

PIMCO NEW YORK MUNICIPAL INCOME FUND III
Form N-CSRS
June 03, 2010

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM N-CSR
CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES
Investment Company Act file number **811-21189**
PIMCO New York Municipal Income
Fund III
(Exact name of registrant as specified in charter)**

1345 Avenue of the Americas, New York, NY

10105

(Address of principal executive offices)

(Zip code)

Lawrence G. Altadonna 1345 Avenue of the Americas, New York, New York 10105

(Name and address of agent for service)

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

Date of fiscal year end: **September 30, 2010**

Date of reporting period: **March 31, 2010**

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington DC 20549-2001. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

ITEM 1. REPORT TO SHAREHOLDERS

PIMCO Municipal Income Fund III
PIMCO California Municipal Income Fund III
PIMCO New York Municipal Income Fund III

Semi-Annual Report
March 31, 2010

Contents

Letter to Shareholders	1
Fund Insights/Performance & Statistics	3-5
Schedules of Investments	6-21
Statements of Assets and Liabilities	22
Statements of Operations	23
Statements of Changes in Net Assets	24-25
Statements of Cash Flows	26-27
Notes to Financial Statements	28-35
Financial Highlights	36-38
Annual Shareholder Meeting Results/ Proxy Voting Policies & Procedures	39

PIMCO Municipal Income Funds III Letter to Shareholders

May 14, 2010

Dear Shareholder:

Please find enclosed the semi-annual report for the PIMCO Municipal Income Fund III, PIMCO California Municipal Income Fund III and PIMCO New York Municipal Income Fund III (the Funds) for the fiscal six-month period ended March 31, 2010 (the period).

The U.S. bond market delivered relatively flat returns during the period. Municipal and high-quality corporate bonds outperformed U.S. government-issued securities as signs of economic recovery prompted investors to favor less-defensive, higher-yielding securities. In this environment, the Barclays Capital Municipal Bond Index returned a tax-advantaged 0.28% for the period, outperforming U.S. Treasury Bonds, which returned, on average, -2.01%. The broad, taxable bond market, as represented by the Barclays Capital U.S. Aggregate Index, advanced 1.99% for the reporting period.

The U.S. Federal Reserve (the Fed) continued its accommodative monetary policy during the period, holding the benchmark rate on loans between member banks at the historic low target-rate of 0% to 0.25%. The Fed announced that it was concluding purchases of approximately \$1.25 trillion of Agency mortgage-backed securities and about \$175 billion of Agency debt from banks, a policy intended to add to the supply of cash available for lending. Noting that bank lending continues to contract, the Fed stated that it would monitor conditions and employ the policy tools necessary for economic recovery and price stability.

For specific information on the Funds and their performance, please review the following pages. If you have any questions regarding the information provided, we encourage you to contact your financial advisor or call the Funds' shareholder servicing agent at (800) 254-5197. In addition, a wide range of information and resources is available on our website, www.allianzinvestors.com/closedendfunds.

Together with Allianz Global Investors Fund Management LLC, the Funds' investment manager, and Pacific Investment Management Company LLC (PIMCO), the Funds' sub-adviser, we thank you for investing with us.

We remain dedicated to serving your investment needs.

Sincerely,

Hans W. Kertess
Chairman

Brian S. Shlissel
President & Chief Executive Officer

(This page intentionally left blank)

2 PIMCO Municipal Income Funds III Semi-Annual Report 3.31.10

PIMCO Municipal Income Funds III Fund Insights

March 31, 2010 (unaudited)

For the fiscal six-month period ended March 31, 2010, PIMCO Municipal Income Fund III declined 0.72% on net asset value (NAV) and returned 0.62% on market price, compared to a decrease of 0.49% and a rise of 4.59%, respectively, for the Lipper Analytical General Municipal Debt Funds (Leveraged) average.

For the fiscal six-month period ended March 31, 2010, PIMCO California Municipal Income Fund III declined 2.24% on NAV and 4.52% on market price, compared to declines of 0.74% and 0.15%, respectively, for the Lipper Analytical California Municipal Debt Funds average.

For the fiscal six-month period ended March 31, 2010, PIMCO New York Municipal Income Fund III advanced 1.45% on NAV and declined 0.15% on market price, compared to increases of 1.18% and 2.42%, respectively, for the Lipper Analytical New York Municipal Debt Funds average.

High-quality municipal bond yields moved higher across the curve during the period, which was in line with Treasury yields.

Municipal-to-U.S. Treasury yield ratio movement was mixed across the curve. The 10-year ratio increased to 80.72% and the 30-year ratio decreased to 88%; still at or below historical normal levels.

Tobacco securitization exposure contributed to returns during the six-month period, as the sector posted positive performance with investors looking for higher yields in lower quality sectors helping this sector to outperform.

Exposures to corporate backed municipals detracted from performance as the sector underperformed, while exposure to the water & sewer sector was also negative for performance.

Significant exposure to the health care sector benefitted returns, as the sector outperformed the general municipal market during the period.

Exposure to longer maturity zero-coupon municipals detracted from returns, as the longer durations of these bonds led to underperformance due to the upward movement in yields. The Barclay s Capital Zero Coupon Index declined 2.52% for the fiscal six-month period.

Municipal III:

The municipal yield curve was slightly steeper as investors continued to step out of money market securities, moving slightly further out on the curve, which helped minimize the yield movement higher into shorter maturities. The 30-year maturity AAA General Obligation yields increased 36 basis points while the 2-year yield increased 15 basis points during the same period. Significant exposure in longer maturity municipals detracted from performance, as this portion of the curve underperformed due to its longer duration.

Long municipals slightly outperformed the broader long-taxable market as the Barclays Capital Long Municipal Bond Index declined 0.43%, while the Barclays Capital Long Government/Credit and the Barclays Capital Long US Treasury Indices declined 1.13% and 4.46%, respectively.

