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PIMCO Floating Rate Strategy Fund
Form N-CSRS
April 09, 2007

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 811-21601

PIMCO Floating Rate Strategy Fund
(Exact name of registrant as specified in charter)

1345 Avenue of the Americas, New York, New York
(Address of principal executive offices)

10105
(Zip code)

Lawrence G. Altadonna - 1345 Avenue of the Americas, New York, New York 10105
(Name and address of agent for service)

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

Date of fiscal year July 31, 2007
end:

Date of reporting period: January 31, 2007

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

ITEM 1. REPORT TO SHAREHOLDERS

Contents

| | |
|--------------------------------------|-------|
| Letter to Shareholders | 1 |
| Performance & Statistics | 2-3 |
| Schedules of Investments | 4-28 |
| Statements of Assets and Liabilities | 29 |
| Statements of Operations | 30 |
| Statements of Changes in Net Assets | 31 |
| Statements of Cash Flows | 32 |
| Notes to Financial Statements | 33-46 |
| Financial Highlights | 47-48 |
| Annual Shareholder Meeting Results | 49 |

PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds Letter to Shareholders

March 9, 2007

Dear Shareholder:

We are pleased to provide you with the semi-annual report for PIMCO Floating Rate Income Fund and PIMCO Floating Rate Strategy Fund (collectively the Funds) for the six-month period ended January 31, 2007.

During the reporting period, the Federal Reserve (the Fed) held short-term interest rates steady five times at 5.25%. This came after raising rates 17 times from June 2004 through June 2006. At its meeting on January 31, 2007, the Fed noted that recent indicators suggested somewhat firmer economic growth and tentative signs of stabilization in the housing market. In this environment, during the period, the Funds increased dividends to shareholders.

Please refer to the following pages for specific information on the Funds. 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. In addition, a wide range of information and resources are available on our Web site at 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

PIMCO Floating Rate Income Fund Performance & Statistics

January 31, 2007 (unaudited)

* For the six months ended January 31, 2007 PIMCO Floating Rate income Fund returned 6.17% on net asset value (NAV) and 10.02% on market price.

* The three-month London Interbank Offered Rate (LIBOR) held relatively steady, decreasing by only 11 basis points to end the reporting period at 5.36%. The trend was positive for floating-rate securities, which typically pay interest at a spread over LIBOR.

* An emphasis on the cable/pay TV sector, which outperformed the leveraged loan market during the six-month period, benefited Fund performance.

* A relatively large weight in B-rated issues (64.0%) added to returns as the middle tier of the leveraged loan market outpaced both the upper and lower rated quality tiers.

* As the retail sector outperformed the overall leveraged loan market by nearly 50 basis points, a relatively small weighting to this sector detracted from performance.

* As chemical company issues slightly underperformed, a larger-than-market weighting to the sector hindered somewhat on performance.

| Total Return⁽¹⁾: | Market Price | Net Asset Value (NAV) |
|---|---------------------|--------------------------------|
| Six months | 10.02% | 6.17% |
| 1 Year | 23.64% | 9.88% |
| Commencement of Operations (8/29/03) to 1/31/07 | 8.87% | 7.35% |

| Common Share Market Price/NAV Performance: | Market Price/NAV: | |
|---|-----------------------------------|---------|
| Commencement of Operations (8/29/03) to 1/31/07 | Market Price | \$20.78 |
| Market Price | NAV | \$19.35 |
| NAV | Premium to NAV | 7.39% |
| | Market Price Yield ⁽²⁾ | 8.51% |

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(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 and capital gain distributions 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 total 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. 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 to the 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 January 31, 2007.

2 PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Semi-Annual Report | 1.31.07

PIMCO Floating Rate Strategy Fund Performance & Statistics

January 31, 2007 (unaudited)

* For the six months ended January 31, 2007 PIMCO Floating Rate Strategy Fund returned 6.18% on net asset value (NAV) and 9.84% on market price.

* The three-month London Interbank Offered Rate (LIBOR) held relatively steady, decreasing by only 11 basis points to end the reporting period at 5.36%. The trend was positive for floating-rate securities, which typically pay interest at a spread over LIBOR.

* An emphasis on the cable/pay TV sector, which outperformed the leveraged loan market during the six-month period, benefited Fund performance.

* A relatively large weighting in B-rated issues (73.0%) added to returns as the middle tier of the leveraged loan market outpaced both the upper and lower rated quality tiers.

* As the paper/packaging sector outperformed the overall leveraged loan market, a relatively small weighting to this sector hindered performance.

* As chemical company issues slightly underperformed, a larger-than-market weighting to the sector detracted from Fund performance.

| Total Return⁽¹⁾: | Market Price | Net Asset Value (NAV) |
|--|---------------------|--------------------------------|
| Six months | 9.84% | 6.18% |
| 1 Year | 17.94% | 10.36% |
| Commencement of Operations (10/29/04) to 1/31/07 | 7.36% | 7.59% |

| Common Share Market Price/NAV Performance: | Market Price/NAV: | |
|---|-----------------------------------|---------|
| Commencement of Operations (10/29/04) to 1/31/07 | Market Price | \$19.36 |
| Market Price | NAV | \$18.68 |
| NAV | Premium to NAV | 3.64% |
| | Market Price Yield ⁽²⁾ | 8.87% |

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(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 and capital gain distributions 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 total 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. 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 to the 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 January 31, 2007.

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PIMCO Floating Rate Income Fund Schedule of Investments

January 31, 2007 (unaudited)

| Principal Amount (000) | | Value |
|---------------------------------------|---|--------------|
| SENIOR LOANS (a) (b) (c) 70.3% | | |
| Aerospace 0.4% | | |
| \$ 1,621 | K & F Industries, Inc., 7.32%, 11/18/12, Term C | \$ 1,628,685 |
| 750 | TransDigm Group, Inc., 7.366%, 6/23/13, Term B | 755,156 |
| | | 2,383,841 |
| Airlines 1.1% | | |
| 3,000 | Northwest Airlines Corp., 7.85%, 8/22/08 | 2,992,500 |
| 2,612 | United Airlines, Inc., 9.12%, 2/1/12, Term B (f) | 2,621,396 |
| 373 | 11.00%, 1/9/11, Term DD | 374,724 |
| | | 5,988,620 |
| Apparel & Textiles 0.3% | | |
| 813 | Simmons Co., Term C, 7.375%, 12/19/11 | 820,907 |
| 945 | 7.438%, 12/19/11 | 954,028 |
| | | 1,774,935 |
| Automotive 1.6% | | |
| 5,000 | Ford Motor Corp., 8.36%, 11/29/13, Term B | 5,071,180 |
| 223 | Hertz Corp., 5.365%, 12/21/12 | 224,471 |
| 792 | 7.30%, 12/21/12, Term B | 798,268 |
| 792 | 7.32%, 12/21/12, Term B | 798,206 |
| 1,173 | 7.35%, 12/21/12, Term B | 1,182,533 |
| 697 | Lear Corp., 7.864%, 3/23/12 | 704,986 |
| 300 | 7.87%, 3/23/12 | 303,437 |
| | | 9,083,081 |
| Automotive Products 3.2% | | |
| 1,658 | Cooper Standard Automotive, Inc., 7.875%, 12/31/11, Term B | 1,667,371 |
| 3,532 | 7.875%, 12/31/11, Term C | 3,553,143 |
| 2,500 | Delphi Corp., 8.125%, 12/31/07, Term C | 2,501,175 |
| 4,000 | Goodyear Tire & Rubber Co., 8.14%, 4/30/10 | 4,050,832 |
| 1,000 | 8.89%, 4/1/11 | 1,008,839 |
| 2,667 | Polypore, Inc., 8.32%, 11/12/11, Term B | 2,687,211 |
| 789 | Tenneco Automotive, Inc., 7.32%, 12/12/10, Term B1 | 794,954 |
| 1,796 | 7.36%, 12/12/10, Term B | 1,809,667 |
| | | 18,073,192 |
| Banking 0.4% | | |
| 1,092 | Aster Co., Ltd., 7.872%, 9/19/13, Term B1 | 1,095,175 |
| 1,132 | 8.372%, 9/19/14, Term C1 | 1,146,146 |
| | | 2,241,321 |

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PIMCO Floating Rate Income Fund Schedule of Investments

January 31, 2007 (unaudited) (continued)

| Principal Amount (000) | | Value |
|-----------------------------------|-------|--|
| Building/Construction 2.0% | | |
| \$ | 3,426 | Masonite International Corp., Term B, 7.36%, 4/6/13 |
| | 13 | 7.364%, 4/6/13 |
| | 4,846 | Nortek, Inc., 7.35%, 8/27/11 |
| | 2,854 | UGS Corp., 7.11%, 3/31/12, Term B |
| | | \$ 3,414,694 |
| | | 13,176 |
| | | 4,859,791 |
| | | 2,860,983 |
| | | 11,148,644 |
| Chemicals 4.3% | | |
| | 99 | Basell NV, 5.876%, 9/15/13, Term B |
| | 432 | 5.876%, 9/15/13, Term B1 |
| | 123 | 5.876%, 9/15/13, Term B5 |
| | 774 | 5.942%, 9/15/13, Term B |
| | 129 | 5.942%, 9/15/13, Term B6 |
| | 319 | 6.626%, 9/15/14, Term C |
| | 240 | 6.626%, 9/15/14, Term C4 |
| | 123 | 6.626%, 9/15/14, Term C5 |
| | 492 | 6.692%, 9/15/14, Term C |
| | 255 | 6.692%, 9/15/14, Term C4 |
| | 129 | 6.692%, 9/15/14, Term C6 |
| \$ | 2,767 | Celanese AG, 7.117%, 4/6/11, Term B |
| | | Cognis BV, 8.104%, 5/12/12, Term B1 |
| | 1,150 | 8.604%, 5/12/13, Term C1 |
| | 1,992 | Cognis Deutschland GMBH, 5.782%, 5/12/11, Term A |
| \$ | 1,480 | Huntsman International LLC, 7.07%, 8/10/12 |
| | 773 | INEOS Group Ltd., 7.611%, 10/7/12, Term A4 |
| | 4,500 | 7.611%, 10/7/13, Term B1 |
| | 742 | 8.111%, 10/7/14, Term C1 |
| | 742 | KRATON Polymers Group LLC, 7.375%, 5/11/13 |
| | 1,980 | VWR International, Inc., 7.61%, 4/7/11, Term B |
| | 3,440 | |
| | | 130,901 |
| | | 569,199 |
| | | 161,502 |
| | | 1,019,237 |
| | | 169,633 |
| | | 420,936 |
| | | 316,745 |
| | | 162,132 |
| | | 650,287 |
| | | 336,715 |
| | | 170,993 |
| | | 2,786,696 |
| | | 1,161,090 |
| | | 2,015,202 |
| | | 1,924,433 |
| | | 777,714 |
| | | 4,527,000 |
| | | 752,840 |
| | | 755,813 |
| | | 1,997,350 |
| | | 3,452,203 |
| | | 24,258,621 |
| Commercial Products 1.2% | | |
| | 194 | iPayment, Inc., 7.32%, 12/27/12 |
| | 798 | 7.36%, 12/27/12 |
| | | Rexel S.A., 6.929%, 4/18/14, Term C1 |
| | 1,000 | 7.611%, 11/3/13, Term B1 |
| | 1,000 | Sigmakalon, 5.722%, 6/30/12, Term A |
| | 954 | 6.222%, 9/19/12, Term B1 |
| | 1,000 | 6.972%, 9/19/13, Term C |
| | 671 | 6.972%, 9/19/13, Term C1 |
| | 269 | |
| | | 193,811 |
| | | 796,828 |
| | | 1,011,953 |
| | | 1,007,875 |
| | | 1,239,067 |
| | | 1,310,939 |
| | | 883,231 |
| | | 353,452 |
| | | 6,797,156 |
| Computer Services 1.1% | | |
| \$ | 2,929 | PanAmSat Corp., 7.485%, 6/30/11, Term A |
| | 3,448 | SunGard Data Systems, Inc., 7.875%, 2/11/13 |
| | | 2,948,125 |
| | | 3,483,592 |
| | | 6,431,717 |

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PIMCO Floating Rate Income Fund Schedule of Investments

January 31, 2007 (unaudited) (continued)

| Principal Amount (000) | | Value |
|--|-------|---|
| Computer Software 1.9% | | |
| \$ | 1,966 | Infor Global Solutions, 9.12%, 8/1/12 |
| | 1,026 | 9.12%, 8/1/12, Term DD |
| | 3,000 | Riverdeep Interactive, 11.066%, 12/21/07 |
| | 116 | Spectrum Brands Corp., Term B, 8.57%, 2/6/12 |
| | 251 | 8.57%, 2/7/12 |
| | 458 | 8.62%, 2/6/12 |
| | 2,000 | Worldspan L.P., Term B, 8.57%, 12/7/13 |
| | 2,000 | 8.595%, 12/7/13 |
| | | 10,862,954 |
| Consumer Products 1.9% | | |
| | 1,081 | Eastman Kodak Co., 7.57%, 10/18/12, Term B |
| | 1,990 | Education Management Corp., 7.875%, 5/23/13, Term B |
| | 3,577 | Jarden Corp., 7.364%, 1/24/12, Term B1 |
| | 56 | National Mentor, Inc., 5.349%, 6/30/13 |
| | 1,000 | 7.50%, 6/30/12 |
| | 319 | 7.86%, 6/30/13, Term B |
| | 620 | 7.87%, 6/30/13, Term B |
| | 166 | Rayovac Corp., Term B, 8.57%, 2/7/12 |
| | 200 | 8.59%, 2/6/12 |
| | 1,260 | 8.61%, 2/7/12 |
| | 321 | 8.63%, 2/7/12 |
| | | 10,647,891 |
| Containers & Packaging 3.9% | | |
| | 5,390 | Graham Packaging Co., 7.625%, 10/7/11, Term B |
| | 47 | Graphic Packaging Corp., Term C, 7.82%, 8/9/10 |
| | 1,734 | 7.86%, 8/8/10 |
| | 993 | 7.86%, 8/9/10 |
| | 268 | 7.87%, 8/8/10 |
| | 284 | 7.87%, 8/9/10 |
| | 3,527 | Horizon Lines LLC, 7.62%, 7/7/11 |
| | 904 | Intertape Polymer Group, Inc., Term B, 8.043%, 7/28/11 |
| | 375 | 8.10%, 7/28/11 |
| | 188 | 8.11%, 7/28/11 |
| | 1,000 | JSG Packaging, 7.735%, 11/29/13 |
| | 1,000 | 8.235%, 11/29/14 |
| | 742 | Smurfit-Stone Container, 5.215%, 11/1/10 |
| | 572 | 7.625%, 11/1/10, Term C |
| | 2,934 | 7.625%, 11/1/11, Term B |
| | 1,217 | 7.625%, 11/1/11, Term C |
| | 544 | 7.625%, 11/1/11, Term C-1 |
| | | 5,441,496 |
| | | 47,882 |
| | | 1,755,673 |
| | | 1,005,522 |
| | | 271,331 |
| | | 287,292 |
| | | 3,546,221 |
| | | 906,574 |
| | | 376,172 |
| | | 188,086 |
| | | 1,010,284 |
| | | 1,009,943 |
| | | 749,939 |
| | | 577,627 |
| | | 2,964,322 |
| | | 1,228,993 |
| | | 549,900 |

