

PIMCO NEW YORK MUNICIPAL INCOME FUND II
Form N-Q
October 17, 2012

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: | 811-21078 |
| Registrant Name: | PIMCO New York Municipal Income Fund II |
| Address of Principal Executive Offices: | 1633 Broadway, 43 rd Floor New York, NY 10019 |
| Name and Address of Agent for Service: | Lawrence G. Altadonna 1633 Broadway, 43 rd Floor New York, NY 10019 |
| Registrant's telephone number, including area code: | 212-739-3371 |
| Date of Fiscal Year End: | May 31, 2013 |
| Date of Reporting Period: | August 31, 2012 |

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

August 31, 2012 (unaudited)

| Principal Amount (000s) | | Value* |
|---|--|--------------|
| NEW YORK MUNICIPAL BONDS & NOTES 90.6% | | |
| \$1,000 | Chautauqua Cnty. Industrial Dev. Agcy. Rev., Dunkirk Power Project, 5.875%, 4/1/42 | \$ 1,123,840 |
| 2,400 | Erie Cnty. Industrial Dev. Agcy. Rev., Orchard Park, Inc. Project, 6.00%, 11/15/36, Ser. A | 2,448,648 |
| 9,000 | Hudson Yards Infrastructure Corp. Rev., 5.75%, 2/15/47, Ser. A | 10,440,270 |
| 1,400 | Liberty Dev. Corp. Rev., 5.625%, 7/15/47 | 1,568,322 |
| 1,300 | Bank of America Tower at One Bryant Park Project, 6.375%, 7/15/49 Goldman Sachs Headquarters, | 1,500,421 |
| 4,120 | 5.25%, 10/1/35 (g) | 4,788,552 |
| 3,000 | 5.25%, 10/1/35 | 3,486,810 |
| 3,500 | 5.50%, 10/1/37 | 4,176,655 |
| 500 | Long Island Power Auth. Rev., 5.00%, 9/1/34, Ser. A (AMBAC) Metropolitan Transportation Auth. Rev., | 521,895 |
| 3,000 | 5.00%, 11/15/30, Ser. D | 3,480,480 |
| 2,000 | 5.00%, 11/15/34, Ser. B | 2,254,180 |
| 7,300 | 5.25%, 11/15/31, Ser. E | 7,363,291 |
| 5,000 | 5.50%, 11/15/39, Ser. A | 5,623,100 |
| 7,000 | Monroe Cnty. Industrial Dev. Corp. Rev., Unity Hospital Rochester Project, 5.50%, 8/15/40 (FHA) (g) | 8,126,440 |
| 2,870 | Mortgage Agcy. Rev., 4.75%, 10/1/27, Ser. 128 | 2,877,663 |
| 2,400 | Nassau Cnty. Industrial Dev. Agcy. Rev., Amsterdam at Harborside, 6.70%, 1/1/43, Ser. A | 1,645,704 |
| 4,000 | New York City, GO, 5.00%, 3/1/33, Ser. I (Pre-refunded @ \$100, 3/1/13) (c) | 4,092,440 |
| 1,500 | New York City Health & Hospital Corp. Rev., 5.00%, 2/15/30, Ser. A | 1,698,735 |
| 975 | New York City Industrial Dev. Agcy. Rev., Eger Harbor Project, 4.95%, 11/20/32, Ser. A (GNMA) | 991,614 |
| 1,415 | Liberty Interactive Corp., 5.00%, 9/1/35 | 1,453,247 |
| 1,500 | Pilot Queens Baseball Stadium, 6.50%, 1/1/46 (AGC) | 1,753,980 |
| 1,500 | United Jewish Appeal Federation Project, 5.00%, 7/1/27, Ser. A Yankee Stadium, | 1,573,080 |
| 750 | 5.00%, 3/1/31 (FGIC) | 790,943 |
| 1,900 | 5.00%, 3/1/36 (NPFGC) | 1,985,025 |
| 4,900 | 7.00%, 3/1/49 (AGC) | 5,928,510 |
| 1,000 | New York City Municipal Water Finance Auth. Water & Sewer Rev., 5.25%, 6/15/40, Ser. EE | 1,138,940 |
| 500 | Second Generation Resolutions, 5.00%, 6/15/39, Ser. GG-1 | 565,455 |
| 3,745 | New York City Transitional Finance Auth. Rev., 5.00%, 11/1/27, Ser. B | 3,768,706 |
| 2,255 | 5.00%, 11/1/27, Ser. B (Pre-refunded @ \$100, 11/1/12) (c) | 2,271,439 |
| 4,850 | 5.00%, 5/1/39, Ser. F-1 | 5,565,521 |
| 5,000 | 5.25%, 1/15/39, Ser. S-3 | 5,567,050 |
| 3,000 | New York Liberty Dev. Corp. Rev., 1 World Trade Center Project, 5.00%, 12/15/41 | 3,371,340 |
| 7,000 | 4 World Trade Center Project, 5.75%, 11/15/51 | 8,294,930 |
| 1,000 | Onondaga Cnty. Rev., Syracuse Univ. Project, 5.00%, 12/1/36 | 1,144,620 |
| 1,400 | | 1,610,630 |

