

PIMCO NEW YORK MUNICIPAL INCOME FUND III
Form N-CSR
June 06, 2007

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, 2007
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PIMCO Municipal Income Funds III Letter to Shareholders

May 1, 2007

Dear Shareholder:

We are pleased to provide you with the semi-annual report for PIMCO Municipal Income Fund III, PIMCO California Municipal Income Fund III and PIMCO New York Municipal Income Fund III (the “Funds”) for the six-month period ended March 31, 2007.

The US bond market delivered stable, positive returns in the period as economic growth moderated and a correction in the US housing market caused some weakness for bonds. The Lehman Municipal Bond Index returned 1.93% for the period, providing a competitive return on a tax-adjusted basis to the broad market return of 2.76% logged by the Lehman Aggregate Bond Index. The Federal Reserve (the “Fed”) left the Federal Funds rate unchanged at 5.25% through the period as inflation levels continued to track somewhat higher than the central bank’s stated comfort level.

For specific information on the Funds and their performance during the reporting period, 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) 331-1710. You will also find a wide range of information and resources on our Web site, www.allianzinvestors.com/closedendfunds.

Together with Allianz Global Investors Fund Management LLC, the Funds’ investment manager, and Pacific Investment Management Company LLC, 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

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PIMCO Municipal Income Fund III
Performance & Statistics
March 31, 2007 (unaudited)

- For the 6 months ended March 31, 2007, PIMCO Municipal Income Fund III returned 4.21% on net asset value and 5.80% on market price, compared with 2.27% and 4.90%, respectively, for the Lipper Analytical General Municipal Debt Funds (Leveraged) average.
- Municipal bond issuance increased almost 13% from the previous six-month's levels. For the six-month period, supply totaled \$228 Billion.
- The municipal yield curve was mixed over the six-month period: 10-year and 20-year AAA General Obligation bonds increased by 9 basis points and 1 basis point, respectively. 30-year maturity AAA General Obligation yields declined by -5 basis points.
- Municipal yield curve flattened with the 2-30 year spread declining from 72 basis points to 58 basis points. The 10-year muni/Treasury ratio ended the period at 81% while the 30-year ratio was at 85%.
- Long municipals outperformed long Treasuries and the taxable debt sector; for the six-month period, the Lehman Long Municipal Bond Index returned +2.57%, while the Long Government/Credit and the Long Lehman Treasury Indices returned +2.04% and +1.54% respectively.
- Hedging strategies were positive for performance.
- Tobacco securitization sector holdings outperformed as yields on tobacco municipals continued to decline due to demand for higher yielding securities and advanced refunding possibilities.
- Exposure to non-callable zero coupon municipals was positive for performance.

Total Return ⁽¹⁾ :	Market Price	Net Asset Value ("NAV")
Six months	5.80%	4.21%
1 Year	16.03%	8.83%
Commencement of Operations (10/31/02) to 3/31/07	8.42%	7.87%

Common Share Market Price / NAV Performance:

Commencement of Operations (10/31/02) to 3/31/07

Market Price / NAV:	
Market Price	\$16.16
NAV	\$15.10
Premium to NAV	7.02%
Market Price Yield ⁽²⁾	5.20%

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

(1)**Past performance is no guarantee of future results.** Total return is calculated by subtracting the value of an investment in the Fund at the beginning of each specified period from the value at the end of the period and dividing the remainder by the value of the investment at the beginning of the period and expressing the result as a percentage. The calculation assumes that all income dividends have been reinvested at prices obtained under the Fund's dividend reinvestment plan. 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 return.

An investment in the Fund involves risk, including the loss of principal. Total return, price, yield and net asset value will fluctuate with changes in market conditions. This data is provided for information only and is not intended for trading purposes. A portion of the income generated by the Fund may be subject to federal, state and local taxes, and may at times be subject to the alternative minimum tax. 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 sold in the open market through a stock exchange. Net asset value is total assets applicable 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 to common shareholders by the market price per common share at March 31, 2007.