For 2009, municipal bond issuance exceeded \$400 billion. During the first quarter of 2010, issuance kept pace lead by significant Build America Bond issuance, as issuers took advantage of the interest cost subsidy.

California Municipal Income III:

Municipal bonds within California underperformed the national index decreasing 0.55% versus a rise of 0.28% for the Municipal Bond index during the reporting period. The state continued to experience volatility due to the uncertainty related to their budget deficit situation. In 2009 California led all other states with over \$72 billion in total issuance. It continued to lead through the first quarter of 2010 with in excess of \$15 billion in total issuance.

Long California municipals underperformed the long national index decreasing 2.28% versus 0.43% during the six-month period. The California municipal curve steepened notably with 30-year yields increasing 60 basis points, while two-year yields increased only 10 basis points. Significant exposure to longer maturities detracted from performance, as longer durations underperformed.

New York Municipal III:

Municipal bonds within New York outperformed the municipal bond index during the period, returning 0.59% versus 0.28%. In 2009, issuers in New York State issued \$44 billion in bonds ranking it second in the U.S. For the first quarter of 2010, New York's issuance has been rather low at \$7 billion.

Long New York municipals outperformed the long municipal bond index during the period, returning 0.52% versus -0.43%. The New York yield curve steepened during the period, with 30-year yields increasing by 38 basis points while two-year yields decreased by 1 basis point. New York municipal funds also had significant positions in the longer portions of the curve, which benefitted performance as the longer maturity holdings outperformed in New York.

PIMCO Municipal Income Funds III Performance & Statistics

March 31, 2010 (unaudited)

Municipal III:

Total Return(1):	Market Price	NAV
Six Month	0.62%	(0.72)%
1 Year	36.68%	34.92%
5 Year	1.52%	(1.24)%
Commencement of Operations (10/31/02) to 3/31/10	2.57%	1.61%

Market Price/NAV Performance:

Commencement of Operations (10/31/02) to 3/31/10

Market Price/NAV:

Market Price	\$10.90
NAV	\$9.66
Premium to NAV	12.84%
Market Price Yield (2)	7.71%

Moody's Ratings
(as a % of total investments)

California Municipal III:

Total Return(1):	Market Price	NAV
Six Month	(4.52)%	(2.24)%
1 Year	29.57%	31.96%
5 Year	(1.86)%	(2.94)%
Commencement of Operations (10/31/02) to 3/31/10	0.06%	0.35%

Market Price/NAV Performance:

Commencement of Operations (10/31/02) to 3/31/10

Market Price/NAV:

Market Price	\$9.20
NAV	\$8.97
Premium to NAV	2.56%
Market Price Yield (2)	7.83%

Moody's Ratings
(as a % of total investments)

PIMCO Municipal Income Funds III Performance & Statistics

March 31, 2010 (unaudited) (continued)

New York Municipal III:

Total Return(1):	Market Price	NAV
Six Month	(0.15)%	1.45%
1 Year	27.03%	23.77%
5 Year	(2.32)%	(4.45)%
Commencement of Operations (10/31/02) to 3/31/10	(0.26)%	(0.31)%

Market Price/NAV Performance:

Commencement of Operations (10/31/02) to 3/31/10

Market Price/NAV:

Market Price	\$9.30
NAV	\$8.91
Premium to NAV	4.38%
Market Price Yield (2)	6.77%

Moody's Ratings
(as a % of total investments)

- (1) **Past performance is no guarantee of future results.** Total return is calculated by determining the percentage change in net asset value (NAV) or market price (as applicable) in the specified period. The calculation assumes that all income dividends and capital gain distributions if any, have been reinvested. Total return does not reflect broker commissions or sales charges. Total return for a period of less than one year is not annualized. Total return for a period of more than one year represents the average annual total return.

Performance at market price will differ from its results at NAV. Although market price returns typically reflect investment results over time, during shorter periods returns at market price can also be influenced by factors such as changing views about the Funds, market conditions, supply and demand for the Funds shares, or changes in the Funds dividends.

An investment in the Funds involves risk, including the loss of principal. Total return, market price, market yield and NAV will fluctuate with changes in market conditions. This data is provided for information purposes only and is not intended for trading purposes. Closed-end funds, unlike open-end funds, are not continuously offered. There is a onetime public offering and once issued, shares of closed-end funds are traded in the open market on a stock exchange. NAV is equal to total assets attributable to common shareholders less total liabilities divided by the number of common shares outstanding. Holdings are subject to change daily.

- (2) Market Price Yield is determined by dividing the annualized current monthly per share dividend (comprised of net investment income) payable to common shareholders by the market price per common share at March 31, 2010.

PIMCO Municipal Income Fund III Schedule of Investments

March 31, 2010 (unaudited)

