

PIMCO CALIFORNIA MUNICIPAL INCOME FUND II  
Form N-Q  
April 20, 2012

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, DC 20549**

**Form N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED**  
**MANAGEMENT INVESTMENT COMPANY**

Investment Company Act File Number: 811-21077

Registrant Name: PIMCO California Municipal Income Fund II

Address of Principal Executive Offices: 1633 Broadway, New York, New York 10019

Name and Address of Agent for Service: Lawrence G. Altadonna 1633 Broadway, New York, New York 10019

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

Date of Fiscal Year End: May 31, 2012

Date of Reporting Period: February 29, 2012

## Item 1. Schedule of Investments

## PIMCO California Municipal Income Fund II Schedule of Investments

February 29, 2012 (unaudited)

| Principal Amount (000s)                             |  | Value*       |
|---|--|--------------|
| <b>CALIFORNIA MUNICIPAL BONDS &amp; NOTES 87.1%</b> |  |              |
| \$ 2,000  | Alhambra Rev., Atherton Baptist Homes, 7.625%, 1/1/40, Ser. A                                | \$ 2,165,280 |
| 20,000  | Bay Area Toll Auth. Rev., San Francisco Bay Area, 5.00%, 4/1/39, Ser. F-1 (g)                | 21,627,800   |
| 17,305  | Chabot-Las Positas Community College Dist., GO, Ser. C (AMBAC), zero coupon, 8/1/36          | 4,549,138    |
| 5,000   | zero coupon, 8/1/37  | 1,232,150    |
| 15,000  | zero coupon, 8/1/43  | 2,607,150    |
| 1,000   | Chula Vista Rev., San Diego Gas & Electric, 5.875%, 2/15/34, Ser. B                          | 1,150,650    |
| 300   | City & Cnty. of San Francisco, Capital Improvement Projects, CP, 5.25%, 4/1/31, Ser. A       | 320,985      |
| 1,410   | Community College Financing Auth. Rev., 5.00%, 8/1/27, Ser. A (AMBAC)                        | 1,426,525    |
| 9,360   | Coronado Community Dev. Agcy., Tax Allocation, 4.875%, 9/1/35 (AMBAC)                        | 9,424,022    |
| 1,000   | Corona-Norco Unified School Dist. Public Financing Auth., Special Tax, Ser. A, 6.00%, 9/1/25 | 1,006,250    |
| 4,150   | 6.10%, 9/1/32  | 4,164,152    |
