

PIMCO NEW YORK MUNICIPAL INCOME FUND III  
Form N-CSRS  
May 30, 2014  
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**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)**

**1633 Broadway, New York, New York 10019**  
**(Address of principal executive offices) (Zip code)**

**Lawrence G. Altadonna 1633 Broadway, New York, New York 10019**

**(Name and address of agent for service)**

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

**Date of fiscal year end: September 30, 2014**

**Date of reporting period: March 31, 2014**

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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**

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Letter from the Chairman of the Board &

President

Hans W. Kertess

*Chairman*

Julian Sluyters

*President & CEO*

Dear Shareholder:

After a weak first half of the reporting period, municipal bonds rallied and produced solid results during the fiscal six months ended March 31, 2014. US Treasury yields fluctuated but ultimately moved higher as the US economy continued to expand and the Federal Reserve (the Fed) clarified its timeline for asset purchase tapering. Investor demand for municipal securities strengthened due to improving fundamentals and attractive valuations.

**Six-Month Period in Review**

For the six-month fiscal period ended March 31, 2014, PIMCO Municipal Income III returned 10.24% on net asset value ( NAV ) and 10.46% on market price.

For the six-month fiscal period ended March 31, 2014, PIMCO California Municipal Income III returned 9.05% on NAV and 10.74% on market price.

For the six-month fiscal period ended March 31, 2014, PIMCO New York Municipal Income III returned 7.54% on NAV and 3.16% on market price.

The Barclays Municipal Bond Index gained 3.65% while the broad taxable bond market, as represented by the Barclays US Aggregate Bond Index, returned 1.70% during the reporting period.

The US economy continued to grow during the reporting period, albeit at a less robust pace. According to the US Commerce Department, gross domestic product ( GDP ), the value of goods and services produced in the country, the broadest measure of economic activity and the principal indicator of economic performance, expanded at a 2.6% annual pace during the fourth quarter. Moderating growth was attributed to a number of factors, including a deceleration in private inventory investment, declining federal government spending and less residential fixed

investments.

The Fed maintained an accommodative monetary policy during the reporting period. The central bank did, however, announce that it would begin tapering its monthly asset purchase program beginning in January 2014 during its December 2013 meeting. At its meetings in both January and March 2014, the Fed announced that it would further taper its asset purchases. However, the Fed repeated that it would not raise interest rates in the near future, saying in March that it expected to maintain the current target range for the federal funds rate for a considerable time

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after the asset purchase program ends, especially if projected inflation continues to run below the Committee's 2% longer-run goal.

**Outlook**

The US economy has been resilient and we believe has overcome the headwinds associated with higher taxes, rising interest rates and severe winter weather. We continue to expect US economic growth will be above-trend in 2014 due, in part, to the fact that fiscal policy

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will be less of a drag than it was last year.

While we are prepared for the Fed to start raising benchmark interest rates in 2015, we think policymakers will remain behind the curve on monetary normalization. Several factors support this view, including: the modest pace of the labor recovery, the lack of inflation pressure, the need to support the deleveraging process, the risk of a bond market crash if rates were to normalize too quickly, and constrained fiscal policy and political pressure.

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, [us.allianzgi.com/closedendfunds](http://us.allianzgi.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 of the Board of Trustees*

Julian Sluyters  
*President & Chief Executive Officer*





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### **Fund Insights**

#### **PIMCO Municipal Income Funds III**

March 31, 2014 (unaudited)

For the six-month fiscal period ended March 31, 2014, PIMCO Municipal Income III ( Municipal III ) returned 10.24% on net asset value ( NAV ) and 10.46% on market price.

For the six-month fiscal period ended March 31, 2014, PIMCO California Municipal Income III ( California Municipal III ) returned 9.05% on NAV and 10.74% on market price.

For the six-month fiscal period ended March 31, 2014, PIMCO New York Municipal Income III ( New York Municipal III ) returned 7.54% on NAV and 3.16% on market price.