Principal Amount (000s)		Credit Rating (Moody s/S&P)	Value
MUNICIPAL BONDS & NOTES 97.4%			
Alabama 1.1%			
\$ 5,000	Birmingham Baptist Medical Centers Special Care Facs. Financing Auth. Rev., Baptist Health Systems, Inc., 5.00%, 11/15/30, Ser. A	Baa2/NR	\$ 4,312,100
500	Birmingham Special Care Facs. Financing Auth. Rev., Childrens Hospital, 6.00%, 6/1/39 (AGC)	Aa3/AAA	538,610
1,500	Colbert Cnty. Northwest Health Care Auth. Rev., 5.75%, 6/1/27	Baa3/NR	1,438,350
			6,289,060
Alaska 1.2%			
3,900	Housing Finance Corp. Rev., 5.00%, 12/1/33, Ser. A	Aaa/AAA	3,922,659
1,000	5.25%, 6/1/32, Ser. C (NPFGC)	Aa2/AA	1,006,560
3,100	Northern Tobacco Securitization Corp. Rev., 5.00%, 6/1/46, Ser. A	Baa3/NR	1,958,518
			6,887,737
Arizona 5.0%			
1,250	Health Facs. Auth. Rev., Banner Health, 5.00%, 1/1/35, Ser. A	NR/A+	1,211,938
900	5.50%, 1/1/38, Ser. D	NR/A+	915,795
2,250	Beatitudes Campus Project, 5.20%, 10/1/37	NR/NR	1,701,450
1,500	Maricopa Cnty. Pollution Control Corp. Rev., Palo Verde Project, 5.05%, 5/1/29, Ser. A (AMBAC)	Baa2/BBB-	1,414,065
13,000	Pima Cnty. Industrial Dev. Auth. Rev., 5.00%, 9/1/39 (i)	Aa2/AA	12,609,870
5,000	Salt River Project Agricultural Improvement & Power Dist. Rev., 5.00%, 1/1/39, Ser. A (i)	Aa1/AA	5,215,300
5,600	Salt Verde Financial Corp. Rev., 5.00%, 12/1/37	A3/A	4,839,968
			27,908,386
California 6.1%			
2,500	Health Facs. Financing Auth. Rev., Catholic Healthcare West, 6.00%, 7/1/39, Ser. A	A2/A	2,658,175
1,250	Palomar Pomerado Health, CP, 6.75%, 11/1/39	Baa2/NR	1,288,988

Edgar Filing: PIMCO NEW YORK MUNICIPAL INCOME FUND III - Form N-CSRS

	State, GO,		
250	5.00%, 11/1/37	Baa1/A-	231,355
5,300	5.00%, 12/1/37	Baa1/A-	4,975,322
6,000	6.00%, 4/1/38	Baa1/A-	6,323,460
	Statewide Communities Dev. Auth. Rev.,		
1,000	American Baptist Homes West, 6.25%, 10/1/39	NR/BBB-	981,510
2,800	Baptist Univ., 9.00%, 11/1/17, Ser. B (a)(c)	NR/NR	2,355,080
	Methodist Hospital Project (FHA),		
2,900	6.625%, 8/1/29	Aa2/AA	3,291,355
10,300	6.75%, 2/1/38	Aa2/AA	11,620,563
			33,725,808

PIMCO Municipal Income Fund III Schedule of Investments

March 31, 2010 (unaudited)

Principal Amount (000s)		Credit Rating (Moody s/S&P)	Value
	Colorado 2.9%		
\$ 9,955	Colorado Springs Utilities Rev., 5.00%, 11/15/30, Ser. B (i)	Aa2/AA	\$ 10,241,107
500	Confluence Metropolitan Dist. Rev., 5.45%, 12/1/34	NR/NR	342,315
500	Health Facs. Auth. Rev., Evangelical Lutheran, 6.125%, 6/1/38, Ser. A	A3/A-	501,855
1,500	Housing & Finance Auth. Rev., Evergreen Country Day School, Inc. Project, 5.875%, 6/1/37 (a)(c)	NR/BB	1,040,160
500	Public Auth. for Colorado Energy Rev., 6.50%, 11/15/38	A2/A	553,805
4,000	Saddle Rock Metropolitan Dist., GO, 5.35%, 12/1/31 (Radian)	NR/NR	3,415,480
			16,094,722
	Connecticut 0.2%		
1,250	Harbor Point Infrastructure Improvement Dist., Tax Allocation, 7.875%, 4/1/39, Ser. A	NR/NR	1,286,050
	Delaware 0.4%		
2,000	State Economic Dev. Auth. Rev., Delmarva Power & Light Co., 5.40%, 2/1/31 (d)	Baa2/BBB	2,017,160
	District of Columbia 1.9%		
10,000	Water & Sewer Auth. Rev., 5.50%, 10/1/39, Ser. A (i)	Aa3/AA	10,735,300
	Florida 5.1%		
3,480	Brevard Cnty. Health Facs. Auth. Rev., Health First, Inc. Project, 5.00%, 4/1/34	A3/A-	3,163,250
500	Broward Cnty. Airport Rev., 5.375%, 10/1/29, Ser. O	A1/A+	517,460
4,500	Broward Cnty. Water & Sewer Rev., 5.257%, 10/1/34, Ser. A (i)	Aa3/AA	4,668,345
2,500	Hillsborough Cnty. Industrial Dev. Auth. Rev., Tampa General Hospital Project, 5.25%, 10/1/34, Ser. B	A3/NR	2,393,750
1,485	Julington Creek Plantation Community Dev. Dist., Special Assessment, 5.00%, 5/1/29 (NPFGC)	Baa1/A	1,402,939
1,000	Miami-Dade Cnty. Airport Rev., 5.50%, 10/1/36, Ser. A	A2/A-	1,012,520
3,895	Sarasota Cnty. Health Facs. Auth. Rev., 5.75%, 7/1/45	NR/NR	2,917,978
4,200	State Board of Education, GO, 5.00%, 6/1/38, Ser. D (i)	Aa1/AAA	4,320,918
6,900	State Board of Governors Rev., Florida Univ., 6.50%, 7/1/33	Aa2/AA	7,857,582
			28,254,742

Edgar Filing: PIMCO NEW YORK MUNICIPAL INCOME FUND III - Form N-CSRS

Georgia 0.3%

1,750	Fulton Cnty. Residential Care Facs. for the Elderly Auth. Rev., Lenbrook Project, 5.125%, 7/1/42, Ser. A	NR/NR	1,159,568
400	Medical Center Hospital Auth. Rev., Spring Harbor Green Island Project, 5.25%, 7/1/37	NR/NR	314,504
			1,474,072

Idaho 1.2%

1,000	State Building Auth. Rev., Ser. A (XLCA), 5.00%, 9/1/33	WR/AA-	1,009,360
5,750	5.00%, 9/1/43	WR/AA-	5,782,085
			6,791,445