| 25,000  | Desert Community College Dist., GO, zero coupon, 8/1/46, Ser. C (AGM)                        | 3,664,000    |
| 3,000   | Dinuba Financing Auth. Rev., Public Works Projects, 5.10%, 8/1/32 (NPFGC)                    | 3,081,990    |
| 8,300   | El Dorado Irrigation Dist. & El Dorado Water Agcy., CP, 5.75%, 8/1/39, Ser. A (AGC)          | 8,631,585    |
| 1,500   | Foothill-Eastern Transportation Corridor Agcy. Rev., 5.875%, 1/15/27 (IBC-NPFGC)             | 1,528,590    |
| 1,440   | Fremont Community Facs. Dist. No. 1, Special Tax, Pacific Commons, 5.30%, 9/1/30             | 1,418,314    |
| 13,885  | Golden State Tobacco Securitization Corp. Rev., 5.00%, 6/1/45 (AMBAC-TCRS)                   | 13,912,770   |
| 1,500   | 5.00%, 6/1/45, Ser. A  | 1,503,000    |
| 6,000   | 5.00%, 6/1/45, Ser. A (FGIC-TCRS)  | 6,012,000    |
| 8,500   | 5.125%, 6/1/47, Ser. A-1   | 5,839,755    |
| 29,415  | 5.75%, 6/1/47, Ser. A-1  | 22,595,132   |
| 500   | Health Facs. Financing Auth. Rev., Adventist Health System, Ser. A, 5.00%, 3/1/33            | 502,055      |
| 250   | 5.75%, 9/1/39  | 275,353      |
| 3,000   | Catholic Healthcare West, 6.00%, 7/1/39, Ser. A  | 3,397,740    |
| 1,200   | Children s Hospital of Los Angeles, 5.25%, 7/1/38 (AGM)                                      | 1,240,764    |
| 500   | Children s Hospital of Orange Cnty., 6.50%, 11/1/38, Ser. A                                  | 578,845      |
| 3,030   | Sinai Medical Center, 5.00%, 8/15/39   | 3,150,109    |
| 3,700   | Stanford Hospital, 5.25%, 11/15/40, Ser. A-2   |              |
|   | Sutter Health,   | 4,077,807    |
| 1,000   | 5.00%, 8/15/35, Ser. D   | 1,068,250    |
| 4,220   | 5.00%, 11/15/42, Ser. A (IBC-NPFGC)  | 4,367,700    |
| 12,195  | 5.25%, 11/15/46, Ser. A (g)  | 12,835,481   |
| 5,000   | Imperial Irrigation Dist. Rev., 5.00%, 11/1/41, Ser. B                                       | 5,283,800    |
| 175   | Infrastructure & Economic Dev. Bank Rev., 5.25%, 2/1/38                                      | 183,489      |
| 1,000   | Irvine Unified School Dist., Special Tax, 6.70%, 9/1/35                                      | 1,096,850    |