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Port Auth. of New York & New Jersey Rev.,
JFK International Air Terminal, 6.00%, 12/1/36

PIMCO New York Municipal Income Fund II Schedule of Investments

August 31, 2012 (unaudited) (continued)

| Principal Amount (000s) | | Value* |
|---|---|--------------|
| | State Dormitory Auth. Rev., | |
| \$3,000 | 5.00%, 3/15/38, Ser. A | \$ 3,429,540 |
| 7,490 | 5.50%, 5/15/31, Ser. A (AMBAC) | 9,886,500 |
| 2,600 | Catholic Health of Long Island, 5.10%, 7/1/34 | 2,693,990 |
| 1,500 | Fordham Univ., 5.50%, 7/1/36, Ser. A | 1,718,520 |
| 1,320 | Long Island Univ., 5.25%, 9/1/28 (Radian) | 1,321,729 |
| | Memorial Sloan-Kettering Cancer Center, | |
| 2,750 | 5.00%, 7/1/35, Ser. 1 | 2,957,268 |
| 2,000 | 5.00%, 7/1/36, Ser. A-1 | 2,191,900 |
| 2,000 | Mount Sinai Hospital, 5.00%, 7/1/31, Ser. A | 2,194,040 |
| 2,100 | New York Univ., 5.00%, 7/1/38, Ser. A | 2,310,882 |
| 1,000 | New York Univ. Hospital Center, 5.625%, 7/1/37, Ser. B | 1,097,620 |
| 600 | North Shore-Long Island Jewish Health System, 5.50%, 5/1/37, Ser. A | 682,848 |
| 5,000 | Rochester General Hospital, 5.00%, 12/1/35 (Radian) | 5,111,950 |
| 3,000 | Teachers College, 5.50%, 3/1/39 | 3,316,140 |
| 1,000 | The New School, 5.50%, 7/1/40 | 1,145,300 |
| 3,000 | Yeshiva Univ., 5.125%, 7/1/34 (AMBAC) | 3,124,410 |
| 5,000 | State Environmental Facs. Corp. Rev., 5.125%, 6/15/38, Ser. A | 5,663,200 |
| | State Thruway Auth. Rev., | |
| 1,000 | 4.75%, 1/1/29, Ser. G (AGM) | 1,076,710 |
| 3,800 | 5.00%, 1/1/42, Ser. I | 4,269,034 |
| 6,000 | State Urban Dev. Corp. Rev., 5.00%, 3/15/36, Ser. B-1 (g) | 6,890,100 |
| 5,000 | Triborough Bridge & Tunnel Auth. Rev., 5.25%, 11/15/34, Ser. A-2 (g) | 5,951,400 |
| | Troy Capital Res. Corp. Rev., Rensselaer Polytechnic Institute, | |
| 3,435 | 5.125%, 9/1/40, Ser. A | 3,790,763 |
| 1,815 | Ulster Cnty. Industrial Dev. Agcy. Rev., 6.00%, 9/15/37, Ser. A (b) | 1,307,181 |
| | Warren & Washington Cntys. Industrial Dev. Agcy. Rev., | |
| 2,000 | Glens Falls Hospital Project, 5.00%, 12/1/35, Ser. A (AGM) | 2,044,420 |
| 1,490 | Westchester Cnty. Healthcare Corp. Rev., 6.125%, 11/1/37, Ser. C-2 | 1,745,654 |
| | Yonkers Economic Dev. Corp. Rev., | |
| 1,000 | Charter School of Educational Excellence Project, 6.00%, 10/15/30, Ser. A | 1,047,600 |
| | Yonkers Industrial Dev. Agcy. Rev., | |
| 600 | Sarah Lawrence College Project, 6.00%, 6/1/41, Ser. A | 682,728 |
| | Total New York Municipal Bonds & Notes (cost \$174,181,431) | 192,643,903 |
| OTHER MUNICIPAL BONDS & NOTES 6.4% | | |
| Florida 0.5% | | |
| 1,000 | Clearwater Water & Sewer Rev., 5.25%, 12/1/39, Ser. A | 1,134,890 |
| Louisiana 0.5% | | |
| 1,000 | East Baton Rouge Sewerage Commission Rev., 5.25%, 2/1/39, Ser. A | 1,119,650 |
| Ohio 0.6% | | |
| 1,435 | Buckeye Tobacco Settlement Financing Auth. Rev., 5.875%, 6/1/47, Ser. A-2 | 1,162,780 |