PIMCO Municipal Income Fund III Schedule of Investments

March 31, 2010 (unaudited)

Principal Amount (000s)		Credit Rating (Moody s/S&P)	Value
Illinois 8.0%			
\$ 500	Chicago Board of Education School Reform, GO, zero coupon, 12/1/28, Ser. A (FGIC-NPFGC) Chicago, GO,	A1/AA-	\$ 179,770
720	5.00%, 1/1/31, Ser. A (NPFGC)	Aa3/AA-	732,276
5,000	5.00%, 1/1/34, Ser. C (i)	Aa3/AA-	5,027,750
7,000	Chicago Motor Fuel Tax Rev., 5.00%, 1/1/33, Ser. A (AMBAC) Finance Auth. Rev.,	A1/AA+	7,076,510
1,175	Elmhurst Memorial Healthcare, 5.50%, 1/1/22 Leafs Hockey Club Project, Ser. A (b)(e),	Baa1/NR	1,171,874
1,000	5.875%, 3/1/27	NR/NR	250,060
625	6.00%, 3/1/37	NR/NR	156,206
400	OSF Healthcare System, 7.125%, 11/15/37, Ser. A	A2/A	446,356
12,795	Peoples Gas Light & Coke Co., 5.00%, 2/1/33 (AMBAC)	A2/A-	12,554,966
1,000	Swedish Covenant Hospital, 6.00%, 8/15/38, Ser. A Univ. of Chicago,	NR/BBB+	990,490
4,780	5.00%, 7/1/33, Ser. A	Aa1/AA	4,887,024
165	5.25%, 7/1/41, Ser. A	Aa1/AA	167,769
5,000	5.50%, 7/1/37, Ser. B (i)	Aa1/AA	5,521,550
5,000	State Toll Highway Auth. Rev., 5.50%, 1/1/33, Ser. B	Aa3/AA-	5,323,250
			44,485,851
Indiana 1.2%			
3,500	Dev. Finance Auth. Rev., 5.00%, 3/1/30, Ser. B (AMBAC)	A2/NR	3,473,680
1,375	Fort Wayne Pollution Control Rev., General Motors Corp. Project, 6.20%, 10/15/25 (e)	WR/NR	440,000
1,000	Plainfield Parks Facs. Corp. Rev., 5.00%, 1/15/22 (AMBAC) Portage, Tax Allocation, Ameriplex Project,	WR/A+	1,011,960
1,000	5.00%, 7/15/23	NR/BBB+	924,810
775	5.00%, 1/15/27	NR/BBB+	690,664
			6,541,114
Iowa 1.8%			
	Finance Auth. Rev., Deerfield Retirement Community, Inc., Ser. A,		
120	5.50%, 11/15/27	NR/NR	88,642
575	5.50%, 11/15/37	NR/NR	389,712

Edgar Filing: PIMCO NEW YORK MUNICIPAL INCOME FUND III - Form N-CSRS

11,010	Tobacco Settlement Auth. Rev., 5.60%, 6/1/34, Ser. B	Baa3/BBB	9,314,790
			9,793,144
	Kentucky 1.0%		
	Economic Dev. Finance Auth. Rev.,		
	Baptist Healthcare Systems, Ser. A,		
1,000	5.375%, 8/15/24	Aa3/NR	1,075,660
1,300	5.625%, 8/15/27	Aa3/NR	1,397,253

8 PIMCO Municipal Income Funds III Semi-Annual Report 3.31.10

PIMCO Municipal Income Fund III Schedule of Investments

March 31, 2010 (unaudited)

Principal Amount (000s)		Credit Rating (Moody's/S&P)	Value
Kentucky (continued)			
\$ 1,000	Catholic Healthcare Partners, 5.25%, 10/1/30	A1/AA-	\$ 1,005,540
2,000	Owensboro Healthcare Systems, 6.375%, 6/1/40, Ser. A	Baa2/NR	1,990,500
			5,468,953
Louisiana 1.0%			
	Local Gov't Environmental Facs. & Community Dev. Auth. Rev., Woman's Hospital Foundation, Ser. A,		
1,500	5.875%, 10/1/40	A3/BBB+	1,447,485
1,000	6.00%, 10/1/44	A3/BBB+	980,020
1,700	Public Facs. Auth. Rev., Ochsner Clinic Foundation Project, 5.50%, 5/15/47, Ser. B	Baa1/NR	1,507,815
1,595	Tobacco Settlement Financing Corp. Rev., 5.875%, 5/15/39, Ser. 2001-B	Baa3/BBB	1,486,923
			5,422,243
Maryland 0.5%			
1,000	Economic Dev. Corp. Rev., 5.75%, 6/1/35, Ser. B	Baa3/NR	1,017,610
1,500	Health & Higher Educational Facs. Auth. Rev., Calvert Health System, 5.50%, 7/1/36	A2/NR	1,521,900
			2,539,510
Massachusetts 1.3%			
750	Dev. Finance Agcy. Rev., Linden Ponds, Inc. Fac., 5.75%, 11/15/35, Ser. A	NR/NR	546,982
4,910	Housing Finance Agcy. Rev., 5.125%, 6/1/43, Ser. H	Aa3/AA-	4,923,552
1,600	State College Building Auth. Rev., 5.50%, 5/1/39, Ser. A	Aa3/AA-	1,727,920
			7,198,454
Michigan 14.7%			
500	Conner Creek Academy East Rev., 5.25%, 11/1/36	NR/BB+	362,690
1,500	Detroit, GO, 5.25%, 11/1/35	A1/AA-	1,481,220
9,320	Detroit Sewer Rev., 5.00%, 7/1/32, Ser. A (AGC)	Aa3/AAA	9,051,304
30,000	Detroit Water Rev. (NPFGC), 5.00%, 7/1/34, Ser. A	A2/A+	28,193,400