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PIMCO California Municipal Income Fund III
Performance & Statistics
March 31, 2007 (unaudited)

- For the 6 months ended March 31, 2007, PIMCO California Municipal Income Fund III returned 4.22% on net asset value and 4.08% on market price, compared with 2.25% and 3.79%, respectively, for the Lipper Analytical California Municipal Debt Funds average.
- Municipal bond issuance increased almost 13% from the previous six-month's levels. For the six-month period, supply totaled \$228 Billion.
- The municipal yield curve was mixed over the six-month period: 10-year and 20-year AAA General Obligation bonds increased by 9 basis points and 1 basis point, respectively. 30-year maturity AAA General Obligation yields declined by -5 basis points.
- Municipal yield curve flattened with the 2-30 year spread declining from 72 basis points to 58 basis

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points. The 10-year muni/Treasury ratio ended the period at 81% while the 30-year ratio was at 85%

- Long municipals outperformed long Treasuries and the taxable debt sector; for the six-month period, the Lehman Long Municipal Bond Index returned +2.57%, while the Long Government/Credit and the Long Lehman Treasury Indices returned +2.04% and +1.54% respectively.
- Hedging strategies were positive for performance.
- Tobacco securitization sector holdings outperformed as yields on tobacco municipals continued to decline due to demand for higher yielding securities and advanced refunding possibilities.
- Exposure to non-callable zero coupon municipals was positive for performance.
- Municipal bonds within California slightly outperformed the national index for the six-month period as the Lehman California Index returned 2.07% for the six-month period versus a return of 1.93% for the Lehman Municipal Bond Index.
- The California Insured AAA municipal yield curve was mixed over the six-month period: 5-year maturities increased by 14 basis points, 10-year maturities increased by 10 basis points, while 30-year maturities declined -7 basis points.

Total Return ⁽¹⁾ :	Market Price	Net Asset Value (“NAV”)
Six Months	4.08%	4.22%
1 Year	14.36%	8.79%
Commencement of Operations (10/31/02) to 3/31/07	9.88%	7.78%

Common Share Market Price / NAV Performance:

Commencement of Operations (10/31/02) to 3/31/07

Market Price / NAV:	
Market Price	\$17.14
NAV	\$14.99
Premium to NAV	14.34%
Market Price Yield ⁽²⁾	5.11%

Moody’s Ratings

(as a % of total investments)

(1) Past performance is no guarantee of future results. Total return is calculated by subtracting the value of an investment in the Fund at the beginning of each specified period from the value at the end of the period and dividing the remainder by the value of the investment at the beginning of the period and expressing the result as a percentage. The calculation assumes that all income dividends have been reinvested at prices obtained under the Fund’s dividend reinvestment plan. 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 return.

An investment in the Fund involves risk, including the loss of principal. Total return, price, yield and net asset value will fluctuate with changes in market conditions. This data is provided for information only and is not intended for trading purposes. A portion of the income generated by the Fund may be subject to federal, state and local taxes, and may at times be subject to the alternative minimum tax. 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 sold in the open market through a stock exchange. Net asset value is equal total assets applicable 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 to common shareholders by the market price per common share at March 31, 2007.

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PIMCO New York Municipal Income Fund III

Performance & Statistics

March 31, 2007 (unaudited)

- For the 6 months ended March 31, 2007, PIMCO New York Municipal Income Fund III returned 3.55% on net asset value and 0.63 % on market price, compared with 2.16% and 4.87 %, respectively, for the Lipper Analytical New York Municipal Debt Funds average.
- Municipal bond issuance increased almost 13% from the previous six-month's levels. For the six-month period, supply totaled \$228 Billion.
- The municipal yield curve was mixed over the six-month period: 10-year and 20-year AAA General Obligation bonds increased by 9 basis points and 1 basis point, respectively. 30-year maturity AAA General Obligation yields declined by –5 basis points.
- Municipal yield curve flattened with the 2-30 year spread declining from 72 basis points to 58 basis points. The 10-year muni/Treasury ratio ended the period at 81% while the 30-year ratio was at 85%.
- Long municipals outperformed long Treasuries and the taxable debt sector; for the six-month period, the Lehman Long Municipal Bond Index returned +2.57%, while the Long Government/Credit and the Long Lehman Treasury Indices returned +2.04% and +1.54% respectively.
- Hedging strategies were positive for performance.
- Tobacco securitization sector holdings outperformed as yields on tobacco municipals continued to decline due to demand for higher yielding securities and advanced refunding possibilities.
- Exposure to non-callable zero coupon municipals was positive for performance.
- Municipal bonds within New York underperformed the national index for the six-month period as the Lehman New York Index returned 1.88% for the six-month period versus a return of 1.93% for the Lehman Municipal Bond Index.
- The New York Insured AAA municipal yield curve was mixed over the six-month period: both 5-year and 10-year maturities increased by 10 basis points while 30-year maturities declined by –5 basis points.