6 PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Semi-Annual Report | 1.31.07

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PIMCO Floating Rate Income Fund Schedule of Investments

January 31, 2007 (unaudited) (continued)

| Principal Amount (000) | | Value |
|--|-------|--|
| Diversified Manufacturing 0.2% | | |
| \$ | 479 | Invensys PLC, 7.36%, 7/17/13, Term Y1 |
| | 521 | 7.36%, 7/17/13, Term Z1 |
| | | \$ 483,348 |
| | | 524,777 |
| | | 1,008,125 |
| Drugs & Medical Products 1.5% | | |
| | 2,000 | Nycomed Holdings, 6.00%, 12/29/16, Term B |
| | 2,000 | 7.50%, 12/20/15, Term C |
| \$ | 1,217 | Warner Chilcott PLC, 7.36%, 1/18/12, Term B |
| | 1,105 | 7.614%, 1/18/12, Term B |
| | 637 | 7.614%, 1/18/12, Term C |
| | 580 | 7.617%, 1/4/12 |
| | | 1,224,316 |
| | | 1,111,232 |
| | | 641,224 |
| | | 583,703 |
| | | 8,771,408 |
| Electronics 1.2% | | |
| | 3,000 | Sanmina-SCI Corp., 7.875%, 1/31/08 |
| | 4,000 | Spansion, Inc., 8.375%, 10/30/12, Term B |
| | | 3,012,750 |
| | | 4,022,500 |
| | | 7,035,250 |
| Energy 3.5% | | |
| | 211 | Alon USA Energy, Inc., 7.57%, 6/8/13, Term DD |
| | 207 | 7.57%, 6/8/13, Term 2 |
| | 11 | 7.62%, 6/8/13, Term DD |
| | 673 | 7.62%, 6/8/13, Term 1 |
| | 889 | 7.681%, 6/8/13 |
| | 780 | Covanta Energy Corp., 5.303%, 6/24/12 |
| | 135 | 7.57%, 6/30/12 |
| | 58 | 7.57%, 6/30/12, Term B |
| | 361 | 7.616%, 6/30/12, Term B |
| | 1 | 9.50%, 6/30/12 |
| | 975 | 10.82%, 5/12/13, Term DHC |
| | 921 | Edison Midwest, Term B, 6.83%, 4/27/11 |
| | 618 | 6.88%, 4/27/11 |
| | 675 | 7.31%, 4/27/11 |
| | 3,131 | Headwaters, Inc., 7.32%, 4/30/11, Term B |
| | 557 | NRG Energy, Inc., 7.364%, 2/1/13 |
| | 2,151 | 7.364%, 2/1/13, Term B |
| | 4,000 | SandRidge Energy, Inc., 9.853%, 11/30/07 |
| | 290 | Targa Resources, Inc., 5.239%, 10/31/11 |
| | 1,500 | 7.60%, 10/31/07 |
| | 629 | 7.61%, 10/31/12, Term B |
| | 33 | 7.614%, 10/31/12, Term B |
| | 339 | 7.62%, 10/31/12, Term B |
| | 194 | 7.626%, 10/31/12, Term B |
| | | 212,299 |
| | | 207,829 |
| | | 10,615 |
| | | 677,121 |
| | | 893,889 |
| | | 785,366 |
| | | 136,308 |
| | | 58,543 |
| | | 363,722 |
| | | 1,407 |
| | | 996,328 |
| | | 924,368 |
| | | 620,083 |
| | | 677,272 |
| | | 3,142,671 |
| | | 562,479 |
| | | 2,172,548 |
| | | 4,040,000 |
| | | 292,545 |
| | | 1,511,484 |
| | | 633,848 |
| | | 33,521 |
| | | 341,303 |
| | | 195,030 |
| | | 19,490,579 |

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PIMCO Floating Rate Income Fund Schedule of Investments

January 31, 2007 (unaudited) (continued)

| Principal Amount (000) | | Value |
|--|--|--------------|
| Entertainment 2.8% | | |
| \$ 1,980 | AMC Entertainment, Inc., 7.445%, 1/5/13 | \$ 2,000,471 |
| 6,258 | MGM Studios, 8.614%, 4/8/12, Term B | 6,183,427 |
| | Revolution Studios LLC, | |
| 1,000 | 7.82%, 12/25/12, Term A | 1,007,500 |
| 2,500 | 9.07%, 12/25/14, Term B | 2,518,750 |
| | Warner Music Group, Inc., Term B, | |
| 196 | 7.309%, 2/28/11 | 196,843 |
| 920 | 7.36%, 2/28/11 | 926,045 |
| 2,125 | 7.37%, 2/28/11 | 2,138,408 |
| 929 | 7.40%, 2/28/11 | 935,400 |
| 194 | 7.409%, 2/28/11 | 194,875 |
| | | 16,101,719 |
| Financial Services 1.1% | | |
| 5,985 | Nielson Finance, 8.125%, 8/9/13, Term B | 6,039,410 |
| Food Services 1.5% | | |
| | Arby's Restaurant Group, Inc., Term B, | |
| 925 | 7.595%, 7/25/12 | 934,854 |
| 1,757 | 7.60%, 7/25/12 | 1,775,275 |
| 938 | 7.61%, 7/25/12 | 947,598 |
| 1,485 | Bolthouse Farms, Inc., 7.625%, 11/17/12, Term B | 1,491,962 |
| | Michael Foods, Inc., Term B, | |
| 3,239 | 7.35%, 11/21/10 | 3,254,782 |
| 296 | 7.387%, 11/21/10 | 297,716 |
| | | 8,702,187 |
| Healthcare & Hospitals 5.8% | | |
| 3,930 | Community Health Systems, Inc., 7.12%, 8/19/11, Term B | 3,941,315 |
| | DaVita, Inc., Term B, | |
| 733 | 7.35%, 10/5/12 | 739,840 |
| 2,424 | 7.36%, 10/5/12 | 2,445,701 |
| 409 | 7.37%, 10/5/12 | 412,197 |
| 178 | 7.38%, 10/5/12 | 179,676 |
| 668 | 7.69%, 10/5/12 | 674,047 |
| 11,000 | HCA, Inc., 8.114%, 11/17/13, Term B | 11,112,662 |
| 5,970 | HealthSouth Corp., 8.61%, 2/2/13 | 6,033,811 |
| 974 | MultiPlan, Inc., 7.82%, 4/12/13, Term B | 976,806 |
| 2,000 | Psychiatric Solutions, Inc., 7.096%, 7/7/12, Term B | 2,005,000 |
| 4,344 | Renal Advantage, Inc., 7.86%, 10/6/12, Term B | 4,381,869 |
| | | 32,902,924 |
| Hotels/Gaming 0.9% | | |
| 308 | CCM Merger, Inc., 7.35%, 7/21/12, Term B | 309,249 |
| | MotorCity Casino, Term B, | |
| 2,868 | 7.364%, 7/21/12 | 2,879,110 |
| 770 | 7.37%, 7/21/12 | 773,123 |
| 1,000 | Venetian Casino, 7.12%, 2/22/12, Term B | 1,008,173 |
| | | 4,969,655 |
| Household Products 0.7% | | |
| 1,000 | Springer S.A. (f), 7.737%, 9/16/11, Term B2 | 1,013,125 |

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2,800

8.112%, 9/16/12, Term C2

2,845,500
3,858,625

8 PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Semi-Annual Report | 1.31.07

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PIMCO Floating Rate Income Fund Schedule of Investments

January 31, 2007 (unaudited) (continued)

| Principal Amount (000) | | Value |
|-----------------------------------|---|--------------|
| Leasing 0.5% | | |
| \$ 996 | Rental Service Corp., 8.85%, 11/21/13 | \$ 1,014,709 |
| 504 | 8.87%, 11/21/13 | 506,632 |
| 333 | United Rentals, Inc., 5.322%, 2/14/11, Term LC | 336,310 |
| 733 | 7.35%, 2/14/11, Term B | 740,781 |
| | | 2,598,432 |
| Machinery 0.2% | | |
| 611 | Agco Corp., 7.07%, 6/15/09, Term B | 614,651 |
| 190 | Mueller Industries, Inc., Term B, 7.32%, 9/28/12 | 191,944 |
| 488 | 7.36%, 9/28/12 | 491,378 |
| 76 | 7.364%, 9/28/12 | 76,525 |
| | | 1,374,498 |
| Manufacturing 0.8% | | |
| 2,696 | Bombardier, Inc., Term B, 7.86%, 6/26/13 | 2,714,178 |
| 304 | 8.00%, 6/26/13 | 305,823 |
| 1,252 | Lucite International, 8.07%, 5/26/13, Term B | 1,266,184 |
| | | 4,286,185 |
| Measuring Instruments 0.0% | | |
| 125 | Dresser Rand, 7.32%, 10/29/11, Term B | 125,633 |
| Metals & Mining 0.8% | | |
| 3,000 | Freeport-McMoRan Copper & Gold, Inc., 7.50%, 1/2/08 (e)(f) | 2,988,279 |
| 1,037 | Novelis, Inc., 7.61%, 1/7/12, Term B | 1,041,308 |
| 597 | 7.61%, 1/7/12, Term B2 | 599,541 |
| | | 4,629,128 |
| Multi-Media 6.9% | | |
| 1,000 | American Media Operations, Inc., 8.31%, 1/30/13 | 1,007,083 |
| 1,000 | 8.37%, 1/30/13 | 1,007,083 |
| 993 | Atlantic Broadband, Inc., 8.10%, 8/4/12, Term B | 1,007,803 |
| 1,543 | Cablevision Systems Corp., Term B, 7.11%, 3/29/13 | 1,548,675 |
| 164 | 7.12%, 3/29/13 | 164,547 |
| 5,500 | Cebridge Connections, Inc., 7.61%, 11/5/13 | 5,539,534 |
| 10,500 | Charter Communications Holdings LLC, 7.985%, 4/25/13, Term B | 10,605,326 |
| 1,271 | CSC Holdings, Inc., 7.11%, 2/24/13, Term B | 1,273,018 |
| 6,000 | NTL Investment, 7.36%, 1/6/13, Term B | 6,040,446 |
| 2,970 | Primedia, 7.57%, 9/30/13, Term B | 2,965,670 |
| 3,930 | Telcordia Technologies, Inc., 8.12%, 9/9/12, Term B | 3,894,999 |
| 20 | Young Broadcasting, Inc., Term B, 7.875%, 11/3/12 | 20,088 |
| 948 | 7.938%, 5/2/12 | 950,814 |
| 2,976 | 7.938%, 11/3/12 | 2,986,360 |
| | | 39,011,446 |

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PIMCO Floating Rate Income Fund Schedule of Investments

January 31, 2007 (unaudited) (continued)

| Principal Amount (000) | | Value |
|----------------------------------|--|--------------|
| Oil & Gas 1.7% | | |
| \$ 6,000 | El Paso Corp., 5.048%, 6/15/09 | \$ 5,970,000 |
| 1,995 | Newpark Resources, Inc., 8.615%, 8/17/11 | 2,014,950 |
| | Vetco International, | |
| 750 | 8.059%, 1/16/12, Term B | 755,344 |
| 750 | 8.559%, 1/16/13, Term C | 756,375 |
| | | 9,496,669 |
| Paper/Paper Products 1.1% | | |
| 1,005 | Appleton Papers, Inc., | |
| | 7.62%, 6/9/10 | 1,010,943 |
| 951 | 7.63%, 6/11/10 | 956,608 |
| | Buckeye Technologies, Inc., | |
| 82 | 7.32%, 11/4/10, Term B | 82,366 |
| 62 | 7.35%, 11/4/10, Term B | 61,775 |
| 206 | 7.37%, 11/4/10, Term B | 205,915 |
| 82 | 7.38%, 11/4/10, Term B1 | 82,366 |
| 144 | 7.42%, 4/15/10, Term B | 144,141 |
| 136 | 7.42%, 11/4/10, Term B | 136,357 |
| 162 | 7.43%, 11/4/10, Term B | 162,158 |
| 247 | 7.50%, 11/4/10, Term B | 247,098 |
| | Georgia-Pacific Corp., Term B, | |
| 155 | 7.345%, 12/20/12 | 156,310.00 |
| 2,476 | 7.353%, 12/20/12 | 2,500,952 |
| 587 | 7.364%, 12/20/12 | 590,642 |
| | | 6,337,631 |
| Printing/Publishing 0.5% | | |
| | RH Donnelly Corp., Term D (f), | |
| 117 | 6.85%, 6/30/11 | 117,434 |
| 147 | 6.86%, 6/30/11 | 146,792 |
| 629 | 6.87%, 6/30/11 | 628,688 |
| | Seat Pagine Gialle SpA, | |
| 1,000 | 3.531%, 5/25/12, Term A | 1,301,549 |
| 693 | 3.531%, 6/8/13, Term B | 910,049 |
| | | 3,104,512 |
| Real Estate 0.5% | | |
| \$ 1,627 | Host Marriott L.P., 7.38%, 9/10/08 | 1,603,004 |
| 1,000 | Verso Paper Holdings LLC, 10.00%, 2/1/13 | 1,002,500 |
| | | 2,605,504 |
| Recreation 2.6% | | |
| | Amadeus Global Travel, | |
| 2,573 | 8.114%, 4/8/13, Term B | 2,596,534 |
| 177 | 8.114%, 4/8/13, Term B2 | 179,104 |
| 2,573 | 8.614%, 4/8/14, Term C | 2,606,716 |
| 177 | 8.614%, 4/8/14, Term C2 | 179,807 |
| 3,980 | Cedar Fair L.P., 7.82%, 6/13/12 | 4,025,026 |
| | Six Flags Theme Parks, Inc., Term B, | |
| 1,106 | 8.61%, 6/30/09 | 1,119,708 |
| 660 | 8.62%, 6/30/09 | 667,975 |
| | Travelport, | |
| 297 | 7.864%, 8/1/13 | 299,617 |

