

WASHINGTON MUTUAL INC  
Form 424B3  
January 10, 2002

Filed Pursuant to Rule 424(b)(3)  
Registration No. 333-72662

SUPPLEMENT TO PROSPECTUS SUPPLEMENT DATED JANUARY 8, 2002

\$1,000,000,000

## Washington Mutual, Inc.

### 5<sup>5</sup>/<sub>8</sub>% Senior Notes due January 15, 2007

This supplement amends and should be attached to the cover page of the Washington Mutual, Inc. prospectus supplement dated January 8, 2002 to the prospectus dated January 8, 2002.

Notwithstanding anything to the contrary in the accompanying prospectus supplement, the International Security Identification Number (ISIN) contained in the seventh paragraph of page S-19 should read as follows:

US939322AG85

The date of this supplement is January 9, 2002.

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allotment option on June 26, 2001. These shares were all issued at \$15.00 per share before an underwriting discount of \$0.675 per share. Offering costs of \$710,700, \$524,400 and \$213,900 (representing \$0.03 per share for each Fund), for Municipal, California Municipal and New York Municipal, respectively, were offset against the proceeds of the offerings and have been charged to paid-in capital. The Investment Manager has paid all offering costs (other than the sales load) and organizational expenses exceeding \$0.03 per share for each Fund. In addition, the underwriters commission and offering costs associated with the Funds' issuance of Preferred Shares in the amounts of \$2,000,000 and \$335,000, \$1,500,000 and \$364,023 and \$630,000 and \$205,414, for Municipal, California Municipal and New York Municipal, respectively, have been charged to paid-in capital. The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. In the normal course of business the Funds enter into contracts that contain a variety of representations which provide general indemnifications. 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 expect the risk of loss to be remote. The following is a summary of significant accounting policies followed by the Funds: (A) VALUATION OF INVESTMENTS Debt securities are valued daily by an independent pricing service approved by the Boards of Trustees. Any security or other asset for which market quotations are not readily available is valued at fair value as determined in good faith under procedures established by the Boards of Trustees. Municipal invests substantially all of its assets in a portfolio of municipal bonds, the interest from which is exempt from federal income taxes. California Municipal invests substantially all of its assets in municipal bonds which pay interest that is exempt from federal and California State income taxes. New York Municipal invests substantially all of its assets in municipal bonds which pay interest that is exempt from federal, New York State and New York City income taxes. The Funds seek to avoid bonds generating interest income which could potentially subject individuals to alternative minimum tax. The issuers' abilities to meet their obligations may be affected by economic and political developments in a specific state or region. (B) FEDERAL INCOME TAXES The

Funds intend to distribute all of their taxable income and to comply with the other requirements of the U.S. Internal Revenue Code of 1986, as amended, applicable to regulated investment companies. Accordingly, no provision for U.S. federal income taxes is required. In addition, by distributing substantially all of their taxable ordinary income and long-term capital gains, if any, during each calendar year, the Funds intend not to be subject to U.S. federal excise tax.

24 PIMCO Municipal Income Funds Annual Report 4.30.03 PIMCO MUNICIPAL INCOME FUNDS NOTES TO FINANCIAL STATEMENTS April 30, 2003

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(C) INVESTMENT TRANSACTIONS AND INVESTMENT INCOME Investment transactions are accounted for on the trade date. Realized gains and losses on investments are determined on the identified cost basis. Interest income is recorded on an accrual basis. Original issue discounts or premiums on debt securities purchased are accreted or amortized daily to non-taxable interest income. Market discount, if any, is accreted daily to taxable income.

(D) DIVIDENDS AND DISTRIBUTIONS -- COMMON STOCK The Funds declare dividends from net investment income monthly to common shareholders. Distributions of net realized capital gains, if any, are paid at least annually. Each Fund records dividends and distributions to its shareholders on the ex-dividend date. The amount of dividends and distributions from net investment income and net realized capital gains are determined in accordance with federal income tax regulations, which may differ from generally accepted accounting principles. These "book-tax" differences are either considered temporary or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the capital accounts based on their federal income tax treatment; temporary differences do not require reclassification. To the extent dividends and/or distributions exceed current and accumulated earnings and profits for federal income tax purposes, they are reported as dividends and/or distributions of paid-in capital.

