

PIMCO NEW YORK MUNICIPAL INCOME FUND

Form N-CSR/A

July 05, 2012

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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 811-10381

**PIMCO New York Municipal Income Fund**

(Exact name of registrant as specified in charter)

**1633 Broadway, New York, NY 10019**

(Address of principal executive offices)(Zip code)

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

(Name and address of agent for service)

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

Date of fiscal year end: April 30, 2012

Date of reporting period: April 30, 2012

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Item 1. REPORT TO SHAREHOLDERS

# Annual Report

April 30, 2012

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

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Hans W. Kertess

*Chairman*

Brian S. Shlissel

*President & CEO*

Dear Shareholder:

Municipal bonds recorded strong gains during the fiscal twelve-month reporting period ended April 30, 2012. These gains were achieved despite significant market volatility and political uncertainty and an increased supply of municipal securities that came to market. During the reporting period, the strengthening U.S. economy encouraged investors to move out of cash and into municipal bonds.

For the fiscal twelve-month period ended April 30, 2012:

PIMCO Municipal Income Fund rose 30.95% on net asset value ( NAV ) and 27.20% on market price.

PIMCO California Municipal Income Fund rose 30.75% on NAV and 32.94% on market price.

PIMCO New York Municipal Income Fund rose 22.31% on NAV and 26.36% on market price.

**The Fiscal Twelve-Month Period In Review**

The fiscal twelve-month reporting period began with 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, expanding at an annual pace of 1.3%. GDP accelerated to an annual rate of 1.8% between July and September 2011, and to a 3.0% rate between October and December 2011. This momentum reversed during the first quarter of 2012 as GDP moved to a 1.9% annual pace.

The Federal Reserve (the Fed ) kept its closely watched Fed Funds rate (the interest rate at which depository institutions trade funds held by the Fed with each other, usually on an overnight basis) in the 0.0% to 0.25% range for the entire fiscal twelve-month period. This in turn kept short-term U.S. Treasury yields and municipal bond yields (which tend to track Treasuries) quite low. Fed Chairman Ben Bernanke revealed that the Fed would maintain short-term interest rates in this range through late 2014. He also indicated that the Fed has not ruled out further attempts to stimulate the economy.

Although Treasury yields bounced up and down, the overall trend during the twelve-month fiscal reporting period was lower. The benchmark ten-year Treasury bond began the fiscal period yielding 3.32% and stood at 1.95% at April 30, 2012. This drop was likely a reflection of

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considerable market uncertainty and the extraordinary volatility that characterized much of the twelve-month period. This volatility occurred both overseas, where Europe's sovereign debt crisis seemed to wax and wane repeatedly, and in Washington, where a hyperpartisan political standoff over taxes and spending led to a downgrade of the government's long-term credit rating by Standard & Poor's.

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As the twelve-month fiscal reporting period began, new municipal issuance was low; however, it quickly accelerated, as suppliers moved to lock in low interest rates. New issuance rose from approximately \$4.2 billion weekly in January to approximately \$7.9 billion weekly as the fiscal reporting period drew to a close in April. One report indicated that new municipal issuance in April 2012 was 113% greater than April 2011, yet the market absorbed this increased supply with relative ease.

**Outlook**

Subsequent to the end of the fiscal reporting period, Europe's sovereign debt crisis appeared to take another turn for the worse. Investors flocked to the perceived safety of U.S. Treasuries and yields plunged in response. China's economy is also slowing, and in the U.S., there is growing uncertainty concerning future levels of taxes and spending. In addition, a series of tax cuts are scheduled to expire on

December 31, 2012, and major spending reductions are planned to begin in January 2013. Higher taxes, reduced spending, or both, would almost certainly have a negative impact on the economy in 2013. Consequently, there are many reasons for caution going forward.

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](http://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 & CEO

Receive this report electronically and eliminate paper mailings. To enroll, go to [www.allianzinvestors.com/edelivery](http://www.allianzinvestors.com/edelivery).

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**PIMCO Municipal Income Funds Fund Insights**

April 30, 2012 (unaudited)

For the twelve month fiscal year ended April 30, 2012, PIMCO Municipal Income Fund returned 30.95% on net asset value ( NAV ) and 27.20% on market price.