Edgar Filing: PIMCO NEW YORK MUNICIPAL INCOME FUND III - Form N-CSRS

7,555	5.00%, 7/1/34, Ser. B	A3/A	6,980,367
1,500	Royal Oak Hospital Finance Auth. Rev., William Beaumont Hospital, 8.25%, 9/1/39	A1/A	1,777,800
175	State Hospital Finance Auth. Rev., Detroit Medical Center, 5.25%, 8/15/23, Ser. A Oakwood Group, Ser. A,	Ba3/BB-	147,206
5,405	5.75%, 4/1/32	A2/A	5,315,763
575	6.00%, 4/1/22	A2/A	583,286
20,000	Trinity Health Credit, 5.375%, 12/1/30, Ser. C	Aa2/AA	19,862,800

PIMCO Municipal Income Fund III Schedule of Investments

March 31, 2010 (unaudited)

Principal Amount (000s)		Credit Rating (Moody s/S&P)	Value
	Michigan (continued)		
\$ 10,000	Tobacco Settlement Finance Auth. Rev., 6.00%, 6/1/48, Ser. A	NR/BBB	\$ 7,805,900
			81,561,736
	Mississippi 0.8%		
3,000	Business Finance Corp. Rev., System Energy Res., Inc. Project, 5.875%, 4/1/22	Ba1/BBB	2,988,000
1,250	5.90%, 5/1/22	Ba1/BBB	1,244,925
			4,232,925
	Missouri 0.1%		
250	Jennings Rev., Northland Redev. Area Project, 5.00%, 11/1/23	NR/NR	219,802
500	Manchester, Tax Allocation, Highway 141/Manchester Road Project, 6.875%, 11/1/39	NR/NR	492,205
			712,007
	Montana 0.4%		
2,200	Forsyth Pollution Control Rev., Puget Sound Energy, 5.00%, 3/1/31, Ser. A (AMBAC)	Baa1/A-	2,171,818
	Nevada 0.7%		
4,000	Clark Cnty., GO, 4.75%, 6/1/30 (AGM)	Aa1/AAA	3,984,360
	New Hampshire 0.4%		
2,000	Business Finance Auth. Rev., Elliot Hospital, 6.125%, 10/1/39, Ser. A	Baa1/BBB+	2,013,560
	New Jersey 4.5%		
1,000	Camden Cnty. Improvement Auth. Rev., Cooper Health Systems Group, 5.00%, 2/15/35, Ser. A	Baa3/BBB	801,620
300	Economic Dev. Auth. Rev., Newark Airport Marriott Hotel, 7.00%, 10/1/14	Ba1/NR	302,628
4,500	Economic Dev. Auth., Special Assessment, Kapkowski Road Landfill Project, 6.50%, 4/1/28 Health Care Facs. Financing Auth. Rev.,	Baa3/NR	4,880,475

Edgar Filing: PIMCO NEW YORK MUNICIPAL INCOME FUND III - Form N-CSRS

1,070	Pascack Valley Hospital Assoc., 6.625%, 7/1/36 (e)	NR/NR	16,044
1,000	St. Peters Univ. Hospital, 5.75%, 7/1/37	Baa2/BBB-	1,001,200
1,150	Trinitas Hospital, 5.25%, 7/1/30, Ser. A	Baa3/BBB-	974,464
2,000	State Turnpike Auth. Rev., 5.25%, 1/1/40, Ser. E	A3/A+	2,092,520
22,645	Tobacco Settlement Financing Corp. Rev., 5.00%, 6/1/41, Ser. 1-A	Baa3/BBB	14,634,784
			24,703,735
	New Mexico 0.2%		
1,000	Farmington Pollution Control Rev., 5.80%, 4/1/22, Ser. A	Baa3/BB+	1,004,390
	New York 4.3%		
1,700	Liberty Dev. Corp. Rev., Goldman Sachs Headquarters, 5.50%, 10/1/37	A1/A	1,741,429
1,150	Nassau Cnty. Industrial Dev. Agcy. Rev., Amsterdam at Harborside, 6.70%, 1/1/43, Ser. A	NR/NR	1,073,767

PIMCO Municipal Income Fund III Schedule of Investments

March 31, 2010 (unaudited)

Principal Amount (000s)		Credit Rating (Moody s/S&P)	Value
	New York (continued)		
\$ 10,450	New York City Industrial Dev. Agcy. Rev., Yankee Stadium, 7.00%, 3/1/49 (AGC)	Aa3/AAA	\$ 11,879,978
4,900	New York City Municipal Water Finance Auth. Water & Sewer Rev. (i), 5.00%, 6/15/37, Ser. D	Aa2/AAA	5,037,102
4,000	Second Generation Resolutions, 4.75%, 6/15/35, Ser. DD	Aa3/AA+	4,038,560
			23,770,836
	North Carolina 1.1%		
2,000	Eastern Municipal Power Agcy. Rev., 5.125%, 1/1/23, Ser. D	Baa1/A-	2,042,020
2,000	5.125%, 1/1/26, Ser. D	Baa1/A-	2,030,680
795	5.375%, 1/1/17, Ser. C	Baa1/A-	844,632
1,500	Medical Care Commission Rev., Cleveland Cnty. Healthcare, 5.00%, 7/1/35, Ser. A (AMBAC)	WR/A	1,336,515
			6,253,847
	Ohio 4.1%		
15,375	Air Quality Dev. Auth. Pollution Control Rev., Dayton Power, 4.80%, 1/1/34, Ser. B (FGIC)	Aa3/A	15,615,773
5,000	Buckeye Tobacco Settlement Financing Auth. Rev., 5.875%, 6/1/47, Ser. A-2	Baa3/BBB	3,641,450
2,500	Lorain Cnty. Hospital Rev., Catholic Healthcare, 5.375%, 10/1/30	A1/AA-	2,521,050
500	Montgomery Cnty. Rev., Miami Valley Hospital, 6.25%, 11/15/39, Ser. A	Aa3/NR	522,275
500	State Higher Educational Fac. Commission Rev., Univ. Hospital Health Systems, 6.75%, 1/15/39, Ser. A	A2/A	531,915
			22,832,463
	Oregon 0.2%		
1,000	Medford Hospital Facs. Auth. Rev., 5.00%, 8/15/40, Ser. A (AGM)	NR/AAA	983,060
	Pennsylvania 2.7%		