Total Return ⁽¹⁾ :	Market Price	Net Asset Value ("NAV")
Six months	0.63%	3.55%
1 Year	12.87%	8.02%
Commencement of Operations (10/31/02) to 3/31/07	8.10%	7.78%

Common Share Market Price / NAV Performance:

Commencement of Operations (10/31/02) to 3/31/07

Market Price / NAV:

Market Price	\$16.12
NAV	\$15.21
Premium to NAV	5.98%
Market Price Yield ⁽²⁾	4.99%

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

(1)**Past performance is no guarantee of future results.** Total return is calculated by subtracting the value of an investment in the Fund at the beginning of each specified period from the value at the end of the period and dividing the remainder by the value of the investment at the beginning of the period and expressing the result as a percentage. The calculation assumes that all income dividends have been reinvested at prices obtained under the Fund's dividend reinvestment plan. 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 return.

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(2)Market Price Yield is determined by dividing the annualized current monthly per share dividend to common shareholders by the market price per common share at March 31, 2007.

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PIMCO Municipal Income Fund III
Schedule of Investments
March 31, 2007 (unaudited)

Principal Amount (000)		Credit Rating (Moody's/S&P)	Value
	MUNICIPAL BONDS & NOTES—97.4%		
	Alabama—1.1%		
	Birmingham, GO, Ser. B (AMBAC),		
\$1,000	5.00%, 12/1/27	Aaa/AAA	\$1,042,420
2,560	5.00%, 12/1/32	Aaa/AAA	2,662,042
5,000	Birmingham Baptist Medical Centers Special Care Facs. Financing Auth. Rev., 5.00%, 11/15/30, Ser. A	Baa1/NR	5,119,250
1,500	Colbert Cnty., Northwest Health Care Auth., Health Care Facs. Rev., 5.75%, 6/1/27	Baa3/NR	1,550,475
			10,374,187

Alaska—0.5%			
	State Housing Finance Corp. Rev.,		
3,900	5.00%, 12/1/33, Ser. A	Aaa/AAA	3,995,082
1,000	5.25%, 6/1/32, Ser. C (MBIA)	Aaa/AAA	1,021,700
			5,016,782
Arizona—2.8%			
2,200	Health Facs. Auth., John C. Lincoln Health Network Rev.,		
	7.00%, 12/1/25, (Pre-refunded @ \$102, 12/1/10)		
	(a)	NR/BBB	2,485,428
1,500	Maricopa Cnty. Pollution Control Corp., Pollution Control Rev.,		
	5.05%, 5/1/29 (AMBAC)	Aaa/AAA	1,568,805
	Salt River Project Agricultural Improvement & Power Dist. Rev., Ser. A (g),		
5,000	5.00%, 1/1/35	Aa1/AA	5,293,600
16,000	5.00%, 1/1/37	Aa1/AA	16,927,360
			26,275,193
Arkansas—0.1%			
7,000	Arkansas Dev. Finance Auth. Rev., zero coupon, 7/1/46 (AMBAC)	Aaa/NR	1,135,120
California—7.0%			
1,000	Alameda Public Financing Auth. Rev., 7.00%, 6/1/09	NR/NR	1,000,900
2,000	Chula Vista Community Facs. Dist., Special Tax, 5.25%, 9/1/30	NR/NR	2,036,740
	Golden State Tobacco Securitization Corp., Tobacco Settlement Rev.,		
8,000	5.00%, 6/1/33, Ser. A-1	Baa3/BBB	7,918,800
27,585	6.25%, 6/1/33, Ser. 2003-A-1	Aaa/AAA	30,492,459
21,000	6.75%, 6/1/39, Ser. 2003-A-1, (Pre-refunded @ \$100, 6/1/13) (a)	Aaa/AAA	24,497,130
			65,946,029
Colorado—3.2%			
1,000	Aurora Single Tree Metropolitan Dist., GO, 5.50%, 11/15/31	NR/NR	1,001,330
9,955	Colorado Springs Rev., 5.00%, 11/15/30, Ser. B (g)	Aa2/AA	10,369,427
	El Paso Cnty., CP (AMBAC),		
1,735	5.00%, 12/1/23, Ser. A, (Pre-refunded @ \$100, 12/1/12) (a)	Aaa/AAA	1,819,303
1,725	5.00%, 12/1/23, Ser. B	Aaa/AAA	1,808,818
2,820	5.00%, 12/1/27, Ser. A, (Pre-refunded @ \$100, 12/1/12) (a)	Aaa/AAA	2,946,872
1,500	5.00%, 12/1/27, Ser. B	Aaa/AAA	1,567,485