## PIMCO California Municipal Income Fund II Schedule of Investments

February 29, 2012 (unaudited) (continued)

| Principal Amount (000s) |  | Value*     |
|-------------------------|--|------------|
| \$ 500                  | Lancaster Redev. Agcy. Rev., Capital Improvements Projects, 5.90%, 12/1/35                         | \$ 491,795 |
| 1,000                   | Lancaster Redev. Agcy., Tax Allocation, 6.875%, 8/1/39   | 1,046,160  |
| 7,500                   | Long Beach Bond Finance Auth. Rev., Long Beach Natural Gas, 5.50%, 11/15/37, Ser. A                | 8,281,650  |
| 10,000                  | Long Beach Unified School Dist., GO, 5.25%, 8/1/33, Ser. A (g)                                     | 11,313,700 |
| 4,895                   | Los Angeles, Equipment & Real Property Project, CP, 5.00%, 2/1/27, Ser. T (NPFGC)                  | 4,900,091  |
| 15,000                  | Los Angeles Department of Water & Power Rev., 4.75%, 7/1/30, Ser. A-2 (AGM) (g)                    | 15,975,300 |
| 11,000                  | Los Angeles Unified School Dist., GO, 5.00%, 1/1/34, Ser. I  | 12,154,340 |
| 10,000                  | Manteca Redev. Agcy., Tax Allocation, 5.00%, 10/1/36 (AMBAC)                                       | 9,104,700  |
| 5,330                   | Manteca Unified School Dist. No. 89-2, Special Tax, 5.00%, 9/1/29, Ser. C (NPFGC)                  | 5,361,180  |
| 4,000                   | Merced Cnty., Juvenile Justice Correctional Fac., CP, 5.00%, 6/1/32 (AMBAC)                        | 4,016,280  |
| 5,000                   | Metropolitan Water Dist. of Southern California Rev., 5.00%, 7/1/37, Ser. A (g)                    | 5,437,000  |
| 3,200                   | M-S-R Energy Auth. Rev., 6.50%, 11/1/39, Ser. B  | 3,948,192  |
| 1,300                   | Municipal Finance Auth. Rev., Azusa Pacific Univ. Project, 7.75%, 4/1/31, Ser. B                   | 1,458,275  |
| 5,000                   | Oakland Unified School Dist., Alameda Cnty., GO, 6.125%, 8/1/29, Ser. A                            | 5,583,350  |
| 4,750                   | Palomar Pomerado Health, CP, 6.75%, 11/1/39  | 5,128,765  |
| 10,000                  | Placentia-Yorba Linda Unified School Dist., CP, 5.00%, 10/1/32 (FGIC-NPFGC)                        | 10,299,300 |
| 1,500                   | Pollution Control Financing Auth. Rev., American Water Capital Corp. Project, 5.25%, 8/1/40 (a)(c) | 1,508,730  |
| 27,000                  | Poway Unified School Dist., GO, zero coupon, 8/1/40  | 5,927,040  |
| 16,000                  | zero coupon, 8/1/46  | 2,499,040  |
| 3,000                   | Riverside, CP, 5.00%, 9/1/33 (AMBAC)   | 3,008,070  |
| 2,000                   | Roseville Redev. Agcy., Tax Allocation, 5.00%, 9/1/32, Ser. B (NPFGC)                              | 2,001,460  |
| 11,000                  | San Diego Public Facs. Financing Auth. Rev., 5.00%, 8/1/32 (NPFGC)                                 | 11,083,490 |
| 4,000                   | 5.25%, 8/1/38, Ser. A  | 4,379,200  |
| 1,000                   | 5.25%, 5/15/39, Ser. A   | 1,114,440  |
| 1,500                   | Fire & Life Safety Facs. Project, 5.00%, 4/1/32, Ser. B (NPFGC)                                    | 1,500,585  |
| 2,800                   | San Diego Regional Building Auth. Rev., Cnty. Operations Center & Annex, 5.375%, 2/1/36, Ser. A    | 3,094,168  |
| 2,800                   | San Diego Unified School Dist., GO, 4.75%, 7/1/27, Ser. D-2 (AGM)                                  | 3,002,104  |
| 1,000                   | San Jose Rev., Convention Center Expansion, 6.50%, 5/1/36  | 1,114,480  |
| 1,300                   | San Marcos Unified School Dist., GO, 5.00%, 8/1/38, Ser. A   | 1,404,195  |
| 1,260                   | Santa Cruz Cnty., CP, 5.25%, 8/1/32  | 1,295,192  |
| 1,500                   | Santa Cruz Cnty. Redev. Agcy., Tax Allocation, Live Oak/Soquel Community, 7.00%, 9/1/36, Ser. A    | 1,713,645  |
| 2,500                   | State, GO, 5.00%, 9/1/31   | 2,703,050  |
| 10,000                  | 6.00%, 4/1/38  | 11,506,600 |

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

February 29, 2012 (unaudited) (continued)