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3,028

8.364%, 8/22/13, Term CD

3,050,840
14,725,327

10 PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Semi-Annual Report | 1.31.07

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PIMCO Floating Rate Income Fund Schedule of Investments

January 31, 2007 (unaudited) (continued)

| Principal Amount (000) | | Value |
|--------------------------------|--|--------------|
| Retail 1.4% | | |
| \$ 3,783 | Jean Coutu Group, Inc., 7.875%, 7/30/11 | \$ 3,793,064 |
| 20 | Neiman Marcus Group, Inc., 7.595%, 4/6/13 | 20,233 |
| 1,340 | 7.603%, 4/6/13 | 1,355,651 |
| 3,000 | Rite Aid Corp., 9.00%, 11/8/13 (e) | 2,985,000 |
| | | 8,153,948 |
| Semi-Conductors 0.2% | | |
| 924 | On Semiconductor Corp., 7.617%, 12/3/11, Term G | 926,975 |
| Telecommunications 4.9% | | |
| 3,354 | Cablecom GMBH, 4.771%, 4/15/11, Term A | 2,691,612 |
| 4,403 | Centennial Cellular Communications Corp., Term B, 7.614%, 2/9/11 | 4,441,405 |
| 263 | 7.62%, 1/20/11 | 265,610 |
| 3,390 | Consolidated Communications, Inc., Term B, 7.368%, 9/18/11 | 3,408,287 |
| 1,053 | 7.373%, 10/14/11 | 1,059,072 |
| 1,200 | eircom Group PLC, 5.933%, 7/17/14, Term B | 1,561,708 |
| 1,200 | 6.308%, 7/17/15, Term C | 1,576,561 |
| \$ 2,500 | Hawaiian Telcom Communications, Inc., 7.62%, 4/30/12, Term A | 2,497,395 |
| 1,987 | 7.62%, 10/31/12, Term B | 1,985,012 |
| 2,500 | Intelsat Ltd., 6.00%, 2/15/14 (e)(f) | 2,489,452 |
| 2,200 | Nordic Telephone Co. Holdings ApS, 6.079%, 11/30/14, Term B | 2,893,325 |
| 2,200 | 6.579%, 11/30/14, Term C | 2,903,145 |
| \$ 26 | Valor Telecommunications Enterprises LLC, 7.249%, 2/15/12, Term B | 26,522 |
| | | 27,799,106 |
| Transportation 0.5% | | |
| 2,962 | Fleetpride Corp., 8.586%, 6/6/13, Term B | 2,979,164 |
| Utilities 1.5% | | |
| 786 | AES Corp., Term B, 7.19%, 4/30/08 | 788,251 |
| 786 | 7.50%, 8/10/11 | 788,252 |
| 3,000 | Reliant Energy, Inc., 5.187%, 12/1/10, Term LC | 3,030,000 |
| 4,000 | 7.695%, 12/1/10, Term B | 4,040,000 |
| | | 8,646,503 |
| Waste Disposal 1.0% | | |
| 1,679 | Allied Waste North America, Inc., 5.322%, 1/15/12 | 1,689,828 |
| 718 | 7.12%, 1/15/12 | 721,953 |
| 80 | 7.13%, 1/15/12 | 80,517 |
| 604 | 7.15%, 1/15/12 | 607,056 |
| 2,103 | 7.17%, 1/15/12 | 2,114,290 |
| 342 | 7.21%, 1/15/12 | 343,678 |
| | | 5,557,322 |

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PIMCO Floating Rate Income Fund Schedule of Investments

January 31, 2007 (unaudited) (continued)

| Principal Amount (000) | | Value |
|--|-------|--|
| Wholesale 0.7% | | |
| \$ | 2,000 | Roundy s, Inc., Term B, 8.13%, 10/27/11 |
| | 1,960 | 8.36%, 10/27/11 |
| | | \$ 2,020,500 |
| | | 1,980,090 |
| | | 4,000,590 |
| Wire & Cable Products 2.0% | | |
| | 1,500 | Pirelli Cable S.A., 5.785%, 6/23/13, Term B |
| | 1,000 | 6.159%, 6/23/13, Term B |
| | 1,000 | 6.659%, 6/23/14, Term C |
| | 2,750 | UPC Broadband Holding BV, 6.103%, 3/31/13, Term J1 |
| | 2,312 | 6.103%, 12/31/13, Term K1 |
| | | 1,957,704 |
| | | 1,304,323 |
| | | 1,307,572 |
| | | 3,027,147 |
| | | 3,600,519 |
| | | 11,197,265 |
| | | 398,044,950 |
| Total Senior Loans (cost-\$394,448,907) | | |
| CORPORATE BONDS & NOTES 23.0% | | |
| | | Credit Rating (Moody s/S&P) |
| Airlines 0.3% | | |
| | 1,164 | JetBlue Airways Corp., FRN, 8.474%, 5/15/10, Ser. 04-2 |
| | 404 | 9.61%, 3/15/08, Ser. 04-1 |
| | | Ba3/BB- |
| | | 1,170,946 |
| | | Ba3/BB- |
| | | 409,022 |
| | | 1,579,968 |
| Apparel & Textiles 0.4% | | |
| | 2,500 | Hanesbrands, Inc., 8.735%, 12/15/14, FRN (d) |
| | | B2/B- |
| | | 2,581,250 |
| Automotive Products 0.7% | | |
| | 4,000 | Goodyear Tire & Rubber Co., 9.14%, 12/1/09, FRN (d) |
| | | B2/B- |
| | | 4,050,000 |
| Banking 0.5% | | |
| £ | 1,464 | Royal Bank of Scotland PLC, 6.00%, 4/6/11 (b)(f) |
| | | NR/NR |
| | | 2,834,627 |
| Building/Construction 0.7% | | |
| | 3,000 | Grohe Holding GmbH, 6.622%, 1/15/14, FRN |
| | | B2/B |
| | | 3,920,377 |
| Computer Services 0.4% | | |
| \$ | 2,000 | SunGard Data Systems, Inc., 9.973%, 8/15/13, FRN |
| | | Caa1/B- |
| | | 2,095,000 |
| Financial Services 3.8% | | |
| | 2,500 | Chukchansi Economic Dev. Auth., 8.877%, 11/15/12, FRN (d) |
| | 3,000 | Ford Motor Credit Co., 8.11%, 1/13/12, FRN |
| | 7,000 | General Motors Acceptance Corp., 7.569%, 12/1/14, FRN |
| | 3,000 | Hellas Telecommunications Luxembourg V, 7.257%, 10/15/12, FRN |
| | | B2/BB- |
| | | 2,578,125 |
| | | B1/B |
| | | 3,015,984 |
| | | Ba1/BB+ |
| | | 7,372,036 |
| | | B1/B |
| | | 4,020,175 |
| \$ | 2,000 | Universal City Florida Holding Co., 8.375%, 5/1/10 |
| | 2,500 | 10.121%, 5/1/10, FRN |
| | | B3/B- |
| | | 2,047,500 |
| | | B3/B- |
| | | 2,593,750 |
| | | 21,627,570 |
| Food Services 0.3% | | |

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| | | | | | |
|-----------------------------------|-------------|-------|---|-----------|-----------|
| Healthcare & Hospitals | 0.8% | 1,750 | Aramark Corp., 8.86%, 2/1/15, FRN (d) | B3/B- | 1,793,750 |
| | | 3,000 | Cdrv Investors, Inc., 9.86%, 12/1/11, FRN (d) | Caa1/CCC+ | 2,962,500 |
| | | 1,500 | Rotech Healthcare, Inc., 9.50%, 4/1/12 | Caa3/CC | 1,563,750 |
| | | | | | 4,526,250 |

12 PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Semi-Annual Report | 1.31.07

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PIMCO Floating Rate Income Fund Schedule of Investments

January 31, 2007 (unaudited) (continued)

| Principal Amount (000) | | Credit Rating (Moody s/S&P) | Value |
|---------------------------------------|--|--------------------------------|--------------|
| Hotels/Gaming 0.3% | | | |
| \$ 2,000 | Mandalay Resort Group, 7.625%, 7/15/13 | B1/B+ | \$ 1,990,000 |
| Insurance 0.3% | | | |
| 1,500 | Parametric Re Ltd., 9.69%, 5/19/08, FRN (d) | Ba2/NR | 1,513,500 |
| Manufacturing 0.8% | | | |
| 3,250 | Bombardier, Inc., 6.709%, 11/15/13, FRN (d) | Ba2/BB | 4,334,074 |
| Multi-Media 3.4% | | | |
| \$ 2,000 | Cablevision Systems Corp., Ser. B, 8.00%, 4/15/12 | B3/B+ | 2,027,500 |
| 5,000 | 9.87%, 4/1/09, FRN | B3/B+ | 5,325,000 |
| 1,000 | CCO Holdings LLC, 8.75%, 11/15/13 | Caa1/CCC- | 1,035,000 |
| 4,000 | 9.485%, 12/15/10, FRN | Caa1/CCC- | 4,100,000 |
| 4,000 | Charter Communications Holdings II LLC, 10.25%, 9/15/10 | Caa2/CCC- | 4,175,000 |
| 1,800 | DirecTV Holdings LLC, 8.375%, 3/15/13 | Ba3/BB- | 1,892,250 |
| 1,000 | Paxson Communications Corp., 11.61%, 1/15/13, FRN (d) | Caa2/CCC- | 1,045,000 |
| | | | 19,599,750 |
| Paper/Paper Products 1.9% | | | |
| 2,000 | Abitibi-Consolidated, Inc., 5.25%, 6/20/08 | B2/B+ | 1,977,500 |
| 1,000 | 8.86%, 6/15/11, FRN | B2/B+ | 1,007,500 |
| 3,000 | Boise Cascade LLC, 8.235%, 10/15/12, FRN | B1/B+ | 3,030,000 |
| 1,000 | Bowater, Inc., 8.36%, 3/15/10, FRN | B2/B+ | 1,015,000 |
| 3,500 | Verso Paper Holdings LLC, 9.121%, 8/1/14, FRN (d) | B2/B | 3,605,000 |
| | | | 10,635,000 |
| Semi-Conductors 0.9% | | | |
| 5,000 | Freescall Semi-conductor, Inc., 9.244%, 12/15/14, FRN (d) | B1/B | 5,000,000 |
| Telecommunications 7.3% | | | |
| 4,000 | Cincinnati Bell, Inc., 8.375%, 1/15/14 | B2/B- | 4,120,000 |
| 2,500 | Hawaiian Telcom Communications, Inc., 10.889%, 5/1/13, Ser. B, FRN | B3/CCC+ | 2,581,250 |
| 2,500 | Intelsat Subsidiary Holding Co., Ltd., FRN, 10.252%, 1/15/12 | B2/B+ | 2,525,000 |
| 3,000 | 11.354%, 6/15/13 (d) | Caa1/B | 3,217,500 |
| 2,950 | Nordic Telephone Co. Holdings ApS, 9.064%, 5/1/16, FRN (d) | B2/B | 3,967,548 |
| \$ 4,700 | Nortel Networks Ltd., 9.61%, 7/15/11, FRN (d) | B3/B- | 5,017,250 |
| 2,000 | Qwest Capital Funding, Inc., 7.90%, 8/15/10 | B1/B+ | 2,095,000 |
| 12,000 | Qwest Communications International, Inc., 8.874%, 2/15/09, FRN | Ba3/B+ | 12,210,000 |
| 3,500 | Rogers Wireless, Inc., 8.485%, 12/15/10, FRN | Ba1/BB+ | 3,578,750 |
| 2,000 | Rural Cellular Corp., 8.25%, 3/15/12 | Ba3/B | 2,095,000 |
| | | | 41,407,298 |
| Wire & Cable Products 0.2% | | | |
| 1,000 | | B3/B | 1,027,500 |

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| | | |
|--|--|-------------|
| | Superior Essex Communications LLC, 9.00%, 4/15/12 | |
| Total Corporate Bonds & Notes (cost-\$126,398,861) | | 130,515,914 |

MORTGAGE-BACKED SECURITIES 0.4%

| | | | |
|-------|---|---------|-----------|
| 1,988 | Mellon Residential Funding Corp., 5.67%, 11/15/31, CMO, FRN (cost-\$1,987,512) | Aaa/AAA | 1,990,808 |
|-------|---|---------|-----------|

1.31.07 | PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Semi-Annual Report **13**

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PIMCO Floating Rate Income Fund Schedule of Investments

January 31, 2007 (unaudited) (continued)

| Principal Amount (000) | | Credit Rating (Moody's/S&P) | Value |
|-------------------------------------|--|---|------------|
| ASSET-BACKED SECURITIES 0.3% | | | |
| | | Credit Suisse First Boston Mortgage Securities Corp., FRN, 6.02%, 7/25/32 | |
| \$ | 145 | Aaa/AAA | \$ 145,343 |
| | 512 | Aaa/AAA | 512,609 |
| | 776 | Aaa/AAA | 777,022 |
| | 95 | B2/NR | 72,510 |
| | Total Asset-Backed Securities (cost-\$1,506,621) | | 1,507,484 |

PREFERRED STOCK (b)(d) 0.5%

Shares

Financial Services 0.5%

| | | | |
|----|---|-------|-----------|
| 30 | Richmond Cnty. Capital Corp., 8.624%, FRN (cost-\$3,068,307) | NR/NR | 3,007,500 |
|----|---|-------|-----------|

SHORT-TERM INVESTMENTS 5.5%

Principal
Amount
(000)

Corporate Notes 2.3%

Financial Services 2.3%

| | | | | |
|----|--------|--|-------|------------|
| \$ | 13,000 | Ford Motor Credit Co., 8.371%, 11/2/07, FRN (i) (cost-\$12,921,533) | NR/NR | 13,190,567 |
|----|--------|--|-------|------------|

Commercial Paper 0.8%

Banking 0.8%

| | | | |
|-------|--|-------|-----------|
| 4,700 | Total Finance, 5.26%, 2/1/07 (cost-\$4,700,000) | NR/NR | 4,700,000 |
|-------|--|-------|-----------|

U.S. Treasury Bills (g) 0.4%

| | | | |
|-------|---|--|-----------|
| 1,975 | 4.80%-4.87%, 3/1/07-3/15/07 (cost-\$1,964,034) | | 1,964,034 |
|-------|---|--|-----------|