(E) EXPENSE OFFSET The Funds benefit from an expense offset arrangement with their custodian bank whereby uninvested cash balances earn credits which reduce monthly custodian and accounting agent expenses. Had these cash balances been invested in income producing securities, they would have generated income for the Funds.

(F) FUTURES CONTRACTS A futures contract is an agreement between two parties to buy and sell a financial instrument at a set price on a future date. Upon entering into such a contract, the Funds are required to pledge to the broker an amount of cash or securities equal to the minimum "initial margin" requirements of the exchange. Pursuant to the contracts, the Funds agree to receive from or pay to the broker an amount of cash equal to the daily fluctuation in the value of the contracts. Such receipts or payments are known as "variation margin" and are recorded by the Funds as unrealized appreciation or depreciation. When the contracts are closed, the Funds record a realized gain or loss equal to the difference between the value of the contracts at the time they were opened and the value at the time they were closed. Any unrealized appreciation or depreciation recorded is simultaneously reversed. Futures transactions involve the risk of an imperfect correlation in the movements in the price of futures contracts, interest rates and the underlying hedged assets, and the possible inability of counterparties to meet the terms of their contracts. Futures contracts outstanding at April 30, 2003 were as follows:

# of Expiration	Unrealized	Fund Type	Contracts	Date	Appreciation
----- Municipal Short: U.S.					
Treasury 30 Year Bond 885	6/30/03	\$ 681,820	Long: U.S. Treasury 30 Year Bond 48	9/30/03	17,062 ----- \$
698,882	=====	California Municipal Short: U.S. Treasury 30 Year Bond 662	6/19/03	\$ 510,094	
=====		New York Municipal Long: U.S. Treasury 30 Year Bond 8	9/30/03	\$ 2,844	U.S. Treasury 30 Year Bond 259
6/19/03	200,742	-----	\$ 203,586	=====	(G) OPTION TRANSACTIONS

For hedging purposes, the Funds may purchase and write (sell) put and call options on Municipal Bonds, U.S. government securities, swap agreements, indexes or futures contracts which are standardized and traded on a U.S. or other exchange, boards of trade, or similar entity, or quoted on an automated quotation system. The risk associated with purchasing an option is that the Funds pay a premium whether or not the option is exercised. Additionally, the Funds bear the risk of loss of premium and change in market value should the counterparty not perform under the contract. Put and call options purchased are accounted for in the same manner as portfolio securities.

4.30.03 PIMCO Municipal Income Funds Annual Report 25 PIMCO MUNICIPAL INCOME FUNDS NOTES TO FINANCIAL STATEMENTS April 30, 2003

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

(G) OPTION TRANSACTIONS (CONCLUDED) The cost of securities acquired through the exercise of call options is increased by the premiums paid. The proceeds from the securities sold through the exercise of put options is decreased by the premiums paid. When an option is written, the premium received is recorded as an asset with an equal liability which is subsequently adjusted to the current market value of the option written.

Premiums received from writing options which expire unexercised are recorded on the expiration date as a realized gain. The difference between the premium received and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or if the premium is less than the amount paid for the closing purchase transactions, as a realized loss. If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security in determining whether there has been a realized gain or loss. If a put option is exercised, the premium reduces the cost basis of the security. In writing an option, the Funds bear the market risk of an unfavorable change in the price of the security underlying the written option. Exercise of an option written could result in the Funds purchasing a security at a price different from the current market price. Transactions in options written for the year ended April 30, 2003 were: Contracts Premiums

----- Municipal: -----		Options outstanding, April 30, 2002
-- -- Options written 667 \$ 521,190	-----	Options outstanding, April 30, 2003 667 \$ 521,190
===== California Municipal: -----	Options outstanding, April 30, 2002	-- -- Options written 350 \$ 267,012
-----	Options outstanding, April 30, 2003 350 \$ 267,012	=====
Municipal: -----	Options outstanding, April 30, 2002	-- -- Options written 169 \$ 130,794
-----	Options outstanding, April 30, 2003 169 \$ 130,794	=====