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Puerto Rico 4.3%

| | | |
|-------|---|-----------|
| 5,675 | Children s Trust Fund Rev., 5.625%, 5/15/43 | 5,675,227 |
| | Sales Tax Financing Corp. Rev., | |
| 2,000 | 5.00%, 8/1/40, Ser. A (AGM) (g) | 2,125,660 |
| 1,300 | 5.25%, 8/1/43, Ser. A-1 | 1,381,601 |
| | | 9,182,488 |

PIMCO New York Municipal Income Fund II Schedule of Investments

August 31, 2012 (unaudited) (continued)

| Principal Amount (000s) | | Value* |
|-------------------------------|--|-----------------------|
| | U. S. Virgin Islands 0.5% | |
| \$1,000 | Public Finance Auth. Rev., 6.00%, 10/1/39, Ser. A | \$ 1,118,150 |
| | Total Other Municipal Bonds & Notes (cost \$12,787,283) | 13,717,958 |
| | NEW YORK VARIABLE RATE NOTES (a)(d)(e)(f) 3.0% | |
| 5,000 | JPMorgan Chase Putters/Drivers Trust Rev., 7.947%, 7/1/33, Ser. 3382 (cost \$4,881,892) | 6,298,950 |
| | Total Investments (cost \$191,850,606) (h) 100.0% | \$ 212,660,811 |

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Industry classification of portfolio holdings as a percentage of total Investments at August 31, 2012 were as follows:

| | |
|---|--------|
| Revenue Bonds: | |
| Health, Hospital & Nursing Home Revenue | 16.9% |
| College & University Revenue | 11.7 |
| Miscellaneous Revenue | 10.4 |
| Income Tax Revenue | 10.3 |
| Transit Revenue | 8.8 |
| Industrial Revenue | 8.6 |
| Miscellaneous Taxes | 4.9 |
| Lease (Abatement) | 4.7 |
| Recreational Revenue | 4.1 |
| Water Revenue | 4.0 |
| Highway Revenue Tolls | 3.3 |
| Tobacco Settlement Funded | 3.2 |
| Port, Airport & Marina Revenue | 2.3 |
| Local or Government Housing | 1.8 |
| Sales Tax Revenue | 1.7 |
| Economic Development Revenue | 0.7 |
| Sewer Revenue | 0.5 |
| Electric Power & Lighting Revenues | 0.2 |
| Total Revenue Bonds | 98.1 |
| General Obligation | 1.9 |
| Total Investments | 100.0% |

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. 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.