Edgar Filing: PIMCO NEW YORK MUNICIPAL INCOME FUND III - Form N-CSRS

1,000	Allegheny Cnty. Hospital Dev. Auth. Rev., Univ. of Pittsburgh Medical Center, 5.625%, 8/15/39	Aa3/A+	1,029,610
1,000	West Penn Allegheny Health System, 5.375%, 11/15/40, Ser. A	Ba3/BB	766,580
	Cumberland Cnty. Municipal Auth. Rev., Messiah Village Project, Ser. A,		
750	5.625%, 7/1/28	NR/BBB-	644,595
670	6.00%, 7/1/35	NR/BBB-	586,779
1,000	Dauphin Cnty. General Auth. Rev., Pinnacle Health System Project,		
	6.00%, 6/1/36, Ser. A	A2/A	1,031,140
1,250	Harrisburg Auth. Rev., Harrisburg Univ. of Science, 6.00%, 9/1/36, Ser. B	NR/NR	1,096,300
100	Luzerne Cnty. Industrial Dev. Auth. Rev., Pennsylvania American Water Co., 5.50%, 12/1/39	A2/A	101,715

3.31.10 PIMCO Municipal Income Funds III Semi-Annual Report **11**

PIMCO Municipal Income Fund III Schedule of Investments

March 31, 2010 (unaudited)

Principal Amount (000s)		Credit Rating (Moody s/S&P)	Value
Pennsylvania (continued)			
\$ 6,200	Philadelphia Hospitals & Higher Education Facs. Auth. Rev., Temple Univ. Hospital, 6.625%, 11/15/23, Ser. A	Baa3/BBB	\$ 6,200,868
500	Philadelphia Water Rev., 5.25%, 1/1/36, Ser. A	A3/A	511,205
3,000	Turnpike Commission Rev., 5.125%, 12/1/40, Ser. D	A2/A-	3,023,670
			14,992,462
Puerto Rico 0.6%			
2,400	Sales Tax Financing Corp. Rev., Ser. A, 5.00%, 8/1/40 (AGM) (i)	Aa3/AAA	2,416,512
1,000	5.50%, 8/1/42	A2/A+	1,027,410
			3,443,922
South Carolina 1.1%			
1,000	Greenwood Cnty. Rev., Self Regional Healthcare, 5.375%, 10/1/39	A2/A	993,400
5,305	Jobs-Economic Dev. Auth. Rev., Bon Secours Health System, 5.625%, 11/15/30, Ser. B	A3/A-	5,282,242
			6,275,642
Tennessee 0.5%			
1,250	Claiborne Cnty. Industrial Dev. Board Rev., Lincoln Memorial Univ. Project, 6.625%, 10/1/39	NR/NR	1,254,775
1,200	Tennessee Energy Acquisition Corp. Rev., Ser. A, 5.25%, 9/1/21	Ba3/BB+	1,214,316
365	5.25%, 9/1/22	Ba3/BB+	367,632
			2,836,723
Texas 10.4%			
6,810	Crowley Independent School Dist., GO, 4.75%, 8/1/35 (PSF-GTD)	Aaa/AAA	6,908,609
1,300	Dallas Civic Center Rev., 5.25%, 8/15/38 (AGC)	Aa3/AAA	1,328,847
10,115	Denton Independent School Dist., GO, 5.00%, 8/15/33 (PSF-GTD) (i)	Aaa/AAA	10,319,424
465	Judson Independent School Dist., GO, 5.00%, 2/1/30 (PSF-GTD)	Aaa/NR	469,585
150	Municipal Gas Acquisition & Supply Corp. I Rev., 5.25%, 12/15/26, Ser. A	A2/A	145,447

Edgar Filing: PIMCO NEW YORK MUNICIPAL INCOME FUND III - Form N-CSRS

8,100	6.25%, 12/15/26, Ser. D North Harris Cnty. Regional Water Auth. Rev.,	A2/A	8,775,702
5,500	5.25%, 12/15/33	A3/A+	5,611,100
5,500	5.50%, 12/15/38 North Texas Tollway Auth. Rev.,	A3/A+	5,652,460
10,800	5.625%, 1/1/33, Ser. A	A2/A-	11,220,768
700	5.75%, 1/1/33, Ser. F	A3/BBB+	722,855
2,000	6.25%, 1/1/39, Ser. A	A2/A-	2,166,180
2,000	Sabine River Auth. Pollution Control Rev., 5.20%, 5/1/28, Ser. C	Caa3/CCC	1,063,560

12 PIMCO Municipal Income Funds III Semi-Annual Report 3.31.10

PIMCO Municipal Income Fund III Schedule of Investments

March 31, 2010 (unaudited)