For the twelve month fiscal year ended April 30, 2012, PIMCO California Municipal Income Fund returned 30.75% on NAV and 32.94% on market price.

For the twelve month fiscal year ended April 30, 2012, PIMCO New York Municipal Income Fund returned 22.31 % on NAV and 26.36% on market price.

The municipal bond market generated solid results during the twelve month reporting period. The overall municipal market (measured by the Barclays Municipal Bond Index the Index ) posted positive returns during ten of the twelve months of the period. Strengthening municipal fundamentals, including rising tax revenues, as well as relatively modest primary market supply drove this performance. In addition, investor demand was generally strong as investors looked to enhance income. Though the municipal market sold off in both October 2011 and March 2012, these bumps proved to be only modest and temporary price declines that ultimately reversed course. The index returned 11.36%, during the twelve-month reporting period.

PIMCO Municipal Income Fund and PIMCO New York Municipal Income Fund benefited from an overweighting to revenue bonds versus general obligation bonds. This contributed to results as revenue bonds outperformed general obligations during the reporting period.

Each Fund benefited from overweight exposures to the corporate-backed and tobacco sectors as these sectors outperformed the Index. PIMCO Municipal Income Fund and PIMCO California Municipal Income Fund benefited from their overweight positions in the strong performing healthcare sector. PIMCO New York Municipal Income Fund s overweighting to education enhanced results. PIMCO California Municipal Income Fund benefited from exposure to California issued municipals, as bonds in California generally outperformed the broader market.

Underweight duration in comparison to their benchmarks detracted from all three Funds performance, as municipal yields declined during the twelve-month period. For PIMCO Municipal Income Fund, a steepening yield curve bias detracted from results, as the municipal curve flattened during the reporting period.

PIMCO California Municipal Income Fund s overweight position to the housing sector detracted from performance, as the housing sector underperformed the benchmark. PIMCO New York Municipal Income Fund s exposure to municipals issued in New York generally detracted from performance, as New York municipals generally lagged the broader market.

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All three funds utilized payer interest rate swaps to manage duration in the period that detracted from performance due to the falling rate environment. The funds also utilized Treasury futures during the reporting period to manage the portfolios' duration, which did not meaningfully impact the Funds' performance during the period.

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**PIMCO Municipal Income Funds Performance & Statistics**

April 30, 2012 (unaudited)

**Municipal Income:**

| <b>Total Return<sup>(1)</sup>:</b>              | <b>Market Price</b> | <b>NAV</b> |
|---|---------------------|------------|
| 1 Year  | 27.20%              | 30.95%     |
| 5 Year  | 4.37%               | 5.86%      |
| 10 Year   | 7.77%               | 6.90%      |
| Commencement of Operations (6/29/01) to 4/30/12 | 7.44%               | 6.77%      |

**Market Price/NAV Performance:**

Commencement of Operations (6/29/01) to 4/30/12

**Market Price/NAV:**

|                                   |         |
|-----------------------------------|---------|
| Market Price                      | \$15.28 |
| NAV                               | \$12.93 |
| Premium to NAV                    | 18.17%  |
| Market Price Yield <sup>(2)</sup> | 6.38%   |
| Leverage Ratio <sup>(3)</sup>     | 38.62%  |

**Moody's Rating**

(as a % of total investments)

**California Municipal Income:**

| <b>Total Return<sup>(1)</sup>:</b>              | <b>Market Price</b> | <b>NAV</b> |
|---|---------------------|------------|
| 1 Year  | 32.94%              | 30.75%     |
| 5 Year  | 3.80%               | 6.13%      |
| 10 Year   | 7.15%               | 7.01%      |
| Commencement of Operations (6/29/01) to 4/30/12 | 6.85%               | 6.68%      |

**Market Price/NAV Performance:**

Commencement of Operations (6/29/01) to 4/30/12

**Market Price/NAV:**

|              |         |
|--------------|---------|
| Market Price | \$14.83 |
|--------------|---------|

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|                                   |         |
|-----------------------------------|---------|
| NAV                               | \$13.75 |
| Premium to NAV                    | 7.85%   |
| Market Price Yield <sup>(2)</sup> | 6.23%   |
| Leverage Ratio <sup>(3)</sup>     | 42.24%  |

