

PIMCO CALIFORNIA MUNICIPAL INCOME FUND II
Form N-Q
October 28, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY

Investment Company Act File Number:	811-21077
Registrant Name:	PIMCO California Municipal Income Fund II
Address of Principal Executive Offices:	1633 Broadway New York, NY 10019
Name and Address of Agent for Service:	William G. Galipeau 1633 Broadway New York, NY 10019
Registrant's telephone number, including area code:	844-337-4626
Date of Fiscal Year End:	May 31, 2014
Date of Reporting Period:	August 31, 2014

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

August 31, 2014 (Unaudited)

	PRINCIPAL AMOUNT (000s)	VALUE (000s)
INVESTMENTS IN SECURITIES 170.7%		
MUNICIPAL BONDS & NOTES 164.2%		
CALIFORNIA 157.9%		
Alhambra, California Revenue Bonds, Series 2010		
7.625% due 01/01/2040	\$ 2,000	\$ 2,171
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	1,283
California Health Facilities Financing Authority Revenue Bonds, (NPFGC/IBC Insured), Series 2007		
5.000% due 11/15/2042	4,220	4,540
California Health Facilities Financing Authority Revenue Bonds, Series 2007		
5.250% due 11/15/2046	12,195	13,078
California Health Facilities Financing Authority Revenue Bonds, Series 2008		
5.250% due 11/15/2040	3,700	4,151
California Health Facilities Financing Authority Revenue Bonds, Series 2009		
5.750% due 09/01/2039	250	283
6.000% due 07/01/2039	3,000	3,404
6.500% due 11/01/2038	500	594
California Health Facilities Financing Authority Revenue Bonds, Series 2011		
5.000% due 08/15/2035	1,000	1,115
California Health Facilities Financing Authority Revenue Bonds, Series 2012		
5.000% due 11/15/2034	1,000	1,051
5.000% due 11/15/2040	4,000	4,381
5.000% due 08/15/2051	8,755	9,520
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		

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5.000% due 02/01/2039	10,000	11,084
California Municipal Finance Authority Revenue Bonds, Series 2011		
7.750% due 04/01/2031	1,130	1,329
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	2,704
California State General Obligation Bonds, Series 2009		
6.000% due 04/01/2038	10,000	11,924
California State General Obligation Bonds, Series 2013		
5.000% due 11/01/2043	7,000	7,881
California State Public Works Board Revenue Bonds, Series 2008		
5.000% due 03/01/2033	7,915	9,131
California State Public Works Board Revenue Bonds, Series 2009		
5.750% due 10/01/2030	3,000	3,498
6.000% due 11/01/2034	2,000	2,364
California State Public Works Board Revenue Bonds, Series 2011		
5.000% due 12/01/2029	2,000	2,279
California State Public Works Board Revenue Bonds, Series 2013		
5.000% due 03/01/2038	2,500	2,789
California Statewide Communities Development Authority Revenue Bonds, (FGIC Insured), Series 2007		
5.750% due 07/01/2047	3,700	4,109
California Statewide Communities Development Authority Revenue Bonds, (FHA Insured), Series 2009		
6.625% due 08/01/2029	2,135	2,540
6.750% due 02/01/2038	7,860	9,350
California Statewide Communities Development Authority Revenue Bonds, Series 2006		
5.000% due 11/01/2029	500	503
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	1,204
California Statewide Communities Development Authority Revenue Bonds, Series 2008		
5.250% due 11/15/2048	5,490	5,937
5.500% due 07/01/2031	3,040	3,336
California Statewide Communities Development Authority Revenue Bonds, Series 2010		
7.000% due 07/01/2040	3,760	4,172
7.500% due 06/01/2042	1,000	1,111
California Statewide Communities Development Authority Revenue Bonds, Series 2011		
6.000% due 08/15/2042	5,600	6,728

