

FIRST OPPORTUNITY FUND INC
Form SC 13G/A
February 12, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No. 1) *

FIRST OPPORTUNITY FUND INC

(Name of Issuer)

COMMON STOCK

(Title of Class of Securities)

33587T108

(CUSIP Number)

December 31, 2009

(Date of Event which Requires Filing of Statement)

Check the appropriate box to designate the Rule pursuant to which this Schedule is filed:

Rule 13d - 1(b)

Rule 13d - 1(c)

Rule 13d - 1(d)

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes.)

(Continued on following page(s)
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CUSIP NO. 33587T108 13G Page 2 of 5 Pages

1 Name of Reporting Person
S.S. or I.R.S. Identification No. of Above Person

T. ROWE PRICE ASSOCIATES, INC.

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52-0556948

2 Check the Appropriate Box if a Member of a Group*

NOT APPLICABLE

(a) _____
(b) _____

3 SEC Use Only

4 Citizenship or Place of Organization

MARYLAND

Number of 5 Sole Voting Power
**

Shares 1,149,231

Beneficially 6 Shared Voting Power
**

Owned By Each -0-

Reporting 7 Sole Dispositive Power
**

Person 2,064,331

With 8 Shared Dispositive Power
-0-

9 Aggregate Amount Beneficially Owned by Each Reporting Person

2,064,331

10 Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares*

NOT APPLICABLE

11 Percent of Class Represented by Amount in Row 9

7.1%

12 Type of Reporting Person*

IA

*SEE INSTRUCTION BEFORE FILLING OUT!

**Any shares reported in Items 5 and 6 are also reported in Item 7.

SCHEDULE 13G

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Item 1(a) Name of Issuer:

Reference is made to page 1 of this Schedule 13G

Item 1(b) Address of Issuer's Principal Executive Offices:

2344 SPRUCE ST, STE A, BOULDER CO 80302

Item 2(a) Name of Person(s) Filing:

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(1) T. Rowe Price Associates, Inc. ("Price Associates")

(2) _____

Attached as Exhibit A is a copy of an agreement between the Persons Filing (as specified hereinabove) that this Schedule 13G is being filed on behalf of each of them.

Item 2(b) Address of Principal Business Office:

100 E. Pratt Street, Baltimore, Maryland 21202

Item 2(c) Citizenship or Place of Organization:

(1) Maryland

(2) _____

Item 2(d) Title of Class of Securities:

Reference is made to page 1 of this Schedule 13G

Item 2(e) CUSIP Number: 33587T108

Item 3 The person filing this Schedule 13G is an:

Investment Adviser registered under Section 203 of the Investment Advisers Act of 1940

 Investment Company registered under Section 8 of the Investment Company Act of 1940

Item 4 Reference is made to Items 5-11 on page 2 of this Schedule 13G.

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Item 5 Ownership of Five Percent or Less of a Class.

Not Applicable.

This statement is being filed to report the fact that, as of the date of this report, the reporting person(s) has (have) ceased to be the beneficial owner of more than five percent of the class of securities.

Item 6 Ownership of More than Five Percent on Behalf of Another Person

(1) Price Associates does not serve as custodian of the assets of any of its clients; accordingly, in each instance only the client or the client's custodian or trustee bank has the right to receive dividends paid with respect to, and proceeds from the sale of, such securities.

The ultimate power to direct the receipt of dividends paid with respect to, and the proceeds from the sale of, such securities, is vested in the individual and

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institutional clients which Price Associates serves as investment adviser. Any and all discretionary authority which has been delegated to Price Associates may be revoked in whole or in part at any time.

Except as may be indicated if this is a joint filing with one of the registered investment companies sponsored by Price Associates which it also serves as investment adviser ("T. Rowe Price Funds"), not more than 5% of the class of such securities is owned by any one client subject to the investment advice of Price Associates.

- (2) With respect to securities owned by any one of the T. Rowe Price Funds, only State Street Bank and Trust Company, as custodian for each of such Funds, has the right to receive dividends paid with respect to, and proceeds from the sale of, such securities. No other person is known to have such right, except that the shareholders of each such Fund participate proportionately in any dividends and distributions so paid.

Item 7 Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company.

Not Applicable.

Item 8 Identification and Classification of Members of the Group.

Not Applicable.

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Item 9 Notice of Dissolution of Group.

Not Applicable.

Item 10 Certification.

By signing below I (we) certify that, to the best of my (our) knowledge and belief, the securities referred to above were acquired in the ordinary course of business and were not acquired for the purpose of and do not have the effect of changing or influencing the control of the issuer of such securities and were not acquired in connection with or as a participant in any transaction having such purpose or effect. T. Rowe Price Associates, Inc. hereby declares and affirms that the filing of Schedule 13G shall not be construed as an admission that Price Associates is the beneficial owner of the securities referred to, which beneficial ownership is expressly denied.

Signature.

After reasonable inquiry and to the best of my (our) knowledge and belief, I (we) certify that the information set forth in this statement is true, complete and correct.

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Dated: February 12, 2010

T. ROWE PRICE ASSOCIATES, INC.

By: /s/ David Oestreicher
David Oestreicher, Vice President

Note: This Schedule 13G, including all exhibits, must be filed with the Securities and Exchange Commission, and a copy hereof must be sent to the issuer by registered or certified mail not later than February 14th following the calendar year covered by the statement or within the time specified in Rule 13d-1(b) (2), if applicable.

12/31/2009

font-size: 8pt; color: #000000; font-weight: normal; font-style: normal; border-bottom: 1px solid #000000; padding-left: 10pt; text-indent: -10pt; padding-top: 0pt; background-color: #cceeef; align="left" valign="bottom" colspan="3">Transfer agent fees 33,850 Audit and tax services 28,675 New York Stock Exchange listing fees 20,680 Trustees' fees and expenses 6,475 Insurance expense 5,736 Legal fees 3,150 Investor relations 1,468 Miscellaneous 8,509 Total expenses 1,936,940 Less: investment management fees waived (330,485) custody credits earned on cash balances (12,734) Net expenses 1,593,721 **Net Investment Income** 7,191,006 **Realized and Change in Unrealized Gain (Loss):** Net realized gain (loss) on: Investments 533,710 Futures contracts (1,149,247) Options written 515,254 Net change in unrealized appreciation/depreciation of: Investments (2,449,521) Futures contracts 655,838 Options written 185,961 Net realized and change in unrealized loss on investments, futures contracts and options written (1,708,005) **Net Increase in Net Assets Resulting from Investment Operations** 5,483,001 **Dividends on Preferred Shares from Net Investment Income** (1,622,910) **Net Increase in Net Assets Applicable to Common Shareholders Resulting from Investment Operations** \$ 3,860,091