2. INVESTMENT MANAGER AND SUB-ADVISER Each Fund has entered into an Investment Management Agreement (the "Agreements") with the Investment Manager to serve as Investment Manager to each Fund. Subject to the supervision of each Fund's Board of Trustees, the Investment Manager is responsible for managing, either directly or through others selected by it, the investment activities of each Fund and each Fund's business affairs and other administrative matters. Pursuant to the Agreements, the Investment Manager will receive an annual fee, payable monthly, at the annual rate of 0.65% of each Fund's average daily net assets (including net assets attributable to any preferred shares that may be outstanding). In order to reduce Fund expenses, the Investment Manager has contractually agreed to reimburse each Fund for fees and expenses at the annual rate of 0.20% of the Fund's average daily net assets (including net assets attributable to any preferred shares that may be outstanding) from the commencement of operations through June 30, 2006, and for a declining amount thereafter through June 30, 2009. The Investment Manager has retained its affiliate, Pacific Investment Management Company LLC (the "Sub-Adviser"), to manage each Fund's investments. Subject to the supervision of the Investment Manager, the Sub-Adviser makes all investment decisions with respect to each Fund's assets. The Investment Manager (not the Funds) pays a portion of the fees it receives to the Sub-Adviser in return for its services, at the maximum annual rate of 0.37% of each Fund's average daily net assets (including net assets attributable to any preferred shares that may be outstanding). The Sub-Adviser has contractually agreed to waive a portion of the fees it is entitled to receive from the Investment Manager, such that the Sub-Adviser will receive 0.25% of each Fund's average daily net assets (including net assets attributable to any preferred shares that may be outstanding) from the commencement of the Funds' operations through June 30, 2006, and will receive an increasing amount (not to exceed 0.37% of each Fund's average daily net assets) thereafter through June 30, 2009. The Investment Manager informed the Funds that it paid the Sub-Adviser \$1,359,442, \$1,003,855 and \$410,465 in connection with sub-advisory services for Municipal, California Municipal and New York Municipal, respectively, for the year ended April 30, 2003. 3. INVESTMENTS IN SECURITIES For the year ended April 30, 2003, purchases and sales of investments, other than short-term securities, were as follows: California New York Municipal Municipal Municipal

----- Purchases \$151,470,189 \$53,151,652 \$32,382,725		Sales
\$131,034,760	\$58,014,192	\$42,039,739

4. INCOME TAX INFORMATION Municipal: ----- The tax character of dividends and distributions paid for the periods were: June 29, 2001 Year Ended through April 30, 2003 April 30, 2002 ----- Ordinary Income \$ 1,424,818 \$ 628,190 Tax Exempt Income \$25,261,871 \$18,839,914 At April 30, 2003, the tax character of distributable earnings of \$5,257,063 was composed entirely of tax exempt income. At April 30, 2003, Municipal had a capital loss carryforward of \$12,636,579, all of which expires in 2011, available as a reduction to the extent provided in the regulations, of any future net realized gains. To the extent that these losses are used to offset future realized capital gains, such gains will not be distributed. In accordance with U.S. Treasury regulations, Municipal elected to defer realized capital losses of \$3,886,041, arising after October 31, 2002. Such losses are treated for tax purposes as arising on May 1, 2003. California Municipal: ----- The