Principal Amount (000s)		Credit Rating (Moody s/S&P)	Value
	Texas (continued)		
\$ 3,000	Tarrant Cnty. Cultural Education Facs. Finance Corp. Rev., Baylor Health Care Systems Project, 6.25%, 11/15/29	Aa2/AA-	\$ 3,231,270
			57,615,807
	Virginia 0.3%		
1,000	Fairfax Cnty. Industrial Dev. Auth. Rev., Inova Health Systems, 5.50%, 5/15/35, Ser. A	Aa2/AA+	1,054,120
1,000	James City Cnty. Economic Dev. Auth. Rev., United Methodist Homes, 5.50%, 7/1/37, Ser. A	NR/NR	589,180
			1,643,300
	Washington 7.8%		
6,375	Chelan Cnty. Public Utility Dist. No. 1 Rev., Chelan Hyrdo Systems, 5.125%, 7/1/33, Ser. C (AMBAC)	Aa2/AA	6,471,964
1,000	Health Care Facs. Auth. Rev., Seattle Cancer Care Alliance, 7.375%, 3/1/38	A3/NR	1,108,980
15,000	King Cnty. Sewer Rev., 5.00%, 1/1/35, Ser. A (AGM) (i)	Aa3/AAA	15,165,300
20,005	Tobacco Settlement Auth. Rev., 6.50%, 6/1/26	Baa3/BBB	20,522,729
			43,268,973
	Wisconsin 2.3%		
	Health & Educational Facs. Auth. Rev.,		
1,000	Aurora Health Care, Inc., 5.625%, 4/15/39, Ser. A	A3/NR	986,600
1,000	Prohealth Care, Inc., 6.625%, 2/15/39	A1/A+	1,076,510
10,000	State Rev., 6.00%, 5/1/36, Ser. A	A1/AA-	10,889,000
			12,952,110
	Total Municipal Bonds & Notes (cost \$534,867,231)		540,167,427
	VARIABLE RATE NOTES (a)(c)(g) 1.6%		
	California 0.3%		
1,675	Los Angeles Community College Dist., GO, 11.43%, 8/1/33, Ser. 3096 (f)	NR/AA	1,742,117

	Texas 1.3%		
6,500	JPMorgan Chase Putters/Drivers Trust, GO, 7.814%, 2/1/17, Ser. 3480	NR/AA+	7,088,055
	Total Variable Rate Notes (cost \$8,139,427)		8,830,172

PIMCO Municipal Income Fund III Schedule of Investments

March 31, 2010 (unaudited)

Principal Amount (000s)		Credit Rating (Moody s/S&P)	Value
SHORT-TERM INVESTMENTS (h) 1.0%			
Corporate Notes 1.0%			
Financial Services 1.0%			
\$ 700	International Lease Finance Corp., 0.472%, 5/24/10, FRN	B1/BB+	\$ 700,022
5,000	SLM Corp., 0.409%, 7/26/10, FRN	Ba1/BBB-	4,932,295
	Total Corporate Notes (cost \$5,540,878)		5,632,317
	Total Investments (cost \$548,547,536) 100.0%		\$ 554,629,916

14 PIMCO Municipal Income Funds III Semi-Annual Report 3.31.10

PIMCO California Municipal Income Fund III Schedule of Investments
March 31, 2010 (unaudited)

Principal Amount (000s)		Credit Rating (Moody's/S&P)	Value
CALIFORNIA MUNICIPAL BONDS & NOTES 94.0%			
	Assoc. of Bay Area Gov't Finance Auth. for Nonprofit Corps. Rev.,		
\$ 3,200	Odd Fellows Home of California, Ser. A (CA Mtg. Ins.), 5.20%, 11/15/22	NR/A-	\$ 3,225,408
11,725	5.35%, 11/15/32	NR/A-	11,633,193
1,000	Cathedral City Public Financing Auth., Tax Allocation, 5.00%, 8/1/33, Ser. A (NPFGC)	Baa1/A	861,960
1,150	Ceres Redev. Agcy., Tax Allocation, Project Area No. 1, 5.00%, 11/1/33 (NPFGC)	Baa1/A	967,449
2,000	Chula Vista Rev., San Diego Gas & Electric, 5.875%, 2/15/34, Ser. B	Aa3/A+	2,199,580
550	City & Cnty. of San Francisco, Capital Improvement Projects, CP, 5.25%, 4/1/31, Ser. A	A1/AA-	557,865
1,415	Contra Costa Cnty. Public Financing Auth., Tax Allocation, 5.625%, 8/1/33, Ser. A	NR/BBB	1,360,721
3,775	Cucamonga School Dist., CP, 5.20%, 6/1/27 Educational Facs. Auth. Rev.,	NR/A-	3,486,326
9,800	Claremont McKenna College, 5.00%, 1/1/39 (i)	Aa2/NR	10,114,286
3,300	Pepperdine Univ., 5.00%, 9/1/33, Ser. A (FGIC-NPFGC)	Aa3/A	3,277,329
10,000	Univ. of Southern California, 5.00%, 10/1/39, Ser. A (i)	Aa1/AA+	10,421,000
1,695	El Dorado Irrigation Dist. & El Dorado Water Agcy., CP, 5.75%, 8/1/39, Ser. A (AGC)	Aa3/AAA	1,763,715
11,000	Golden State Tobacco Securitization Corp. Rev., 5.00%, 6/1/45 (AMBAC-TCRS)	Baa2/A-	9,479,470
4,000	5.00%, 6/1/45, Ser. A (FGIC-TCRS)	Baa2/A-	3,394,960
500	Hartnell Community College Dist., GO, zero coupon, 8/1/34, Ser. D (j)	A1/AA-	229,555
	Health Facs. Financing Auth. Rev., Adventist Health System, Ser. A,		
500	5.00%, 3/1/33	NR/A	464,680
4,000	5.75%, 9/1/39	NR/A	4,049,000
1,935	Catholic Healthcare West, Ser. A, 6.00%, 7/1/34	A2/A	2,039,548
4,000	6.00%, 7/1/39	A2/A	4,253,080
500	Children's Hospital of Orange Cnty., 6.50%, 11/1/38, Ser. A	NR/A	532,200
6,000	Cottage Health System, 5.00%, 11/1/33, Ser. B (NPFGC)	Baa1/A+	5,403,300