**Moody's Rating**

(as a % of total investments)

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**PIMCO Municipal Income Funds Performance & Statistics**

April 30, 2012 (unaudited)

**New York Municipal Income:**

| <b>Total Return<sup>(1)</sup>:</b>              | <b>Market Price</b> | <b>NAV</b> |
|---|---------------------|------------|
| 1 Year  | 26.36%              | 22.31%     |
| 5 Year  | 1.42%               | 2.60%      |
| 10 Year   | 4.52%               | 4.44%      |
| Commencement of Operations (6/29/01) to 4/30/12 | 4.12%               | 4.30%      |

**Market Price/NAV Performance:**

Commencement of Operations (6/29/01)

to 4/30/12

**Market Price/NAV:**

|                                   |         |
|-----------------------------------|---------|
| Market Price                      | \$11.73 |
| NAV                               | \$11.38 |
| Premium to NAV                    | 3.08%   |
| Market Price Yield <sup>(2)</sup> | 5.83%   |
| Leverage Ratio <sup>(3)</sup>     | 39.75%  |

**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 income dividends and capital gain 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 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 the Funds' shares, or changes in the Funds' dividends.

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An investment in the Funds 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 April 30, 2012.

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

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April 30, 2012

| Principal Amount (000s)                  |  | Value        |
|--|--|--------------|
| <b>MUNICIPAL BONDS &amp; NOTES 97.8%</b> |  |              |
| <b>Alabama 1.0%</b>                      |  |              |
| \$ 2,500                                 | Birmingham-Baptist Medical Centers Special Care Facs. Financing Auth. Rev., Baptist Health Systems, Inc., 5.875%, 11/15/24, Ser. A | \$ 2,521,800 |
| 250                                      | Huntsville-Redstone Village Special Care Facs. Financing Auth. Rev., Redstone Village Project, 5.50%, 1/1/28                       | 245,098      |
| 885                                      | 5.50%, 1/1/43  | 761,675      |
| 1,350                                    | Montgomery Medical Clinic Board Rev., Jackson Hospital & Clinic, 5.25%, 3/1/31   | 1,371,856    |
|  |  | 4,900,429    |
| <b>Alaska 0.8%</b>                       |  |              |
| 3,280                                    | Borough of Matanuska-Susitna Rev., Goose Creek Correctional Center, 6.00%, 9/1/32 (AGC)  | 3,838,125    |
| 900                                      | Industrial Dev. & Export Auth. Rev., Boys & Girls Home, 6.00%, 12/1/36   | 482,850      |
|  |  | 4,320,975    |
| <b>Arizona 5.1%</b>                      |  |              |
| 410                                      | Apache Cnty. Industrial Dev. Auth. Rev., Tucson Electric Power Co. Project, 5.875%, 3/1/33, Ser. B                                 | 410,472      |
| 2,050                                    | Health Facs. Auth. Rev., Banner Health, 5.50%, 1/1/38, Ser. D  | 2,220,478    |
| 2,750                                    | Beatitudes Campus Project, 5.20%, 10/1/37  | 2,163,040    |
| 1,500                                    | Maricopa Cnty. Pollution Control Corp. Rev., Southern California Edison Co., 5.00%, 6/1/35, Ser. A                                 | 1,628,505    |
| 750                                      | Pima Cnty. Industrial Dev. Auth. Rev., Tucson Electric Power Co., Ser. A, 5.25%, 10/1/40   | 782,062      |
| 4,150                                    | 6.375%, 9/1/29   | 4,238,395    |
| 5,000                                    | Salt River Project Agricultural Improvement & Power Dist. Rev., 5.00%, 1/1/39, Ser. A (h)  | 5,482,400    |
| 9,200                                    | Salt Verde Financial Corp. Rev., 5.00%, 12/1/37  | 9,373,512    |
|  |  | 26,298,864   |
| <b>Arkansas 0.5%</b>                     |  |              |
| 8,500                                    | Dev. Finance Auth. Rev., Arkansas Cancer Research Center Project, zero coupon, 7/1/36 (AMBAC)                                      | 2,777,715    |
| <b>California 13.4%</b>                  |  |              |
| 2,875                                    | Bay Area Toll Auth. Rev., San Francisco Bay Area, 5.00%, 10/1/34   | 3,123,458    |
| 3,255                                    | 5.00%, 10/1/42   | 3,511,982    |
| 3,000                                    | Chula Vista Rev., San Diego Gas & Electric, 5.875%, 2/15/34, Ser. B  | 3,481,920    |
| 1,500                                    | Golden State Tobacco Securitization Corp. Rev., 5.75%, 6/1/47, Ser. A-1  | 1,236,075    |
| 2,000                                    | Health Facs. Financing Auth. Rev., Catholic Healthcare West, 6.00%, 7/1/39, Ser. A   | 2,307,340    |
| 1,500                                    | Sutter Health, 6.00%, 8/15/42, Ser. B  | 1,755,780    |
| 5,300                                    | Los Angeles Community College Dist., GO, 5.00%, 8/1/32, Ser. A (FGIC-NPFGC)  | 5,834,929    |
| 2,000                                    | Los Angeles Unified School Dist., GO, 5.00%, 7/1/30, Ser. E (AMBAC)  | 2,146,580    |