The municipal bond market overcame a challenging start and generated positive results during the six-month reporting period ended March 31, 2014. The overall municipal market, as measured by the Barclays Municipal Bond Index (the Index ), was relatively flat for the first half of the reporting period, as it returned 0.32%. Impacting the municipal market were rising interest rates, as well as generally weak demand given concerns over the city of Detroit's bankruptcy filing and credit issues in Puerto Rico. However, the municipal bond market then strengthened and gained 3.32% over the second half of the reporting period. This turnaround was due to several factors, including improving fundamentals, attractive valuations and falling interest rates. In addition, investor demand improved, while new municipal supply fell sharply over the first three months of 2014. All told, the Index gained 3.65% during the six-month reporting period. In

comparison, the overall taxable fixed income market, as measured by the Barclays US Aggregate Bond Index, gained 1.70%.

Overweight duration relative to the Index contributed to the performance of all three Funds as municipal yields declined during the six-months ended March 31, 2014. All three Funds' overweighting to the Health Care sector was rewarded as it outperformed the Index. Municipal III's and New York Municipal III's overweighting to the Industrial Revenue sector was beneficial for results as it outperformed the Index. Municipal III's and California Municipal III's overweighting to the Revenue-Backed sector contributed to results as it outperformed the Index. New York Municipal III's and California Municipal III's overweighting to Tobacco sector was beneficial as it outperformed the Index.

Municipal III's and California Municipal III's underweighting to the Transportation and Lease-Backed sectors detracted from performance as they outperformed the Index. Municipal III's underweighting to the Education sector was a negative for results given its outperformance versus the Index. New York Municipal III's overweighting to the Special Tax sector detracted from results given its underperformance versus the Index. New York Municipal III's underweighting to the Water and Sewer sector was a negative for results due to its outperformance versus the Index.

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## PIMCO Municipal Income Fund III

March 31, 2014 (unaudited)

<b>Total Return<sup>(1)</sup>:</b>	<b>Market Price</b>	<b>NAV</b>
Six Month	10.46%	10.24%
1 Year	-2.54%	-0.58%
5 Year	13.65%	14.61%
10 Year	4.57%	4.08%
Commencement of Operations (10/31/02) to 3/31/14	4.62%	4.48%

**Market Price/NAV Performance:**

Commencement of Operations (10/31/02) to 3/31/14

**Market Price/NAV:**

Market Price	\$11.07
NAV	\$10.11
Premium to NAV	9.50%
Market Price Yield <sup>(2)</sup>	6.28%
Leverage Ratio <sup>(3)</sup>	39.80%

**Moody's Rating**

(as a % of total investments)

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## PIMCO California Municipal Income Fund III

March 31, 2014 (unaudited)

<b>Total Return<sup>(1)</sup>:</b>	<b>Market Price</b>	<b>NAV</b>
Six Month	10.74%	9.05%
1 Year	-2.87%	0.23%
5 Year	13.64%	13.83%
10 Year	3.57%	3.25%
Commencement of Operations (10/31/02) to 3/31/14	3.43%	3.53%

**Market Price/NAV Performance:**

Commencement of Operations (10/31/02) to 3/31/14

**Market Price/NAV:**

Market Price	\$9.97
NAV	\$9.53
Premium to NAV	4.62%
Market Price Yield <sup>(2)</sup>	7.22%
Leverage Ratio <sup>(3)</sup>	43.00%

**Moody's Rating**

(as a % of total investments)

**Table of Contents****Performance & Statistics**

## PIMCO New York Municipal Income Fund III

March 31, 2014 (unaudited)

<b>Total Return<sup>(1)</sup>:</b>	<b>Market Price</b>	<b>NAV</b>
Six Month	3.16%	7.54%
1 Year	-2.06%	-0.30%
5 Year	10.73%	10.19%
10 Year	1.87%	1.46%
Commencement of Operations (10/31/02) to 3/31/14	2.23%	2.20%

**Market Price/NAV Performance:**

Commencement of Operations (10/31/02) to 3/31/14

**Market Price/NAV:**

Market Price	\$9.25
NAV	\$8.82
Premium to NAV	4.88%
Market Price Yield <sup>(2)</sup>	6.81%
Leverage Ratio <sup>(3)</sup>	42.57%

**Moody's Rating**

(as a % of total investments)

(1) **Past performance is no guarantee of future results.** Total return is calculated by determining the percentage change in NAV or market price (as applicable) in the specified period. The calculation assumes that all dividends and distributions, if any, have been reinvested. Total return does not reflect broker commissions or sales charges in connection with the purchase or sale of Fund shares. 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 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 each Fund's shares, or changes in each Fund's dividends.

