PIMCO (since 2014). Director of a number of PIMCO's European investment vehicles and affiliates (since 2008). Formerly, head of PIMCO's Munich office and head of European product management for PIMCO.	25	None
John C. Maney** 1959	Trustee	Trustee of the Funds since 2006, expected to stand for re-election at the annual meeting of shareholders during the 2017 fiscal year for each Fund.	Managing Director of Allianz Asset Management of America L.P. (since January 2005) and a member of the Management Board and Chief Operating Officer of Allianz Asset Management of America L.P. (since November 2006). Formerly, Member of the Management Board of Allianz Global Investors Fund Management LLC (2007-2014) and Managing Director of Allianz Global Investors Fund Management LLC (2011-2014).	25	None

* Mr. Dawson is an interested person of the Funds, as defined in Section 2(a)(19) of the Act, due to his affiliation with PIMCO and its affiliates. Mr. Dawson's address is 650 Newport Center Drive, Newport Beach, CA 92660.

** Mr. Maney is an interested person of the Funds, as defined in Section 2(a)(19) of the Act, due to his affiliation with Allianz Asset Management of America L.P. and its affiliates. Mr. Maney's address is 650 Newport Center Drive, Newport Beach, CA 92660.

Table of Contents**Management of the Funds (Cont.)**

(Unaudited)

Officers

Name, Address and Year of Birth	Position(s) Held with Funds	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years*
Peter G. Strelow ¹ 1970	President	Since 2014	Managing Director, PIMCO. President, PIMCO-Managed Funds, PIMCO Funds, PIMCO Variable Insurance Trust, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT.
Youse Guia ¹ 1972	Chief Compliance Officer	Since 2014	Senior Vice President and Deputy Chief Compliance Officer, PIMCO. Chief Compliance Officer, PIMCO-Managed Funds. Formerly, Head of Compliance, Allianz Global Investors U.S. Holdings LLC and Chief Compliance Officer of the Allianz Funds, Allianz Multi-Strategy Trust, Allianz Global Investors Sponsored Closed-End Funds, Premier Multi-Series VIT and The Korea Fund, Inc.
Joshua D. Ratner 1976	Vice President, Secretary and Chief Legal Officer	Since 2014	Executive Vice President and Senior Counsel, PIMCO. Chief Legal Officer, PIMCO Investments LLC. Vice President, Secretary and Chief Legal Officer, PIMCO-Managed Funds. Vice President Senior Counsel, Secretary, PIMCO Funds, PIMCO Variable Insurance Trust, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT.
Stacie D. Ancill ¹ 1969	Vice President	Since 2015	Senior Vice President, PIMCO. Vice President, PIMCO-Managed Funds, PIMCO Funds, PIMCO Variable Insurance Trust, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT.
Eric D. Johnson 1970	Vice President	Since 2014	Executive Vice President, PIMCO. Vice President, PIMCO-Managed Funds, PIMCO Funds, PIMCO Variable Insurance Trust, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT.
William G. Galipeau ¹ 1974	Treasurer	Since 2014	Executive Vice President, PIMCO. Treasurer, PIMCO-Managed Funds. Vice President, PIMCO Funds, PIMCO Variable Insurance Trust, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT. Formerly, Vice President, Fidelity Investments.
Erik C. Brown ¹ 1967	Assistant Treasurer	Since 2015	Executive Vice President, PIMCO. Assistant Treasurer, PIMCO-Managed Funds, PIMCO Funds, PIMCO Variable Insurance Trust, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT.
Jason J. Nagler 1982	Assistant Treasurer	Since 2015	Vice President, PIMCO. Assistant Treasurer, PIMCO-Managed Funds, PIMCO Funds, PIMCO Variable Insurance Trust, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT. Formerly, Head of Mutual Fund Reporting, GMO, and Assistant Treasurer, GMO Trust and GMO Series Trust Funds.
Trent W. Walker ¹ 1974	Assistant Treasurer	Since 2014	Executive Vice President, PIMCO. Assistant Treasurer, PIMCO-Managed Funds. Treasurer, PIMCO Funds, PIMCO Variable Insurance Trust, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT.
Vadim Avdeychik 1979	Assistant Secretary	Since 2015	Vice President and Counsel, PIMCO. Assistant Secretary, PIMCO-Managed Funds. Formerly, Associate, Willkie Farr and Gallagher LLP and ERISA Enforcement Advisor, Employee Benefits Security Administration.
Ryan G. Leshaw ¹ 1980	Assistant Secretary	Since 2014	Senior Vice President and Senior Counsel, PIMCO. Assistant Secretary, PIMCO-Managed Funds, PIMCO Funds, PIMCO Variable Insurance Trust, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT. Formerly, Associate, Willkie Farr & Gallagher LLP.