California Statewide Communities Development Authority		
Revenue Bonds, Series 2012		
5.000% due 04/01/2042	9,705	10,673
5.375% due 05/15/2038	4,500	4,855
Chabot-Las Positas Community College District, California		
General Obligation Bonds, (AMBAC Insured), Series 2006		
0.000% due 08/01/2036	17,305	5,793
0.000% due 08/01/2037	5,000	1,588
0.000% due 08/01/2043	15,000	3,488
Chula Vista, California Revenue Bonds, Series 2004		
5.875% due 02/15/2034	1,000	1,151

Coronado Community Development Agency, California Tax Allocation Bonds, (AMBAC Insured), Series 2005		
4.875% due 09/01/2035	8,685	8,790
Desert Community College District, California General Obligation Bonds, (AGM Insured), Series 2007		
0.000% due 08/01/2046	25,000	4,494
Desert Community College District, California General Obligation Bonds, (AGM Insured), Series 2009		
8.060% due 08/01/2032	6,035	7,227
Fremont Community Facilities District No. 1, California Special Tax Bonds, Series 2005		
5.300% due 09/01/2030	1,440	1,448
Golden State, California Tobacco Securitization Corp. Revenue Bonds, (AMBAC Insured), Series 2005		
5.000% due 06/01/2045	13,885	14,124
Golden State, California Tobacco Securitization Corp. Revenue Bonds, (FGIC Insured), Series 2005		
5.000% due 06/01/2045	6,000	6,103
Golden State, California Tobacco Securitization Corp. Revenue Bonds, Series 2005		
5.000% due 06/01/2045	3,500	3,560
Golden State, California Tobacco Securitization Corp. Revenue Bonds, Series 2007		
5.125% due 06/01/2047	8,500	6,341
5.750% due 06/01/2047	31,415	25,809
Imperial Irrigation District, California Revenue Bonds, Series 2011		
5.000% due 11/01/2041	4,500	4,931
Irvine Unified School District, California Special Tax Bonds, Series 2010		
6.700% due 09/01/2035	515	564
JPMorgan Chase Putters/Drivers Trust, California Revenue Bonds, Series 2009		
5.000% due 07/01/2037	5,000	5,471
JPMorgan Chase Putters/Drivers Trust, California Revenue Bonds, Series 2010		
8.031% due 05/15/2034	7,500	9,203
JPMorgan Chase Putters/Drivers Trust, California Revenue Notes, Series 2009		
5.000% due 04/01/2039	20,000	23,108
Lancaster Redevelopment Agency, California Tax Allocation Bonds, Series 2009		
6.875% due 08/01/2039	1,000	1,227
Long Beach Bond Finance Authority, California Revenue Bonds, Series 2007		
5.500% due 11/15/2037	7,500	8,936
Long Beach Unified School District, California General Obligation Bonds, Series 2009		

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5.250% due 08/01/2033	10,000	11,248
Long Beach, California Airport System Revenue Bonds, Series 2010		
5.000% due 06/01/2040	500	526
Los Angeles Community College District, California General Obligation Bonds, Series 2009		
11.846% due 08/01/2033	4,000	5,439
Los Angeles Department of Water & Power, California Revenue Bonds, Series 2005		
4.750% due 07/01/2030	15,000	15,412
Los Angeles Department of Water & Power, California Revenue Bonds, Series 2012		
5.000% due 07/01/2036	3,000	3,409
Los Angeles Department of Water & Power, California Revenue Bonds, Series 2014		
5.000% due 07/01/2043	3,000	3,414
Los Angeles Unified School District, California General Obligation Bonds, Series 2009		
5.000% due 01/01/2034	11,000	12,413
M-S-R Energy Authority, California Revenue Bonds, Series 2009		
6.500% due 11/01/2039	7,175	9,682
Manteca Redevelopment Agency, California Tax Allocation Bonds, (AMBAC Insured), Series 2004		
5.000% due 10/01/2036	10,000	10,044
Oakland Unified School District/Alameda County, California General Obligation Bonds, Series 2009		
6.125% due 08/01/2029	5,000	5,708
Palomar Health, California Certificates of Participation Bonds, Series 2009		
6.750% due 11/01/2039	4,750	5,048
Placentia-Yorba Linda Unified School District, California Certificates of Participation Bonds, (FGIC Insured), Series 2006		
5.000% due 10/01/2032	10,000	10,367
Poway Unified School District, California General Obligation Bonds, Series 2011		
0.000% due 08/01/2040	11,000	3,464
0.000% due 08/01/2046	16,000	3,796
Roseville Redevelopment Agency, California Tax Allocation Bonds, (NPFGC Insured), Series 2002		
5.000% due 09/01/2032	2,000	2,005
Ross Valley School District, California General Obligation Bonds, Series 2012		
5.000% due 08/01/2042	1,375	1,520
San Diego Community College District, California General Obligation Notes, Series 2009		
8.533% due 02/01/2017	5,000	6,370
San Diego Public Facilities Financing Authority Sewer, California Revenue Bonds, Series 2009		
5.250% due 05/15/2039	1,000	1,116