Schedule of Investments

March 31, 2007 (unaudited) (continued)

Principal Amount (000)		Credit Rating (Moody's/S&P)	Value
Colorado-3.2% (continued)			
\$1,500	Garfield Cnty. School Dist. Re-2, GO, 5.00%, 12/1/25 (FSA)	Aaa/NR	\$1,569,795
2,000	La Plata Cnty. School Dist. No. 9-R, Durango, GO, 5.25%, 11/1/25, (Pre-refunded @ \$100, 11/1/12) (MBIA) (a)	Aaa/NR	2,160,040
4,000	Saddle Rock Metropolitan Dist., GO, 5.35%, 12/1/31 (Radian)	NR/AA	4,132,720
2,500	School Mines Auxiliary Facs. Rev., 5.00%, 12/1/37 (AMBAC)	Aaa/AAA	2,592,000
			29,967,790
Florida-5.1%			
3,480	Brevard Cnty. Health Facs. Auth. Rev., 5.00%, 4/1/34	A2/A	3,594,492
8,000	Highlands Cnty. Health Facs. Auth. Rev., Adventist Health System, 5.25%, 11/15/23, Ser. B, (Pre-refunded @ \$100, 11/15/12) (a)	A2/A+	8,635,680
2,500	Hillsborough Cnty. Industrial Dev. Auth. Rev., Tampa General Hospital, 5.25%, 10/1/34, Ser. B	A3/NR	2,604,525
1,485	Julington Creek Plantation Community Dev. Dist., Special Assessment Rev., 5.00%, 5/1/29 (MBIA)	Aaa/AAA	1,556,176
1,000	Orange Cnty. Housing Finance Auth., Multifamily Rev., Palm Grove Gardens, 5.25%, 1/1/28, Ser. G	Aaa/NR	1,035,970
15,000	Pinellas Cnty. Health Fac. Auth. Rev., Baycare Health, 5.50%, 11/15/33, (Pre-refunded @ \$100, 5/15/13) (a)	Aa3/NR	16,464,600
7,500	South Miami Health Facs. Auth., Hospital Rev., Baptist Health, 5.25%, 11/15/33	Aa3/AA-	7,843,575
5,615	Tampa, Water & Sewer Rev., 5.00%, 10/1/26, Ser. A	Aa2/AA	5,850,044
			47,585,062
Georgia-0.6%			
1,750	Fulton Cnty. Rev., 5.125%, 7/1/42, Ser. A	NR/NR	1,757,472
4,000	Griffin Combined Public Utility Rev., 5.00%, 1/1/32 (AMBAC)	Aaa/AAA	4,228,320
			5,985,792
Idaho-0.8%			
	State Building Auth., Building Rev., Ser. A (XLCA),		
1,000	5.00%, 9/1/33	Aaa/AAA	1,043,560

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5,750	5.00%, 9/1/43	Aaa/AAA	5,969,995
	Illinois—8.4%		7,013,555
2,250	Chicago, GO, 5.00%, 1/1/31, Ser. A (MBIA)	Aaa/AAA	2,324,565
	Chicago, Lake Shore East, Special Assessment,		
1,600	6.625%, 12/1/22	NR/NR	1,731,040
3,456	6.75%, 12/1/32	NR/NR	3,745,786
5,000	Chicago Board of Education, GO, 5.00%, 12/1/31, Ser. C,		
	(Pre-refunded @ \$100, 12/1/11) (FSA) (a)	Aaa/AAA	5,284,350
500	Chicago Board of Education School Reform, GO, zero coupon, 12/1/28, Ser. A (FGIC)	Aaa/AAA	189,510
3,000	Chicago Kingsbury Redev. Project, Tax Allocation,		
	6.57%, 2/15/13, Ser. A	NR/NR	3,077,190
7,000	Chicago Motor Fuel Tax Rev., 5.00%, 1/1/33, Ser. A (AMBAC)	Aaa/AAA	7,269,150
4,000	Chicago Park Dist., GO, 5.00%, 1/1/29, Ser. D (FGIC)	Aaa/AAA	4,127,600