⁽¹⁾ The address of these officers is Pacific Investment Management Company LLC, 650 Newport Center Drive, Newport Beach, California 92660.

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Privacy Policy¹

(Unaudited)

The Funds² consider customer privacy to be a fundamental aspect of their relationships with shareholders and are committed to maintaining the confidentiality, integrity and security of their current, prospective and former shareholders' non-public personal information. The Funds have developed policies that are designed to protect this confidentiality, while allowing shareholder needs to be served.

Obtaining Personal Information

In the course of providing shareholders with products and services, the Funds and certain service providers to the Funds, such as the Funds investment adviser or sub-adviser ("Adviser"), may obtain non-public personal information about shareholders, which may come from sources such as account applications and other forms, from other written, electronic or verbal correspondence, from shareholder transactions, from a shareholder's brokerage or financial advisory firm, financial advisor or consultant, and/or from information captured on applicable websites.

Respecting Your Privacy

As a matter of policy, the Funds do not disclose any non-public personal information provided by shareholders or gathered by the Funds to non-affiliated third parties, except as required or permitted by law or as necessary for such third parties to perform their agreements with respect to the Funds. As is common in the industry, non-affiliated companies may from time to time be used to provide certain services, such as preparing and mailing prospectuses, reports, account statements and other information, conducting research on shareholder satisfaction and gathering shareholder proxies. The Funds or their affiliates may also retain non-affiliated companies to market Fund shares or products which use Fund shares and enter into joint marketing arrangements with them and other companies. These companies may have access to a shareholder's personal and account information, but are permitted to use this information solely to provide the specific service or as otherwise permitted by law. In most cases, the shareholders will be clients of a third party, but the Funds may also provide a shareholder's personal and account information to the shareholder's respective brokerage or financial advisory firm and/or financial advisor or consultant.

Sharing Information with Third Parties

The Funds reserve the right to disclose or report personal or account information to non-affiliated third parties in limited circumstances where the Funds believe in good faith that disclosure is required under law, to cooperate with regulators or law enforcement authorities, to protect their rights or property, or upon reasonable request by any fund advised by PIMCO in which a shareholder has invested. In addition, the Funds may disclose information about a shareholder or a shareholder's accounts to a non-affiliated third party at the shareholder's request or with the consent of the shareholder.

Sharing Information with Affiliates

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The Funds may share shareholder information with their affiliates in connection with servicing shareholders' accounts, and subject to applicable law may provide shareholders with information about products and services that the Funds or their Adviser or its affiliates (Service Affiliates) believe may be of interest to such shareholders. The information that the Funds may share may include, for example, a shareholder's participation in the Funds or in other investment programs sponsored by a Service Affiliate, a shareholder's ownership of certain types of accounts (such as IRAs), information about the Funds' experiences or transactions with a shareholder, information captured on applicable websites, or other data about a shareholder's accounts, subject to applicable law. The Funds' Service Affiliates, in turn, are not permitted to share shareholder information with non-affiliated entities, except as required or permitted by law.

Procedures to Safeguard Private Information

The Funds take seriously the obligation to safeguard shareholder non-public personal information. In addition to this policy, the Funds have implemented procedures that are designed to restrict access to a shareholder's non-public personal information to internal personnel who need to know that information to perform their jobs, such as servicing shareholder accounts or notifying shareholders of new products or services. Physical, electronic and procedural safeguards are in place to guard a shareholder's non-public personal information.