| Principal Amount (000s) |  | Value*             |
|-------------------------|--|--------------------|
|                         | State Public Works Board Rev.,   |                    |
| \$ 3,000                | 5.75%, 10/1/30, Ser. G-1   | \$ 3,404,940       |
| 2,000                   | California State Univ., 6.00%, 11/1/34, Ser. J                                       | 2,247,400          |
| 2,000                   | Judicial Council Projects, 5.00%, 12/1/29, Ser. D                                    | 2,148,200          |
| 7,915                   | Regents Univ., 5.00%, 3/1/33, Ser. A   | 8,493,903          |
|                         | Statewide Communities Dev. Auth. Rev.,   |                    |
|                         | Bentley School,  |                    |
| 10,870                  | zero coupon, 7/1/50  | 539,913            |
| 3,760                   | 7.00%, 7/1/40, Ser. A  | 3,910,814          |
|                         | Catholic Healthcare West,  |                    |
| 1,520                   | 5.50%, 7/1/31, Ser. D  | 1,647,178          |
| 1,520                   | 5.50%, 7/1/31, Ser. E  | 1,647,178          |
|                         | Huntington Park Charter School Project, Ser. A,                                      |                    |
| 250                     | 5.15%, 7/1/30  | 216,303            |
| 1,250                   | 5.25%, 7/1/42  | 1,028,488          |
| 500                     | International School of the Peninsula Project, 5.00%, 11/1/29                        | 412,720            |
| 2,770                   | Kaiser Permanente, 5.50%, 11/1/32, Ser. A  | 2,798,974          |
| 1,000                   | Lancer Student Housing Project, 7.50%, 6/1/42  | 1,091,800          |
| 9,700                   | Los Angeles Jewish Home, 5.50%, 11/15/33 (CA St. Mtg.)                               | 9,874,891          |
|                         | Methodist Hospital Project (FHA),  |                    |
| 2,400                   | 6.625%, 8/1/29   | 3,000,936          |
| 8,800                   | 6.75%, 2/1/38  | 10,651,168         |
| 3,700                   | St. Joseph Health System, 5.75%, 7/1/47, Ser. A (FGIC)                               | 4,004,621          |
| 5,600                   | Sutter Health, 6.00%, 8/15/42, Ser. A  | 6,465,200          |
| 4,500                   | Univ. of California Irvine E. Campus, 5.375%, 5/15/38                                | 4,690,215          |
| 1,365                   | Windrush School, 5.50%, 7/1/37 (d)   | 941,850            |
| 1,800                   | Tobacco Securitization Agcy. Rev., Stanislaus Cnty.,                                 |                    |
|                         | 5.875%, 6/1/43, Ser. A   | 1,659,150          |
| 3,100                   | Torrance Rev., Memorial Medical Center, 5.00%, 9/1/40, Ser. A                        | 3,195,108          |
| 1,000                   | Tustin Unified School Dist., Special Tax, 6.00%, 9/1/40, Ser. 2006-1                 | 1,025,370          |
|                         | Univ. of California Rev.,  |                    |
| 5,500                   | 4.75%, 5/15/35, Ser. F (AGM) (g)   | 5,727,865          |
| 5,000                   | 4.75%, 5/15/35, Ser. G (FGIC-NPFGC) (g)  | 5,207,150          |
| 5,650                   | 4.75%, 5/15/38, Ser. B   | 5,727,179          |
|                         | <b>Total California Municipal Bonds &amp; Notes (cost \$370,590,861)</b>             | <b>411,033,562</b> |
|                         | <b>CALIFORNIA VARIABLE RATE NOTES (a)(c)(f) 6.6%</b>                                 |                    |
| 6,035                   | Desert Community College Dist., GO, 10.84%, 8/1/32, Ser. 3016-1 (AGC) (e)            | 6,791,367          |
| 3,000                   | JPMorgan Chase Putters/Drivers Trust Rev. (e),                                       |                    |
|                         | 16.05%, 11/15/19, Ser. 4039 (b)(h) (acquisition cost-\$3,572,400; purchased 1/19/12) | 3,670,770          |
| 7,500                   | 10.919%, 5/15/40, Ser. 3838  | 9,046,650          |
| 4,000                   | Los Angeles Community College Dist., GO, 15.88%, 8/1/33, Ser. 3096 (e)               | 5,264,000          |
| 5,000                   | San Diego Community College Dist., GO, 11.47%, 2/1/17                                | 6,523,150          |
|                         | <b>Total California Variable Rate Notes (cost \$25,892,635)</b>                      | <b>31,295,937</b>  |

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

February 29, 2012 (unaudited) (continued)