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PIMCO Municipal Income Fund III
Schedule of Investments
March 31, 2007 (unaudited) (continued)

Principal Amount (000)		Credit Rating (Moody's/S&P)	Value
	Illinois—8.4% (continued)		
\$2,500	Chicago Water Rev., 5.00%, 11/1/31, (Pre-refunded @ \$100, 11/1/11) (AMBAC) (a)	Aaa/AAA	\$2,639,875
1,050	Dev. Finance Auth. Rev., Three Crowns Park Plaza, 5.875%, 2/15/38	NR/NR	1,092,934
	Educational Facs. Auth. Rev., Univ. of Chicago,		
4,780	5.00%, 7/1/33	Aa1/AA	4,974,450
220	5.00%, 7/1/33, (Pre-refunded @ \$100, 7/1/13) (a)	Aa1/AA	235,671
165	5.25%, 7/1/41	Aa1/AA	173,565
4,160	5.25%, 7/1/41, (Pre-refunded @ \$101, 7/1/11) (a)	Aa1/AA	4,449,797
9,045	Metropolitan Pier & Exposition Auth., Dedicated State Tax Rev., McCormick Place Expansion, 5.25%, 6/15/42 (MBIA)	Aaa/AAA	9,569,610
4,283	Round Lake, Special Tax Rev., 6.70%, 3/1/33	NR/NR	4,650,953
2,935	Springfield Rev., 5.00%, 3/1/35 (MBIA)	Aaa/AAA	3,094,488
	State Finance Auth. Rev.,		

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12,795	5.00%, 2/1/33 (AMBAC) (g)	NR/NR	13,224,784
1,500	5.50%, 5/15/37	NR/NR	1,522,575
1,000	5.875%, 3/1/27, Ser. A	NR/NR	998,190
1,175	State Health Facs. Auth. Rev., Elmhurst Memorial Healthcare, 5.50%, 1/1/22	A2/NR	1,244,760
3,050	Univ. Rev., 5.00%, 4/1/30, Ser. A (AMBAC)	Aaa/AAA	3,135,430
	Indiana-2.8%		78,756,273
7,535	Bond Bank Rev., 5.00%, 2/1/33, Ser. A (FSA)	Aaa/AAA	7,857,875
3,000	Brownsburg 1999 School Building Corp. Rev., 5.25%, 3/15/25, Ser. A, (Pre-refunded @ \$100, 9/15/13) (FSA) (a)	Aaa/AAA	3,262,710
1,375	Fort Wayne Pollution Control Rev., 6.20%, 10/15/25	Caa1/B-	1,414,050
5,000	Indianapolis Local Public Improvement Board, Tax Allocation, 5.00%, 2/1/29, Ser. G (MBIA)	Aaa/AAA	5,209,750
	Michigan City Area Wide School Building Corp. Rev. (FGIC),		
2,500	zero coupon, 1/15/21	Aaa/AAA	1,383,500
1,000	zero coupon, 7/15/21	Aaa/AAA	541,640
1,000	zero coupon, 1/15/22	Aaa/AAA	527,840
1,000	Plainfield Parks Facs. Corp. Lease Rent Rev., 5.00%, 1/15/22 (AMBAC)	Aaa/AAA	1,039,810
1,000	Portage Industrial Economic Dev. Rev., 5.00%, 7/15/23	NR/BBB+	1,023,040
775	5.00%, 1/15/27	NR/BBB+	787,082
3,500	State Dev. Finance Auth., Pollution Control Rev., 5.00%, 3/1/30 (AMBAC)	Aaa/AAA	3,511,095
			26,558,392

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PIMCO Municipal Income Fund III
Schedule of Investments
March 31, 2007 (unaudited) (continued)