tax character of dividends paid for the periods were: June 29, 2001 Year Ended through April 30, 2003 April 30, 2002  
----- Ordinary Income \$ 392,046 \$ 123,015 Tax Exempt Income \$17,692,213 \$13,449,757 At  
April 30, 2003, the tax basis of distributable earnings of \$2,860,275 was composed entirely of tax exempt income. At  
April 30, 2003, California Municipal had a capital loss carryforward of \$9,874,814, \$2,250 of which will expire in  
2010 and 9,872,564 of which will expire in 2011, available as a reduction, to the extent provided in the regulations, of  
any future net realized capital gains. To the extent that these losses are used to offset future realized capital gains, such  
gains will not be distributed. In accordance with U.S. Treasury regulations, California Municipal elected to defer  
realized capital losses of \$3,689,024, arising after October 31, 2002. Such losses are treated for tax purposes as arising  
on May 1, 2003. 4.30.03 PIMCO Municipal Income Funds Annual Report 27 PIMCO MUNICIPAL INCOME  
FUNDS NOTES TO FINANCIAL STATEMENTS April 30, 2003 4. INCOME TAX INFORMATION  
(CONCLUDED) New York Municipal: ----- The tax character of dividends paid for the tax fiscal periods  
were: July 1, 2002 July 1, 2001 through through April 30, 2003 June 30, 2002 ----- Ordinary  
Income \$ 22,716 \$ 437,768 Tax Exempt Income \$5,997,367 \$6,690,625 During the year ended April 30, 2003, New  
York Municipal changed its tax fiscal year end from June 30 to April 30. At April 30, 2003, the tax basis of  
distributable earnings of \$718,920 was composed entirely of tax exempt income. At April 30, 2003, New York  
Municipal had a capital loss carryforward of \$4,214,928, all of which expires in 2011, available as a reduction, to the  
extent provided in the regulations, of any future net realized capital gains. To the extent that these losses are used to  
offset future realized capital gains, such gains will not be distributed. In accordance with U.S. Treasury regulations,  
New York Municipal elected to defer realized capital losses of \$1,526,317, arising after October 31, 2002. Such losses  
are treated for tax purposes as arising on May 1, 2003. 5. AUCTION PREFERRED SHARES Municipal has issued  
1,600 shares of Preferred Shares Series A, 1,600 shares of Preferred Shares Series B, 1,600 shares of Preferred Shares  
Series C, 1,600 shares of Preferred Shares Series D and 1,600 shares of Preferred Shares Series E, each with a net  
asset and liquidation value of \$25,000 per share plus accrued dividends. California Municipal has issued 2,000 shares  
of Preferred Shares Series A, 2,000 shares of Preferred Shares Series B and 2,000 shares of Preferred Shares Series C,  
each with a net asset and liquidation value of \$25,000 per share plus accrued dividends. New York Municipal has  
issued 2,520 shares of Preferred Shares Series A with a net asset and liquidation value of \$25,000 per share plus  
accrued dividends. Dividends are accumulated daily at an annual rate set through auction procedures. Distributions of  
net realized capital gains, if any, are paid annually. For the year ended April 30, 2003, the annualized dividend rates  
ranged from: High Low At April 30, 2003 ----- Municipal: -----  
Series A 1.75% 0.70% 1.20% Series B 1.80% 0.70% 1.20% Series C 1.65% 0.90% 1.15% Series D 1.75% 0.70%  
0.70% Series E 1.75% 0.80% 1.20% California Municipal: ----- Series A 1.50% 0.65% 1.15% Series B  
1.50% 0.64% 1.15% Series C 1.55% 0.60% 1.15% New York Municipal: ----- Series A 1.55% 0.80%  
1.00% The Funds are subject to certain limitations and restrictions while Preferred Shares are outstanding. Failure to  
comply with these limitations and restrictions could preclude the Funds from declaring any dividends or distributions  
to common shareholders or repurchasing common shares and/or could trigger the mandatory redemption of Preferred  
Shares at their liquidation value. Preferred Shares, which are entitled to one vote per share, generally vote with the  
common stock but vote separately as a class to elect two Trustees and on any matters affecting the rights of the  
Preferred Shares. 28 PIMCO Municipal Income Funds Annual Report 4.30.03 PIMCO MUNICIPAL INCOME  
FUNDS NOTES TO FINANCIAL STATEMENTS April 30, 2003 6. SUBSEQUENT DIVIDEND  
DECLARATIONS -- COMMON SHAREHOLDERS On May 1, 2003, the following dividends were declared to  
common shareholders payable June 2, 2003 to shareholders of record on May 16, 2003: Municipal \$0.08125 per  
common share California Municipal \$0.077 per common share New York Municipal \$0.075 per common share On  
June 2, 2003, the following dividends were declared to common shareholders payable July 1, 2003 to shareholders of  
record on June 13, 2003: Municipal \$0.08125 per common share California Municipal \$0.077 per common share New  
York Municipal \$0.075 per common share 7. CHANGE IN INVESTMENT POLICY On December 17, 2002, the  
Board of Trustees approved a change in the investment policy of each Fund to invest, under normal market conditions,  
at least 90% of each of its "total" assets in municipal bonds to at least 90% of each of its "net" assets (and not "total"  
assets.) 4.30.03 PIMCO Municipal Income Funds Annual Report 29 PIMCO MUNICIPAL INCOME FUNDS  
FINANCIAL HIGHLIGHTS For a share of common stock outstanding throughout each period: Municipal  
----- For the period June 29, 2001\* Year ended through April 30, 2003 April 30, 2002  
----- Net asset value, beginning of period \$ 14.22 \$ 14.33\*\*