San Diego Public Facilities Financing Authority Water, California Revenue Bonds, Series 2009		
5.250% due 08/01/2038	4,000	4,486
San Diego Regional Building Authority, California Revenue Bonds, Series 2009		
5.375% due 02/01/2036	2,800	3,101
San Diego Unified School District, California General Obligation Bonds, (AGM Insured), Series 2005		
4.750% due 07/01/2027	2,800	2,931
San Francisco, California City & County Certificates of Participation Bonds, Series 2009		
5.250% due 04/01/2031	300	336
San Jose, California Hotel Tax Revenue Bonds, Series 2011		
6.500% due 05/01/2036	1,000	1,194
San Marcos Unified School District, California General Obligation Bonds, Series 2011		
5.000% due 08/01/2038	1,300	1,434
Santa Cruz County, California Certificates of Participation Bonds, Series 2002		
5.250% due 08/01/2032	1,260	1,271
Santa Cruz County, California Redevelopment Agency Tax Allocation Bonds, Series 2009		
7.000% due 09/01/2036	1,500	1,764
Torrance, California Revenue Bonds, Series 2010		
5.000% due 09/01/2040	3,100	3,305
Turlock Irrigation District, California Revenue Bonds, Series 2011		
5.500% due 01/01/2041	1,700	1,895

Tustin Unified School District, California Special Tax Bonds, Series 2010		
6.000% due 09/01/2040	1,000	1,087
Washington Township Health Care District, California General Obligation Bonds, Series 2013		
5.000% due 08/01/2043	3,000	3,284
		439,332
NEW JERSEY 1.2%		
Tobacco Settlement Financing Corp., New Jersey Revenue Bonds, Series 2007		
4.750% due 06/01/2034	1,300	972
5.000% due 06/01/2041	3,000	2,279
		3,251
NEW YORK 1.1%		
New York Liberty Development Corp. Revenue Bonds, Series 2005		
5.250% due 10/01/2035	1,250	1,497
TSASC, Inc., New York Revenue Bonds, Series 2006		
5.000% due 06/01/2034	1,900	1,578
		3,075
RHODE ISLAND 4.0%		
Tobacco Settlement Financing Corp., Rhode Island Revenue Bonds, Series 2002		
6.250% due 06/01/2042	11,000	11,002
Total Municipal Bonds & Notes		456,660
(Cost \$395,408)		
U.S. TREASURY OBLIGATIONS 0.0%		
U.S. Treasury Notes		
0.500% due 10/15/2014	100	100
Total U.S. Treasury Obligations		100
(Cost \$100)		
SHORT-TERM INSTRUMENTS 6.5%		
REPURCHASE AGREEMENTS (a) 6.5%		18,100
Total Short-Term Instruments		18,100

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(Cost \$18,100)

Total Investments in Securities 474,860

(Cost \$413,608)

Total Investments 170.7% \$ **474,860**

(Cost \$413,608)

Preferred Shares (58.6%) (163,000)

Other Assets and Liabilities, net (12.1%) (33,668)

Net Assets Applicable to Common Shareholders 100.0% \$ **278,192**

Notes to Schedule of Investments (amounts in thousands*):**Borrowings and Other Financing Transactions****(a) Repurchase Agreements:**