Principal Amount (000)		Credit Rating (Moody's/S&P)	Value
	Iowa-1.4%		
\$1,000	Coralville, CP, 5.25%, 6/1/26, Ser. D	A2/B+	\$1,054,190
11,010	Tobacco Settlement Auth. of Iowa Rev., zero coupon, 6/1/34, Ser. B	Baa3/BBB	11,226,236
1,000	5.60%, 6/1/35, Ser. B, (Pre-refunded @ \$101, 6/1/11) (a)	NR/AAA	1,081,140

			13,361,566
	Kentucky–0.2%		
	Economic Dev. Finance Auth., Hospital Facs. Rev.,		
1,000	Catholic Healthcare Partners, 5.25%, 10/1/30	Aa3/AA–	1,045,530
1,140	St. Luke’s Hospital, 6.00%, 10/1/19, Ser. B	A3/A	1,267,737
			2,313,267
	Louisiana–0.7%		
5,000	Public Facs. Auth. Rev., Ochsner Clinic Foundation,		
	5.50%, 5/15/32, Ser. B	A3/NR	5,261,650
1,595	Tobacco Settlement Financing Corp. Rev.,		
	5.875%, 5/15/39, Ser. 2001-B	Baa3/BBB	1,712,089
			6,973,739
	Maryland–0.2%		
	State Health & Higher Educational Facs. Auth. Rev.,		
1,500	Calvert Health Systems, 5.50%, 7/1/36	A2/NR	1,607,025
500	King Farm Presbyterian, 5.30%, 1/1/37	NR/NR	511,415
			2,118,440
	Massachusetts–2.6%		
1,000	State Dev. Finance Agcy. Rev., 5.75%, 7/1/33, Ser. C	A3/BBB+	1,068,670
7,000	State Health & Educational Facs. Auth. Rev.,		
	Harvard Univ.,		
	5.125%, 7/15/37, Ser. FF	Aaa/AAA	7,357,490
4,910	State Housing Finance Agcy., Housing Rev.,		
	5.125%, 6/1/43, Ser. H	Aa3/AA–	5,031,670
3,225	State Water Pollution Abatement Trust Rev.,		
	5.00%, 8/1/32, Ser. 8	Aaa/AAA	3,359,289
7,555	State Water Res. Auth. Rev., 5.00%, 8/1/32, Ser. J (FSA)	Aaa/AAA	7,829,322
			24,646,441
	Michigan–13.1%		
500	Corner Creek Academy East Rev., 5.25%, 11/1/36	A1/BB+	504,095
250	Crescent Academy, CP, 5.75%, 12/1/36	NR/NR	256,302
	Detroit Water Supply System, Ser. B,		
33,040	5.00%, 7/1/32, Ser. A (FSA) (g)	NR/NR	34,402,239
7,555	5.00%, 7/1/34 (MBIA)	Aaa/AAA	7,891,802
4,685	5.00%, 7/1/34, (Pre-refunded @ \$100, 7/1/13) (MBIA)(a)	Aaa/AAA	5,018,713
35,000	5.00%, 7/1/34, Ser. A (MBIA) (g)	Aaa/AAA	36,560,300
5,000	State Building Auth. Rev.,		
	5.00%, 10/15/26, Ser. III, (Pre-refunded @ \$100, 10/15/12)		
	(FSA) (a)	Aaa/AAA	5,327,500

PIMCO Municipal Income Fund III
Schedule of Investments
March 31, 2007 (unaudited) (continued)