†As Restated – see Note 8

See accompanying Notes to Financial Statements | 4.30.06 | PIMCO New York Municipal Income Fund Annual Report 7

PIMCO New York Municipal Income Fund
Statement of Changes in Net Assets
Applicable to Common Shareholders

	New York Municipal†	
	Year ended	Year ended
	April 30, 2006	April 30, 2005

Investment Operations:

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Net investment income	\$ 7,191,006	\$ 7,428,747
Net realized loss on investments, futures contracts and options written	(100,283)	(3,584,350)
Net change in unrealized appreciation/depreciation of investments, futures contracts and options written	(1,607,722)	6,533,355
Net increase in net assets resulting from investment operations	5,483,001	10,377,752
Dividends on Preferred Shares from Net investment income	(1,622,910)	(892,314)
Net increase in net assets applicable to common shareholders resulting from investment operations	3,860,091	9,485,438
Dividends on Common Shareholders from Net investment income	(6,567,905)	(6,632,392)
Capital Share Transactions:		
Reinvestment of dividends	963,117	337,047
Total increase (decrease) in net assets applicable to common shareholders	(1,744,697)	3,190,093
Net Assets Applicable to Common Shareholders:		
Beginning of year	102,111,900	98,921,807
End of year (including undistributed (dividends in excess of) net investment income of \$(85,794) and \$898,985; respectively)	\$100,367,203	\$102,111,900
Common Shares Issued in Reinvestment of Dividends:	67,984	24,712

†As Restated – see Note 8

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PIMCO New York Municipal Income Fund
Notes to Financial Statements
April 30, 2006

1. Organization and Significant Accounting Policies

PIMCO New York Municipal Income Fund (“New York Municipal”) or the “Fund”, was organized as Massachusetts business trusts on May 10, 2001. Prior to commencing operations on June 29, 2001, the Fund had no operations other than matters relating to its organization and registration as non-diversified, closed-end management investment company registered under the Investment Company Act of 1940 and the rules and regulations thereunder, as amended. Allianz Global Investors Fund Management LLC (the “Investment Manager”), serves as the investment manager and is an indirect, wholly-owned subsidiary of Allianz Global Investors of America L.P. (“Allianz Global”). Allianz Global is an indirect majority-owned subsidiary of Allianz AG. The Fund has an unlimited amount of no par value common stock authorized.

New York Municipal invests substantially all of its assets in municipal bonds which pay interest that is exempt from federal, New York state and New York City income taxes. The Fund will seek to avoid bonds generating interest

income which could potentially subject individuals to alternative minimum tax. The issuers' abilities to meet their obligations may be affected by economic and political developments in a specific state or region.

The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

In the normal course of business the Fund enters into contracts that contain a variety of representations which provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund based upon events that have not been asserted. However, the Fund expects the risk of any loss to be remote.

The following is a summary of significant accounting policies consistently followed by the Fund:

(a) Valuation of Investments

Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. Portfolio securities and other financial instruments for which market quotations are not readily available or if a development/event occurs that may significantly impact the value of a security may be fair-valued, in good faith, pursuant to guidelines established by the Board of Trustees. The Fund's investments are valued daily using prices supplied by an independent pricing service or dealer quotations, using the last sale price on the exchange that is the primary market for such securities, or the quoted mean price for those securities for which the over-the-counter market is the primary market or for listed securities in which there were no sales. The independent pricing service uses information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics. Exchange traded options and futures are valued at the settlement price determined by the relevant exchange. Short-term securities maturing in 60 days or less are valued at amortized cost, if their original term to maturity was 60 days or less, or by amortizing their value on the 61st day prior to maturity, if the original term to maturity exceeded 60 days. The prices used by the Fund to value securities may differ from the value that would be realized if the securities were sold and the differences could be material to the financial statements. The Fund's net asset value is determined daily as of the close of regular trading (normally, 4:00 p.m. Eastern time) on the New York Stock Exchange ("NYSE") on each day the NYSE is open for business.

(b) Investment Transactions and Investment Income

Investment transactions are accounted for on the trade date. Realized gains and losses on investments are determined on the identified cost basis. Interest income is recorded on an accrual basis. Original issue discounts or premiums on debt securities purchased are accreted or amortized daily to non-taxable interest income. Market discount, if any, is accreted daily to taxable income.

(c) Federal Income Taxes

The Fund intends to distribute all of its taxable income and to comply with the other requirements of the U.S. Internal Revenue Code of 1986, as amended, applicable to regulated investment companies. Accordingly, no provision for U.S. federal income taxes is required.

(d) Dividends and Distributions — Common Stock

The Fund declares dividends from net investment income monthly to common shareholders. Distributions of net realized capital gains, if any, are paid at least annually. The Fund records dividends and distributions to its shareholders on the ex-dividend date. The amount of dividends and distributions from net investment income and net

PIMCO New York Municipal Income Fund
Notes to Financial Statements
April 30, 2006

1. Organization and Significant Accounting Policies (continued)

realized capital gains are determined in accordance with federal income tax regulations, which may differ from generally accepted accounting principles. These “book-tax” differences are considered either temporary or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the capital accounts based on their federal income tax treatment; temporary differences do not require reclassification. To the extent dividends and/or distributions exceed current and accumulated earnings and profits for federal income tax purposes, they are reported as dividends and/or distributions of paid-in capital.

(e) Futures Contracts

A futures contract is an agreement between two parties to buy and sell a financial instrument at a set price on a future date. Upon entering into such a contract, the Fund is required to pledge to the broker an amount of cash or securities, equal to the minimum “initial margin” requirements of the exchange. Pursuant to the contracts, the Fund agrees to receive from or pay to the broker an amount of cash or securities equal to the daily fluctuation in the value of the contracts. Such receipts or payments are known as “variation margin” and are recorded by the Fund as unrealized appreciation or depreciation. When the contracts are closed, the Fund records a realized gain or loss equal to the difference between the value of the contracts at the time they were opened and the value at the time they were closed. Any unrealized appreciation or depreciation recorded is simultaneously reversed. The use of futures transactions involves the risk of an imperfect correlation in the movements in the price of futures contracts, interest rates and the underlying hedged assets, and the possible inability of counterparties to meet the terms of their contracts.