Principal

Amount

| (000s)  |  | Value*                |
|---|--|-----------------------|
| <b>OTHER MUNICIPAL BONDS &amp; NOTES 6.3%</b> |  |                       |
| <b>Arizona 1.7%</b>                           |  |                       |
| \$ 8,000                                      | Salt Verde Financial Corp. Rev., 5.00%, 12/1/37                              | \$ 8,034,000          |
| <b>New Jersey 0.7%</b>                        |  |                       |
|   | Tobacco Settlement Financing Corp. Rev., Ser. 1-A,                           |                       |
| 1,300   | 4.75%, 6/1/34  | 980,811               |
| 3,000   | 5.00%, 6/1/41  | 2,284,230             |
|   |  | 3,265,041             |
| <b>New York 0.3%</b>                          |  |                       |
| 1,250   | Liberty Dev. Corp. Rev., Goldman Sachs Headquarters, 5.25%, 10/1/35          | 1,383,375             |
| <b>Ohio 0.4%</b>                              |  |                       |
| 2,250   | Buckeye Tobacco Settlement Financing Auth. Rev.,<br>5.875%, 6/1/47, Ser. A-2 | 1,675,350             |
| <b>Puerto Rico 0.9%</b>                       |  |                       |
|   | Sales Tax Financing Corp. Rev.,  |                       |
| 1,600   | 5.00%, 8/1/40, Ser. A (AGM) (g)  | 1,673,232             |
| 2,500   | 5.25%, 8/1/43, Ser. A-1  | 2,706,175             |
|   |  | 4,379,407             |
| <b>Rhode Island 2.3%</b>                      |  |                       |
| 11,000  | Tobacco Settlement Financing Corp. Rev., 6.25%, 6/1/42, Ser. A               | 11,000,770            |
|   | Total Other Municipal Bonds & Notes (cost \$26,677,647)                      | 29,737,943            |
|   | <b>Total Investments</b> (cost \$423,161,143) (i) <b>100.0%</b>              | <b>\$ 472,067,442</b> |

**Notes to Schedule of Investments:**

\* Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. Market value is generally determined on the basis of last reported sales prices, or if no sales are reported, on the basis of quotes obtained from a quotation reporting system, established market makers, or independent pricing services.

Portfolio securities and other financial instruments for which market quotations are not readily available, or for which a development/event occurs that may significantly impact the value of a security, are fair-valued, in good faith, pursuant to procedures established by the Board of Trustees, or persons acting at their discretion pursuant to procedures established by the Board of Trustees. The Fund's investments are valued daily using prices supplied by an independent pricing service or dealer quotations, or by using the last sale price on the exchange that is the primary market for such securities, or the mean between the last quoted bid and ask price. Independent pricing services use information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics. Short term securities maturing in 60 days or less are valued at amortized cost, if their original term to maturity was 60 days or less, or by amortizing their value on the 61st day prior to maturity, if the original term to maturity exceeded 60 days.

The prices used by the Fund to value securities may differ from the value that would be realized if the securities were sold

and these differences could be material. The Fund's net asset value ( NAV ) is normally determined as of the close of regular trading (normally, 4:00 p.m. Eastern time) on the New York Stock Exchange ( NYSE ) on each day the NYSE is open for business.

- (a) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$32,804,667 representing 6.9% of total investments.
- (b) Illiquid.
- (c) 144A Exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, typically only to qualified institutional buyers. Unless otherwise indicated, these securities are not considered to be illiquid.
- (d) In default.
- (e) Inverse Floater The interest rate shown bears an inverse relationship to the interest rate on another security or the value of an index. The interest rate disclosed reflects the rate in effect on February 29, 2012.
- (f) Variable Rate Notes Instruments whose interest rates change on specified date (such as a coupon date or interest payment date) and/or whose interest rates vary with changes in a designated base rate (such as the prime interest rate). The interest rate disclosed reflects the rate in effect on February 29, 2012.
- (g) Residual Interest Bonds held in Trust Securities represent underlying bonds transferred to a separate securitization trust established in a tender option bond transaction in which the Fund acquired the residual interest certificates. These securities serve as collateral in a financing transaction.
- (h) Restricted. The aggregate acquisition cost of such securities is \$3,572,400. The aggregate market value is \$3,670,770, representing 0.8% of total investments.
- (i) At February 29, 2012, the cost basis of portfolio securities for federal income tax purposes was \$377,542,546. Gross unrealized appreciation was \$49,476,120, gross unrealized depreciation was \$1,010,909 and net unrealized appreciation was \$48,465,211. The difference between book and tax cost is attributable to inverse floater transactions.