The Board of Trustees has adopted methods for valuing portfolio securities and other financial derivative instruments in circumstances where market quotes are not readily available and has delegated the responsibility for applying the valuation methods to the Investment Manager and Pacific Investment Management Company LLC (the Sub-Adviser), an affiliate of the Investment Manager. The Valuation committee has been established by the Board of Trustees to oversee the implementation of the Fund's valuation methods and to make fair value determinations on behalf of the Board of Trustees as instructed. The Sub-Adviser monitors the continual appropriateness of methods applied and determines if adjustments should be made in light of market changes, events affecting the issuer, or other factors. If the Sub-Adviser determines that a valuation method may no longer be appropriate, another valuation method may be selected, or the Valuation Committee will be convened to consider the matter and take any appropriate action in accordance with procedures set forth by the Board. The Board of Trustees shall review the appropriateness of the valuation methods and these methods may be amended or supplemented from time to time by the Valuation Committee.

If third party evaluated vendor pricing is neither available nor deemed to be reliable of fair value, the Sub-Adviser may elect to obtain market quotations (broker quotes) directly from a broker-dealer.

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. Security with an aggregate value of \$6,298,950 representing 3.0% of total investments.
- (b) Illiquid.
- (c) Pre-refunded bonds are collateralized by U.S. Government or other eligible securities which are held in escrow and used to pay principal and interest and retire the bonds at the earliest refunding date (payment date) and/or whose interest rates vary with changes in a designated base rate (such as the prime interest rate).
- (d) 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.
- (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 August 31, 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 August 31, 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 each Fund acquired the residual interest certificates. These securities serve as collateral in a financing transaction.
- (h) At August 31, 2012, the cost basis of portfolio securities for federal income tax purposes was \$177,783,556. Gross unrealized appreciation was \$21,986,168; gross unrealized depreciation was \$1,262,115; and net unrealized appreciation was \$20,724,053. The difference between book and tax cost basis was 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.

FGIC insured by Financial Guaranty Insurance Co.

FHA insured by Federal Housing Administration

GNMA insured by Government National Mortgage Association

GO General Obligation Bond

NPFGC insured by National Public Finance Guarantee Corp.

Radian insured by Radian Guaranty, Inc.

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, which may include, but are not limited to, quoted prices for similar assets or liabilities, interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates or other market corroborated inputs.

Level 3 valuations based on significant unobservable inputs (including the Sub-Adviser's or Valuation Committee's own assumptions and single broker quotes in determining the fair value of investments)

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 & 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 & 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 valuation techniques used by the Fund to measure fair value during the three months ended August 31, 2012 maximized the use of observable inputs and minimized the use of unobservable inputs.

The Fund's policy is to recognize transfers between levels at the end of the reporting period. An investment asset's or liability's level within the fair value hierarchy is based on the lowest level input, individually or in 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 techniques used. Assets categorized as Level 1 or 2 as of period end may have been transferred between Levels 1 and 2 since the prior period due to changes in the valuation method utilized in valuing the investments.

A summary of the inputs used at August 31, 2012 in valuing the Fund's assets and liabilities is listed below (refer to the Schedule of Investments for more detailed information on Investments in Securities):

| | Level 1 - Quoted Prices | Level 2 - Other Significant Observable Inputs | Level 3 - Significant Unobservable Inputs | Value at 8/31/12 |
|---|----------------------------|--|--|---------------------|
| Investments in Securities Assets | | | | |
| New York Municipal Bonds & Notes | | \$ 192,643,903 | | \$ 192,643,903 |
| Other Municipal Bonds & Notes | | 13,717,958 | | 13,717,958 |
| New York Variable Rate Notes | | 6,298,950 | | 6,298,950 |
| Total Investments | | \$ 212,660,811 | | \$ 212,660,811 |

At August 31, 2012, there were no transfers between Levels 1 and 2.

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 New York Municipal Income Fund II

By /s/ Brian S. Shlissel

President & Chief Executive Officer

Date: October 17, 2012

By /s/ Lawrence G. Altadonna

Treasurer, Principal Financial & Accounting Officer

Date: October 17, 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: October 17, 2012

By /s/ Lawrence G. Altadonna

Treasurer, Principal Financial & Accounting Officer

Date: October 17, 2012