Edgar Filing: PIMCO NEW YORK MUNICIPAL INCOME FUND III - Form N-CSRS

2,000	Paradise VY Estates, (CA Mtg. Ins.), 5.125%, 1/1/22	NR/A-	1,983,320
1,550	5.25%, 1/1/26	NR/A-	1,492,046
1,300	Scripps Health, 5.00%, 11/15/36, Ser. A Infrastructure & Economic Dev. Bank Rev., Kaiser Hospital Assistance,	A1/AA-	1,262,274
3,000	5.50%, 8/1/31, Ser. B	WR/A	3,015,990
8,000	5.55%, 8/1/31, Ser. A	NR/A+	8,115,360
20	Lancaster Financing Auth., Tax Allocation, 4.75%, 2/1/34 (NPFGC)	Baa1/A	16,322
500	Lancaster Redev. Agcy., Tax Allocation, 6.875%, 8/1/39	NR/A	539,715

3.31.10 PIMCO Municipal Income Funds III Semi-Annual Report 15

PIMCO California Municipal Income Fund III Schedule of Investments

March 31, 2010 (unaudited)

Principal Amount (000s)		Credit Rating (Moody s/S&P)	Value
\$ 5,600	Long Beach Bond Finance Auth. Rev., Long Beach Natural Gas, 5.50%, 11/15/37, Ser. A	A2/A	\$ 5,384,624
5,000	Long Beach Unified School Dist., GO, 5.75%, 8/1/33, Ser. A	Aa3/AA-	5,372,600
6,000	Los Angeles Department of Water & Power Rev. (i), 4.75%, 7/1/30, Ser. A-2 (AGM)	Aa3/AAA	6,102,480
10,000	5.00%, 7/1/39, Ser. A	Aa3/AA-	10,284,400
9,580	Los Angeles Unified School Dist., GO, 4.75%, 1/1/28, Ser. A (NPFGC)	Aa3/AA-	9,466,190
10,000	5.00%, 1/1/34, Ser. I (i)	Aa3/AA-	10,117,300
550	Malibu, City Hall Project, CP, 5.00%, 7/1/39, Ser. A	NR/AA+	554,004
1,000	Manteca Financing Auth. Sewer Rev., 5.75%, 12/1/36	A2/NR	1,059,940
5,000	Metropolitan Water Dist. of Southern California Rev., 5.00%, 7/1/37, Ser. A (i)	Aa2/AAA	5,190,150
5,280	Modesto Irrigation Dist., Capital Improvement Projects, CP, 5.00%, 7/1/33, Ser. A (NPFGC)	A1/A+	5,103,542
3,000	Montebello Unified School Dist., GO, 5.00%, 8/1/33 (AGM)	Aa3/AAA	3,009,930
200	M-S-R Energy Auth. Rev., 6.50%, 11/1/39, Ser. B	NR/A	213,464
5,000	Oakland, GO, 5.00%, 1/15/33, Ser. A (NPFGC)	A1/AA-	4,802,550
5,000	Orange Cnty. Unified School Dist., CP, 4.75%, 6/1/29 (NPFGC)	A1/A+	5,113,750
4,560	Orange Cnty. Water Dist. Rev., CP, Ser. B (NPFGC), 5.00%, 8/15/34	Aa2/AAA	4,624,387
965	5.00%, 8/15/34	WR/AAA	1,072,250
2,000	Palm Desert Financing Auth., Tax Allocation, 5.00%, 4/1/25, Ser. A (NPFGC)	Baa1/A	1,807,060
1,250	Peralta Community College Dist., GO, 5.00%, 8/1/39, Ser. C	NR/AA-	1,231,000
1,950	Poway Unified School Dist., Special Tax, 5.125%, 9/1/28	NR/BBB	1,777,523
5,000	Riverside, CP, 5.00%, 9/1/33 (AMBAC)	WR/A+	4,767,700
500	Rocklin Unified School Dist. Community Facs. Dist., Special Tax, 5.00%, 9/1/29 (NPFGC)	Baa1/A	452,870
3,250	Sacramento Municipal Utility Dist. Rev., 5.00%, 8/15/33, Ser. R (NPFGC)	A1/A+	3,249,805
6,250	San Diego Cnty. Water Auth., CP, 5.00%, 5/1/38, Ser. A (AGM)	Aa3/AAA	6,315,938
12,075	San Diego Community College Dist., GO, 5.00%, 5/1/28, Ser. A (AGM)	Aa2/AAA	12,508,492
2,000	San Diego Public Facs. Financing Auth. Rev., 5.25%, 5/15/39, Ser. A	A2/A+	2,088,180
2,200	San Diego Regional Building Auth. Rev., Cnty. Operations Center &	A1/AA+	2,264,416

Edgar Filing: PIMCO NEW YORK MUNICIPAL INCOME FUND III - Form N-CSRS

	Annex, 5.375%, 2/1/36, Ser. A		
1,500	San Diego State Univ. Foundation Rev., 5.00%, 3/1/27, Ser. A (NPFGC)	Baa1/A	1,494,840
2,000	San Jose, Libraries & Parks Project, GO, 5.125%, 9/1/31	Aa1/AAA	2,027,580
13,200	San Marcos Public Facs. Auth., Tax Allocation, 5.00%, 8/1/33, Ser. A (FGIC-NPFGC)	A3/A	11,474,364
500	Santa Clara Cnty. Financing Auth. Rev., 5.75%, 2/1/41, Ser. A (AMBAC)	A1/A+	522,400
1,200	Santa Cruz Cnty. Redev. Agcy., Tax Allocation, Live Oak/Soquel Community, 7.00%, 9/1/36, Ser. A	A2/A	1,298,628

16 PIMCO Municipal Income Funds III Semi-Annual Report 3.31.10

PIMCO California Municipal Income Fund III Schedule of Investments

March 31, 2010 (unaudited)

Principal
Amount