Counterparty	Lending Rate	Settlement Date	Maturity Date	Principal Amount	Collateralized By	Collateral Received, at Value	Repurchase Agreements, at Value	Repurchase Proceeds, at Value
	0.070%	08/29/2014	09/02/2014	\$ 15,700	U.S. Treasury Notes 0.625% due 11/30/2017	\$ (16,017)	\$ 15,700	\$ -
	0.070%	08/29/2014	09/02/2014	2,400	U.S. Treasury Notes 2.625% due 08/15/2020	(2,450)	2,400	\$ -
Repurchase Agreements						\$ (18,467)	\$ 18,100	\$ -

⁽¹⁾ Includes accrued interest.

Fair Value Measurements

The following is a summary of the fair valuations according to the inputs used as of August 31, 2014 in valuing the Fund's assets and liabilities:

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 08/31/2014
Investments in Securities, at Value				
Municipal Bonds & Notes				
California	\$ 0	\$ 439,332	\$ 0	\$ 439,332
New Jersey	0	3,251	0	3,251
New York	0	3,075	0	3,075
Rhode Island	0	11,002	0	11,002
U.S. Treasury Obligations	0	100	0	100
Short-Term Instruments				
Repurchase Agreements	0	18,100	0	18,100
Totals	\$ 0	\$ 474,860	\$ 0	\$ 474,860

There were no significant transfers between Level 1, 2, and 3 during the period ended August 31, 2014.

See Accompanying Notes

Notes to Financial Statements

1. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS

(a) Investment Valuation Policies The Net Asset Value (NAV) of a Fund 's shares is valued as of the close of regular trading (normally 4:00 p.m., Eastern time) (the NYSE Close) on each day that the New York Stock Exchange (NYSE) is open (each a Business Day). Information that becomes known to a Fund or its agents after the 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.

For purposes of calculating the NAV, portfolio securities and other financial derivative instruments are valued on each Business Day using valuation methods as adopted by the Board of Directors (the Board) of each Fund. The Board has formed a Valuation Committee, whose function is to monitor the valuation of portfolio securities and other financial derivative instruments and, as required by the Funds ' valuation policies, determine in good faith the fair value of the Funds ' portfolio holdings after consideration of all relevant factors, including recommendations provided by the Manager. The Board has delegated responsibility for applying the valuation methods to the Manager. The Manager monitors the continual appropriateness of methods applied and determines if adjustments should be made in light of market factor changes and events affecting issuers.

Where market quotes are readily available, fair 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 a quotation reporting system, established market makers, or pricing services. Where market quotes are not readily available, portfolio securities and other financial derivative instruments are valued at fair value, as determined in good faith by the Board, its Valuation Committee, or the Manager pursuant to instructions from the Board or its Valuation Committee. 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, or broker quotes), 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 financial derivative instruments. In addition, market quotes are considered not readily available when, due to extraordinary circumstances, the exchanges or markets on which 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 financial derivative instruments and for determining whether the value of the applicable securities or financial derivative instruments should be re-evaluated in light of such significant events.

The Board has adopted methods for valuing securities and other financial derivative instruments that may require fair valuation under particular circumstances. The Manager monitors the continual appropriateness of fair valuation methods applied and determines if adjustments should be made in light of market changes, events affecting the issuer, or other factors. If the Manager determines that a fair valuation method may no longer be appropriate, another valuation method may be selected, or the Valuation Committee may take any appropriate action in accordance with procedures set forth by the Board. The Board reviews the appropriateness of the valuation methods from time to time, and these methods may be amended or supplemented from time to time by the Valuation Committee.

In circumstances in which daily market quotes are not readily available, investments may be valued pursuant to guidelines established by the Board. In the event that the security or asset cannot be valued pursuant to the established guidelines, the value of the security or other financial derivative instrument will be determined in good faith by the Valuation Committee of the Board, generally based upon recommendations provided by PIMCO. These methods may require subjective determinations about the value of a security. While each Fund 's 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 guarantee that 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 market 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, and 3). The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Levels 1, 2, and 3 of the fair value hierarchy are defined as follows:

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

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.