Principal Amount (000)		Credit Rating (Moody's/S&P)	Value
	Michigan—13.1% (continued)		
	State Hospital Finance Auth. Rev.,		
\$175	Detroit Medical Center, 5.25%, 8/15/23	Ba3/BB–	\$171,045
4,000	Henry Ford Health System,		
	5.00%, 3/1/17, (Pre-refunded @ \$100, 3/1/13) (a)	A1/A	4,267,000
	Oakwood Group, Ser. A,		
5,405	5.75%, 4/1/32	A2/A	5,744,704
575	6.00%, 4/1/22	A2/A	624,571
20,000	Trinity Health Credit, 5.375%, 12/1/30	Aa2/AA–	21,150,800
1,000	State Technical Univ. Rev., 5.00%, 10/1/33 (XLCA)	Aaa/AAA	1,040,910
			122,959,981
	Minnesota—0.4%		
750	Cottage Grove Rev., 5.00%, 12/1/31	NR/NR	762,352
2,400	Upsala Independent School Dist. No. 487, GO, 5.00%, 2/1/28 (FGIC)	Aaa/AAA	2,550,384
			3,312,736
	Mississippi—0.5%		
	Business Finance Corp., Pollution Control Rev.,		
3,000	5.875%, 4/1/22	Ba1/BBB–	3,012,720
1,250	5.90%, 5/1/22	Ba1/BBB–	1,253,325
			4,266,045
	Missouri—2.4%		
4,000	Bi-State Dev. Agcy. Rev., Missouri Illinois Metropolitan Dist.,		
	5.00%, 10/1/32 (FSA)	Aaa/AAA	4,189,440
1,350	St. Louis Cnty. Industrial Dev. Auth., Housing Dev. Rev.,		
	5.20%, 1/20/36 (GNMA)	NR/AAA	1,393,524
	St. Louis Industrial Dev. Auth. Rev. (GNMA),		
1,500	5.125%, 12/20/29	NR/AAA	1,553,145
1,500	5.125%, 12/20/30	NR/AAA	1,545,510
4,365	State Environmental Improvement & Energy Res. Auth.,		
	Water Pollution Control Rev., 5.00%, 7/1/23, Ser. B	Aaa/NR	4,588,968
7,500	State Health & Educational Facs. Auth., Health Facs. Rev., St. Anthony's Medical Center, 6.25%, 12/1/30,		
	(Pre-refunded @ \$101, 12/1/10) (a)	A2/A	8,230,125
250	Township of Jennings Rev., 5.00%, 11/1/23	NR/NR	249,768
500			

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	Univ. Place Transportation Dev. Dist., Special Assessment, 5.00%, 3/1/32	NR/NR	502,245 22,252,725
11,250	Montana-1.3% Forsyth Pollution Control Rev., Puget Sound Energy, 5.00%, 3/1/31 (AMBAC)	Aaa/AAA	11,825,775

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PIMCO Municipal Income Fund III
Schedule of Investments
March 31, 2007 (unaudited) (continued)

Principal Amount (000)		Credit Rating (Moody's/S&P)	Value
	Nevada-0.5%		
\$3,355	Henderson Health Care Fac. Rev., Catholic Healthcare West, 5.125%, 7/1/28	A2/A	\$3,410,324
855	Henderson Local Improvement Dist., Special Assessment, 5.80%, 3/1/23	NR/NR	883,779 4,294,103
	New Hampshire-0.5%		
1,500	Manchester Water Works Rev. (FGIC), 5.00%, 12/1/28	Aaa/AAA	1,576,110
3,250	5.00%, 12/1/34	Aaa/AAA	3,403,335 4,979,445
	New Jersey-3.6%		
1,000	Camden Cnty., Improvement Auth. Rev., 5.00%, 2/15/35, Ser. A	Baa3/BBB	1,023,440
4,500	Economic Dev. Auth., Kapkowski Rd. Landfill, 6.50%, 4/1/28	Baa3/NR	5,481,360
300	Newark Airport, 7.00%, 10/1/14	Ba1/NR	304,803
2,500	Health Care Facs. Financing Auth. Rev., Middlesex Cnty. Pollution Control Auth. Rev., 5.75%, 9/15/32	Baa3/BBB-	2,673,050
3,000	Pascack Valley Hospital, 6.625%, 7/1/36	Caa1/CCC	3,156,540
2,000	Somerset Medical Center, 5.50%, 7/1/33	Ba1/NR	2,071,300
2,000	South Port Corp. Rev., 5.10%, 1/1/33	NR/A	2,080,300
1,500	State Educational Facs. Auth. Rev., 6.00%, 7/1/25, Ser. D	NR/NR	1,635,615
525	Tobacco Settlement Financing Corp. Rev., 6.00%, 6/1/37, (Pre-refunded @ \$100, 6/1/12) (a)	Aaa/AAA	581,983