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1.09	0.49	0.47	0.46	(0.92)	(0.68)	(0.90)	(0.67)	(0.05)
				(0.92)	(0.68)	(0.90)	(0.72)	
				(0.03)	(0.03)			
				(0.11)	(0.12)			
				(0.14)	(0.15)			
\$14.17	\$14.00	\$13.49	\$13.92					
\$14.15	\$14.71	\$13.55	\$14.20					
2.6%	2.8%	1.8%	(0.3)%					
\$251,831	\$246,682	\$98,323	\$100,413					
1.03%(6)	0.94%(4)	(6)	1.13%(7)	1.04%(4)	(7)			
	7.89%(6)	7.03%(4)	(6)	7.46%(7)	7.07%(4)	(7)		
	\$66,967	\$66,109	\$64,016	\$64,834				
	15%	45%	23%	51%				

(5) During the periods indicated above the Investment Manager waived a portion of its investment management fee. If such waiver had not been in effect, the ratio of expenses to average net assets and the ratio of net investment income to average net assets would have been 1.32% and 7.89%, respectively for the year ended April 30, 2003 and 1.21% (annualized) and (annualized) 7.34% (annualized), respectively, for the period June 29, 2001 (commencement of operations) through April 30, 2002. (6) During the periods indicated above the Investment Manager waived a portion of its investment management fee. If such waiver had not been in effect, the ratio of expenses to average net assets and the ratio of net investment income to average net assets would have been 1.34% and 7.58%, respectively for the year ended April 30, 2003 and 1.24% (annualized) and 6.73% (annualized), respectively, for the period June 29, 2001 (commencement of operations) through April 30, 2002. (7) During the periods indicated above the Investment Manager waived a portion of its investment management fee. If such waiver had not been in effect, the ratio of expenses to average net assets and the ratio of net investment income to average net assets would have been 1.45% and 7.14%, respectively for the year ended April 30, 2003, 1.34% (annualized) and 6.77% (annualized), respectively, for the period June 29, 2001 (commencement of operations) through April 30, 2002. SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS 4.30.03 PIMCO Municipal Income Funds Annual Report 31 PIMCO MUNICIPAL INCOME FUNDS REPORT OF INDEPENDENT AUDITORS To the Shareholders and Board of Trustees of: PIMCO Municipal Income Fund, PIMCO California Municipal Income Fund and PIMCO New York Municipal Income Fund 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 applicable to common shareholders and the financial highlights present fairly, in all material respects, the financial position of each of PIMCO Municipal Income Fund, PIMCO California Municipal Income Fund and PIMCO New York Municipal Income Fund (collectively hereafter referred to as the "Funds") at April 30, 2003, the results of each of their operations for the year then ended, and the changes in each of their net assets applicable to common shareholders and the financial highlights for the year then ended and for the period June 29, 2001 (commencement of operations) through April 30, 2002, 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 auditing standards generally accepted in the United States of America, which 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 April 30, 2003 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion. PricewaterhouseCoopers LLP New York, New York June 17, 2003 32 PIMCO Municipal Income Funds Annual Report 4.30.03 PIMCO MUNICIPAL INCOME FUNDS TAX INFORMATION (UNAUDITED) Subchapter M of the Internal Revenue Code of 1986, as amended, requires the Funds to advise shareholders within 60 days of the Funds' tax year end (April 30, 2003) as to the federal tax status of dividends and distributions received by shareholders during such tax period.