Information Collected from Websites

Websites maintained by the Funds or their service providers may use a variety of technologies to collect information that help the Funds and their service providers understand how the website is used. Information collected from your web browser (including small files stored on your device that are commonly referred to as cookies) allow the websites to recognize your web browser and help to personalize and improve your user experience and enhance navigation of the website. In addition, the Funds or their Service Affiliates may use third parties to place advertisements for the Funds on other websites, including banner advertisements. Such third parties may collect anonymous information through the use of cookies or action tags (such as web beacons). The information these third parties collect is generally limited to technical and web navigation information, such as your IP address, web pages visited and browser type, and does not include personally identifiable information such as name, address, phone number or email address.

You can change your cookie preferences by changing the setting on your web browser to delete or reject cookies. If you delete or reject cookies, some website pages may not function properly.

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Privacy Policy¹ (Cont.)

(Unaudited)

Changes to the Privacy Policy

From time to time, the Funds may update or revise this privacy policy. If there are changes to the terms of this privacy policy, documents containing the revised policy on the relevant website will be updated.

¹ Effective as of September 5, 2014.

² When distributing this Policy, a Fund may combine the distribution with any similar distribution of its investment adviser's privacy policy. The distributed, combined policy may be written in the first person (i.e., by using "we" instead of "the Funds").

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General Information

Investment Manager

Pacific Investment Management Company LLC

1633 Broadway

New York, NY 10019

Custodian

State Street Bank and Trust Company

801 Pennsylvania Avenue

Kansas City, MO 64105

Transfer Agent, Dividend Paying Agent and Registrar

American Stock Transfer & Trust Company, LLC

6201 15th Avenue

Brooklyn, NY 11219

Legal Counsel

Ropes & Gray LLP

Prudential Tower

800 Boylston Street

Boston, MA 02199

Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP

1100 Walnut Street, Suite 1300

Kansas City, MO 64106

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This report is submitted for the general information of the shareholders of PIMCO Municipal Income Fund, PIMCO California Municipal Income Fund, PIMCO New York Municipal Income Fund, PIMCO Municipal Income Fund II, PIMCO California Municipal Income Fund II, PIMCO New York Municipal Income Fund II, PIMCO Municipal Income Fund III, PIMCO California Municipal Income Fund III and PIMCO New York Municipal Income Fund III.

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Item 2. Code of Ethics.

As of the end of the period covered by this report, the Registrant has adopted a code of ethics (the Code) that applies to the Registrant's principal executive officer and principal financial & accounting officer. The Registrant did not grant any waivers, including implicit waivers, from any provisions of the Code to the principal executive officer or principal financial & accounting officer during the period covered by this report.

A copy of the Code is included as an exhibit to this report.

Item 3. Audit Committee Financial Expert.

(a) The Board of Trustees has determined that James A. Jacobson, who serves on the Board's Audit Oversight Committee, qualifies as an audit committee financial expert as such term is defined in the instructions to this Item 3. The Board has also determined that Mr. Jacobson is independent as such term is interpreted under this Item 3.

Table of Contents**Item 4. Principal Accountant Fees and Services.**

(a)	<u>Fiscal Year Ended</u>	<u>Audit Fees</u>
	December 31, 2015	\$ 28,712
	April 30, 2015	\$ 28,960
(b)	<u>Fiscal Year Ended</u>	<u>Audit-Related Fees</u>
	December 31, 2015	\$ 8,584
	April 30, 2015	\$ 8,584
(c)	<u>Fiscal Year Ended</u>	<u>Tax Fees</u>
	December 31, 2015	\$ 12,450
	April 30, 2015	\$ 15,450
(d)	<u>Fiscal Year Ended</u>	<u>All Other Fees</u> ⁽¹⁾
	December 31, 2015	\$
	April 30, 2015	\$

Audit Fees represents fees billed for each of the last two fiscal years for professional services rendered for the audit and review of the Registrant's annual financial statements for those fiscal years or services that are normally provided by the accountant in connection with statutory or regulatory filings or engagements for those fiscal years.

Audit-Related Fees represents fees billed for each of the last two fiscal years for assurance and related services that are reasonably related to the performance of the audit or review of the Registrant's financial statements, but not reported under **Audit Fees** above, and that include accounting consultations, agreed-upon procedure reports (inclusive of annual review of basic maintenance testing associated with the Preferred Shares), attestation reports and comfort letters for those fiscal years.