**Glossary:**

AGC insured by Assured Guaranty Corp.

AGM insured by Assured Guaranty Municipal Corp.

AMBAC insured by American Municipal Bond Assurance Corp.

CA St. Mtg. insured by California State Mortgage

CP Certificates of Participation

FGIC insured by Financial Guaranty Insurance Co.

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FHA insured by Federal Housing Administration

GO General Obligation Bond

IBC Insurance Bond Certificate

NPFGC insured by National Public Finance Guarantee Corp.

TCRS Temporary Custodian Receipts

**Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the exit price) in an orderly transaction between market participants. The three levels of the fair value hierarchy are described below:

Level 1 quoted prices in active markets for identical investments that the Fund has the ability to access

Level 2 valuations based on other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.) or quotes from inactive exchanges

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

An investment asset's or liability's level within the fair value hierarchy is based on the lowest level input, individually or in the aggregate, that is significant to fair value measurement. The objective of fair value measurement remains the same even when there is a significant decrease in the volume and level of activity for an asset or liability and regardless of the valuation technique used.

The valuation techniques used by the Fund to measure fair value during the nine months ended February 29, 2012 maximized the use of observable inputs and minimized the use of unobservable inputs.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following are certain inputs and techniques that the Fund generally uses to evaluate how to classify each major category of assets and liabilities for Level 2 and Level 3, in accordance with Generally Accepted Accounting Principles.

**Municipal Bonds & Notes and Variable Rate Notes** Municipal bonds and notes and variable rate notes are valued by independent pricing services based on pricing models that take into account, among other factors, information received from market makers and broker-dealers, current trades, bid-want lists, offerings, market movements, the callability of the bond or note, state of issuance, benchmark yield curves, and bond or note insurance. To the extent that these inputs are observable, the values of municipal bonds and notes and variable rate notes are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

The Fund's policy is to recognize transfers between levels at the end of the reporting period.

A summary of the inputs used at February 29, 2012 in valuing the Fund's assets and liabilities is listed below (refer to the Schedule of Investments for detailed information on Investments in Securities):

|   | Level 1<br>Quoted<br>Prices | Level 2<br>Other<br>Significant<br>Observable<br>Inputs | Level 3<br>Significant<br>Unobservable<br>Inputs | Value at<br>2/29/12 |
|---|-----------------------------|---|--|---------------------|
| <b>Investments in Securities - Assets</b> |                             |   |  |                     |
| California Municipal Bonds & Notes        |                             | \$ 411,033,562  |  | \$ 411,033,562      |
| California Variable Rate Notes            |                             | 31,295,937  |  | 31,295,937          |
| Other Municipal Bonds & Notes             |                             | 29,737,943  |  | 29,737,943          |
| <b>Total Investments</b>                  |                             | \$ 472,067,442  |  | \$ 472,067,442      |

There were no significant transfers between Levels 1 and 2 during the nine months ended February 29, 2012.



**Item 2. Controls and Procedures**

(a) The registrant's President & Chief Executive Officer and Treasurer, Principal Financial & Accounting Officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Act (17 CFR 270.30a-3(c))), are effective based on their evaluation of these controls and procedures as of a date within 90 days of the filing date of this document.

(b) There were no significant changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act (17 CFR 270.30a-3(d))) that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

**Item 3. Exhibits**

(a) Exhibit 99.302 Cert Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Registrant: PIMCO California Municipal Income Fund II

By /s/ Brian S. Shlissel

President & Chief Executive Officer

Date: April 20, 2012

By /s/ Lawrence G. Altadonna

Treasurer, Principal Financial & Accounting Officer

Date: April 20, 2012

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

By /s/ Brian S. Shlissel

President & Chief Executive Officer

Date: April 20, 2012

By /s/ Lawrence G. Altadonna

Treasurer, Principal Financial & Accounting Officer

Date: April 20, 2012