Accordingly, please note that substantially all dividends paid from net investment income from the Funds during the tax period ended April 30, 2003 were federally exempt interest dividends. Although these Funds invested in municipal bonds containing market discount, whose accretion is taxable. Accordingly, the percentage of dividends paid from net investment income during the tax period which are taxable were: Municipal 1.57% California Municipal 2.17% New York Municipal 0.38% Per share dividends for the tax period ended April 30, 2003 were as follows: Municipal: ----- Dividends to common shareholders from net investment income \$0.9750 Dividends to preferred shareholders from net investment income \$287.473 Distributions to common shareholders from net realized gains \$0.03783 Distributions to preferred shareholders from net realized gains \$14.27 California Municipal: ----- Dividends to common shareholders from net investment income \$0.924 Dividends to preferred shareholders from net investment income \$286.052 New York Municipal: ----- Dividends to common shareholders from net investment income \$0.75 Dividends to preferred shareholders from net investment income \$225.244 Since the Funds' fiscal year is not the calendar year, another notification will be sent with respect to calendar year 2003. In January 2004, you will be advised on IRS Form 1099 DIV as to the federal tax status of the dividends and distributions received during calendar year 2003. The amount that will be reported, will be the amount to use on your 2003 federal income tax return and may differ from the amount which must be reported in connection with each Fund's tax year ended April 30, 2003. Shareholders are advised to consult with their tax advisers as to the federal, state and local tax status of the income received from the Funds. In January 2004, an allocation of interest by state will be provided which may be of value in reducing a shareholder's state or local tax liability, if any. 4.30.03 PIMCO Municipal Income Funds Annual Report 33 PIMCO MUNICIPAL INCOME FUNDS DIVIDEND REINVESTMENT PLAN Pursuant to the Fund's Dividend Reinvestment Plan (the "Plan"), all Common Shareholders whose shares are registered in their own names will have all dividends, including any capital gain dividends, reinvested automatically in additional Common Shares by PFPC Inc., as agent for the Common Shareholders (the "Plan Agent"), unless the shareholder elects to receive cash. An election to receive cash may be revoked or reinstated at the option of the shareholder. In the case of record shareholders such as banks, brokers or other nominees that hold 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 from time to time by the 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. Shareholders whose shares are held in the name of a bank, broker or nominee should contact the bank, whose broker or nominee elects not to participate on the investor's behalf), will be paid in cash by check mailed, in the case of direct shareholder, to the record holder by PFPC Inc., as the Fund's dividend disbursement agent. Unless you (or your broker or nominee) elects not to participate in the Plan, the number of Common Shares you will receive will be determined as follows: (1) If Common Shares are trading at or above net asset value on the payment date, the Fund will issue new shares at the greater of (i) the net asset value per Common Share on the payment date or (ii) 95% of the market price per Common Share on the payment date; or (2) If Common Shares are trading below net asset value (minus estimated brokerage commissions that would be incurred upon the purchase of Common Shares on the open market) on the payment date, the Plan Agent will receive the dividend or distribution in cash and will purchase Common Shares in the open market, on the New York Stock Exchange or elsewhere, for the participants' accounts. It is possible that the market price for the Common Shares may increase before the Plan Agent has completed its purchases. Therefore, the average purchase price per share paid by the Plan Agent may exceed the market price on the payment date, resulting in the purchase of fewer shares than if the dividend or distribution had been paid in Common Shares issued by the Fund. The Plan Agent will use all dividends and distributions received in cash to purchase Common Shares in the open market on or shortly after the payment date, but in no event later than the ex-dividend date for the next distribution. Interest will not be paid on any uninvested cash payments. You may withdraw from the Plan at any time by giving notice to the Plan Agent. If you withdraw or the Plan is terminated, you will receive a certificate for each whole share in your account under the Plan and you will receive a cash payment for any fraction of a share in your account. If you wish, the Plan Agent will sell your shares and send you the proceeds, minus brokerage commissions. The Plan Agent maintains all shareholders' accounts in the Plan and gives written confirmation of all transactions in the accounts, including information you may need for tax records. The Plan Agent will also furnish each person who buys Common Shares with written instructions detailing the procedures for electing not to participate in the Plan and to instead receive distributions in cash. Common Shares in your account will be held by the Plan Agent in non-certificated form. Any proxy you receive will include all Common Shares you have received under the Plan.