An investment in each Fund involves risk, including the loss of principal. Total return, market price, market price 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 one time public offering and once issued, shares of closed-end funds are traded in the open market through 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 dividend per common share (comprised of net investment income) by the market price per common share at March 31, 2014.

(3) Represents Floating Rate Notes issued in tender option bond transactions and Preferred Shares outstanding (collectively Leverage ), as a percentage of total managed assets. Total managed assets refer to total assets (including assets attributable to Leverage) minus liabilities (other than liabilities representing Leverage).

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PIMCO Municipal Income Fund III

March 31, 2014 (unaudited)

Principal Amount (000s)		Value
<b>Municipal Bonds &amp; Notes 93.4%</b>		
<b>Alabama 9.5%</b>		
\$500	Birmingham Special Care Facs. Financing Auth. Rev., Childrens Hospital, 6.00%, 6/1/39 (AGC)	\$559,780
9,000	Birmingham-Baptist Medical Centers Special Care Facs. Financing Auth. Rev., Baptist Health Systems, Inc., 5.00%, 11/15/30, Ser. A	9,009,180
53,000	Jefferson Cnty. Sewer Rev., zero coupon, 10/1/50, Ser. F (i)	27,878,530
12,000	6.50%, 10/1/53, Ser. D	12,434,040
1,000	State Docks Department Rev., 6.00%, 10/1/40	1,121,290
		51,002,820
<b>Arizona 6.7%</b>		
1,250	Health Facs. Auth. Rev., Banner Health, 5.00%, 1/1/35, Ser. A	1,282,062
900	Banner Health, 5.50%, 1/1/38, Ser. D	954,162
2,250	Beatitudes Campus Project, 5.20%, 10/1/37	1,916,887
13,000	Pima Cnty. Industrial Dev. Auth. Rev., 5.00%, 9/1/39 (h)	13,244,270
750	Tucson Electric Power Co., 5.25%, 10/1/40, Ser. A	769,478
5,000	Salt River Project Agricultural Improvement & Power Dist. Rev., 5.00%, 1/1/39, Ser. A (h)	5,331,750
11,600	Salt Verde Financial Corp. Rev., 5.00%, 12/1/37	12,281,384
		35,779,993
<b>California 19.1%</b>		
1,500	Bay Area Toll Auth. Rev., San Francisco Bay Area, 5.00%, 10/1/29	1,636,065
500	5.00%, 4/1/34, Ser. F-1	536,600
3,260	5.00%, 10/1/42	3,414,426
12,000	5.25%, 4/1/53, Ser. S-4	12,741,720
2,630	Golden State Tobacco Securitization Corp. Rev., Ser. A-1, 4.50%, 6/1/27	2,278,632
3,600	5.125%, 6/1/47	2,665,080
11,120	5.75%, 6/1/47	8,999,861
2,500	Health Facs. Financing Auth. Rev., Catholic Healthcare West, 6.00%, 7/1/39, Ser. A	2,765,375
600	Sutter Health, 5.00%, 11/15/42, Ser. A (IBC-NPFGC)	613,992
4,390	Sutter Health, 5.00%, 8/15/52, Ser. A	4,545,845