Repurchase Agreements 2.0%

| | | | |
|-------|--|--|-----------|
| 4,000 | Credit Suisse First Boston, dated 1/31/07, 5.15%, due 2/1/07, proceeds \$4,000,572; collateralized by U.S. Treasury Note, 4.25%, 1/15/11, valued at \$4,110,635 including accrued interest | | 4,000,000 |
| 7,540 | State Street Bank & Trust Co., dated 1/31/07, 4.90%, due 2/1/07, proceeds \$7,541,026; collateralized by Federal Home Loan Bank, 4.875%, 5/15/07, valued at \$7,692,245 including accrued interest | | 7,540,000 |

Total Repurchase Agreements (cost-\$11,540,000) 11,540,000

Total Short-Term Investments (cost-\$31,125,567) 31,394,601

OPTIONS PURCHASED (h) 0.0%

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Contracts

Call Options 0.0%

| | | |
|-------|---|--------|
| 1,263 | U.S. Treasury Notes 10 yr. Futures, Chicago Board of Trade, strike price \$115, expires 2/23/07 | 19,734 |
| 250 | U.S. Treasury Notes 5 yr. Futures, Chicago Board of Trade, strike price \$109.50, expires 2/23/07 | 3,906 |
| | | 23,640 |

14 PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Semi-Annual Report | 1.31.07

PIMCO Floating Rate Income Fund Schedule of Investments

January 31, 2007 (unaudited) (continued)

| Contracts | Value |
|--|-----------------------|
| Put Options 0.0% | |
| 324 Eurodollar Futures, Chicago Mercantile Exchange, strike price \$90.50, expires 9/17/07 | \$ 1 |
| 60 strike price \$91.50, expires 6/18/07 | |
| 335 strike price \$91.75, expires 3/19/07 | 1 |
| 600 strike price \$91.75, expires 3/17/08 | 1 |
| 406 U.S. Treasury Notes 10 yr. Futures, Chicago Board of Trade, strike price \$103, expires 2/23/07 | 6,344 |
| | 6,347 |
| Total Options Purchased (cost-\$48,751) | 29,987 |
| Total Investments before options written (cost-\$558,584,526) 100.0% | 566,491,244 |
| OPTIONS WRITTEN (h) (0.0)% | |
| Call Options (0.0)% | |
| 749 U.S. Treasury Notes 10 yr. Futures, Chicago Board of Trade, strike price \$111, expires 2/23/07 | (11,703) |
| Put Options (0.0)% | |
| 749 U.S. Treasury Notes 10 yr. Futures, Chicago Board of Trade, strike price \$106, expires 2/23/07 | (105,328) |
| Total Options Written (premiums received-\$540,053) | (117,031) |
| Total Investments net of options written (cost-\$558,044,473) 100.0% | \$ 566,374,213 |

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2007 (unaudited) (continued)

| Principal Amount (000) | | Value |
|------------------------------------|--------------|---|
| SENIOR LOANS (a)(b)(c) | 71.9% | |
| Aerospace 0.9% | | |
| \$ | 5,764 | K & F Industries, Inc., 7.32%, 11/18/12, Term B \$ 5,791,849 |
| | 52 | Standard Aero Holdings, Inc., 7.57%, 8/30/12, Term B 52,699 |
| | 630 | 7.60%, 8/30/12, Term B 632,384 |
| | 3,148 | 7.61%, 8/24/12 3,161,921 |
| | 630 | 7.61%, 8/30/12, Term B 632,384 |
| | 1,250 | TransDigm Group, Inc., 7.366%, 6/23/13, Term B 1,258,594 |
| | | 13,529,831 |
| Airlines 1.1% | | |
| | 8,000 | Northwest Airlines Corp., 7.85%, 8/22/08 7,980,000 |
| | 5,224 | United Airlines, Inc., 9.12%, 2/1/12, Term B (f) 5,242,791 |
| | 746 | 11.00%, 1/9/11, Term DD 749,448 |
| | | 13,972,239 |
| Apparel & Textiles 0.3% | | |
| | 69 | Hanesbrands, Inc., Term B, 7.57%, 10/15/13 69,846 |
| | 857 | 7.61%, 10/15/13 868,554 |
| | 1,195 | Simmons Co., Term C, 7.375%, 12/19/11 1,206,053 |
| | 1,388 | 7.438%, 12/19/11 1,401,630 |
| | | 3,546,083 |
| Automotive 1.7% | | |
| | 2,000 | Dura Operating Corp., 10.07%, 4/28/11 1,715,000 |
| | 10,000 | Ford Motor Corp., 8.36%, 11/29/13, Term B 10,142,360 |
| | 556 | Hertz Corp., 5.365%, 12/21/12 560,113 |
| | 1,835 | 7.30%, 12/21/12, Term B 1,849,561 |
| | 1,835 | 7.32%, 12/21/12, Term B 1,849,417 |
| | 2,719 | 7.35%, 12/21/12, Term B 2,741,249 |
| | 2,091 | Lear Corp., 7.864%, 3/23/12 2,114,959 |
| | 900 | 7.87%, 3/23/12 910,312 |
| | | 21,882,971 |
| Automotive Products 4.3% | | |
| | 8,302 | Affinia Group, 8.36%, 11/30/11, Term B 8,360,813 |
| | 2,887 | Cooper Standard Automotive, Inc., 7.875%, 12/31/11, Term B 2,903,751 |
| | 6,151 | 7.875%, 12/31/11, Term C 6,187,367 |
| | 1,500 | Delphi Corp., 7.625%, 12/31/07, Term B 1,508,449 |
| | 7,000 | 8.125%, 12/31/07, Term C 7,003,291 |
| | 6,000 | Fed Mogul Corp., 7.32%, 7/1/07, Term B 6,018,000 |
| | 10,500 | Goodyear Tire & Rubber Co., 8.14%, 4/30/10 10,633,434 |
| | 2,000 | 8.89%, 4/1/11 2,017,678 |
| | 6,159 | Polypore, Inc., 8.32%, 11/12/11, Term B 6,205,155 |
| | | Tenneco Automotive, Inc., |

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| | | |
|-------|--------------------------|------------|
| 1,141 | 7.32%, 12/12/10, Term B1 | 1,150,123 |
| 2,610 | 7.36%, 12/12/10, Term B | 2,630,619 |
| | | 54,618,680 |

16 PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Semi-Annual Report | 1.31.07

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2007 (unaudited) (continued)

| Principal Amount (000) | | Value |
|-----------------------------------|--|--------------|
| Banking 0.6% | | |
| | Aster Co., Ltd., | |
| | 6.060%, 9/19/13, Term B | \$ 3,668,402 |
| \$ | 2,137 | 2,142,732 |
| | 7.872%, 9/19/13, Term B1 | 2,242,457 |
| | 2,214 | 8,053,591 |
| | 8.372%, 9/19/14, Term C1 | |
| Building/Construction 2.0% | | |
| | Masonite International Corp., Term B, | |
| | 7.36%, 4/6/13 | 9,756,267 |
| | 38 | 37,647 |
| | 7.364%, 4/6/13 | 9,312,948 |
| | 9,286 | 6,984,901 |
| | Nortek, Inc., 7.35%, 8/27/11 | 26,091,763 |
| | 6,967 | |
| | UGS Corp., 7.11%, 3/31/12, Term B | |
| Chemicals 4.7% | | |
| | Basell NV, | |
| | 149 | 195,974 |
| | 5.876%, 9/15/13, Term B | |
| | 861 | 1,132,767 |
| | 5.876%, 9/15/13, Term B1 | |
| | 129 | 170,073 |
| | 5.876%, 9/15/13, Term B4 | |
| | 230 | 302,111 |
| | 5.876%, 9/15/13, Term B5 | |
| | 1,238 | 1,629,040 |
| | 5.942%, 9/15/13, Term B | |
| | 994 | 1,307,937 |
| | 5.942%, 9/15/13, Term B4 | |
| | 406 | 534,740 |
| | 5.942%, 9/15/13, Term B6 | |
| | 1,174 | 1,550,784 |
| | 6.626%, 9/15/14, Term C | |
| | 449 | 592,687 |
| | 6.626%, 9/15/14, Term C4 | |
| | 236 | 312,087 |
| | 6.626%, 9/15/14, Term C5 | |
| | 673 | 888,941 |
| | 6.692%, 9/15/14, Term C | |
| | 1,819 | 2,403,813 |
| | 6.692%, 9/15/14, Term C4 | |
| | 185 | 244,276 |
| | 6.692%, 9/15/14, Term C6 | |
| | Brenntag AG, | |
| | 2,000 | 2,610,360 |
| | 6.633%, 12/23/13, Term B5 | |
| \$ | 9,581 | 9,647,855 |
| | Celanese AG, 7.117%, 4/6/11, Term B | |
| | Chart Industries, Term B, | |
| | 333 | 334,583 |
| | 7.375%, 10/14/12 | |
| | 3,667 | 3,682,708 |
| | 7.438%, 10/14/12 | |
| | 4,000 | 4,030,340 |
| | Cognis BV, 8.104%, 5/12/12, Term B1 (e) | |
| | 2,589 | 3,367,757 |
| | Cognis Deutschland GMBH, 5.782%, 5/12/11, Term A | |
| \$ | 2,431 | 2,450,510 |
| | Georgia Gulf Corp., 7.32%, 11/30/13 | |
| | 3,652 | 3,676,468 |
| | Huntsman International LLC, 7.07%, 8/10/12 | |
| | INEOS Group Ltd., | |
| | 4,500 | 4,527,000 |
| | 7.611%, 10/7/12, Term A4 | |
| | 1,980 | 2,007,573 |
| | 7.611%, 10/7/13, Term B1 | |
| | 1,980 | 2,015,501 |
| | 8.111%, 10/7/14, Term C1 | |
| | 2,709 | 2,723,766 |
| | Innophos, Inc., 7.57%, 8/13/10, Term B | |
| | 5,459 | 5,506,514 |
| | KRATON Polymers Group LLC, 7.375%, 5/11/13 | |
| | 2,220 | 2,227,228 |
| | VWR International, Inc., 7.61%, 4/7/11, Term B | 60,073,393 |
| Commercial Products 1.6% | | |

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| | | |
|-------|---|-----------|
| 3,326 | Alliance Laundry Holdings LLC, 7.60%, 1/27/12, Term B | 3,354,899 |
| | iPayment, Inc., | |
| 388 | 7.32%, 12/27/12 | 387,621 |
| 1,597 | 7.36%, 12/27/12 | 1,593,657 |

1.31.07 | PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Semi-Annual Report **17**

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2007 (unaudited) (continued)

| Principal Amount (000) | | Value | |
|--|--------|---|--------------|
| Commercial Products (continued) | | | |
| \$ | 3,500 | Rexel S.A., 6.929%, 4/18/14, Term C1 | \$ 3,541,835 |
| | 3,500 | 7.611%, 11/3/13, Term B1 | 3,527,562 |
| | 954 | Sigmakalon, 5.722%, 6/30/12, Term A | 1,239,067 |
| | 2,500 | 6.222%, 9/19/12, Term B1 | 3,277,348 |
| | 1,678 | 6.972%, 9/19/13, Term C | 2,208,078 |
| | 671 | 6.972%, 9/19/13, Term C1 | 883,629 |
| | | | 20,013,696 |
| Computer Services 1.4% | | | |
| \$ | 5,463 | PanAmSat Corp., 7.485%, 6/30/11, Term A | 5,498,939 |
| | 11,820 | SunGard Data Systems, Inc., 7.875%, 2/11/13 | 11,943,743 |
| | | | 17,442,682 |
| Computer Software 1.8% | | | |
| | 3,933 | Infor Global Solutions, 9.12%, 8/1/12 | 3,973,313 |
| | 2,052 | 9.12%, 8/1/12, Term DD | 2,068,929 |
| | 6,000 | Riverdeep Interactive, 11.066%, 12/21/07 | 5,976,553 |
| | 328 | Spectrum Brands Corp., Term B, 8.57%, 2/6/12 | 329,838 |
| | 711 | 8.57%, 2/7/12 | 714,269 |
| | 1,298 | 8.62%, 2/6/12 | 1,304,852 |
| | 4,500 | Worldspan L.P., Term B, 8.57%, 12/7/13 | 4,528,125 |
| | 4,500 | 8.595%, 12/7/13 | 4,528,125 |
| | | | 23,424,004 |
| Consumer Products 2.4% | | | |
| | 4,476 | Eastman Kodak Co., 7.57%, 10/18/12, Term B | 4,493,816 |
| | 6,725 | Education Management Corp., 7.875%, 5/23/13, Term B | 6,794,193 |
| | 9,281 | Jarden Corp., 7.364%, 1/24/12, Term B1 | 9,313,940 |
| | 3,000 | National Mentor, Inc., 7.50%, 6/30/12 | 3,017,814 |
| | 2,000 | 7.87%, 6/30/13, Term B (e) | 2,011,876 |
| | 470 | Rayovac Corp., Term B, 8.57%, 2/7/12 | 472,405 |
| | 566 | 8.59%, 2/6/12 | 568,994 |
| | 3,571 | 8.61%, 2/6/12 | 3,588,343 |
| | 909 | 8.63%, 2/7/12 | 913,396 |
| | | | 31,174,777 |
| Containers & Packaging 2.9% | | | |
| | 9,804 | Graham Packaging Co., 7.625%, 10/7/11, Term B | 9,897,348 |
| | 6,539 | Horizon Lines LLC, 7.62%, 7/7/11 | 6,573,818 |
| | 2,103 | Intertape Polymer Group, Inc., Term B, 8.043%, 7/28/11 | 2,109,269 |
| | 872 | 8.10%, 7/28/11 | 875,215 |

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| | | |
|-----|----------------------------------|---------|
| 436 | 8.11%, 7/28/11 JSG Packaging, | 437,608 |
| 89 | 6.112%, 1/12/13, Term B | 116,653 |
| 75 | 6.118%, 1/12/13, Term B | 98,541 |
| 154 | 6.186%, 1/12/13, Term B | 202,378 |
| 113 | 6.234%, 1/12/13, Term B | 147,812 |