There is no brokerage charge for reinvestment of your dividends or distributions in Common Shares. However, all participants will pay a pro rata share of brokerage commissions incurred by the Plan Agent when it makes open market purchases. Automatically reinvested dividends and distributions are taxed in the same manner as cash dividends and distributions. The Fund and the Plan Agent reserve the right to amend or terminate the Plan. There is no direct service charge to participants in the Plan; however, the Fund reserves the right to amend the Plan to include a service charge payable by the participants. Additional information about the Plan may be obtained from PFPC Inc., 400 Belleview Parkway, Wilmington, DE 19809, telephone number 1-800-331-1710. OTHER INFORMATION: Since April 30, 2002, there has been no: (i) material changes in the Funds' investment objectives or policies; (ii) changes to the Funds' charter or by-laws; (iii) material changes in the principal risk factors associated with investment in the Funds; or (iv) change in the person primarily responsible for the day-to-day management of each Fund's portfolio. 34 PIMCO Municipal Income Funds Annual Report 4.30.03 PIMCO MUNICIPAL INCOME FUNDS BOARD OF TRUSTEES STEPHEN TREADWAY, TRUSTEE, CHAIRMAN, CHAIRMAN OF THE BOARD 1345 Avenue of the Americas New York, NY 10105 Age: 55 Trustee since: 2001 Trustee/Director of 51 funds in Fund Complex Trustee/Director of no funds outside of Fund Complex Principal Occupation(s) During Past 5 Years: Managing Director of Allianz Dresdner Asset Management of America L.P.; Managing Director and Chief Executive Officer of PIMCO Advisors Distributors LLC; Managing Director and Chief Executive Officer PIMCO Advisors Fund Management; Member of the Board of Management of Allianz Dresdner Asset Management GmbH. Mr. Treadway serves as a director/trustee and holds various executive officer positions in connection with Allianz Dresdner Asset Management of America L.P.'s affiliated open and closed-end mutual funds. PAUL BELICA, TRUSTEE 1345 Avenue of the Americas New York, NY 10105 Age: 81 Trustee since: 2001 Trustee of 15 funds in Fund Complex Trustee of 2 funds outside of Fund Complex Principal Occupation(s) During Past 5 Years: Trustee of fourteen open and closed-end management investment companies affiliated with Allianz Dresdner Asset Management of America L.P.; Manager, Stratigos Fund, L.L.C., Whistler Fund, L.L.C., Xanthus Fund, L.L.C., and Wynstone Fund, L.L.C.; Director, Student Loan Finance Corp., Education Loans, Inc., Goal Funding, Inc., Surety Loan Funding, Inc.; Formerly, Advisor, Smith Barney, Inc.; Director, The Central European Value Fund, Inc.; Deck House Inc. ROBERT E. CONNOR, TRUSTEE 1345 Avenue of the Americas New York, NY 10105 Age: 68 Trustee since: 2001 Trustee/Director of 16 funds in Fund Complex Trustee/Director of no funds outside of Fund Complex Principal Occupation(s) During Past 5 Years: Director/Trustee of fifteen open and closed-end management investment companies affiliated with Allianz Dresdner Asset Management of America L.P.; PIMCO Corporate Affairs Consultant; Formerly, Senior Vice President, Corporate Office, Smith Barney Inc. JOHN J. DALESSANDRO II, TRUSTEE 1345 Avenue of the Americas New York, NY 10105 Age: 65 Trustee since: 2001 Trustee of 13 funds in Fund Complex Trustee of no funds outside of Fund complex Principal Occupation(s) During Past 5 Years: President and Director, J.J. Dalessandro II Ltd., registered broker-dealer and member of the New York Stock Exchange; Trustee of thirteen closed-end management investment companies affiliated with Allianz Dresdner Asset Management of America L.P. HANS W. KERTESS, TRUSTEE 1345 Avenue of the Americas New York, NY 10105 Age: 63 Trustee since: 2001 Trustee of 7 funds in Fund Complex Trustee of no funds outside of Fund Complex Principal Occupation(s) During Past 5 Years: Consultant, Dain Raucher Inc; Trustee of seven closed-end management investment companies affiliated with Allianz Dresdner Asset Management of America L.P. Formerly, Managing Director, Salomon Brothers; Managing Director, Dain Rauscher Inc. R. PETER SULLIVAN III, TRUSTEE 1345 Avenue of the Americas New York, NY 10105 Age: 61 Trustee since: 2002 Trustee of 7 funds in Fund Complex Trustee of no funds outside of Fund Complex Principal Occupation(s) During Past 5 Years: Trustee of seven closed-end management investment companies affiliated with Allianz Dresdner Asset Management of America L.P. Formerly, Managing Partner, Bear Wagner Specialists LLC (formerly, Wagner Stott Mercator LLC), specialist firm on the New York Stock Exchange. 4.30.03 PIMCO Municipal Income Funds Annual Report 35 PIMCO MUNICIPAL INCOME FUNDS PRIVACY POLICY OUR COMMITMENT TO YOU We consider customer privacy to be a fundamental aspect of our relationship with clients. We are committed to maintaining the confidentiality, integrity, and security of our current, prospective and former clients' personal information. We have developed policies designed to protect this confidentiality, while allowing client needs to be served. OBTAINING PERSONAL INFORMATION In the course of providing you with products and services, we may obtain non-public personal information about you. This information may come from sources such as account applications and other forms, from other written, electronic or verbal correspondence, from your transactions, from your brokerage or financial advisory