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 any, are disclosed in the Notes to Schedule of Investments for 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 total realized and unrealized gains or losses, purchases and sales, and transfers in or out of the Level 3 category during the period. The end of period timing recognition is used for the transfers between Levels of the 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, Level 3 reconciliation, and details of significant unobservable inputs, if any, 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 market value The valuation methods (or techniques) and significant inputs used in determining the fair market values of portfolio securities or financial derivative instruments 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 by pricing service providers that use broker-dealer quotations, reported trades or valuation estimates from their internal pricing models. The service providers' 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.

Mortgage-related and asset-backed securities are usually issued as separate tranches, or classes, of securities within each deal. These securities are also normally valued by pricing service providers that use broker-dealer quotations or valuation estimates from their internal pricing models. The pricing models for these securities usually consider tranche-level attributes, current market data, estimated cash flows and market-based yield spreads for each tranche, and incorporate deal collateral performance, as available. Mortgage-related and asset-backed securities that use similar valuation techniques and inputs as described above are categorized as Level 2 of the fair value hierarchy.

Common stocks, exchange-traded funds, exchange-traded notes and financial derivative instruments, such as futures contracts or options on futures that are traded on a national securities exchange, are stated at the last reported sale or settlement price on the day of valuation. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized as Level 1 of the fair value hierarchy.

Investments initially valued in currencies other than the U.S. dollar are converted to the U.S. dollar using exchange rates obtained from pricing service providers. As a result, the NAV of a Fund's shares may be affected by changes in the value of currencies in relation to the U.S. dollar. The value of securities traded in markets outside the United States or denominated in currencies other than the U.S. dollar may be affected significantly on a day that the NYSE is closed. Valuation adjustments may be applied to certain securities that are solely traded on a foreign exchange to account for the market movement between the close of the foreign market and the NYSE Close. These securities are valued using pricing service providers that consider the correlation of the trading patterns of the foreign security to the intraday trading in the U.S. markets for investments. Securities using these valuation adjustments are categorized as Level 2 of the fair value hierarchy. Preferred securities and other equities traded on inactive markets or valued by reference to similar instruments are also categorized as Level 2 of the fair value hierarchy.

Equity-linked securities are valued by referencing the last reported sale or settlement price of the linked referenced equity on the day of valuation. Foreign exchange adjustments are applied to the last reported price to convert the linked equity's trading currency to the contract's settling currency. These investments are categorized as Level 2 of the fair value hierarchy.

Investments in registered open-end investment companies will be valued based upon the NAVs of such investments and are categorized as Level 1 of the fair value hierarchy. Investments in unregistered open-end investment companies will be calculated based upon the NAVs of such investments and are considered Level 1 provided that the NAVs are observable, calculated daily and are the value at which both purchases and sales will be conducted. Investments in

privately held investment funds with significant restrictions on redemption where the inputs to the NAVs are observable will be valued based upon the NAVs of such investments and are categorized as Level 2 of the fair value hierarchy.

Short-term investments having a maturity of 60 days or less and repurchase agreements are generally valued at amortized cost which approximates fair market value. These investments are categorized as Level 2 of the fair value hierarchy.

Equity exchange-traded options and over the counter financial derivative instruments, such as foreign currency contracts, options contracts, or swap agreements, derive their value from underlying asset prices, indices, reference rates, and other inputs or a combination of these factors. These contracts are normally valued by independent pricing service providers. Depending on the product and the terms of the transaction, financial derivative instruments can be valued by a pricing service provider using a series of techniques, including simulation pricing models. The pricing models use inputs that are observed from actively quoted markets such as quoted prices, issuer details, indices, bid/ask spreads, interest rates, implied volatilities, yield curves, dividends and exchange rates. Financial derivative instruments that use similar valuation techniques and inputs as described above are categorized as Level 2 of the fair value hierarchy.