(f) Option Transactions

The Fund may purchase and write (sell) put and call options on securities for hedging purposes, risk management purposes or as part of its investment strategy. The risk associated with purchasing an option is that the Fund pays a premium whether or not the option is exercised. Additionally, the Fund bears the risk of loss of premium and change in market value should the counterparty not perform under the contract. Put and call options purchased are accounted for in the same manner as portfolio securities. The cost of securities acquired through the exercise of call options is increased by the premiums paid. The proceeds from securities sold through the exercise of put options is decreased by the premiums paid.

When an option is written, the premium received is recorded as an asset with an equal liability which is subsequently adjusted to the current market value of the option written. These liabilities are reflected as options written in the Statement of Assets and Liabilities. Premiums received from writing options which expire unexercised are recorded on the expiration date as a realized gain. The difference between the premium received and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or if the premium is less than the amount paid for the closing purchased transactions, as a realized loss. If a call option written by the Fund is exercised, the premium is added to the proceeds from the sale of the underlying security in determining whether there has been a realized gain or loss. If a put option written by the Fund is exercised, the premium reduces the cost basis of the security. In writing an option, the Fund bears the market risk of an unfavorable change in the

price of the security underlying the written option. Exercise of a written option could result in the Fund purchasing a security at a price different from the current market value.

(g) Inverse Floating Rate Transactions — Residual Interest Municipal Bonds (“RIBs”)/Residual Interest Tax Exempt Bonds (“RITEs”)

The Fund invests in RIBs and RITEs (“Inverse Floaters”) whose interest rates bear an inverse relationship to the interest rate on another security or the value of an index. In these transactions, the Fund transfers a fixed rate municipal bond (“Fixed Rate Bond”) to a broker who places the Fixed Rate Bond in a special purpose trust (“Trust”) from which floating rate bonds (“Floating Rate Notes”) and Inverse Floaters are issued. The Fund simultaneously or within a short period of time receives the Inverse Floaters from the broker. The Inverse Floaters held by a Fund provides the Fund with the right to (1) cause the holders of the Floating-Rate Notes to tender their notes at par, and (2) cause the broker to transfer the Fixed-Rate Bond held by the Trust to the Fund, thereby collapsing the Trust. Pursuant to Statement of Financial Accounting Standards No. 140 (“FASB Statement No. 140”), the Fund accounts for the transaction described above as a secured borrowing by including the Fixed-Rate Bond in its Schedule of Investments, and recording the Floating-Rate Notes as a liability under the caption “Payable for floating rate notes” in the Fund’s “Statement of Assets and Liabilities”. The Floating Rate Notes have interest rates that generally reset weekly and their holders have the option to tender their notes to the broker for redemption at par at each reset date.

The Fund may also invest in Inverse Floaters without transferring a fixed rate municipal bond into a special purpose trust, which are not accounted for as secured borrowings.

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PIMCO New York Municipal Income Fund
Notes to Financial Statements
April 30, 2006

1. Organization and Significant Accounting Policies (continued)

Inverse Floaters are created by dividing the income stream provided by the underlying bonds to create two securities, one short-term and one long-term. The interest rate on the short-term component is reset by an index or auction process typically every 7 to 35 days. After income is paid on the short-term securities at current rates, the residual income from the underlying bond (s) goes to the long-term securities. Therefore, rising short-term rates result in lower income for the long-term component and visa versa. The longer-term bonds may be more volatile and less liquid than other municipal bonds of comparable maturity. Investments in Inverse Floaters typically will involve greater risk than investments in Fixed Rate Bonds. The Fund may also invest in Inverse Floaters for the purpose of increasing leverage.

The Fund’s investment policies and restrictions expressly permit investments in Inverse Floaters. The Fund’s restrictions on borrowings do not apply to the secured borrowings deemed to have occurred for accounting purposes pursuant to FASB Statement No. 140. Inverse Floaters held by the Fund are exempt from registration under Rule 144A of the Securities Act of 1933.

(h) Custody Credits Earned on Cash Balances

The Fund benefits from an expense offset arrangement with their custodian bank whereby uninvested cash balances earn credits which reduce monthly custodian and accounting agent expenses. Had these cash balances been invested in

income producing securities, they would have generated income for the Fund.

(i) Interest Expense

Interest expense relates to the Fund's liability in connection with floating rate notes issued in conjunction with Inverse Floater transactions. Interest expense is recorded as incurred.

2. Investment Manager/Sub-Adviser

The Fund has entered into an Investment Management Agreement (the "Agreement") with the Investment Manager. Subject to the supervision of the Fund's Board of Trustees, the Investment Manager is responsible for managing, either directly or through others selected by it, the Fund's investment activities, business affairs and other administrative matters. Pursuant to the Agreement, the Investment Manager receives an annual fee, payable monthly, at the annual rate of 0.65% of the Fund's average daily net assets, inclusive of net assets attributable to any preferred shares that may be outstanding. In order to reduce the Fund's expenses, the Investment Manager has contractually agreed to waive a portion of its investment management fee for the Fund at the annual rate of 0.20% of the Fund's average daily net assets, including net assets attributable to any preferred shares that may be outstanding, from the commencement of operations through June 30, 2006, and for a declining amount thereafter through June 30, 2009.

The Investment Manager has retained its affiliate, Pacific Investment Management Company LLC (the "Sub-Adviser") to manage the Fund's investments. Subject to the supervision of the Investment Manager, the Sub-Adviser makes all investment decisions for the Fund. The Investment Manager, not the Fund, pays a portion of the fees it receives to the Sub-Adviser in return for its services, at the maximum annual rate of 0.37% of the Fund's average daily net assets, inclusive of net assets attributable to any preferred shares that may be outstanding. The Sub-Adviser has contractually agreed to waive a portion of the fees it is entitled to receive from the Investment Manager, such that the Sub-Adviser will receive 0.25% of the Fund's average daily net assets, including net assets attributable to any preferred shares that may be outstanding, from the commencement of the Fund's operations through June 30, 2006, and will receive an increasing amount not to exceed 0.37% of the Fund's average daily net assets, including net assets attributable to any preferred shares that may be outstanding thereafter through June 30, 2009.

3. Investments in Securities

For the year ended April 30, 2006, purchases and sales of investments (as restated – See Note 8), other than short-term securities, were \$32,958,873 and \$24,549,081, respectively.