firm, financial adviser or consultant, and/or from information captured on our internet web sites. **RESPECTING YOUR PRIVACY** We do not disclose any personal or account information provided by you or gathered by us to non-affiliated third parties, except as required or permitted by law. 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 client satisfaction, and gathering shareholder proxies. We may also retain non-affiliated companies to market our products and enter in joint marketing agreements with other companies. These companies may have access to your personal and account information, but are permitted to use the information solely to provide the specific service or as otherwise permitted by law. We may also provide your personal and account information to your brokerage or financial advisory firm and/or to your financial adviser or consultant. **SHARING INFORMATION WITH THIRD PARTIES** We do reserve the right to disclose or report personal information to non-affiliated third parties in limited circumstances where we believe in good faith that disclosure is required under law, to cooperate with regulators or law enforcement authorities, to protect our rights or property, or upon reasonable request by any mutual fund in which you have chosen to invest. In addition, we may disclose information about you or your accounts to a non-affiliated third party at your request or if you consent in writing to the disclosure. **SHARING INFORMATION WITH AFFILIATES** We may share client information with our affiliates in connection with servicing your account or to provide you with information about products and services that we believe may be of interest to you. The information we share may include, for example, your participation in our mutual funds or other investment programs, your ownership of certain types of accounts (such as IRAs), or other data about your accounts. Our affiliates, in turn, are not permitted to share your information with non-affiliated entities, except as required or permitted by law. **IMPLEMENTATION OF PROCEDURES** We take seriously the obligation to safeguard your non-public personal information. We have implemented procedures designed to restrict access to your non-public personal information to our personnel who need to know that information to provide products or services to you. To guard your non-public personal information, physical, electronic, and procedural safeguards are in place. 36 PIMCO Municipal Income Funds Annual Report 4.30.03 **TRUSTEES AND PRINCIPAL OFFICERS** Stephen Treadway Trustee, Chairman, Chairman of the Board Paul Belica Trustee Robert E. Connor Trustee John J. Dalessandro II Trustee Hans W. Kertess Trustee R. Peter Sullivan III Trustee Brian S. Shlissel President & Chief Executive Officer Newton B. Schott, Jr. Executive Vice President & Secretary Mark V. McCray Vice President Lawrence G. Altadonna Treasurer, Principal Financial & Accounting Officer **INVESTMENT MANAGER** PIMCO Advisors Fund Management LLC 1345 Avenue of the Americas New York, NY 10105 **SUB-ADVISER** Pacific Investment Management Company LLC 840 Newport Center Drive Newport Beach, CA 92660 **TRANSFER AGENT, DIVIDEND PAYING AGENT AND REGISTRAR** PFPC Inc. 400 Bellevue Parkway Wilmington, DE 19809 **INDEPENDENT AUDITORS** PricewaterhouseCoopers LLP 1177 Avenue of the Americas New York, NY 10036 **LEGAL COUNSEL** Ropes & Gray One International Place Boston, MA 02210-2624 This report, including the financial information herein, is transmitted to the shareholders of PIMCO Municipal Income Fund, PIMCO California Municipal Income Fund and PIMCO New York Municipal Income Fund for their information. It is not a prospectus, circular or representation intended for use in the purchase of shares of the Funds or any securities mentioned in this report. Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that from time to time the Funds may purchase shares of its common stock in the open market. Daily information on the Funds is available at [www.pimcoadvisors.com](http://www.pimcoadvisors.com) or by calling 1-800-331-1710. [PIMCO ADVISORS LOGO OMITTED] **ITEM 2. CODE OF ETHICS** Disclosure requirement not currently effective **ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT** Disclosure requirement not currently effective **ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES** Disclosure requirement not currently effective **ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANT** Disclosure requirement not currently effective **ITEM 6. [RESERVED]** **ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES** Disclosure requirement not currently effective **ITEM 8. [RESERVED]** **ITEM 9. CONTROLS AND PROCEDURES** (a) The registrant's President and Chief Executive Officer and Principal Financial Officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-2(c) under the Investment Company Act of 1940, as amended) are effective based on their evaluation of these controls and procedures as of a date within 90 days of the filing date of this document. (b) There were no significant changes in the registrant's internal controls or in factors that could affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and

material weaknesses. ITEM 10. EXHIBITS (a) Disclosure requirement not currently effective. (b) A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2 under the Act (17 CFR 270.30a-2).