18 PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Semi-Annual Report | 1.31.07

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2007 (unaudited) (continued)

| Principal Amount (000) | | Value |
|---|--|------------|
| Containers & Packaging (continued) | | |
| 295 | 6.234%, 11/29/13, Term B | \$ 387,468 |
| 274 | 6.335%, 11/29/13, Term B | 359,168 |
| 89 | 6.612%, 1/12/14, Term C | 116,614 |
| 154 | 6.686%, 1/12/14, Term C | 203,145 |
| 113 | 6.734%, 1/12/14, Term C | 147,762 |
| 295 | 6.734%, 11/29/14, Term C | 387,337 |
| 75 | 6.757%, 1/12/14, Term C | 98,508 |
| 274 | 6.835%, 11/29/14, Term C | 360,529 |
| \$ 2,250 | 7.735%, 11/29/13, Term B | 2,273,139 |
| 2,250 | 8.235%, 11/29/14, Term C | 2,272,372 |
| | Smurfit-Stone Container, | |
| 1,528 | 5.215%, 11/1/10 | 1,543,740 |
| 1,178 | 7.625%, 11/1/10, Term C | 1,189,249 |
| 4,487 | 7.625%, 11/1/11, Term B | 4,533,633 |
| 2,505 | 7.625%, 11/1/11, Term C | 2,530,319 |
| 841 | 7.625%, 11/1/11, Term C-1 | 849,845 |
| | | 37,711,470 |
| Diversified Manufacturing 0.3% | | |
| | Invensys PLC, | |
| 959 | 7.36%, 7/17/13, Term Y1 | 966,695 |
| 1,041 | 7.36%, 7/17/13, Term Z1 | 1,049,555 |
| | Linpac Mouldings Ltd., | |
| 1,016 | 8.117%, 4/16/12, Term B1 | 1,020,782 |
| 1,277 | 8.617%, 4/16/12, Term C1 | 1,289,916 |
| | | 4,326,948 |
| Drugs & Medical Products 1.3% | | |
| | Nycomed Holdings, | |
| 4,000 | 6.00%, 12/29/16, Term B | 5,204,573 |
| 4,000 | 7.50%, 12/20/15, Term C | 5,217,294 |
| | Warner Chilcott PLC, | |
| \$ 1,939 | 7.36%, 1/18/12, Term B | 1,950,509 |
| 1,760 | 7.614%, 1/18/12, Term B | 1,770,352 |
| 1,016 | 7.614%, 1/18/12, Term C | 1,021,561 |
| 621 | 7.617%, 1/4/12 | 624,935 |
| 704 | 7.867%, 1/4/12 | 707,915 |
| | | 16,497,139 |
| Electronics 1.4% | | |
| 8,000 | Sanmina-SCI Corp., 7.875%, 1/31/08 | 8,034,000 |
| | Sensata Technologies, Inc., | |
| 11 | 7.094%, 4/21/13 | 10,509 |
| 984 | 7.11%, 4/21/13 | 982,813 |
| 9,000 | Spancion, Inc., 8.375%, 10/30/12, Term B | 9,050,625 |
| | | 18,077,947 |
| Energy 4.8% | | |
| | Alon USA Energy, Inc., | |

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| | | |
|-------|------------------------|-----------|
| 632 | 7.57%, 6/8/13, Term DD | 635,220 |
| 620 | 7.57%, 6/8/13, Term 2 | 623,487 |
| 32 | 7.62%, 6/8/13, Term DD | 31,845 |
| 2,020 | 7.62%, 6/8/13, Term 1 | 2,031,363 |
| 2,667 | 7.681%, 6/8/13 | 2,681,667 |

1.31.07 | PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Semi-Annual Report **19**

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2007 (unaudited) (continued)

| Principal Amount (000) | | Value | |
|------------------------------|--------|--|--------------|
| Energy (continued) | | | |
| \$ | 1,041 | Covanta Energy Corp., 5.303%, 6/24/12 | \$ 1,047,154 |
| | 181 | 7.57%, 6/30/12 | 181,745 |
| | 78 | 7.57%, 6/30/12, Term B | 78,057 |
| | 995 | 7.616%, 6/30/12 | 1,001,219 |
| | 482 | 7.616%, 6/30/12, Term B | 484,963 |
| | 2 | 9.50%, 6/30/12 | 1,875 |
| | 1,950 | 10.82%, 5/12/13, Term DHC | 1,992,656 |
| | | Edison Midwest, Term B, | |
| | 1,070 | 6.83%, 4/27/11 | 1,074,310 |
| | 682 | 6.88%, 4/27/11 | 684,959 |
| | 745 | 7.31%, 4/27/11 | 748,132 |
| | 7,222 | Headwaters, Inc., 7.32%, 4/30/11, Term B | 7,248,989 |
| | | NRG Energy, Inc., | |
| | 557 | 7.364%, 2/1/13 | 562,479 |
| | 2,151 | 7.364%, 2/1/13, Term B | 2,172,548 |
| | | Reliant Energy, | |
| | 7,286 | 5.187%, 12/1/10, Term LC | 7,358,571 |
| | 9,714 | 7.695%, 12/1/10, Term B | 9,811,429 |
| | | Ruhrgas Industries, | |
| | 868 | 7.861%, 7/15/13 | 884,584 |
| | 868 | 8.361%, 7/15/14 | 881,917 |
| | 8,000 | SandRidge Energy, Inc., 9.853%, 11/30/07 | 8,080,000 |
| | | Targa Resources, Inc., | |
| | 774 | 5.239%, 10/31/11 | 780,019 |
| | 3,000 | 7.60%, 10/31/07 | 3,022,968 |
| | 1,677 | 7.61%, 10/31/12, Term B | 1,690,041 |
| | 89 | 7.614%, 10/31/12, Term B | 89,377 |
| | 903 | 7.62%, 10/31/12, Term B | 910,022 |
| | 516 | 7.626%, 10/31/12, Term B | 520,013 |
| | | Weather Investments SARL, | |
| | 1,000 | 6.124%, 6/17/12, Term A (e) | 1,302,625 |
| | 1,000 | 6.298%, 6/17/13, Term B (e) | 1,310,281 |
| | 1,000 | 6.798%, 6/17/14, Term C (e) | 1,313,257 |
| | | | 61,237,772 |
| Entertainment 2.5% | | | |
| \$ | 2,475 | AMC Entertainment, Inc., 7.445%, 1/5/13 | 2,500,589 |
| | 13,897 | MGM Studios, 8.614%, 4/8/12, Term B | 13,732,455 |
| | | Revolution Studios LLC, | |
| | 1,000 | 7.82%, 12/25/12, Term A | 1,007,500 |
| | 7,000 | 9.07%, 12/25/14, Term B | 7,052,500 |
| | | Warner Music Group, Inc., Term B, | |
| | 351 | 7.309%, 2/28/11 | 352,869 |
| | 1,649 | 7.36%, 2/28/11 | 1,660,063 |
| | 3,809 | 7.37%, 2/28/11 | 3,833,389 |
| | 1,666 | 7.40%, 2/28/11 | 1,676,831 |
| | 347 | 7.409%, 2/28/11 | 349,340 |
| | | | 32,165,536 |

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Financial Services 0.9%

11,970

Nielson Finance, 8.125%, 8/9/13, Term B

12,078,819

20 PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Semi-Annual Report | 1.31.07

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2007 (unaudited) (continued)

| Principal Amount (000) | | Value |
|--|---|--------------|
| Food Services 1.1% | | |
| \$ 2,653 | Arby's Restaurant Group, Inc., Term B, 7.595%, 7/25/12 | \$ 2,680,987 |
| 5,039 | 7.60%, 7/25/12 | 5,091,157 |
| 2,690 | 7.61%, 7/25/12 | 2,717,533 |
| 3,131 | Michael Foods, Inc., Term B, 7.35%, 11/21/10 | 3,145,559 |
| 286 | 7.387%, 11/21/10 | 287,725 |
| | | 13,922,961 |
| Healthcare & Hospitals 5.2% | | |
| 2,087 | DaVita, Inc., Term B, 7.35%, 10/5/12 | 2,105,089 |
| 6,898 | 7.36%, 10/5/12 | 6,958,822 |
| 1,163 | 7.37%, 10/5/12 | 1,172,835 |
| 507 | 7.38%, 10/5/12 | 511,236 |
| 1,901 | 7.69%, 10/5/12 | 1,917,886 |
| 25,000 | HCA, Inc., 8.114%, 11/17/13, Term B | 25,256,050 |
| 10,945 | HealthSouth Corp., 8.61%, 2/2/13 | 11,061,987 |
| 2,889 | MultiPlan, Inc., 7.82%, 4/12/13, Term B | 2,898,646 |
| 4,192 | Psychiatric Solutions, Inc., 7.096%, 7/7/12, Term B | 4,202,789 |
| 9,878 | Renal Advantage, Inc., 7.86%, 10/6/12, Term B | 9,964,525 |
| | | 66,049,865 |
| Hotels/Gaming 1.1% | | |
| 693 | MotorCity Casino, Term B, 7.35%, 7/21/12 | 695,593 |
| 6,451 | 7.364%, 7/21/12 | 6,475,972 |
| 1,732 | 7.37%, 7/21/12 | 1,738,983 |
| 1,162 | Penn National Gaming, Inc., Term B, 7.11%, 5/26/12 | 1,171,395 |
| 353 | 7.13%, 5/26/12 | 355,372 |
| 400 | 7.15%, 5/26/12 | 403,347 |
| 3,393 | Venetian Casino, 7.12%, 2/22/12, Term B | 3,420,895 |
| | | 14,261,557 |
| Leasing 0.2% | | |
| 1,659 | Rental Service Corp., 8.85%, 11/21/13 | 1,691,182 |
| 841 | 8.87%, 11/21/13 | 844,386 |
| | | 2,535,568 |
| Machinery 0.4% | | |
| 1,507 | Agco Corp., 7.07%, 6/15/09, Term B | 1,516,182 |
| 762 | Mueller Industries, Inc., Term B, 7.32%, 9/28/12 | 767,778 |
| 1,950 | 7.36%, 9/28/12 | 1,965,510 |
| 304 | 7.364%, 9/28/12 | 306,101 |
| | | 4,555,571 |
| Manufacturing 1.3% | | |
| 6,291 | Bombardier, Inc., Term B, 7.86%, 6/26/13 | 6,333,082 |
| 709 | 8.00%, 6/26/13 | 713,587 |
| 2,210 | Lucite International, 8.07%, 5/26/13, Term B | 2,234,443 |
| 7,227 | Xerium Technologies, Inc., 7.614%, 5/18/12, Term B | 7,222,185 |

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2007 (unaudited) (continued)

| Principal Amount (000) | | | Value |
|-----------------------------------|--|--|------------|
| Measuring Instruments 0.0% | | | |
| \$ 330 | | Dresser Rand, 7.32%, 10/29/11, Term B | \$ 332,259 |
| Metals & Mining 0.9% | | | |
| 6,000 | | Freeport-McMoRan Copper & Gold, Inc., 7.50%, 1/2/08 (e)(f) Novelis, Inc., | 5,976,560 |
| 3,715 | | 7.61%, 1/7/12, Term B | 3,731,353 |
| 2,139 | | 7.61%, 1/7/12, Term B2 | 2,148,355 |
| | | | 11,856,268 |
| Multi-Media 7.6% | | | |
| | | American Media Operations, Inc., | |
| 3,235 | | 8.31%, 1/30/13 | 3,257,914 |
| 3,235 | | 8.37%, 1/30/13 | 3,257,914 |
| 1,241 | | Atlantic Broadband, Inc., 8.10%, 8/4/12, Term B | 1,259,754 |
| | | Cablevision Systems Corp., Term B, | |
| 3,600 | | 7.11%, 3/29/13 | 3,613,576 |
| 382 | | 7.12%, 3/29/13 | 383,942 |
| 12,500 | | Cebridge Connections, Inc., 7.61%, 11/5/13 | 12,589,850 |
| 25,000 | | Charter Communications Holdings LLC, 7.985%, 4/25/13, Term B | 25,250,775 |
| 2,899 | | CMP Susqhuanna Corp., 7.375%, 5/5/13, Term B | 2,920,605 |
| 2,965 | | CSC Holdings, Inc., 7.11%, 2/24/13, Term B | 2,970,376 |
| 8,500 | | NTL Investment, 7.36%, 1/6/13, Term B | 8,557,298 |
| 9,405 | | Primedia, 7.57%, 9/30/13, Term B | 9,391,287 |
| 2,035 | | Source Media, Inc., 7.614%, 11/8/11, Term B | 2,048,068 |
| 10,812 | | Telcordia Technologies, Inc., 8.12%, 9/9/12, Term B | 10,716,129 |
| 1,666 | | Thomas Media, 7.631%, 11/8/11 Young Broadcasting, Inc., Term B, | 1,677,248 |
| 48 | | 7.875%, 11/3/12 | 47,707 |
| 2,250 | | 7.938%, 5/2/12 | 2,258,140 |
| 7,068 | | 7.938%, 11/3/12 | 7,092,469 |
| | | | 97,293,052 |
| Oil & Gas 1.4% | | | |
| 12,000 | | El Paso Corp., 5.048%, 6/15/09 | 11,940,000 |
| 1,442 | | Kinetic Concepts, Inc., 7.12%, 8/11/10, Term B | 1,448,435 |
| 2,992 | | Newpark Resources, Inc., 8.615%, 8/17/11 | 3,022,425 |
| | | Vetco International, | |
| 625 | | 8.059%, 1/16/12, Term B | 629,453 |
| 625 | | 8.559%, 1/16/13, Term C | 630,313 |
| | | | 17,670,626 |
| Paper/Paper Products 0.6% | | | |
| | | Appleton Papers, Inc., | |
| 808 | | 7.62%, 6/9/10 | 812,819 |
| 764 | | 7.63%, 6/11/10 | 769,130 |
| | | Georgia-Pacific Corp., Term B, | |
| 302 | | 7.345%, 12/20/12 | 305,465 |
| 4,839 | | 7.353%, 12/20/12 | 4,887,440 |

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| | | | | | |
|---------------------------------|-------|--|---|--|-----------|
| | 1,146 | | 7.364%, 12/20/12 | | 1,154,251 |
| | | | | | 7,929,105 |
| Printing/Publishing 0.4% | | | | | |
| | 4,267 | | Seat Pagine Gialle SpA, 3.531%, 5/25/12, Term A | | 5,553,584 |

