

RENAISSANCE CAPITAL GROWTH & INCOME FUND III INC
Form 10-Q
November 12, 2008

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

FORM 10-Q

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934**

For the quarterly period ended September 30, 2008

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 0-20671

Renaissance Capital Growth & Income Fund III, Inc.

(Exact name of registrant as specified in its charter)

TX

(State or other jurisdiction of incorporation or organization)

75-2533518

(I.R.S. Employer Identification No.)

8080 N. Central Expressway, Suite 210, LB-59, Dallas, TX
(Address of principal executive offices)

75206
(Zip Code)

214-891-8294

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of September 30, 2008 the issuer had 4,463,967 shares of common stock outstanding.

RENAISSANCE CAPITAL GROWTH & INCOME FUND III, INC.

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PART I. FINANCIAL INFORMATION

Renaissance Capital Growth & Income Fund III, Inc.
 Statements of Assets and Liabilities
 (Unaudited)

Item 1. Financial Statements**ASSETS**

	September 30, 2008	December 31, 2007
Cash and cash equivalents	\$ 3,050,161	\$ 3,679,949
Investments at fair value, cost of \$41,750,587 and \$43,820,011 at September 30, 2008 and December 31, 2007, respectively	19,445,828	36,251,126
Interest and dividends receivable	162,374	141,402
Prepaid and other assets	66,663	50,663
	\$ 22,725,026	\$ 40,123,140

LIABILITIES AND NET ASSETS**Liabilities:**

Accounts payable	\$ 15,662	\$ 57,726
Dividend payable	446,397	446,397
Accounts payable - affiliate	94,648	374,734
Taxes payable on behalf of stockholders	-	1,485,135
	556,707	2,363,992

Commitments and contingencies**Net assets:**

Common stock, \$1 par value; authorized 20,000,000 shares; 4,673,867 issued; 4,463,967 shares outstanding	4,673,867	4,673,867
Additional paid-in-capital	27,070,858	27,925,813
Treasury stock at cost, 209,900 shares	(1,734,967)	(1,734,967)
Net realized gain on investments retained	14,463,320	14,463,320
Net unrealized depreciation of investments	(22,304,759)	(7,568,885)

Net assets, equivalent to \$4.97 and \$8.46 per share

at September 30, 2008 and December 31, 2007, respectively	22,168,319	37,759,148
	\$ 22,725,026	\$ 40,123,140

See accompanying notes

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Renaissance Capital Growth & Income Fund III, Inc.
Schedules of Investments
(Unaudited)

September 30, 2008

Interest Rate	Maturity Date	Cost	Fair Value	% of Investment Assets
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Eligible Portfolio Investments-