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1,500	Sutter Health, 6.00%, 8/15/42, Ser. B	1,710,450
3,350	Indian Wells Redev. Agcy., Tax Allocation, Whitewater Project, 4.75%, 9/1/34, Ser. A (AMBAC)	3,105,952
130	Los Angeles Unified School Dist., GO, 5.00%, 7/1/30, Ser. E (AMBAC)	136,997
2,000	M-S-R Energy Auth. Rev., 6.50%, 11/1/39, Ser. B	2,525,420
1,445	Municipal Finance Auth. Rev., Azusa Pacific Univ. Project, 7.75%, 4/1/31, Ser. B	1,623,645
1,250	Palomar Pomerado Health, CP, 6.75%, 11/1/39	1,292,013
1,600	San Marcos Unified School Dist., GO, 5.00%, 8/1/38, Ser. A State, GO,	1,679,920
5,000	5.00%, 6/1/37	5,282,200
5,300	5.00%, 12/1/37	5,643,864
1,350	5.25%, 3/1/38	1,454,544

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## PIMCO Municipal Income Fund III

March 31, 2014 (unaudited) (continued)

Principal Amount (000s)		Value
	<b>California (continued)</b>	
\$ 1,300	5.25%, 11/1/40	\$1,435,811
3,200	5.50%, 3/1/40	3,546,176
2,500	5.75%, 4/1/31	2,891,975
5,000	6.00%, 4/1/38	5,738,400
	Statewide Communities Dev. Auth. Rev.,	
1,000	American Baptist Homes West, 6.25%, 10/1/39	1,044,770
	California Baptist Univ., 5.75%, 11/1/17, Ser. B (a)(b)(d)(j)	
1,635	(acquisition cost-\$1,635,000; purchased 6/22/07)	1,783,507
2,580	Methodist Hospital Project, 6.625%, 8/1/29 (FHA)	3,039,988
9,200	Methodist Hospital Project, 6.75%, 2/1/38 (FHA)	10,802,364
3,000	Trinity Health, 5.00%, 12/1/41	3,119,760
6,200	Tobacco Securitization Auth. of Southern California Rev., 5.00%, 6/1/37, Ser. A-1	4,741,512
		102,796,864
	<b>Colorado 0.7%</b>	
	Health Facs. Auth. Rev., Ser. A,	
500	Evangelical Lutheran, 6.125%, 6/1/38 (Pre-refunded @ \$100, 6/1/14) (c)	504,810
2,000	Sisters of Charity of Leavenworth Health System, 5.00%, 1/1/40	2,062,240
500	Public Auth. for Colorado Energy Rev., 6.50%, 11/15/38	633,870
	Regional Transportation Dist. Rev., Denver Transportation Partners, 6.00%,	
500	1/15/34	529,395
		3,730,315
	<b>Connecticut 0.3%</b>	
	Harbor Point Infrastructure Improvement Dist., Tax Allocation, 7.875%, 4/1/39,	
1,250	Ser. A	1,396,488
	<b>District of Columbia 2.1%</b>	
10,000	Water & Sewer Auth. Rev., 5.50%, 10/1/39, Ser. A (h)	11,057,100
	<b>Florida 3.2%</b>	
3,480	Brevard Cnty. Health Facs. Auth. Rev., Health First, Inc. Project, 5.00%, 4/1/34	3,518,767
500	Broward Cnty. Airport System Rev., 5.375%, 10/1/29, Ser. O	552,275
4,500	Broward Cnty. Water & Sewer Utility Rev., 5.25%, 10/1/34, Ser. A (h)	5,008,815
3,000	Cape Coral Water & Sewer Rev., 5.00%, 10/1/41 (AGM)	3,125,520
350	Dev. Finance Corp. Rev., Renaissance Charter School, 6.50%, 6/15/21, Ser. A	364,634
4,200	State Board of Education, GO, 5.00%, 6/1/38, Ser. D (h)	4,551,204
		17,121,215
	<b>Georgia 0.3%</b>	
1,750		1,504,633



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Fulton Cnty. Residential Care Facs. for the Elderly Auth. Rev., Lenbrook Project,  
5.125%, 7/1/42, Ser. A