22 PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Semi-Annual Report | 1.31.07

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2007 (unaudited) (continued)

| | Principal Amount (000) | | Value |
|--------------------------------|---------------------------|---|------------|
| Real Estate 0.1% | | | |
| \$ | 89 | Gables Residential Trust, 7.07%, 3/30/07 | \$ 89,686 |
| | 1,627 | Host Marriott L.P., 7.35%, 9/10/08 | 1,603,004 |
| | | | 1,692,690 |
| Recreation 2.3% | | | |
| | 4,786 | Amadeus Global Travel, 8.114%, 4/8/13, Term B | 4,830,569 |
| | 414 | 8.114%, 4/8/13, Term B2 | 417,910 |
| | 4,786 | 8.614%, 4/8/14, Term C | 4,849,512 |
| | 414 | 8.614%, 4/8/14, Term C2 | 419,549 |
| | 7,960 | Cedar Fair L.P., 7.82%, 6/13/12 | 8,050,052 |
| | 2,452 | Six Flags Theme Parks, Inc., Term B, 8.61%, 6/30/09 | 2,482,596 |
| | 1,463 | 8.62%, 6/30/09 | 1,481,024 |
| | 595 | Travelport, 7.864%, 8/1/13 | 599,233 |
| | 6,057 | 8.364%, 8/22/13, Term CD | 6,101,681 |
| | | | 29,232,126 |
| Retail 1.8% | | | |
| | 8,086 | Jean Coutu Group, Inc., 7.875%, 7/30/11 | 8,107,682 |
| | 5,860 | Michaels Stores, Inc., 8.125%, 10/11/13, Term 10 | 5,914,644 |
| | 42 | Neiman Marcus Group, Inc., 7.595%, 4/6/13 | 42,260 |
| | 2,799 | 7.603%, 4/6/13 | 2,831,423 |
| | 6,000 | Rite Aid Corp., 9.00%, 11/8/13 (e) | 5,970,000 |
| | | | 22,866,009 |
| Semi-Conductors 0.1% | | | |
| | 1,541 | On Semiconductor Corp., 7.617%, 12/3/11, Term G | 1,544,959 |
| Telecommunications 5.3% | | | |
| | 8,675 | Centennial Cellular Communications Corp., Term B, 7.614%, 2/9/11 | 8,749,614 |
| | 594 | 7.62%, 1/20/11 | 598,958 |
| | 5,166 | Consolidated Communications, Inc., Term B, 7.368%, 9/18/11 | 5,193,796 |
| | 1,605 | 7.373%, 10/14/11 | 1,613,891 |
| | 4,700 | eircom Group PLC, 5.933%, 7/17/14, Term B | 6,116,689 |
| | 4,700 | 6.308%, 7/17/15, Term C | 6,174,862 |
| | 4,900 | Hawaiian Telcom Communications, Inc., 7.62%, 4/30/12, Term A | 4,894,894 |
| \$ | 4,971 | 7.62%, 10/31/12, Term B | 4,966,950 |
| | 5,500 | Intelsat Ltd., 6.00%, 2/15/14 (e)(f) | 5,476,794 |
| | 6,050 | Nordic Telephone Co. Holdings ApS, 6.079%, 11/30/14, Term B | 7,956,645 |
| | 6,050 | 6.579%, 11/30/14, Term C | 7,983,650 |
| \$ | 8,500 | Qwest Corp., 6.95%, 6/30/10, Term B | 8,724,009 |
| | | | 68,450,752 |
| Transportation 0.5% | | | |
| | 5,962 | Fleetpride Corp., 8.586%, 6/6/13, Term B | 5,996,039 |

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2007 (unaudited) (continued)

| Principal Amount (000) | | Value |
|---|---|--------------|
| Utilities 0.9% | | |
| \$ 3,720 | AES Corp., Term B, 7.19%, 4/30/08 | \$ 3,731,725 |
| 3,720 | 7.50%, 8/10/11 | 3,731,726 |
| 4,202 | Midwest Generation LLC, 7.11%, 12/31/11, Term B | 4,222,997 |
| | | 11,686,448 |
| Waste Disposal 0.7% | | |
| 2,507 | Allied Waste North America, Inc., 5.322%, 1/15/12 | 2,522,863 |
| 1,067 | 7.12%, 1/15/12 | 1,072,223 |
| 184 | 7.13%, 1/15/12 | 184,597 |
| 891 | 7.15%, 1/15/12 | 895,528 |
| 3,124 | 7.17%, 1/15/12 | 3,140,082 |
| 508 | 7.21%, 1/15/12 | 510,420 |
| | | 8,325,713 |
| Wholesale 0.8% | | |
| 5,000 | Roundys, Inc., Term B, 8.13%, 10/27/11 | 5,051,250 |
| 4,900 | 8.36%, 10/27/11 | 4,950,225 |
| | | 10,001,475 |
| Wire & Cable Products 2.3% | | |
| 1,500 | Pirelli Cable S.A., 5.785%, 6/23/13, Term B | 1,957,704 |
| 2,500 | 6.159%, 6/23/13, Term B | 3,260,809 |
| 2,500 | 6.659%, 6/23/14, Term C | 3,268,930 |
| 4,970 | UPC Broadband Holding BV, 6.103%, 3/31/13, Term J1 | 6,505,345 |
| 5,758 | 6.103%, 12/31/13, Term K1 | 7,538,832 |
| \$ 3,250 | 7.37%, 3/31/13, Term J2 | 3,266,802 |
| 3,250 | 7.37%, 12/31/13, Term K2 | 3,266,803 |
| | | 29,065,225 |
| Total Senior Loans (cost-\$914,332,163) | | 921,244,490 |

CORPORATE BONDS & NOTES 21.4%

| | | Credit Rating (Moody's/S&P) | |
|------------------------------------|---|--------------------------------|------------|
| Airlines 0.3% | | | |
| 2,661 | JetBlue Airways Corp., FRN, 8.474%, 5/15/10, Ser. 04-2 | Ba3/BB- | 2,676,447 |
| 1,327 | 9.61%, 3/15/08, Ser. 04-1 | Ba3/BB- | 1,343,930 |
| | | | 4,020,377 |
| Apparel & Textiles 0.4% | | | |
| 5,500 | Hanesbrands, Inc., 8.735%, 12/15/14, FRN (d) | B2/B- | 5,678,750 |
| Automotive Products 0.8% | | | |
| 4,500 | Dura Operating Corp., 8.625%, 4/15/12, Ser. B (i) | Caa1/D | 1,400,625 |
| 9,000 | Goodyear Tire & Rubber Co., 9.14%, 12/1/09, FRN (d) | B2/B- | 9,112,500 |
| | | | 10,513,125 |

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2007 (unaudited) (continued)

| | Principal Amount (000) | | Credit Rating (Moody s/S&P) | Value |
|--|---------------------------|--|--------------------------------|--------------|
| Banking 0.4% | | | | |
| £ | 2,929 | Royal Bank of Scotland PLC, 6.00%, 4/6/11 (b)(f) | NR/NR | \$ 5,669,254 |
| Building/Construction 0.7% | | | | |
| | 7,000 | Grohe Holding GmbH, 6.622%, 1/15/14, FRN | B2/B | 9,147,547 |
| Chemicals 0.2% | | | | |
| | 2,000 | Rhodia S.A., 6.507%, 10/15/13, FRN (d) | B2/B- | 2,640,484 |
| Computer Services 0.5% | | | | |
| \$ | 2,000 | SunGard Data Systems, Inc., 9.125%, 8/15/13 | Caa1/B- | 2,115,000 |
| | 4,000 | 9.973%, 8/15/13, FRN | Caa1/B- | 4,190,000 |
| | | | | 6,305,000 |
| Energy 0.0% | | | | |
| | 250 | Transcontinental Gas Pipe Line Corp., 6.64%, 4/15/08, FRN (d) | Ba1/BB- | 251,563 |
| Financial Services 2.9% | | | | |
| | 3,500 | Chukchansi Economic Dev. Auth., 8.877%, 11/15/12, FRN (d) | B2/BB- | 3,609,375 |
| | 5,715 | Ford Motor Credit Co., FRN, 6.93%, 1/15/10 | B1/B | 5,682,504 |
| | 6,000 | 8.11%, 1/13/12 | B1/B | 6,031,968 |
| | 5,000 | General Motors Acceptance Corp., 7.569%, 12/1/14, FRN | Ba1/BB+ | 5,265,740 |
| | 6,000 | Hellas Telecommunications Luxembourg V, 7.257%, 10/15/12, FRN | B1/B | 8,040,351 |
| \$ | 2,000 | Universal City Florida Holding Co., 8.375%, 5/1/10 | B3/B- | 2,047,500 |
| | 6,500 | 10.121%, 5/1/10, FRN | B3/B- | 6,743,750 |
| | | | | 37,421,188 |
| Food Services 0.3% | | | | |
| | 3,750 | Aramark Corp., 8.86%, 2/1/15, FRN (d) | B3/B- | 3,843,750 |
| Healthcare & Hospitals 0.9% | | | | |
| | 7,000 | Cdrv Investors, Inc., 9.86%, 12/1/11, FRN (d) | Caa1/CCC+ | 6,912,500 |
| | 4,000 | Rotech Healthcare, Inc., 9.50%, 4/1/12 | Caa3/CC | 4,170,000 |
| | | | | 11,082,500 |
| Manufacturing 0.7% | | | | |
| | 6,500 | Bombardier, Inc., 6.709%, 11/15/13, FRN (d) | Ba2/BB | 8,668,148 |
| Multi-Media 3.1% | | | | |
| \$ | 16,000 | Cablevision Systems Corp., 9.87%, 4/1/09, Ser. B, FRN | B3/B+ | 17,040,000 |
| | 2,000 | CCO Holdings LLC, 8.75%, 11/15/13 | Caa1/CCC- | 2,070,000 |
| | 6,000 | 9.485%, 12/15/10, FRN | Caa1/CCC- | 6,150,000 |
| | 8,000 | Charter Communications Holdings II LLC, 10.25%, 9/15/10 | Caa2/CCC- | 8,350,000 |
| | 3,200 | DirecTV Holdings LLC, 8.375%, 3/15/13 | Ba3/BB- | 3,364,000 |
| | 2,000 | Paxson Communications Corp., 11.61%, 1/15/13, FRN (d) | Caa2/CCC- | 2,090,000 |
| | | | | 39,064,000 |
| Oil & Gas 0.8% | | | | |
| | 9,500 | El Paso Corp., 7.375%, 12/15/12 | B2/B | 9,903,750 |
| Paper/Paper Products 1.9% | | | | |
| | | Abitibi-Consolidated, Inc., | | |

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| | | | |
|-------|---|-------|------------|
| 3,000 | 7.75%, 6/15/11 | B2/B+ | 2,932,500 |
| 2,000 | 7.875%, 8/1/09 | B2/B+ | 2,065,000 |
| 8,000 | 8.86%, 6/15/11, FRN | B2/B+ | 8,060,000 |
| 4,000 | Bowater, Inc., 8.36%, 3/15/10, FRN | B2/B+ | 4,060,000 |
| 7,000 | Verso Paper Holdings LLC, 9.121%, 8/1/14, FRN (d) | B2/B | 7,210,000 |
| | | | 24,327,500 |

1.31.07 | PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Semi-Annual Report **25**

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2007 (unaudited) (continued)

| Principal Amount (000) | | | Credit Rating (Moody s/S&F) | Value |
|--|--|---|--------------------------------|---------------|
| Semi-Conductors 0.8% | | | | |
| \$ 10,000 | | Freescale Semi-conductor, Inc., 9.244%, 12/15/14, FRN (d) | B1/B | \$ 10,000,000 |
| Telecommunications 6.7% | | | | |
| 2,000 | | Cincinnati Bell, Inc., 8.375%, 1/15/14 | B2/B- | 2,060,000 |
| 8,750 | | Hawaiian Telcom Communications, Inc., 10.889%, 5/1/13, Ser. B, FRN | B3/CCC+ | 9,034,375 |
| 4,000 | | Intelsat Subsidiary Holding Co., Ltd., FRN, 8.872%, 1/15/15 (d) | Caa1/B | 4,090,000 |
| 5,425 | | 10.252%, 1/15/12 | B2/B+ | 5,479,250 |
| 6,000 | | 11.354%, 6/15/13 (d) | Caa1/B | 6,435,000 |
| 6,350 | | Nordic Telephone Co. Holdings ApS, 9.064%, 5/1/16, FRN (d) | B2/B | 8,540,314 |
| \$ 9,150 | | Nortel Networks Ltd., 9.61%, 7/15/11, FRN (d) | B3/B- | 9,767,625 |
| 25,650 | | Qwest Communications International, Inc., 8.874%, 2/15/09, FRN | Ba3/B+ | 26,098,875 |
| 6,000 | | Qwest Corp., 8.61%, 6/15/13, FRN | Ba1/BB+ | 6,570,000 |
| 7,750 | | Rogers Wireless, Inc., 8.485%, 12/15/10, FRN | Ba1/BB+ | 7,924,375 |
| | | | | 85,999,814 |
| Total Corporate Bonds & Notes (cost-\$266,533,186) | | | | 274,536,750 |
| ASSET-BACKED SECURITIES 0.3% | | | | |
| 373 | | Bear Stearns Asset Backed Securities, Inc., 5.49%, 12/25/42, FRN | Aaa/AAA | 373,402 |
| 1,667 | | CIT Group Home Equity Loan Trust, 5.59%, 6/25/33, FRN | Aaa/AAA | 1,672,160 |
| 1,450 | | Salomon Brothers Mortgage Securities VII, 5.62%, 3/25/32, FRN | NR/AAA | 1,453,166 |
| Total Asset-Backed Securities (cost-\$3,486,444) | | | | 3,498,728 |
| SHORT-TERM INVESTMENTS 6.4% | | | | |
| Commercial Paper 1.6% | | | | |
| Banking 1.6% | | | | |
| 21,000 | | Total Finance, 5.26%, 2/1/07 (cost-\$21,000,000) | NR/NR | 21,000,000 |
| Corporate Notes 1.3% | | | | |
| Financial Services 1.1% | | | | |
| 14,000 | | Ford Motor Credit Co., 8.371%, 11/2/07, FRN | NR/NR | 14,205,226 |
| Oil & Gas 0.2% | | | | |
| 2,500 | | Gazprom AG, 9.125%, 4/25/07 | A3/BBB | 2,531,000 |
| Total Corporate Notes (cost-\$16,345,386) | | | | 16,736,226 |
| U.S. Treasury Bills (g) 1.0% | | | | |

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| | | | | | |
|-----------------------------------|--|--|--|--|------------|
| 12,810 | | 4.795%-4.905%, 3/1/07-3/15/07 (cost-\$12,741,000) | | | 12,741,000 |
| | | | | | |
| Repurchase Agreements 2.5% | | | | | |
| 21,000 | | Credit Suisse First Boston, dated 1/31/07, 5.15%, due 2/1/07, proceeds \$21,003,004; collateralized by U.S. Treasury Note, 5.00%, due 7/31/08, valued at \$21,537,690 including accrued interest | | | 21,000,000 |