Centrally cleared swaps listed or traded on a multilateral or trade facility platform, such as a registered exchange, are valued at the daily settlement price determined by the respective exchange. For centrally cleared credit default swaps the clearing facility requires its members to provide actionable price levels across complete term structures. These levels along with external third-party prices are used to produce daily settlement prices. These securities are categorized as Level 2 of the fair value hierarchy. Centrally cleared interest rate swaps are valued using a pricing model that references the underlying rates including the overnight index swap rate and London Interbank Offered Rate (LIBOR) forward rate to produce the daily settlement price. These securities are categorized as Level 2 of the fair value hierarchy.

Level 3 trading assets and trading liabilities, at fair value When a fair valuation method is applied by PIMCO that uses significant unobservable inputs, securities will be priced by a method that the Board or persons acting at their direction believe reflects fair value and are categorized as Level 3 of the fair value hierarchy. The valuation techniques and significant inputs used in determining the fair values of portfolio assets and liabilities categorized as Level 3 of the fair value hierarchy are as follows:

Benchmark pricing procedures set the base price of a fixed income security and subsequently adjust the price proportionally to market value changes of a pre-determined security deemed to be comparable in duration, generally a U.S. Treasury or sovereign note based on country of issuance. The base price may be a broker-dealer quote, transaction price, or an internal value as derived by analysis of market data. The base price of the security may be reset on a periodic basis based on the availability of market data and procedures approved by the Valuation Committee. Significant changes in the unobservable inputs of the benchmark pricing process (the base price) would result in direct and proportional changes in the fair value of the security. These securities are categorized as Level 3 of the fair value hierarchy. The validity of the fair value is reviewed by PIMCO on a periodic basis and may be amended as the availability of market data indicates a material change.

If third-party evaluated vendor pricing is not available or not deemed to be indicative of fair value, the Manager may elect to obtain indicative market quotations (broker quotes) directly from the broker-dealer or passed through from a third-party vendor. In the event that fair value is based upon a single sourced broker quote, these securities are categorized as Level 3 of the fair value hierarchy. Broker quotes are typically received from established market participants. Although independently received, the Manager does not have the transparency to view the underlying inputs which support the market quotation. Significant changes in the broker quote would have direct and proportional changes in the fair value of the security.

2. FEDERAL INCOME TAX MATTERS

The 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.

In accordance with U.S. GAAP, the Adviser has reviewed the Fund's tax positions for all open tax years. As of December 31, 2013, the Fund has recorded no liability for net unrecognized tax benefits relating to uncertain income tax positions it has taken or expects to take in future tax returns.

The Fund files U.S. tax returns. While the statute of limitations remains open to examine the Fund's U.S. tax returns filed for the fiscal years ending in 2010-2012, no examinations are in progress or anticipated at this time. The Fund is not 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 August 31, 2014, the aggregate cost and the net unrealized appreciation/(depreciation) of investments for federal income tax purposes are as follows (amounts in thousands):

	Federal Tax Cost	Aggregate Gross Unrealized Appreciation	Aggregate Gross Unrealized (Depreciation)	Net Unrealized Appreciation/ (Depreciation)
PIMCO California Municipal Income Fund II	\$ 413,608	\$ 62,527	\$ (1,275)	\$ 61,252

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

(Unaudited)

Counterparty Abbreviations:

BCY Barclays Capital, Inc. BPG BNP Paribas Securities Corp.

Currency Abbreviations:

USD (or \$) United States Dollar

Municipal Bond or Agency Abbreviations:

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

Other Abbreviations:

M-S-R Mechanical Systems
Review

Item 2. Controls and Procedures.

(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 Investment Company Act of 1940, as amended (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 has been no change in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) 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 separate certification for each principal executive officer and principal & accounting financial officer of the registrant as required by Rule 30a-2 under the 1940 Act is attached as Exhibit 99.CERT.

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 California Municipal Income Fund II

By: /s/ Peter G. Strelow
Peter G. Strelow

President, Principal Executive Officer

Date: October 28, 2014

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: October 28, 2014

By: /s/ William G. Galipeau
William G. Galipeau

Treasurer, Principal Financial & Accounting Officer

Date: October 28, 2014