400	Medical Center Hospital Auth. Rev., Spring Harbor Green Island Project, 5.25%, 7/1/37	370,152
		1,874,785
	<b>Hawaii 0.3%</b>	
1,500	Hawaii Pacific Health Rev., 5.50%, 7/1/40, Ser. A	1,595,025
	<b>Illinois 2.4%</b>	
	Finance Auth. Rev.,	
1,000	Leafs Hockey Club Project, 5.875%, 3/1/27, Ser. A (b)(e)	340,000
625	Leafs Hockey Club Project, 6.00%, 3/1/37, Ser. A (b)(e)	212,500
400	OSF Healthcare System, 7.125%, 11/15/37, Ser. A	460,292
1,000	Swedish Covenant Hospital, 6.00%, 8/15/38, Ser. A	1,054,390
5,000	Univ. of Chicago, 5.50%, 7/1/37, Ser. B (h)	5,566,150
5,000	State Toll Highway Auth. Rev., 5.50%, 1/1/33, Ser. B	5,340,550
		12,973,882

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Principal Amount (000s)		Value
	<b>Indiana 1.0%</b>	
	Portage, Tax Allocation, Ameriplex Project,	
\$ 1,000	5.00%, 7/15/23	\$1,005,710
775	5.00%, 1/15/27	766,297
2,800	Vigo Cnty. Hospital Auth. Rev., Union Hospital, Inc., 7.50%, 9/1/22	3,349,584
		5,121,591
	<b>Iowa 0.5%</b>	
	Finance Auth. Rev.,	
76	Deerfield Retirement Community, Inc., 2.00%, 5/15/56, Ser. B	756
3,000	Fertilizer Company Project, 5.25%, 12/1/25	2,913,240
		2,913,996
	<b>Kentucky 0.4%</b>	
	Economic Dev. Finance Auth. Rev., Owensboro Medical Healthcare Systems,	
2,000	6.375%, 6/1/40, Ser. A	2,144,120
	<b>Louisiana 1.3%</b>	
	Local Gov t Environmental Facs. & Community Dev. Auth Rev.,	
400	Westlake Chemical Corp., 6.50%, 11/1/35, Ser. A-2	439,604
1,500	Woman s Hospital Foundation, 5.875%, 10/1/40, Ser. A	1,595,070
1,000	Woman s Hospital Foundation, 6.00%, 10/1/44, Ser. A	1,067,430
	Public Facs. Auth. Rev., Ochsner Clinic Foundation Project,	
1,700	5.50%, 5/15/47, Ser. B	1,728,560
2,000	6.50%, 5/15/37	2,181,400
		7,012,064
	<b>Maryland 0.8%</b>	
	Economic Dev. Corp. Rev., 5.75%, 6/1/35, Ser. B	1,029,710
	Health & Higher Educational Facs. Auth. Rev.,	
1,500	Calvert Health System, 5.50%, 7/1/36 (Pre-refunded @ \$100, 7/1/14) (c)	1,519,605
700	Charlestown Community, 6.25%, 1/1/41	744,156
1,000	Lifebridge Health, 6.00%, 7/1/41	1,125,980
		4,419,451
	<b>Massachusetts 1.4%</b>	
	Dev. Finance Agcy. Rev.,	
295	Adventcare Project, 7.625%, 10/15/37	320,423
140	Linden Ponds, Inc. Fac., zero coupon, 11/15/56, Ser. B (b)	889
529	Linden Ponds, Inc. Fac., 6.25%, 11/15/39, Ser. A-1	444,630
4,910	Housing Finance Agcy. Rev., 5.125%, 6/1/43, Ser. H	4,910,687
1,600	State College Building Auth. Rev., 5.50%, 5/1/39, Ser. A	1,763,280

		7,439,909
	<b>Michigan 0.9%</b>	
1,500	Detroit, GO, 5.25%, 11/1/35	1,533,390
1,500	Royal Oak Hospital Finance Auth. Rev., William Beaumont Hospital, 8.25%, 9/1/39	1,825,125
1,300	State Univ. Rev., 6.173%, 2/15/50, Ser. A	1,452,204
		4,810,719
	<b>Missouri 0.1%</b>	
250	Jennings Rev., Northland Redev. Area Project, 5.00%, 11/1/23	233,565
500	Manchester, Tax Allocation, Highway 141/Manchester Road Project, 6.875%, 11/1/39	513,830
		747,395

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## PIMCO Municipal Income Fund III