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PIMCO New York Municipal Income Fund
Notes to Financial Statements
April 30, 2006

3. Investments in Securities (continued)

(a) Futures contracts outstanding at April 30, 2006:

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Type	Notional Amount (000)	Expiration Date	Unrealized Appreciation (Depreciation)
Long: Euro 90 day Futures	\$60	6/18/07	\$(11,400)
Euro 90 day Futures	60	9/17/07	(11,700)
Euro 90 day Futures	60	12/17/07	(12,600)
Euro 90 day Futures	60	3/17/08	(12,900)
Short: U.S. Treasury Bond Futures	(28)	6/21/06	158,813
			\$110,213

(b) Transactions in options written for the year ended April 30, 2006:

	Contracts	Premiums
Options outstanding, April 30, 2005	713	\$644,445
Options written	1,330	972,381
Options expired	(747)	(568,305)
Options terminated in closing purchase transactions	(1,296)	(1,048,521)
Options outstanding, April 30, 2006	—	\$—

4. Income Tax Information

The tax character of dividends paid was:

	Year ended April 30, 2006	Year ended April 30, 2005
Ordinary Income	\$ 72,767	\$ 56,171
Tax Exempt Income	\$ 8,118,048	\$ 7,468,535

At April 30, 2006, there were no distributable earnings.

At April 30, 2006, New York Municipal had a capital loss carryforward of \$11,760,541 (\$4,214,928 of which will expire in 2011, \$2,679,047 of which will expire in 2012, \$4,622,781 of which will expire in 2013 and \$243,785 of which will expire in 2014), available as a reduction, to the extent provided in the regulations, of any future net realized capital gains. To the extent that these losses are used to offset future realized capital gains, such gains will not be distributed.

The cost of investments for federal income tax purposes and gross unrealized appreciation and gross unrealized depreciation of investments at April 30, 2006 were:

Cost of Investments	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation
\$154,946,224	\$7,126,275	\$480,756	\$6,645,519

The difference between book and tax basis unrealized appreciation/depreciation, if any, is attributable to wash sales and differing treatment of certain inverse floater transactions.

5. Auction Preferred Shares

New York Municipal has issued 2,520 shares of Preferred Shares Series A with a net asset and liquidation value of \$25,000 per share plus accrued dividends.

Dividends and distributions of net realized long-term capital gains, if any, are accumulated daily at an annual rate (typically re-set every seven days) through auction procedures.

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PIMCO New York Municipal Income Fund
 Notes to Financial Statements
 April 30, 2006

5. Auction Preferred Shares (continued)

For the year ended April 30, 2006, the annualized dividend rates ranged from:

	High	Low	At April 30, 2006
<u>New York Municipal:</u>			
Series A	4.400%	1.850%	3.600%

The Fund is subject to certain limitations and restrictions while Preferred Shares are outstanding. Failure to comply with these limitations and restrictions could preclude the Fund from declaring any dividends or distributions to common shareholders or repurchasing common shares and/or triggering the mandatory redemption of Preferred Shares at their liquidation value.

Preferred Shares, which are entitled to one vote per share, generally vote separately as a class to elect two Trustees and on any matters affecting the rights of the Preferred Shares.

6. Subsequent Common Dividend Declarations

On May 1, 2006, the Fund declared a dividend to common shareholders of \$0.07 per common share payable June 1, 2006 to shareholders of record on May 11, 2006.

On June 1, 2006 the Fund declared a dividend to common shareholders of \$0.07 per common share payable July 3, 2006 to shareholders of record on June 12, 2006.

7. Legal Proceedings

In June and September 2004, the Investment Manager, certain of its affiliates (Allianz Global Investors Distributors LLC and PEA Capital LLC) and Allianz Global, agreed to settle, without admitting or denying the allegations, claims brought by the Securities and Exchange Commission (the "Commission"), the New Jersey Attorney General and the California Attorney General alleging violations of federal and state securities laws with respect to certain open-end funds for which the Investment Manager serves as investment adviser. Two settlements (with the Commission and New Jersey) related to an alleged "market timing" arrangement in certain open-end funds sub-advised by PEA Capital.

Two settlements (with the Commission and California) related to the alleged use of cash and fund portfolio commissions to finance “shelf-space” arrangements with broker-dealers for open-end funds. The Investment Manager and its affiliates agreed to pay a total of \$68 million to settle the claims related to market timing and \$20.6 million to settle the claims related to shelf space. The settling parties also agreed to make certain corporate governance changes. None of the settlements allege that any inappropriate activity took place with respect to the Fund.

Since February 2004, the Investment Manager and certain of its affiliates and their employees have been named as defendants in a number of pending lawsuits concerning “market timing,” and “revenue sharing/shelf space/directed brokerage,” which allege the same or similar conduct underlying the regulatory settlements discussed above. The market timing lawsuits have been consolidated in a Multi-District Litigation in the United States District Court for the District of Maryland, and the revenue sharing/shelf space/directed brokerage lawsuits have been consolidated in the United States District Court for the District of Connecticut. Any potential resolution of these matters may include, but not be limited to, judgments or settlements for damages against the Investment Manager or its affiliates or related injunctions. The Investment Manager believes that other similar lawsuits may be filed in federal or state courts in the future.

Under Section 9(a) of the 1940 Act, if any of the various regulatory proceedings or lawsuits were to result in a court injunction against the Investment Manager, Allianz Global and/or their affiliates, they and their affiliates would, in the absence of exemptive relief granted by the Commission, be barred from serving as an investment adviser/sub-adviser or principal underwriter for any registered investment company, including the Fund. In connection with an inquiry from the Commission concerning the status of the New Jersey settlement referenced above with regard to any implications under Section 9(a), the Investment Manager and certain of its affiliates, including the Investment Adviser, (together, the “Applicants”) have sought exemptive relief from the Commission under Section 9(c) of the 1940 Act. The Commission has granted the Applicants a temporary exemption from the provisions of Section 9(a) with respect to the New Jersey settlement until the earlier of (i) September 13, 2006 and (ii) the date on which the Commission takes final action on their application for a permanent exemptive order. There is no assurance that

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PIMCO New York Municipal Income Fund
Notes to Financial Statements
April 30, 2006

7. Legal Proceedings (continued)

the Commission will issue a permanent order. If a court injunction were to issue against the Investment Manager or the affiliates with respect to any of the other matters referenced above, the Investment Manager or the affiliates would, in turn, seek similar exemptive relief under Section 9(c) with respect to that matter, although there is no assurance that such exemptive relief would be granted.

The Investment Manager and the Sub-Adviser believe that these matters are not likely to have a material adverse effect on the Fund or on its ability to perform their respective investment advisory activities relating to the Fund.

The foregoing speaks only as of the date hereof.