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1,000	6.125%, 6/1/24	Aaa/AAA	1,072,340
230	6.125%, 6/1/42, (Pre-refunded @ \$100, 6/1/12) (a)	Aaa/AAA	256,303
350	6.25%, 6/1/43, (Pre-refunded @ \$100, 6/1/13) (a)	Aaa/AAA	398,730
10,750	6.75%, 6/1/39, (Pre-refunded @ \$100, 6/1/13) (a)	Aaa/AAA	12,540,198
			33,275,962
	New Mexico—0.1%		
1,000	Farmington Pollution Control Rev., 5.80%, 4/1/22	Baa2/BBB	1,011,910
	New York—4.8%		
10,000	Metropolitan Transportation Auth. Rev., 5.25%, 11/15/32, Ser. B, (Pre-refunded @ \$100, 11/15/13) (a)	A2/AAA	10,944,600
	New York City Municipal Water Finance Auth., Water & Sewer System Rev.,		
5,000	5.00%, 6/15/35, Ser. C	Aa2/AA+	5,230,100
8,180	5.00%, 6/15/37, Ser. D (g)	Aa2/AA+	8,594,644
1,500	5.00%, 6/15/39, Ser. A	Aa2/AA+	1,567,140
11,590	State Dormitory Auth. Rev., Sloan-Kettering Center Memorial, 5.00%, 7/1/34, Ser. 1	Aa2/AA	12,093,701

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PIMCO Municipal Income Fund III
Schedule of Investments
March 31, 2007 (unaudited) (continued)

Principal Amount (000)		Credit Rating (Moody's/S&P)	Value
	New York—4.8% (continued)		
\$3,800	State Personal Income Tax, 5.00%, 3/15/32, (Pre-refunded @ \$100, 3/15/13) (a)	Aa3/AAA	\$4,076,146
2,000	State Environmental Facs. Corp. Rev., 5.00%, 6/15/28	Aaa/AAA	2,105,340
			44,611,671
	North Carolina—1.3%		
2,000	Charlotte-Mecklenburg Hospital Auth., Healthcare System Rev., 5.00%, 1/15/33, Ser. A	Aa3/AA	2,075,000
	Eastern Municipal Power Agcy., Power System Rev.,		
2,000	5.125%, 1/1/23, Ser. D	Baa2/BBB	2,078,900
2,000	5.125%, 1/1/26, Ser. D	Baa2/BBB	2,073,760
3,795	5.375%, 1/1/17, Ser. C	Baa2/BBB	4,052,073
1,500	Medical Care Commission, Health Care Facs. Rev., Cleveland Cnty., 5.00%, 7/1/35 (AMBAC)	Aaa/AAA	1,565,595

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			11,845,328
	Ohio—0.8%		
2,500	Lorain Cnty. Hospital Rev., Catholic Healthcare, 5.375%, 10/1/30	Aa3/AA–	2,633,950
5,000	Ohio Air Quality Dev. Auth. Rev., 4.80%, 1/1/34, Ser. B (FGIC) (g)	Aaa/AAA	5,122,800
			7,756,750
	Oklahoma—0.4%		
3,500	Tulsa Cnty. Industrial Auth. Rev., Legacy Apartments, 4.90%, 11/20/46 (FHA-GNMA)	Aaa/NR	3,626,735
	Pennsylvania—2.8%		
4,350	Allegheny Cnty. Hospital Dev. Auth. Rev., 9.25%, 11/15/30, Ser. B	Ba3/B+	5,143,527
1,500	Cumberland Cnty. Auth., Retirement Community Rev., Wesley Affiliated Services, 7.25%, 1/1/35, Ser. A, (Pre-refunded @ \$101, 1/1/13) (a)	NR/NR	1,769,850
3,250	Delaware River Toll Bridge, Commission Bridge Rev., 5.00%, 7/1/28	A2/A–	3,385,818
1,250	Harrisburg Auth. Rev., 6.00%, 9/1/36	NR/NR	1,289,750
3,000	Lehigh Cnty. General Purpose Auth. Rev., St. Luke's Bethlehem Hospital, 5.375%, 8/15/33, (Pre-refunded @ \$100, 8/15/13) (a)	Baa1/BBB	3,268,260
5,000	Philadelphia School Dist., GO, 5.125%, 6/1/34, Ser. D (FGIC)	Aaa/AAA	5,308,500
6,300	St. Mary Hospital Auth., Bucks Cnty. Rev., 5.00%, 12/1/28, (Pre-refunded @ \$101, 6/1/08) (a)	Aa2/NR	6,303,213