Tax Fees represents fees billed for each of the last two fiscal years for professional services related to tax compliance, tax advice and tax planning, including services relating to the filing or amendment of federal, state or local income tax returns, regulated investment company qualification reviews, and tax distribution and analysis reviews. The amounts under **Tax Fees** shown above have been updated from amounts shown in prior filings of this report, as applicable, due to changes in how certain fees are categorized for these purposes.

All Other Fees represents fees, if any, billed for other products and services rendered by the principal accountant to the Registrant other than those reported above under **Audit Fees**, **Audit-Related Fees** and **Tax Fees** for the last two fiscal years.

⁽¹⁾There were no **All Other Fees** for the last two fiscal years.

(e) Pre-approval policies and procedures

(1) The Registrant's Audit Oversight Committee has adopted pre-approval policies and procedures (the **Procedures**) to govern the Audit Oversight Committee's pre-approval of (i) all audit services and permissible non-audit services to be provided to the Registrant by its independent accountant, and (ii) all permissible non-audit services to be provided by such independent accountant to the Registrant's investment adviser and to any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the Registrant (collectively, the

Service Affiliates) if the services provided directly relate to the Registrant's operations and financial reporting. In accordance with the Procedures, the Audit Oversight Committee is responsible for the engagement of the independent accountant to certify the Registrant's financial statements for each fiscal year. With respect to the pre-approval of non-audit services provided to the Registrant and its Service Affiliates, the Procedures provide that the Audit Oversight Committee may annually pre-approve a list of types or categories of non-audit services that may be provided to the Registrant or its Service Affiliates, or the Audit Oversight Committee may pre-approve such services on a project-by-project basis as they arise. Unless a type of service has received general pre-approval, it will require specific pre-approval by the Audit Oversight Committee if it is to be provided by the independent accountant. The Procedures also permit the Audit Oversight Committee to delegate authority to one or more of its members to pre-approve any proposed non-audit services that have not been previously pre-approved by the Audit Oversight Committee, subject to the ratification by the full Audit Oversight Committee no later than its next scheduled meeting.

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(2) With respect to the services described in paragraphs (b) through (d) of this Item 4, no amount was approved by the Audit Oversight Committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

f) Not applicable.

g)

Entity	Aggregate Non-Audit Fees Billed to Entity*	
	December 31, 2015	April 30, 2015
PIMCO Municipal Income Fund	\$ 21,034	\$ 24,034
Pacific Investment Management Company LLC (PIMCO)	9,180,305	9,316,931
Allianz Global Investors Fund Management LLC	0	62,690
Total	\$ 9,201,339	\$ 9,403,655

*The amounts have been updated from amounts shown in prior filings of this report, as applicable, due to changes in how certain fees are categorized for these purposes.

h) The Registrant's Audit Oversight Committee has considered whether the provision of non-audit services that were rendered to the Registrant's investment adviser, and any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the Registrant which were not pre-approved (not requiring pre-approval) is compatible with maintaining the principal accountant's independence.

Item 5. Audit Committee of Listed Registrants.

The Registrant has a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended. The audit committee is comprised of:

Deborah A. DeCotis;

Bradford K. Gallagher;

James A. Jacobson;

Hans W. Kertess;

William B. Ogden, IV; and

Alan Rappaport.

Item 6. Schedule of Investments.

The Schedule of Investments is included as part of the reports to shareholders under Item 1.

Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.

PIMCO has adopted written proxy voting policies and procedures (Proxy Policy) as required by Rule 206(4)-6 under the Advisers Act. In addition to covering the voting of equity securities, the Proxy Policy also applies generally to voting and/or consent rights of fixed income securities, including but not limited to, plans of reorganization, and waivers and consents under applicable indentures. The Proxy Policy does not apply, however, to consent rights that primarily entail decisions to buy or sell investments, such as tender or exchange offers, conversions, put options, redemption and Dutch auctions. The Proxy Policy is designed and implemented in a manner reasonably expected to ensure that voting and consent rights (collectively, proxies) are exercised in the best interests of accounts.