8. Restatement Information

Subsequent to the issuance of its April 30, 2006 financial statements, New York Municipal determined that the criteria for sale accounting in FASB Statement No. 140 had not been met for certain transfers of municipal bonds and that the transfers should have been accounted for as secured borrowings rather than as sales. Accordingly, New York Municipal has restated its schedule of investments, statement of assets and liabilities, statement of operations, statement of changes in net assets applicable to common shareholders and financial highlights as indicated in the tables below, to give effect to recording the transfers of the municipal bonds as secured borrowings, including recording interest income on the bonds and interest expense on the secured borrowings in the statement of operations. The restatement had no effect on New York Municipal's previously reported net assets, net asset value per share or total investment return.

	Previously Reported	Restated
Statement of Assets and Liabilities at April 30, 2006:		
Investments, at value	\$161,591,743	\$180,577,613
Identified cost	154,946,205	174,522,714
Interest receivable	2,662,269	2,858,957
Prepaid expenses and other assets	20,749	619,616
Total assets	164,283,461	184,064,886
Payable for floating rate notes	—	19,576,511
Interest payable	—	204,914
Total liabilities	916,258	20,697,683
Accumulated net realized loss	(11,870,772)	(11,870,817)
Net unrealized appreciation of investments, futures contracts and options written	6,755,751	6,755,796
Statement of Operations for the year ended April 30, 2006:		
Investment Income-interest	8,309,782	8,784,727
Interest expense	—	489,962
Total expenses	1,446,978	1,936,940
Net expenses	1,103,759	1,593,721
Net investment Income	7,206,023	7,191,006
Net realized gain (loss) on:		
Investments	456,098	533,710
Net change in unrealized appreciation/depreciation of:		
Investments	(2,386,926)	(2,449,521)
Net realized and change in unrealized loss on investments, futures contracts and options written	(1,723,022)	(1,708,005)

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PIMCO New York Municipal Income Fund
Notes to Financial Statements
April 30, 2006

8. Restatement Information (continued)

	Previously Reported	Restated
Statement of Changes in Net Assets Applicable to Common Shareholders:		
<u>Year ended April 30, 2006:</u>		
Net investment income	7,206,023	7,191,006
Net realized gain (loss) on investments, futures contracts and options written	(177,895)	(100,283)
Net change in unrealized appreciation/depreciation investments, futures contracts and options written	(1,545,127)	(1,607,722)
<u>Year ended April 30, 2005:</u>		
Net realized gain (loss) on investments, futures contracts and options written	(3,609,336)	(3,584,350)
Net change in unrealized appreciation/depreciation investments, futures contracts and options written	6,558,341	6,533,355
Note: 3. Investments in Securities:		
Purchases	43,166,155	32,958,873
Sales	38,725,354	24,549,081
Financial Highlights:		
<u>Year ended April 30, 2006:</u>		
Ratios of:		
expenses to average net assets including interest expense	1.09%	1.57%
net investment income to average net assets	7.05%	7.04%
Portfolio turnover:	24%	15%
<u>Year ended April 30, 2005:</u>		
Ratio of:		
expenses to average net assets including interest expense	1.12%	1.44%
Portfolio turnover:	10%	6%
<u>Year ended April 30, 2004:</u>		
Ratio of:		
expenses to average net assets including interest expense	1.10%	1.27%
<u>Year ended April 30, 2003:</u>		
Ratio of:		
expenses to average net assets including interest expense	1.13%	1.35%
<u>Period June 29, 2001* through April 30, 2002:</u>		
Ratio of:		
expenses to average net assets including interest expense	1.04%#	1.28%#
Portfolio turnover:	51%	36%

*Commencement of operations.

#Annualized.

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PIMCO Municipal Income Fund
Financial Highlights

For a share of common stock outstanding throughout each period: (As Restated – see Note 8)

	April 30, 2006	Year Ended April 30, 2005	April 30, 2004	April 30, 2003	For the period June 29, 2001* through April 30, 2002 \$14.33**
Net asset value, beginning of period	\$13.83	\$13.44	\$13.49	\$13.92	\$14.33**
Investment Operations:					
Net investment income	0.98	1.01	1.00	1.04	0.82
Net realized and change in unrealized gain (loss) on investments, futures contracts, and options written	(0.23)	0.40	(0.08)	(0.47)	(0.26)
Total from investment operations	0.75	1.41	0.92	0.57	0.56
Dividends and Distributions on Preferred Shares from:					
Net investment income	(0.22)	(0.12)	(0.07)	(0.10)	(0.09)
Net realized gains	—	—	—	—	(0.01)
Total dividends and distributions on preferred shares	(0.22)	(0.12)	(0.07)	(0.10)	(0.10)
Net increase in net assets applicable to common shareholders resulting from investment operations	0.53	1.29	0.85	0.47	0.46
Dividends and Distributions to Common Shareholders from:					
Net investment income	(0.89)	(0.90)	(0.90)	(0.90)	(0.67)
Net realized gains	—	—	—	—	(0.05)
Total dividends and distributions to common shareholders	(0.89)	(0.90)	(0.90)	(0.90)	(0.72)
Capital Share Transactions:					
Common stock offering costs charged to paid-in capital	—	—	—	—	(0.03)
Preferred shares offering costs/underwriting discounts charged to paid-in capital	—	—	—	—	(0.12)
Total capital share transactions	—	—	—	—	(0.15)
Net asset value, end of period	\$13.47	\$13.83	\$13.44	\$13.49	\$13.92
Market price, end of period	\$14.56	\$13.90	\$12.70	\$13.55	\$14.20
Total Investment Return (1)	11.45%	17.04%	0.21%	1.82%	(0.34)%
RATIOS/SUPPLEMENTAL DATA:					
	\$100,367	\$102,112	\$98,922	\$98,323	\$100,413

Net assets applicable to common shareholders, end of period (000)					
Ratio of expenses to average net assets, including interest expense (2)(3)(4)(5)	1.57%	1.44%	1.27%	1.35%	1.28%#
Ratio of expenses to average net assets, excluding interest expense (2)(3)(5)	1.09%	1.12%	1.10%	1.13%	1.04%#
Ratio of net investment income to average net assets (2)(5)	7.04%	7.48%	7.41%	7.46%	7.07%#
Preferred shares asset coverage per share	\$64,809	\$65,509	\$64,251	\$64,016	\$64,834
Portfolio turnover	15%	6%	39%	23%	36%

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PIMCO New York Municipal Income Fund Financial Highlights

For a share of common stock outstanding throughout each period: (As Restated – see Note 8)

*Commencement of operations.