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Principal Amount (000s)		Value
	<b>New Hampshire 0.4%</b>	
\$ 2,000	Business Finance Auth. Rev., Elliot Hospital, 6.125%, 10/1/39, Ser. A	\$2,097,160
	<b>New Jersey 4.7%</b>	
4,500	Economic Dev. Auth., Special Assessment, Kapkowski Road Landfill Project, 6.50%, 4/1/28	5,188,365
300	Economic Dev. Auth. Rev., Newark Airport Marriott Hotel, 7.00%, 10/1/14	306,009
2,000	Health Care Facs. Financing Auth. Rev., Robert Wood Johnson Univ. Hospital, 5.50%, 7/1/43, Ser. A	2,154,440
1,000	St. Peters Univ. Hospital, 5.75%, 7/1/37	989,780
1,600	Tobacco Settlement Financing Corp. Rev., Ser. 1-A, 4.75%, 6/1/34	1,212,624
20,745	5.00%, 6/1/41	15,669,736
		25,520,954
	<b>New Mexico 0.2%</b>	
1,000	Farmington Pollution Control Rev., 5.90%, 6/1/40, Ser. D	1,064,570
	<b>New York 12.1%</b>	
9,800	Brooklyn Arena Local Dev. Corp. Rev., Barclays Center Project, 6.25%, 7/15/40	10,529,806
5,000	Hudson Yards Infrastructure Corp. Rev., 5.75%, 2/15/47, Ser. A	5,498,550
1,700	Liberty Dev. Corp. Rev., Goldman Sachs Headquarters, 5.50%, 10/1/37	1,915,713
3,000	Metropolitan Transportation Auth. Rev., 5.00%, 11/15/36, Ser. D	3,160,920
1,150	Nassau Cnty. Industrial Dev. Agcy. Rev., Amsterdam at Harborside, 6.70%, 1/1/43, Ser. A	574,575
10,450	New York City Industrial Dev. Agcy. Rev., Yankee Stadium, 7.00%, 3/1/49 (AGC)	11,985,209
4,900	New York City Water & Sewer System Rev. (h), 5.00%, 6/15/37, Ser. D	5,035,534
4,000	Second Generation Resolutions, 4.75%, 6/15/35, Ser. DD	4,123,000
10,000	New York Liberty Dev. Corp. Rev., 1 World Trade Center Project, 5.00%, 12/15/41	10,487,500
11,255	4 World Trade Center Project, 5.00%, 11/15/44	11,658,042
		64,968,849
	<b>North Carolina 1.5%</b>	
1,500	Medical Care Commission Rev., Cleveland Cnty. Healthcare, 5.00%, 7/1/35, Ser. A (AMBAC) (Pre-refunded @ \$100, 7/1/14) (c)	1,517,775
6,000	New Hanover Cnty. Rev., New Hanover Regional Medical Center, 5.00%, 10/1/28	6,437,400
		7,955,175
	<b>Ohio 3.2%</b>	
500	Allen Cnty. Catholic Healthcare Rev., Allen Hospital, 5.00%, 6/1/38, Ser. A	518,190

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10,350	Buckeye Tobacco Settlement Financing Auth. Rev., 6.50%, 6/1/47, Ser. A-2	9,021,370
1,500	Hamilton Cnty. Healthcare Rev., Christ Hospital Project, 5.00%, 6/1/42	1,521,990
500	Higher Educational Fac. Commission Rev., Univ. Hospital Health Systems, 6.75%, 1/15/39, Ser. 2009-A (Pre-refunded @ \$100, 1/15/15) (c)	525,700
500	Montgomery Cnty. Rev., Miami Valley Hospital, 6.25%, 11/15/39, Ser. A (Pre-refunded @ \$100, 11/15/14) (c)	518,790
5,000	State Turnpike Commission Rev., 5.00%, 2/15/48, Ser. A-1	5,233,000
		17,339,040
	<b>Pennsylvania 4.0%</b>	
1,000	Allegheny Cnty. Hospital Dev. Auth. Rev., Univ. of Pittsburgh Medical Center, 5.625%, 8/15/39	1,099,000
6,600	Berks Cnty. Municipal Auth. Rev., Reading Hospital Medical Center, 5.00%, 11/1/44, Ser. A	6,834,762