With respect to the voting of proxies relating to equity securities, PIMCO has selected an unaffiliated third party proxy research and voting service (Proxy Voting Service), to assist it in researching and voting proxies. With respect to each proxy received, the Proxy Voting Service researches the financial implications of the proposals and provides a recommendation to PIMCO as to how to vote on each proposal based on the Proxy Voting Service s research of the individual facts and circumstances and the Proxy Voting Service s application of its research findings to a set of guidelines that have been approved by PIMCO. Upon the recommendation of the applicable portfolio managers, PIMCO may determine to override any recommendation made by the Proxy Voting Service. In the event that the Proxy Voting Service does not provide a recommendation with respect to a proposal, PIMCO may determine to vote on the proposals directly.

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With respect to the voting of proxies relating to fixed income securities, PIMCO's fixed income credit research group (the Credit Research Group) is responsible for researching and issuing recommendations for voting proxies. With respect to each proxy received, the Credit Research Group researches the financial implications of the proxy proposal and makes voting recommendations specific for each account that holds the related fixed income security. PIMCO considers each proposal regarding a fixed income security on a case-by-case basis taking into consideration any relevant contractual obligations as well as other relevant facts and circumstances at the time of the vote. Upon the recommendation of the applicable portfolio managers, PIMCO may determine to override any recommendation made by the Credit Research Group. In the event that the Credit Research Group does not provide a recommendation with respect to a proposal, PIMCO may determine to vote the proposal directly.

PIMCO may determine not to vote a proxy for an equity or fixed income security if: (1) the effect on the applicable account's economic interests or the value of the portfolio holding is insignificant in relation to the account's portfolio; (2) the cost of voting the proxy outweighs the possible benefit to the applicable account, including, without limitation, situations where a jurisdiction imposes share blocking restrictions which may affect the ability of the portfolio managers to effect trades in the related security; or (3) PIMCO otherwise has determined that it is consistent with its fiduciary obligations not to vote the proxy.

In the event that the Proxy Voting Service or the Credit Research Group, as applicable, does not provide a recommendation or the portfolio managers of a client account propose to override a recommendation by the Proxy Voting Service, or the Credit Research Group, as applicable, PIMCO will review the proxy to determine whether there is a material conflict between PIMCO and the applicable account or among PIMCO-advised accounts. If no material conflict exists, the proxy will be voted according to the portfolio managers' recommendation. If a material conflict does exist, PIMCO will seek to resolve the conflict in good faith and in the best interests of the applicable client account, as provided by the Proxy Policy. The Proxy Policy permits PIMCO to seek to resolve material conflicts of interest by pursuing any one of several courses of action. With respect to material conflicts of interest between PIMCO and a client account, the Proxy Policy permits PIMCO to either: (i) convene a committee to assess and resolve the conflict (the Proxy Conflicts Committee); or (ii) vote in accordance with protocols previously established by the Proxy Policy, the Proxy Conflicts Committee and/or other relevant procedures approved by PIMCO's Legal and Compliance department with respect to specific types of conflicts. With respect to material conflicts of interest between one or more PIMCO-advised accounts, the Proxy Policy permits PIMCO to: (i) designate a PIMCO portfolio manager who is not subject to the conflict to determine how to vote the proxy if the conflict exists between two accounts with at least one portfolio manager in common; or (ii) permit the respective portfolio managers to vote the proxies in accordance with each client account's best interests if the conflict exists between client accounts managed by different portfolio managers.

PIMCO will supervise and periodically review its proxy voting activities and the implementation of the Proxy Policy. PIMCO's Proxy Policy, and information about how PIMCO voted a client's proxies, is available upon request.

Item 8. Portfolio Managers of Closed-End Management Investment Companies.

(a)(1)

As of February 26, 2016, the following individuals have primary responsibility for the day-to-day implementation of the PIMCO Municipal Income Fund (the Fund):

Joseph Deane

Mr. Deane has been the portfolio manager for the Fund since July 2011. Mr. Deane is an executive vice president in the New York office and head of municipal bond portfolio management. Prior to joining PIMCO in 2011, he was co-head of the tax-exempt department at Western Asset (WAMCO). Mr. Deane was previously a managing director and head of tax-exempt investments from 1993-2005 at Smith Barney/Citigroup Asset Management. Earlier in his career, he held senior portfolio management positions with Shearson and E.F. Hutton.