**Initial public offering price of \$15.00 per share less underwriting discount of \$0.675 per share.

#Annualized.

- (1) Total investment return is calculated assuming a purchase of a share of common stock at the current market price on the first day of each period and a sale of a share of common stock at the current market price on the last day of each period reported. Dividends and distributions are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment return does not reflect brokerage commissions or sales charges. Total investment return for a period of less than one year is not annualized.
- (2) Calculated on the basis of income and expenses applicable to both common and preferred shares relative to the average net assets of common shareholders.
- (3) Inclusive of expenses offset by custody credits earned on cash balances at the custodian bank. (See note 1(h) in Notes to Financial Statements).
- (4) Interest expense relates to the liability for floating rate notes issued in connection with inverse floater transactions.
- (5) During the periods indicated above, the Investment Manager waived a portion of its investment management fee. The effect of such waiver relative to the average net assets of common shareholders was 0.33%, 0.33%, 0.33%, 0.32% and 0.30% (annualized) for the years ended April 30, 2006, April 30, 2005, April 30, 2004, April 30, 2003 and for the period June 29, 2001 (commencement of operations) through April 30, 2002, respectively.

See accompanying Notes to Financial Statements | 4.30.06 | PIMCO New York Municipal Income Fund Annual Report 17

PIMCO New York Municipal Income Fund
Report of Independent Registered
Public Accounting Firm

To the Shareholders and the Board of Trustees of
PIMCO New York Municipal Income Fund

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets applicable to common shareholders and the financial highlights present fairly, in all material respects, the financial position of PIMCO New York Municipal Income Fund (hereafter referred to as the Fund'') at April 30, 2006, the results of its operations for the year ended, the changes in its net assets applicable to common shareholders for each of the two years in the period then ended and the financial highlights for each of the four years in the period then ended and for the period June 29, 2001 (commencement of operations) through April 30, 2002, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as financial statements'') are the responsibility of the Fund's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at April 30, 2006 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

As discussed in Note 8, the accompanying financial statements have been restated.

PricewaterhouseCoopers LLP
New York, New York
June 21, 2006 (April 25, 2007 as to the effects of the restatement discussed in Note 8)

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PIMCO New York Municipal Income Fund
Tax Information/Annual Shareholder
Meeting Results (unaudited)

Tax Information:

Subchapter M of the Internal Revenue Code of 1986, as amended, requires the Fund to advise shareholders within 60 days of the Fund's tax year-end (April 30, 2006) as to the federal tax status of dividends and distributions received by shareholders during such tax period. Accordingly, please note that substantially all dividends paid from net investment income from the Fund during the tax period ended April 30, 2006 were federally exempt interest dividends. However the Fund invested in municipal bonds containing market discount, whose accretion is taxable. Accordingly, the

percentage of dividends paid from net investment income during the tax period which are taxable was 0.89%

Since the Fund's tax year is not the calendar year, another notification will be sent with respect to calendar year 2006. In January 2007, shareholders will be advised on IRS Form 1099 DIV as to the federal tax status of the dividends and distributions received during calendar 2006. The amount that will be reported will be the amount to use on your 2006 federal income tax return and may differ from the amount which must be reported in connection with the Fund's tax year ended April 30, 2006. Shareholders are advised to consult their tax advisers as to the federal, state and local tax status of the dividend income received from the Fund. In January 2007, an allocation of interest income by state will be provided which may be of value in reducing a shareholder's state and local tax liability, if any.

Annual Shareholder Meeting Results:

The Fund held its annual meeting of shareholders on December 28, 2005. Common/Preferred shareholders of the Fund voted to re-elect R. Peter Sullivan III and David C. Flattum as a Class III Trustees to serve until 2008.

The resulting vote count is indicated below:

	Affirmative	Withheld Authority
Re-election of David C. Flattum	6,559,878	89,023
Re-election of R. Peter Sullivan III	6,561,884	87,017

Messrs. Paul Belica, Robert E Connor, Jack J. Dalessandro* and Hans W. Kertess* continue to serve as Trustees of the Fund.

* Preferred Shares Trustee

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PIMCO New York Municipal Income Fund
Privacy Policy/Proxy Voting Policies &
Procedures (unaudited)

Privacy Policy:

Our Commitment to You

We consider customer privacy to be a fundamental aspect of our relationship with clients. We are committed to maintaining the confidentiality, integrity, and security of our current, prospective and former clients' personal information. We have developed policies designed to protect this confidentiality, while allowing client needs to be served.

Obtaining Personal Information

In the course of providing you with products and services, we may obtain non-public personal information about you. This information may come from sources such as account applications and other forms, from other written, electronic or verbal correspondence, from your transactions, from your brokerage or financial advisory firm, financial adviser or consultant, and/or from information captured on our internet web sites.

Respecting Your Privacy

We do not disclose any personal or account information provided by you or gathered by us to non-affiliated third parties, except as required or permitted by law. As is common in the industry, non-affiliated companies may from time to time be used to provide certain services, such as preparing and mailing prospectuses, reports, account statements and other information, conducting research on client satisfaction, and gathering shareholder proxies. We may also retain non-affiliated companies to market our products and enter in joint marketing agreements with other companies. These companies may have access to your personal and account information, but are permitted to use the information solely to provide the specific service or as otherwise permitted by law. We may also provide your personal and account information to your brokerage or financial advisory firm and/or to your financial adviser or consultant.

Sharing Information with Third Parties

We do reserve the right to disclose or report personal information to non-affiliated third parties in limited circumstances where we believe in good faith that disclosure is required under law, to cooperate with regulators or law enforcement authorities, to protect our rights or property, or upon reasonable request by any mutual fund in which you have chosen to invest. In addition, the fund may disclose information about a shareholder's accounts to a non-affiliated third party with the consent or upon the request of the shareholder.

Sharing Information with Affiliates

We may share client information with our affiliates in connection with servicing your account or to provide you with information about products and services that we believe may be of interest to you. The information we share may include, for example, your participation in our mutual funds or other investment programs, your ownership of certain types of accounts (such as IRAs), or other data about your accounts. Our affiliates, in turn, are not permitted to share your information with non-affiliated entities, except as required or permitted by law.

Procedures to Safeguard Private Information

The Fund takes seriously the obligation to safeguard shareholder non-public personal information. In addition to this policy, the Funds have also implemented procedures that are designed to restrict access to a shareholder's non-public personal information only to internal personnel who need to know that information in order to provide products or services to such shareholders. In order to guard a shareholder's non-public personal information, physical, electronic and procedural safeguards are in place.