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April 30, 2012 (continued)

| Principal Amount (000s) |  | Value        |
|-------------------------|--|--------------|
|                         | <b>California (continued)</b>  |              |
| \$ 4,175                | Montebello Unified School Dist., GO, 5.00%, 8/1/33 (AGM)                         | \$ 4,494,220 |
| 2,000                   | M-S-R Energy Auth. Rev., 6.125%, 11/1/29, Ser. C                                 | 2,334,740    |
| 1,525                   | Municipal Finance Auth. Rev., Azusa Pacific Univ. Project, 7.75%, 4/1/31, Ser. B | 1,729,548    |
| 5,000                   | Orange Cnty. Airport Rev., 5.25%, 7/1/39, Ser. A                                 | 5,526,450    |
| 1,600                   | San Marcos Unified School Dist., GO, 5.00%, 8/1/38, Ser. A                       | 1,735,408    |
|                         | State, GO,   |              |
| 700                     | 5.00%, 11/1/32   | 755,699      |
| 1,200                   | 5.00%, 6/1/37  | 1,261,368    |
| 2,300                   | 5.125%, 8/1/36   | 2,479,791    |
| 1,250                   | 5.25%, 3/1/38  | 1,345,913    |
| 1,900                   | 5.25%, 11/1/40   | 2,081,070    |
| 500                     | 5.50%, 3/1/40  | 554,560      |
| 3,200                   | 6.00%, 4/1/38  | 3,699,968    |
|                         | Statewide Communities Dev. Auth. Rev.,   |              |
| 750                     | California Baptist Univ., 6.50%, 11/1/21   | 889,740      |
| 845                     | Catholic Healthcare West, 5.50%, 7/1/31, Ser. E                                  | 925,799      |
|                         | Methodist Hospital Project (FHA),  |              |
| 2,600                   | 6.625%, 8/1/29   | 3,247,868    |
| 9,500                   | 6.75%, 2/1/38  | 11,568,625   |
| 2,000                   | Whittier Union High School Dist., GO, zero coupon, 8/1/25                        | 997,080      |
|                         |  | 69,025,911   |
|                         | <b>Colorado 1.2%</b>   |              |
| 500                     | Confluence Metropolitan Dist. Rev., 5.45%, 12/1/34                               | 384,775      |
| 450                     | Denver Health & Hospital Auth. Rev., 5.625%, 12/1/40                             | 484,020      |
| 2,500                   | Health Facs. Auth. Rev., Catholic Health Initiatives, 5.00%, 2/1/41, Ser. A      | 2,707,750    |
| 500                     | Public Auth. for Colorado Energy Rev., 6.50%, 11/15/38                           | 621,525      |
| 400                     | Regional Transportation Dist., CP, 5.375%, 6/1/31, Ser. A                        | 444,928      |
| 1,500                   | Univ. of Colorado Rev., 5.375%, 6/1/38, Ser. A                                   | 1,703,100    |