Table of Contents**David Hammer**

Mr. Hammer has been a portfolio manager of the Fund since August 2015. Mr. Hammer is an executive vice president and municipal bond portfolio manager in the New York office. He rejoined PIMCO in 2015 from Morgan Stanley, where he was managing director and head of municipal trading, risk management and research. Previously at PIMCO, he was a senior vice president and municipal bond portfolio manager, and prior to joining PIMCO in 2012, he was an executive director and head of the high yield and distressed municipal bond trading group at Morgan Stanley.

(a)(2)

The following summarizes information regarding each of the accounts, excluding the Fund, managed by the Portfolio Managers as of December 31, 2015, including accounts managed by a team, committee, or other group that includes a Portfolio Manager. Unless mentioned otherwise, the advisory fee charged for managing each of the accounts listed below is not based on performance.

PM	Registered Investment Companies		Other Pooled Investment Vehicles		Other Accounts	
	#	AUM (\$million)	#	AUM (\$million)	#	AUM (\$million)
Joseph Deane	19	5,262.90	0	0.00	13	1,778.35
David Hammer	19	5,287.03	0	0.00	0	0.00

From time to time, potential and actual conflicts of interest may arise between a portfolio manager's management of the investments of the Fund, on the one hand, and the management of other accounts, on the other. Potential and actual conflicts of interest may also arise as a result of PIMCO's other business activities and PIMCO's possession of material non-public information about an issuer. Other accounts managed by a portfolio manager might have similar investment objectives or strategies as the Fund, track the same index as the Fund or otherwise hold, purchase, or sell securities that are eligible to be held, purchased or sold by the Fund. The other accounts might also have different investment objectives or strategies than the Fund. Potential and actual conflicts of interest may also arise as a result of PIMCO serving as investment adviser to accounts that invest in the Fund. In this case, such conflicts of interest could in theory give rise to incentives for PIMCO to, among other things, vote proxies of the Fund in a manner beneficial to the investing account but detrimental to the Fund. Conversely, PIMCO's duties to the Fund, as well as regulatory or other limitations applicable to the Fund, may affect the courses of action available to PIMCO-advised accounts (including certain funds) that invest in the Fund in a manner that is detrimental to such investing accounts.

Because PIMCO is affiliated with Allianz, a large multi-national financial institution, conflicts similar to those described below may occur between the Fund and other accounts managed by PIMCO and PIMCO's affiliates or accounts managed by those affiliates. Those affiliates (or their clients), which generally operate autonomously from PIMCO, may take actions that are adverse to the Fund or other accounts managed by PIMCO. In many cases, PIMCO will not be in a position to mitigate those actions or address those conflicts, which could adversely affect the performance of the Fund or other accounts managed by PIMCO.

Knowledge and Timing of Fund Trades. A potential conflict of interest may arise as a result of the portfolio manager's day-to-day management of the Fund. Because of their positions with the Fund, the portfolio managers know the size, timing and possible market impact of the Fund's trades. It is theoretically possible that the portfolio managers could use this information to the advantage of other accounts they manage and to the possible detriment of the Fund.

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Investment Opportunities. A potential conflict of interest may arise as a result of the portfolio manager's management of a number of accounts with varying investment guidelines. Often, an investment opportunity may be suitable for both the Fund and other accounts managed by the portfolio manager, but may not be available in sufficient quantities for both the Fund and the other accounts to participate fully. In addition, regulatory issues applicable to PIMCO or the Fund or other accounts may result in the Fund not receiving securities that may otherwise be appropriate for it. Similarly, there may be limited opportunity to sell an investment held by the Fund and another account. PIMCO has adopted policies and procedures reasonably designed to allocate investment opportunities on a fair and equitable basis over time.