Proxy Voting Policies & Procedures:

A description of the policies and procedures that the Fund has adopted to determine how to vote proxies relating to portfolio securities and information about how the Fund voted proxies relating to portfolio securities held during the twelve months ended June 30, 2005 is available (i) without charge, upon request, by calling the Fund's shareholder servicing agent at (800) 331-1710; (ii) on the Fund's website at www.allianzinvestors.com/closedendfunds; and (iii) on the Securities and Exchange Commission's website at www.sec.gov.

PIMCO New York Municipal Income Fund
Dividend Reinvestment Plan
(unaudited)

Pursuant to the Fund's Dividend Reinvestment Plan (the "Plan"), all Common Shareholders whose shares are registered in their own names will have all dividends, including any capital gain dividends, reinvested automatically in additional Common Shares by PFPC Inc., as agent for the Common Shareholders (the "Plan Agent"), unless the shareholder elects to receive cash. An election to receive cash may be revoked or reinstated at the option of the shareholder. In the case of record shareholders such as banks, brokers or other nominees that hold Common Shares for others who are the beneficial owners, the Plan Agent will administer the Plan on the basis of the number of Common Shares certified from time to time by the record shareholder as representing the total amount registered in such shareholder's name and held for the account of beneficial owners who are to participate in the Plan. Shareholders whose shares are held in the name of a bank, broker or nominee should contact the bank, broker or nominee for details. All distributions to investors who elect not to participate in the Plan (or whose broker or nominee elects not to participate on the investor's behalf), will be paid cash by check mailed, in the case of direct shareholder, to the record holder by PFPC Inc., as the Funds' dividend disbursement agent.

Unless you (or your broker or nominee) elects not to participate in the Plan, the number of Common Shares you will receive will be determined as follows:

- (1) If on the payment date the net asset value of the Common Shares is equal to or less than the market price per Common Share plus estimated brokerage commissions that would be incurred upon the purchase of Common Shares on the open market, the Fund will issue new shares at the greater of (i) the net asset value per Common Share on the payment date or (ii) 95% of the market price per Common Share on the payment date; or
- (2) If on the payment date the net asset value of the Common Shares is greater than the market price per Common Share plus estimated brokerage commissions that would be incurred upon the purchase of Common Shares on the open market, the Plan Agent will receive the dividend or distribution in cash and will purchase Common Shares in the open market, on the New York Stock Exchange or elsewhere, for the participants' accounts. It is possible that the market price for the Common Shares may increase before the Plan Agent has completed its purchases. Therefore, the average purchase price per share paid by the Plan Agent may exceed the market price on the payment date, resulting in the purchase of fewer shares than if the dividend or distribution had been paid in Common Shares issued by the Fund. The Plan Agent will use all dividends and distributions received in cash to purchase Common Shares in the open market on or shortly after the payment date, but in no event later than the ex-dividend date for the next distribution. Interest will not be paid on any uninvested cash payments.

You may withdraw from the Plan at any time by giving notice to the Plan Agent. If you withdraw or the Plan is terminated, you will receive a certificate for each whole share in your account under the Plan and you will receive a cash payment for any fraction of a share in your account. If you wish, the Plan Agent will sell your shares and send you the proceeds, minus brokerage commissions.

The Plan Agent maintains all shareholders' accounts in the Plan and gives written confirmation of all transactions in the accounts, including information you may need for tax records. The Plan Agent will also furnish each person who buys Common Shares with written instructions detailing the procedures for electing not to participate in the Plan and to instead receive distributions in cash. Common Shares in your account will be held by the Plan Agent in

non-certificated form. Any proxy you receive will include all Common Shares you have received under the Plan.

There is no brokerage charge for reinvestment of your dividends or distributions in Common Shares. However, all participants will pay a pro rata share of brokerage commissions incurred by the Plan Agent when it makes open market purchases.

Automatically reinvested dividends and distributions are taxed in the same manner as cash dividends and distributions.

The Fund and the Plan Agent reserve the right to amend or terminate the Plan. There is no direct service charge to participants in the Plan; however, the Fund reserves the right to amend the Plan to include a service charge payable by the participants. Additional information about the Plan may be obtained from the Funds' shareholder servicing agent, PFPC Inc., P.O. Box 43027, Providence, RI 02940-3027, telephone number (800) 331-1710.

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PIMCO New York Municipal Income Fund
Board of Trustees (unaudited)

Name, Date of Birth, Position(s) Held with the Fund, Length of Service, Other Trusteeships/Directorships Held by Trustee; Number of Portfolios in Fund Complex/Outside Fund Complexes Currently Overseen by Trustee
The address of each trustee is 1345 Avenue of the Americas, New York, NY 10105

Robert E. Connor

Date of Birth: 9/17/34

Chairman of the Board of Trustees since: 2004

Trustee since: 2001

Term of office: Expected to stand for re-election at 2006 annual meeting of shareholders.

Trustee/Director of 24 funds in Fund Complex

Trustee/Director of no funds outside of Fund Complex

Paul Belica

Date of Birth: 9/27/21

Trustee since: 2001

Term of office: Expected to stand for re-election at 2007 annual meeting of shareholders.

Trustee/Director of 24 funds in Fund Complex

Trustee/Director of no funds outside of Fund Complex

Principal Occupation(s) During Past 5 Years:

Retired; Formerly, Senior Vice President, Corporate Office, Smith Barney Inc.

Retired. Formerly Director, Student Loan Finance Corp., Education Loans, Inc., Goal Funding, Inc., Goal Funding II, Inc. and Surety Loan Fund, Inc.; Formerly, Manager of Stratigos Fund LLC, Whistler Fund LLC, Xanthus Fund LLC & Wynstone Fund LLC; and Formerly, senior executive and member of the Board of Smith Barney, Harris Upham & Co.

John J. Dalessandro II

Date of Birth: 7/26/37

Trustee since: 2001

Term of office: Expected to stand for re-election at 2007 annual meeting of shareholders.

Trustee/Director of 24 funds in Fund Complex

Trustee/Director of no funds outside of Fund complex

David C. Flattum†

Date of Birth: 8/27/64

Trustee since: 2004

Term of office: Expected to stand for election at 2008 annual meeting of shareholders.

Trustee/Director of 55 funds in Fund Complex

Trustee/Director of no funds outside of Fund Complex

Hans W. Kertess

Date of Birth: 7/12/39

Trustee since: 2001

Term of office: Expected to stand for re-election at 2006 annual meeting of shareholders.