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PIMCO Municipal Income Fund III

March 31, 2014 (unaudited) (continued)

Principal Amount (000s)		Value
	<b>Pennsylvania (continued)</b>	
	Cumberland Cnty. Municipal Auth. Rev., Messiah Village Project, Ser. A,	
\$ 750	5.625%, 7/1/28	\$767,377
670	6.00%, 7/1/35	688,579
	Dauphin Cnty. General Auth. Rev., Pinnacle Health System Project, 6.00%, 6/1/36,	
1,000	Ser. A	1,088,480
1,250	Harrisburg Auth. Rev., Harrisburg Univ. of Science, 6.00%, 9/1/36, Ser. B (e)	560,113
	Luzerne Cnty. Industrial Dev. Auth. Rev., Pennsylvania American Water Co.,	
100	5.50%, 12/1/39	108,899
	Philadelphia Hospitals & Higher Education Facs. Auth. Rev., Temple Univ. Health	
1,645	System, 5.625%, 7/1/42, Ser. A	1,484,168
500	Philadelphia Water & Wastewater Rev., 5.25%, 1/1/36, Ser. A	529,615
	Turnpike Commission Rev.,	
5,000	5.00%, 12/1/43, Ser. C	5,237,750
3,000	5.125%, 12/1/40, Ser. D	3,147,600
		21,546,343
	<b>South Carolina 4.3%</b>	
1,000	Greenwood Cnty. Rev., Self Regional Healthcare, 5.375%, 10/1/39	1,049,120
800	State Ports Auth. Rev., 5.25%, 7/1/40	851,088
	State Public Service Auth. Rev.,	
15,000	5.50%, 12/1/53, Ser. E	16,115,100
5,000	Sanatee Cooper, 5.125%, 12/1/43, Ser. B	5,298,650
		23,313,958
	<b>Tennessee 0.4%</b>	
	Claiborne Cnty. Industrial Dev. Board Rev., Lincoln Memorial Univ. Project,	
1,250	6.625%, 10/1/39	1,330,500
	Johnson City Health & Educational Facs. Board Rev., Mountain States Health	
1,000	Alliance, 6.00%, 7/1/38, Ser. A	1,089,870
		2,420,370
	<b>Texas 9.7%</b>	
1,300	Dallas Rev., Dallas Civic Center, 5.25%, 8/15/38 (AGC)	1,380,301
4,500	Grand Parkway Transportation Corp. Rev., 5.00%, 4/1/53, Ser. B	4,682,880
2,000	Municipal Gas Acquisition & Supply Corp. III Rev., 5.00%, 12/15/26	2,122,960
	North Harris Cnty. Regional Water Auth. Rev.,	
5,500	5.25%, 12/15/33	5,886,430
5,500	5.50%, 12/15/38	5,913,380
	North Texas Tollway Auth. Rev.,	

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3,000	5.00%, 1/1/38	3,114,510
600	5.50%, 9/1/41, Ser. A	667,368
10,800	5.625%, 1/1/33, Ser. A	11,880,972
700	5.75%, 1/1/33, Ser. F	758,618
3,000	Tarrant Cnty. Cultural Education Facs. Finance Corp. Rev., Baylor Health Care Systems Project, 6.25%, 11/15/29	3,388,320
150	Texas Municipal Gas Acquisition & Supply Corp. I Rev., 5.25%, 12/15/26, Ser. A	161,991
9,600	6.25%, 12/15/26, Ser. D	11,468,640
500	Wise Cnty. Rev., Parker Cnty. Junior College Dist., 8.00%, 8/15/34	575,810
		52,002,180

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**Schedule of Investments**

PIMCO Municipal Income Fund III

March 31, 2014 (unaudited) (continued)

Principal Amount (000s)		Value
	<b>Virginia 0.3%</b>	
\$ 1,000	Fairfax Cnty. Industrial Dev. Auth. Rev., Inova Health Systems, 5.50%, 5/15/35, Ser. A	\$1,100,780
	&	