Under PIMCO's allocation procedures, investment opportunities are allocated among various investment strategies based on individual account investment guidelines and PIMCO's investment outlook. PIMCO has also adopted additional procedures to complement the general trade allocation policy that are designed to address potential conflicts of interest due to the side-by-side management of the Fund and certain pooled investment vehicles, including investment opportunity allocation issues.

Conflicts potentially limiting the Fund's investment opportunities may also arise when the Fund and other PIMCO clients invest in different parts of an issuer's capital structure, such as when the Fund owns senior debt obligations of an issuer and other clients own junior tranches of the same issuer. In such circumstances, decisions over whether to trigger an event of default, over the terms of any workout, or how to exit an investment may result in conflicts of interest. In order to minimize such conflicts, a portfolio manager may avoid certain investment opportunities that would potentially give rise to conflicts with other PIMCO clients or PIMCO may enact internal procedures designed to minimize such conflicts, which could have the effect of limiting the Fund's investment opportunities. Additionally, if PIMCO acquires material non-public confidential information in connection with its business activities for other clients, a portfolio manager may be restricted from purchasing securities or selling securities for the Fund. Moreover, the Fund or other accounts managed by PIMCO may invest in a transaction in which one or more other funds or accounts managed by PIMCO are expected to participate, or already have made or will seek to make, an investment. Such funds or accounts may have conflicting interests and objectives in connection with such investments, including, for example and without limitation, with respect to views on the operations or activities of the issuer involved, the targeted returns from the investment, and the timeframe for, and method of, exiting the investment. When making investment decisions where a conflict of interest may arise, PIMCO will endeavor to act in a fair and equitable manner as between the Fund and other clients; however, in certain instances the resolution of the conflict may result in PIMCO acting on behalf of another client in a manner that may not be in the best interest, or may be opposed to the best interest, of the Fund.

Performance Fees. A portfolio manager may advise certain accounts with respect to which the advisory fee is based entirely or partially on performance. Performance fee arrangements may create a conflict of interest for the portfolio manager in that the portfolio manager may have an incentive to allocate the investment opportunities that he or she believes might be the most profitable to such other accounts instead of allocating them to the Fund. PIMCO has adopted policies and procedures reasonably designed to allocate investment opportunities between the Fund and certain pooled investment vehicles on a fair and equitable basis over time.

(a)(3)

As of December 31, 2015, the following explains the compensation structure of the individuals who have primary responsibility for day-to-day portfolio management of the Fund:

Portfolio Manager Compensation

PIMCO has adopted a Total Compensation Plan for its professional level employees, including its portfolio managers, that is designed to pay competitive compensation and reward performance, integrity and teamwork consistent with the firm's mission statement. The Total Compensation Plan includes an incentive component that rewards high performance standards, work ethic and consistent individual and team contributions to the firm. The compensation of portfolio managers consists of a base salary and discretionary performance bonuses, and may include an equity or long term incentive component.

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Certain employees of PIMCO, including portfolio managers, may elect to defer compensation through PIMCO's deferred compensation plan. PIMCO also offers its employees a non-contributory defined contribution plan through which PIMCO makes a contribution based on the employee's compensation. PIMCO's contribution rate increases at a specified compensation level, which is a level that would include portfolio managers.

Key Principles on Compensation Philosophy include:

PIMCO's pay practices are designed to attract and retain high performers.

PIMCO's pay philosophy embraces a corporate culture of rewarding strong performance, a strong work ethic and meritocracy.

PIMCO's goal is to ensure key professionals are aligned to PIMCO's long-term success through equity participation.

PIMCO's Discern and Differentiate discipline is exercised where individual performance rating is used for guidance as it relates to total compensation levels.

The Total Compensation Plan consists of the following components:

Base Salary Base salary is determined based on core job responsibilities, positions/levels and market factors. Base salary levels are reviewed annually, when there is a significant change in job responsibilities or position, or a significant change in market levels.

Performance Bonus Performance bonuses are designed to reward individual performance. Each professional and his or her supervisor will agree upon performance objectives to serve as a basis for performance evaluation during the year. The objectives will outline individual goals according to pre-established measures of the group or department success. Achievement against these goals as measured by the employee and supervisor will be an important, but not exclusive, element of the bonus decision process. Award amounts are determined at the discretion of the Compensation Committee (and/or certain senior portfolio managers, as appropriate) and will also consider firm performance.