Trustee/Director of 24 Funds in Fund Complex;

Trustee/Director of no funds outside of Fund Complex

R. Peter Sullivan III

Date of Birth: 9/4/41

Trustee since: 2002

Term of office: Expected to stand for re-election at 2008 annual meeting of shareholders.

Trustee/Director of 22 funds in Fund Complex

Trustee/Director of no funds outside of Fund Complex

Retired. Formerly, President and Director, J.J. Dalessandro II Ltd., registered broker-dealer and member of the New York Stock Exchange.

Managing Director, Chief Operating Officer, General Counsel and member of Management Board, Allianz Global Investors of America L.P.; Member of Management Board, Allianz Global Investors Fund Management LLC; Formerly, Head of Corporate Functions of Allianz Global Investors of America L.P.; Formerly, Partner, Latham & Watkins LLP (1998-2001).

President, H. Kertess & Co. L.P.; Formerly, Managing Director, Royal Bank of Canada Capital Markets.

Retired. Formerly, Managing Partner, Bear Wagner Specialists LLC, specialist firm on the New York Stock Exchange

†Mr. Flattum is an “interested person” of the Fund due to his affiliation with Allianz Global Investors of America L.P. (“AGI”) and the Investment Manager. In addition to Mr. Flattum’s positions with affiliated persons of the Funds set forth in the table above, he holds the following positions with affiliated person: Managing Director, Chief Operating Officer, General Counsel & member of Management Board, AGI; Member of Management Board AGIFM; Director, PIMCO Global Advisors (Resources) Limited; Managing Director, Allianz Dresdner Asset Management U.S. Equities LLC, Allianz Hedge Fund Partners Holdings L.P., Allianz PacLife Partners LLC, PA Holdings LLC; Director and Chief Executive Officer, Oppenheimer Group, Inc.

Further information about Fund’s Trustees is available in the Fund’s Statement of Additional Information, dated August 20, 2001, which can be obtained upon request, without charge, by calling the Fund’s shareholder servicing agent at (800) 331-1710.

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PIMCO New York Municipal Income Fund
Principal Officers (unaudited)

Name, Date of Birth, Position(s) Held with
the Fund

Brian S. Shlissel

Date of Birth: 11/14/64

President & Chief Executive Officer since:
2002

Principal Occupation(s) During Past 5 Years:

Executive Vice President, Allianz Global Investors
Fund Management LLC; President and Chief
Executive Officer of 32 funds in the Fund Complex;
Treasurer; Principal Financial and Accounting Officer
of 33 funds in the Fund Complex; Trustee of 8 funds
in the Fund Complex.

Lawrence G. Altadonna

Date of Birth: 3/10/66

Treasurer, Principal/Financial and
Accounting

Officer since: 2002

Senior Vice President, Allianz Global Investors Fund
Management LLC; Treasurer, Principal Financial and
Accounting officer of 32 funds in the Fund Complex;
Assistant Treasurer of 33 funds in the Fund Complex.

Thomas J. Fucillo

Date of Birth: 3/22/68

Secretary & Chief Legal Officer since: 2004

Senior Vice President, Senior Counsel, Allianz Global
Investors of America L.P., Secretary and Chief Legal
Officer of 32 funds in the Fund Complex. Formerly,
Vice President and Associate General Counsel,
Neuberger Berman LLC (1991-2004).

Youse Guia

Date of Birth: 9/3/72

Chief Compliance Officer since: 2004

Senior Vice President, Group Compliance Manager,
Allianz Global Investors of America L.P., Chief
Compliance Officer of 65 funds in the Fund Complex.
Formerly, Vice President, Group Compliance
Manager, Allianz Global Investors of America L.P.
(2002-2004), Audit Manager, PricewaterhouseCoopers
LLP (1996-2002).

Officers hold office at the pleasure of the Board and until their successors are appointed and qualified or until their earlier resignation or removal.

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Trustees and Principal Officers

Robert E. Connor

Trustee, Chairman of the Board of Trustees

Paul Belica

Trustee

John J. Dalessandro II

Trustee

David C. Flattum

Trustee

Hans W. Kertess

Trustee

R. Peter Sullivan III

Trustee

Brian S. Shlissel

President & Chief Executive Officer

Lawrence G. Altadonna

Treasurer, Principal Financial & Accounting Officer

Thomas J. Fuccillo

Secretary & Chief Legal Officer

Youse Guia

Chief Compliance Officer

Investment Manager

Allianz Global Investors Fund Management LLC

1345 Avenue of the Americas

New York, NY 10105

Sub-Adviser

Pacific Investment Management Company LLC

840 Newport Center Drive

Newport Beach, CA 92660

Custodian & Accounting Agent

State Street Bank & Trust Co.

225 Franklin Street

Boston, MA 02110

Transfer Agent, Dividend Paying Agent and Registrar

PFPC Inc.

P.O. Box 43027

Providence, RI 02940-3027

Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP

300 Madison Avenue

New York, NY 10017

Legal Counsel

Ropes & Gray LLP
One International Place
Boston, MA 02210-2624

This report, including the financial information herein, is transmitted to the shareholders of PIMCO New York Municipal Income Fund for their information. It is not a prospectus, circular or representation intended for use in the purchase of shares of the Fund or any securities mentioned in this report.

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that from time to time each Fund may purchase shares of its common stock in the open market.

The Fund files its complete schedules of portfolio holdings with the Securities and Exchange Commission (the "Commission") for the first and third quarters of its fiscal year on Form N-Q. The Fund's Form N-Q is available (i) on the Fund's website at www.allianzinvestors.com (ii) on the Commission's website at www.sec.gov, and (iii) at the Commission's Public Reference Room located at the Commission's headquarters' office, 450 5th Street N.W. Room 1200, Washington, D.C. 20459, (202) 942-8090.

On December 30, 2005, the Fund submitted a CEO annual certification to the New York Stock Exchange ("NYSE") on which the Fund's principal executive officer certified that he was not aware, as of that date, of any violation by the Fund of the NYSE's Corporate Governance listing standards. In addition, as required by Section 302 of the Sarbanes-Oxley Act of 2002 and related SEC rules each Fund's principal executive and principal financial officer made quarterly certifications, included in filings with the SEC on Forms N-CSR and N-Q, relating to, among other things, the Fund's disclosure controls and procedures and internal control over financial reporting, as applicable.

Information on the Fund is available at www.allianzinvestors.com/closedendfunds or by calling the Fund's shareholder servicing agent at (800) 331-1710.