Long-term Incentive Compensation PIMCO has a Long Term Incentive Plan (LTIP) which is awarded to key professionals. Employees who reach a total compensation threshold are delivered their annual compensation in a mix of cash and long-term incentive awards. PIMCO incorporates a progressive allocation of long-term incentive awards as a percentage of total compensation, which is in line with market practices. The LTIP provides participants with cash awards that appreciate or depreciate based on PIMCO's operating earnings over a rolling three-year period. The plan provides a link between longer term company performance and participant pay, further motivating participants to make a long term commitment to PIMCO's success. Participation in LTIP is contingent upon continued employment at PIMCO.

Equity Compensation Equity allows key professionals to participate in the long-term growth of the firm. The M Unit program provides mid-to-senior level employees with the potential to acquire an equity stake in PIMCO over their careers and to better align employee incentives with the firm's long-term results. In the program, options are awarded and vest over a number of years and may convert into PIMCO equity which shares in the profit distributions of the firm. M Units are non-voting common equity of PIMCO and provide a mechanism for individuals to build a significant equity stake in PIMCO over time.

In addition, the following non-exclusive list of qualitative criteria may be considered when specifically determining the total compensation for portfolio managers:

3-year, 2-year and 1-year dollar-weighted and account-weighted, pre-tax investment performance as judged against the applicable benchmarks for each account managed by a portfolio manager (including the Funds) and relative to applicable industry peer groups;

Appropriate risk positioning that is consistent with PIMCO's investment philosophy and the Investment Committee/CIO approach to the generation of alpha;

Amount and nature of assets managed by the portfolio manager;

Consistency of investment performance across portfolios of similar mandate and guidelines (reward low dispersion);

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Generation and contribution of investment ideas in the context of PIMCO’s secular and cyclical forums, portfolio strategy meetings, Investment Committee meetings, and on a day-to-day basis;

Absence of defaults and price defaults for issues in the portfolios managed by the portfolio manager;

Contributions to asset retention, gathering and client satisfaction;

Contributions to mentoring, coaching and/or supervising; and

Personal growth and skills added.

A portfolio manager’s compensation is not based directly on the performance of any Fund or any other account managed by that portfolio manager.

Profit Sharing Plan. Portfolio managers who are Managing Directors of PIMCO receive compensation from a non-qualified profit sharing plan consisting of a portion of PIMCO’s net profits. Portfolio managers who are Managing Directors receive an amount determined by the Compensation Committee, based upon an individual’s overall contribution to the firm.

(a)(4)

The following summarizes the dollar range of securities of the Fund the Portfolio Managers beneficially owned as of December 31, 2015:

Portfolio Manager	Dollar Range of Equity Securities of the Fund Owned as of December 31, 2015
Joseph Deane	None
David Hammer	None

Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.

None.

Item 10. Submission of Matters to a Vote of Security Holders.

There have been no material changes to the procedures by which shareholders may recommend nominees to the Fund’s Board of Trustees since the Fund last provided disclosure in response to this item.

Item 11. Controls and Procedures.

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- (a) The principal executive officer and principal financial & accounting officer have concluded that the Registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the 1940 Act) provide reasonable assurances that material information relating to the Registrant is made known to them by the appropriate persons, based on their evaluation of these controls and procedures as of a date within 90 days of the filing of this report.

- (b) There were no changes in the Registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

Item 12. Exhibits.

- (a)(1) Exhibit 99.CODE Code of Ethics pursuant to Section 406 of the Sarbanes-Oxley Act of 2002.
- (a)(2) Exhibit 99.CERT Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- (b) Exhibit 99.906CERT Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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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.

PIMCO Municipal Income Fund

By: /s/ PETER G. STRELOW

Peter G. Strelow
President (Principal Executive Officer)

Date: February 26, 2016

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/ PETER G. STRELOW

Peter G. Strelow
President (Principal Executive Officer)

Date: February 26, 2016

By: /s/ WILLIAM G. GALIPEAU

William G. Galipeau
Treasurer (Principal Financial & Accounting Officer)

Date: February 26, 2016