26 PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Semi-Annual Report | 1.31.07

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2007 (unaudited) (continued)

| Principal Amount (000) | | | | Value |
|---|--|--|--|-------------------------|
| Repurchase Agreements (continued) | | | | |
| \$ 11,043 | | State Street Bank & Trust Co., dated 1/31/07, 4.90%, due 2/1/07, proceeds \$11,044,503; collateralized by Federal Home Loan Bank, 4.875%, due 5/15/07, valued at \$11,268,508 including accrued interest | | \$ 11,043,000 |
| Total Repurchase Agreements (cost-\$32,043,000) | | | | 32,043,000 |
| Total Short-Term Investments (cost-\$82,129,386) | | | | 82,520,226 |
| OPTIONS PURCHASED (h) 0.0% | | | | |
| Contracts | | | | |
| Call Options 0.0% | | | | |
| 2,635 | | U.S. Treasury Notes 10 yr. Futures, Chicago Board of Trade, strike price \$115, expires 2/23/07 | | 41,172 |
| 550 | | U.S. Treasury Notes 5 yr. Futures, Chicago Board of Trade, strike price \$109.50, expires 2/23/07 | | 8,594 |
| | | | | 49,766 |
| Put Options 0.0% | | | | |
| 460 | | Eurodollar Futures, Chicago Mercantile Exchange, strike price \$91.75, expires 3/19/07 | | 1 |
| 2,900 | | strike price \$91.75, expires 3/17/08 | | 7 |
| 390 | | strike price \$92, expires 3/17/08 | | 1 |
| 1,015 | | U.S. Treasury Notes 10 yr. Futures, Chicago Board of Trade, strike price \$103, expires 2/23/07 | | 15,859 |
| | | | | 15,868 |
| Total Options Purchased (cost-\$114,900) | | | | 65,634 |
| Total Investments before options written (cost-\$1,266,596,079) 100.0% | | | | 1,281,865,828 |
| OPTIONS WRITTEN (h) (0.0)% | | | | |
| Call Options (0.0)% | | | | |
| 1,624 | | U.S. Treasury Notes 10 yr. Futures, Chicago Board of Trade, strike price \$111, expires 2/23/07 | | (25,375) |
| Put Options (0.0)% | | | | |
| 1,624 | | U.S. Treasury Notes 10 yr. Futures, Chicago Board of Trade, strike price \$106, expires 2/23/07 | | (228,375) |
| Total Options Written (premiums received-\$1,171,569) | | | | (253,750) |
| Total Investments net of options written (cost-\$1,265,424,510) 100.0% | | | | \$ 1,281,612,078 |

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2007 (unaudited) (continued)

| Notes to the Schedule of Investments: | | |
|--|---|--|
| (a) | Private Placement. Restricted as to resale and may not have a readily available market. | |
| (b) | Illiquid security. Securities with an aggregate value of \$399,387,314, representing 70.52% of total investments are deemed illiquid in Floating Rate Income. Securities with an aggregate value of \$926,913,744, representing 72.32% of total investments are deemed illiquid in Floating Rate Strategy. | |
| (c) | These securities generally pay interest at rates which are periodically pre-determined by reference to a base lending rate plus a premium. These base lending rates are generally either the lending rate offered by one or more major European banks, such as the LIBOR or the prime rate offered by one or more major United States banks, or the certificate of deposit rate. These securities are generally considered to be restricted as the Fund is ordinarily contractually obligated to receive approval from the Agent bank and/or borrower prior to disposition. Remaining maturities of senior loans may be less than the stated maturities shown as a result of contractual or optional payments by the borrower. Such prepayments cannot be predicted with certainty. | |
| (d) | 144A Security - Security exempt from registration, under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, typically only to qualified institutional buyers. Unless otherwise indicated, these securities are not considered to be illiquid. | |
| (e) | When-issued or delayed-delivery security. To be settled/delivery after January 31, 2007. | |
| (f) | Fair-valued security. Securities with an aggregate value of \$16,119,786, representing 2.85% of total investments have been fair valued in Floating Rate Income. Securities with an aggregate value of \$22,365,398, representing 1.75% of total investments have been fair valued in Floating Rate Strategy. | |
| (g) | All or partial amount segregated as collateral for futures contracts, written options and/or swaps. | |
| (h) | Non-income producing. | |
| (i) | All or partial amount segregated as collateral for reverse repurchase agreements. | |
| Glossary: | | |
| £ | - | British Pound |
| | - | Euros |
| CMO | - | Collateralized Mortgage Obligation |
| FRN | - | Floating Rate Note. The interest rate disclosed reflects the rate in effect on January 31, 2007. |
| LIBOR | - | London Inter-Bank Offered Rate |
| NR | - | Not Rated |
| VRN | - | Variable Rate Note. Instruments whose interest rates change on specified date (such as a coupon date or interest payment date) and/or whose interest rates vary with changes in a designated base rate (such as the prime interest rate). The interest rate disclosed reflects the rate in effect on January 31, 2007. |

28 PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Semi-Annual Report | 1.31.07 | See accompanying Notes to Financial Statements.

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PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds

Statements of Assets and Liabilities

January 31, 2007 (unaudited)

| | Floating Rate Income | Floating Rate Strategy |
|---|-------------------------|---------------------------|
| Assets: | | |
| Investments, at value (cost-\$558,584,526 and \$1,266,596,079, respectively) | \$ 566,491,244 | \$ 1,281,865,828 |
| Cash (including foreign currency of \$342,005 and \$1,318,585 with a cost of \$341,671 and \$1,321,847, respectively) | 3,520,768 | 22,785,671 |
| Unrealized appreciation on swaps | 14,160,433 | 39,916,563 |
| Receivable for swaps terminated | 16,859,778 | 15,363,400 |
| Premium for swaps purchased | 10,497,890 | 6,815,267 |
| Interest receivable | 5,901,911 | 12,300,401 |
| Receivable for investments sold | 1,086,464 | 1,282,691 |
| Unrealized appreciation on forward foreign currency contracts | 154,038 | 48,267 |
| Unrealized appreciation on unfunded loan commitments | 110,853 | 257,350 |
| Prepaid expenses | 5,677 | 38,272 |
| Receivable for variation margin on futures contracts | | 234,372 |
| Total Assets | 618,789,056 | 1,380,908,082 |
| Liabilities: | | |
| Unrealized depreciation on swaps | 4,083,935 | 27,345,258 |
| Payable for terminated swaps | 17,530,659 | 15,974,737 |
| Premium for swaps sold | 13,485,942 | 12,506,871 |
| Payable for investments purchased | 9,350,000 | 47,365,449 |
| Payable for reverse repurchase agreements | 9,100,000 | 1,397,250 |
| Dividends payable to common and preferred shareholders | 2,813,434 | 6,301,257 |
| Investment management fees payable | 381,495 | 802,752 |
| Unrealized depreciation on forward foreign currency contracts | 319,740 | 618,619 |
| Deferred facility fees | 202,515 | 336,429 |
| Options written, at value (premiums received-\$540,053 and \$1,171,569, respectively) | 117,031 | 253,750 |
| Payable for variation margin on futures contracts | 33,756 | 214,750 |
| Accrued expenses | 342,826 | 146,215 |
| Total Liabilities | 57,761,333 | 113,263,337 |
| Preferred shares (\$0.00001 par value and \$25,000 net asset and liquidation value per share applicable to an aggregate of 8,400 and 19,200 shares issued and outstanding, respectively) | 210,000,000 | 480,000,000 |
| Net Assets Applicable to Common Shareholders | \$ 351,027,723 | \$ 787,644,745 |
| Composition of Net Assets Applicable to Common Shareholders: | | |
| Common Stock: | | |
| Par value (\$0.00001 per share) | \$ 181 | \$ 422 |
| Paid-in-capital in excess of par | 347,835,898 | 798,486,868 |
| Dividends in excess of net investment income | (2,999,768) | (9,107,763) |
| Accumulated net realized loss | (12,006,286) | (28,905,837) |
| Net unrealized appreciation of investments, futures contracts, options written, swaps, unfunded loan | 18,197,698 | 27,171,055 |

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commitments and foreign currency transactions

Net Assets Applicable to Common Shareholders

\$ 351,027,723

\$ 787,644,745

Common Shares Issued and Outstanding

18,143,895

42,174,569

Net Asset Value Per Common Share

\$19.35

\$18.68

See accompanying Notes to Financial Statements. | 1.31.07 | PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Semi-Annual Report 29

PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds
Statements of Operations (unaudited)

| | Floating Rate Income | Floating Rate Strategy |
|---|-------------------------|---------------------------|
| Investment Income: | | |
| Interest | \$21,778,849 | \$ 48,994,931 |
| Facility and other fee income | 558,711 | 913,460 |
| Dividends | 133,252 | |
| Total Investment Income | 22,470,812 | 49,908,391 |
| Expenses: | | |
| Investment management fees | 2,131,480 | 4,779,087 |
| Auction agent fees and commissions | 269,458 | 615,682 |
| Interest expense | 201,135 | |
| Custodian and accounting agent fees | 105,145 | 148,549 |
| Audit and tax services | 51,888 | 67,160 |
| Shareholder communications | 43,424 | 64,400 |
| Trustees fees and expenses | 19,560 | 33,760 |
| Transfer agent fees | 16,928 | 18,192 |
| Legal fees | 16,440 | 45,120 |
| New York Stock Exchange listing fees | 10,311 | 16,232 |
| Insurance expense | 6,706 | 14,471 |
| Investor relations | 5,520 | 5,980 |
| Miscellaneous | 22,800 | 6,992 |
| Total expenses | 2,900,795 | 5,815,625 |
| Less: custody credits earned on cash balances | (49,945) | (63,261) |
| Net expenses | 2,850,850 | 5,752,364 |
| Net Investment Income | 19,619,962 | 44,156,027 |
| Realized and Change in Unrealized Gain (Loss): | | |
| Net realized gain (loss) on: | | |
| Investments | 667,328 | 1,047,938 |
| Futures contracts | (1,977,701) | (4,975,995) |
| Options written | 256,648 | 692,725 |
| Swaps | (4,173,010) | (12,809,397) |
| Foreign currency transactions | (1,079,467) | (2,569,204) |
| Net change in unrealized appreciation/depreciation of: | | |
| Investments | 3,833,530 | 10,804,475 |
| Futures contracts | 1,015,619 | 2,847,520 |
| Options written | (154,297) | (426,886) |
| Swaps | 11,159,492 | 23,162,955 |
| Unfunded loan commitments | (108,314) | (129,357) |
| Foreign currency transactions | 528,544 | 1,008,621 |
| Net realized and change in unrealized gain on investments, futures contracts, options written, swaps, unfunded loan commitments and foreign currency transactions | 9,968,372 | 18,653,395 |
| Net Increase in Net Assets Resulting from Investment Operations | 29,588,334 | 62,809,422 |
| Dividends on Preferred Shares from Net Investment Income | (5,364,568) | (12,296,607) |
| Net Increase in Net Assets Applicable to Common Shareholders Resulting from Investment Operations | \$24,223,766 | \$ 50,512,815 |

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PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds
Statements of Changes in Net Assets Applicable to Common Shareholders

| | Floating Rate Income | | | Floating Rate Strategy | |
|---|----------------------|---------------|------------------|------------------------|-------------------|
| | Six months ended | Year ended | Six months ended | For the period | For the period |
| | January 31, 2007 | July 31, 2006 | January 31, 2007 | September 1, 2005 | October 29, 2004* |
| | (unaudited) | | (unaudited) | through | through |
| | | | | July 31, 2006** | August 31, 2005 |
| Investment Operations: | | | | | |
| Net investment income | \$ 19,619,962 | \$ 34,537,366 | \$ 44,156,027 | \$ 68,228,533 | \$ 36,347,687 |
| Net realized gain (loss) on investments, futures contracts, options written, swaps and foreign currency transactions | (6,306,202) | 7,972,529 | (18,613,933) | 27,785,588 | (4,489,982) |
| Net change in unrealized appreciation/depreciation of investments, futures contracts, options written, swaps, unfunded loan commitments and foreign currency transactions | 16,274,574 | (10,617,671) | 37,267,328 | (27,455,605) | 17,359,332 |
| Net increase in net assets resulting from investment operations | 29,588,334 | 31,892,224 | 62,809,422 | 68,558,516 | 49,217,037 |
| Dividends on Preferred Shares from Net Investment Income | (5,364,568) | (8,739,121) | (12,296,607) | (18,962,668) | (9,877,326) |
| Net increase in net assets applicable to common shareholders resulting from investment operations | 24,223,766 | 23,153,103 | 50,512,815 | 49,595,848 | 39,339,711 |
| Dividends and Distributions on Common Shareholders from: | | | | | |
| Net investment income | (15,990,158) | (29,409,709) | (35,977,492) | (58,781,100) | (37,754,323) |
| Net realized gains | (4,410,852) | (528,103) | (17,803,004) | | |
| Total dividends and distributions to common shareholders | (20,401,010) | (29,937,812) | (53,780,496) | (58,781,100) | (37,754,323) |
| Capital Share Transactions: | | | | | |
| Net proceeds from the sale of common stock Preferred shares | | | | | 788,830,000 |
| underwriting discount charged to paid-in capital in excess of par Common stock and preferred shares offering costs charged to paid-in capital in excess of par | | | | | (4,800,000) |
| Reinvestment of dividends and | 1,455,340 | 826,247 | 8,541,495 | 2,462,222 | (1,912,898) |
| | | | | | 5,291,463 |

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| | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|
| distributions | | | | | |
| Net increase from capital transactions | 1,455,340 | 826,247 | 8,541,495 | 2,462,222 | 787,408,565 |
| Total increase (decrease) in net assets applicable to common shareholders | 5,278,096 | (5,958,462) | 5,273,814 | (6,723,030) | 788,993,953 |
| Net Assets Applicable to Common Shareholders: | | | | | |
| Beginning of period | 345,749,627 | 351,708,089 | 782,370,931 | 789,093,961 | 100,008 |
| End of period (including dividends in excess of net investment income of \$(2,999,768) and \$(1,265,004); \$(9,107,763), \$(4,989,691) and \$(4,497,636); respectively) | \$351,027,723 | \$345,749,627 | \$787,644,745 | \$782,370,931 | \$789,093,961 |
| Common Shares Issued and Reinvested: | | | | | |
| Issued | | | | | 41,300,000 |
| Issued in reinvestment of dividends and distributions | 77,124 | 42,759 | 461,417 | 130,268 | 277,648 |
| Net Increase | 77,124 | 42,759 | 461,417 | 130,268 | 41,577,648 |

* Commencement of operations

** Represents the eleven months ended July 31, 2006. Fiscal year-end was changed to July 31 from August 31.

See accompanying Notes to Financial Statements. | 1.31.07 | PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Semi-Annual Report 31

PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds

Statement of Cash Flows

For the six months ended January 31, 2007 (unaudited)

| | Floating Rate Income | Floating Rate Strategy |
|---|-------------------------|---------------------------|
| Cash Flows provided by Operating Activities | | |
| Purchases of long-term investments | \$(179,523,717) | \$(397,414,996) |
| Proceeds from sales of long-term investments | 154,675,672 | 363,715,525 |
| Interest, dividends and facility and other fee income received | 21,310,039 | 47,796,412 |
| Net cash provided by options written | 923,761 | 1,999,700 |
| Net cash provided by (used for) swap transactions | 1,811,241 | (249,776) |
| Increase (decrease) in prepaid expenses | 12,106 | (8,272) |
| Operating expenses paid | (2,688,171) | (5,840,150) |
| Net cash used for futures transactions | (956,107) | (2,207,035) |
| Net realized loss on foreign currency transactions | (1,081,101) | (2,595,176) |
| Net decrease in short-term investments | 15,587,463 | 62,589,112 |
| Net cash provided by operating activities | 10,071,186 | 67,785,344 |
| Cash Flows from Financing Activities: | | |
| Net borrowing of reverse repurchase agreements | 9,100,000 | 1,397,250 |
| Cash dividends paid (excluding reinvestment of dividends and distributions of \$1,455,340 and \$8,541,495, respectively) | (24,310,238) | (57,535,608) |
| Increase in dividends payable | 79,412 | 202,856 |
| Net cash used for financing activities | (15,130,826) | (55,935,502) |
| Net increase (decrease) in cash | (5,059,640) | 11,849,842 |
| Cash at beginning of period | 8,580,408 | 10,935,829 |
| Cash at end of period | 3,520,768 | 22,785,671 |
| Reconciliation of Net Increase (Decrease) in Net Assets from Investment Operations to Net Cash Provided by Operating Activities: | | |
| Net increase in net assets resulting from investment operations | 29,588,334 | 62,809,422 |
| Decrease in payable for investments purchased | (22,908,579) | (23,264,898) |
| Decrease in receivable for investments sold | 1,879,090 | 10,255,652 |
| Increase in interest receivable | (774,024) | (1,431,562) |
| Increase in premium payable for swaps purchased | (23,278,293) | (13,987,057) |
| Increase in premium for swaps sold | 29,271,447 | 26,598,517 |
| Decrease in premium for options written | (152,047) | (465,592) |
| Increase (decrease) in prepaid expenses | 12,106 | (8,272) |
| Increase (decrease) in Investment Management fees payable | 27,915 | (1,020) |
| Increase in net unrealized appreciation on swaps | (11,159,492) | (23,162,955) |
| Decrease in unrealized depreciation on forward foreign currency contracts | (493,927) | (1,123,667) |
| Decrease in unrealized appreciation on unfunded loan commitments | 108,314 | 129,357 |
| Increase (decrease) in variation margin on futures contracts | 5,975 | (78,560) |
| Decrease in unrealized appreciation on options written | 154,297 | 426,886 |
| Decrease in accrued expenses | (66,371) | (86,767) |
| Decrease in deferred facility fees | (131,808) | (134,939) |
| Increase in interest payable on reverse repurchase agreements | 201,135 | |

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| | | |
|--|----------------------|----------------------|
| Net decrease in investments | 7,787,114 | 31,310,799 |
| Net cash provided by operating activities | \$ 10,071,186 | \$ 67,785,344 |

32 PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Semi-Annual Report | 1.31.07 | See accompanying Notes to Financial Statements.

PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds

Notes to Financial Statements

January 31, 2007 (unaudited)

1. Organization and Significant Accounting Policies

PIMCO Floating Rate Income Fund (Floating Rate Income) and PIMCO Floating Rate Strategy Fund (Floating Rate Strategy), collectively referred to as the Funds , were organized as Massachusetts business trusts on June 19, 2003 and June 30, 2004, respectively.

Prior to commencing operations on August 29, 2003 and October 29, 2004, respectively, Floating Rate Income and Floating Rate Strategy had no operations other than matters relating to their organization and registration as diversified, closed-end management investment companies 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 Funds 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, a publicly traded insurance and financial services company. The Funds have an unlimited amount of \$0.0001 par value common stock authorized.

Floating Rate Strategy issued 37,000,000 shares of common stock in its initial public offering. An additional 4,300,000 shares were issued in connection with the underwriter s over-allotment option. These shares were all issued at \$20.00 per share before an underwriting discount of \$0.90 per share. Common offering costs of \$1,339,026 (representing \$0.032 per share) were offset against the proceeds of the offering and over-allotment option and have been charged to paid-in capital in excess of par. The Investment Manager agreed to pay all common share offering costs (other than the sales load) and organizational expenses of approximately \$25,000 exceeding \$0.04 per common share. In addition, the underwriters commission and offering costs associated with the issuance of Preferred Shares in the amounts of \$4,800,000 and \$573,872, respectively, have been charged to paid-in capital in excess of par.

The Funds investment objective is to seek high current income, consistent with the preservation of capital by investing primarily in floating rate debt instruments, a substantial portion of which will be senior floating rate loans. The ability of the issuers of the Funds investments to meet their obligations may be affected by economic developments in a specific industry.

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 these estimates.

In July 2006, the Financial Accounting Standards Board issued Interpretation No. 48, Accounting for Uncertainty in Income Taxes an Interpretation of FASB Statement No. 109 (the Interpretation). The Interpretation establishes for all entities, including pass-through entities such as the Fund, a minimum threshold for financial statement recognition of the benefit of positions taken in filing tax returns (including whether an entity is taxable in a particular jurisdiction), and requires certain expanded tax disclosures. The Interpretation is effective for fiscal years beginning after December 15, 2006, and is to be applied to all open tax years as of the date of effectiveness. Fund management has recently begun to evaluate the application of the Interpretation, and is not in a position at this time to estimate the significance of its impact, if any, on the Fund s financial statements. On December 22, 2006, the Securities & Exchange Commission announced that it would not object if a fund implements Interpretation 48 in its NAV calculation as late as its last NAV calculation in the first required financial statement reporting period for its fiscal year beginning after December 15, 2006. Consequently, the Fund will be required to comply with the Interpretation by January 31, 2008.

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In September 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) 157, Fair Value Measurements, which clarifies the definition of fair value and requires companies to expand their disclosure about the use of fair value to measure assets and liabilities in interim and annual periods subsequent to initial recognition. Adoption of SFAS 157 requires the use of the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. At this time, the Fund is in the process of reviewing the Standard against its current valuation policies to determine future applicability.

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

PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds

Notes to Financial Statements

January 31, 2007 (unaudited)

1. Organization and Significant Accounting Policies (continued)

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

(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, are fair-valued, in good faith, pursuant to guidelines established by the Board of Trustees, including certain fixed income securities which may be valued with reference to securities whose prices are more readily available. The Funds' investments are valued on the last business day of each week using prices supplied by an independent pricing service or dealer quotations, or by using the last sale price on the exchange that is the primary market for such securities, or the last 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. Independent pricing services use information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics. The Funds' investments in senior floating rate loans (Senior Loans) for which a secondary market exists will be valued at the mean of the last available bid and asked prices in the market for such Senior Loans, as provided by an independent pricing service. Other Senior Loans are valued at fair-value pursuant to procedures approved by the Funds' Board of Trustees, which include consideration and evaluation of: (1) the creditworthiness of the borrower and any intermediate participants; (2) the term of the Senior Loan; (3) recent prices in the market for similar loans, if any; (4) recent prices in the market for loans of similar quality, coupon rate, and period until next interest rate reset and maturity; and (5) general economic and market conditions affecting the fair-value of the Senior Loan. Exchange traded options, futures and options on futures are valued at the settlement price determined by the relevant exchange. Securities purchased on a when-issued or delayed-delivery basis are marked to market daily until settlement at the forward settlement value. 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 Funds 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 Funds' net asset value is determined weekly on the last business day of the week as of 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 trade date. Securities purchased and sold on a when-issued or delayed-delivery basis may be settled a month or more after the trade date. Realized gains and losses on investments are determined on the identified cost basis. Interest income is recorded on an accrual basis. Discounts or premiums on debt securities purchased are accreted or amortized to interest income over the lives of the respective securities using the effective interest method. Dividend income is recorded on the ex-dividend date. Facility and other fee income (such as origination fees) received by the Funds are amortized as income over the expected term of the loan. Commitment fees received by the Funds relating to unfunded purchase commitments are deferred and amortized to facility fee income over the period of the commitment.

(c) Federal Income Taxes

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The Funds intend to distribute all of their 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 Funds declare dividends from net investment income monthly to common shareholders. Distributions of net realized capital gains, if any, are paid at least annually. The Funds record dividends and distributions to its shareholders on the ex-dividend date. The amount of dividends and distributions from net investment income and net 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.

34 PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Semi-Annual Report | 1.31.07

PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds

Notes to Financial Statements

January 31, 2007 (unaudited)

1. Organization and Significant Accounting Policies (continued)

(e) Foreign Currency Translation

The Funds' accounting records are maintained in U.S. dollars as follows: (1) the foreign currency market value of investments and other assets and liabilities denominated in foreign currency are translated at the prevailing exchange rate at the end of the period; and (2) purchases and sales, income and expenses are translated at the prevailing exchange rate on the respective dates of such transactions. The resulting net foreign currency gain or loss is included in the Statements of Operations.

The Funds do not generally isolate that portion of the results of operations arising as a result of changes in the foreign currency exchange rates from the fluctuations arising from changes in the market prices of securities. Accordingly, such foreign currency gain (loss) is included in net realized and unrealized gain (loss) on investments. However, the Funds do isolate the effect of fluctuations in foreign currency exchange rates when determining the gain or loss upon the sale or maturity of foreign currency denominated debt obligations pursuant to U.S. federal income tax regulations; such amount is categorized as foreign currency gain or loss for both financial reporting and income tax reporting purposes.

(f) Senior Loans

The Funds purchase assignments of Senior Loans originated, negotiated and structured by a U.S. or foreign commercial bank, insurance company, finance company or other financial institution (the "Agent") for a lending syndicate of financial institutions (the "Lender"). When purchasing an assignment, the Funds succeed all the rights and obligations under the loan agreement with the same rights and obligations as the assigning Lender. Assignments may, however, be arranged through private negotiations between potential assignees and potential assignors, and the rights and obligations acquired by the purchaser of an assignment may differ from, and be more limited than, those held by the assigning Lender.

(g) Option Transactions

The Funds may purchase and write (sell) put and call options for hedging purposes, risk management purposes or as a part of its investment strategy. The risk associated with purchasing an option is that the Funds pay a premium whether or not the option is exercised. Additionally, the Funds bear 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 the 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 and is subsequently marked to market to reflect the current market value of the option written. These liabilities are reflected as options written in the Statements 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 purchase transactions, as a realized loss. If a call option written by the Funds is exercised, the premium is added to the proceeds from the sale of the underlying security in determining whether there has been a

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realized gain or loss. If a put option written by the Funds is exercised, the premium reduces the cost basis of the security. In writing an option, the Funds bear 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 Funds purchasing a security at a price different from its current market value.

(h) Interest Rate/Credit Default Swaps

The Funds may enter into interest rate and credit default swap contracts (swaps) for investment purposes, to manage its interest rate and credit risk or to add leverage. As a seller in the credit default swap contract, the Funds would be required to pay the notional amount or other agreed-upon value of a referenced debt obligation to the counterparty in the event of a default by a third party, such as a U.S. or foreign corporate issuer, on the referenced debt obligation. In return, the Funds would receive from the counterparty a periodic stream of payments over the term of the contract provided that no event of default has occurred. If no default occurs, the Funds would keep the stream of payments and would have no payment obligations. Such periodic payments are accrued daily and recorded as realized gain (loss).

PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds

Notes to Financial Statements

January 31, 2007 (unaudited)

1. Organization and Significant Accounting Policies (continued)

The Funds may also purchase credit default swap contracts in order to hedge against the risk of default of debt securities held, in which case the Funds would function as the counterparty referenced in the preceding paragraph. As a purchaser of a credit default swap contract, the Funds would receive the notional amount or other agreed upon value of a referenced debt obligation from the counterparty in the event of default by a third party, such as a U.S. or foreign corporate issuer on the referenced debt obligation. In return, the Funds would make periodic payments to the counterparty over the term of the contract provided no event of default has occurred. Such periodic payments are accrued daily and recorded as realized gain (loss).

Interest rate swap agreements involve the exchange by the Funds with a counterparty of their respective commitments to pay or receive interest, *e.g.*, an exchange of floating rate payments for fixed rate payments with respect to a notional amount of principal. Net periodic payments received (paid) by the Funds are included as part of realized gain (loss) and net periodic payments accrued, but not yet received (paid) are included in change in the unrealized appreciation/depreciation on the Statements of Operations.

Swaps are marked to market daily based upon quotations from brokers or market makers and the change in value, if any, is recorded as unrealized appreciation or depreciation in the Funds' Statements of Operations. For a credit default swap sold by the Funds, payment of the agreed upon amount made by the Funds in the event of default of the referenced debt obligation is recorded as the cost of the referenced debt obligation purchased/received. For a credit default swap purchased by the Funds, the agreed upon amount received by the Funds in the event of default of the referenced debt obligation is recorded as proceeds from sale/delivery of the referenced debt obligation and the resulting gain or loss realized on the referenced debt obligation is recorded as such by the Funds.

Entering into swaps involves, to varying degrees, elements of credit, market and documentation risk in excess of the amounts recognized on the Statement of Assets and Liabilities. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreements may default on its obligation to perform or disagree as to the meaning of the contractual terms in the agreements, and that there may be unfavorable changes in net interest rates.

(i) 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 Funds are 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 Funds agree to receive from or pay to the broker an amount of cash 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 Funds as unrealized appreciation or depreciation. When the contracts are closed, the Funds record 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.

(j) Forward Foreign Currency Contracts

A forward foreign currency contract is an agreement between two parties to buy and sell a currency at a set exchange rate on a future date. The Funds may enter into forward foreign currency contracts for the purpose of hedging against foreign currency risk arising from the investment or anticipated investment in securities denominated in foreign currencies. The Funds may also enter these contracts for purposes of increasing exposure to a foreign currency or to shift exposure to foreign currency fluctuations from one country to another. The market value of a forward foreign currency contract fluctuates with changes in forward currency exchange rates. All commitments are marked to market daily at the applicable exchange rates and any resulting unrealized appreciation or depreciation is recorded. Realized gains or losses are recorded at the time the forward contract matures or by delivery of the currency. Risks may arise upon entering these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of a foreign currency relative to the U.S. dollar.

PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds

Notes to Financial Statements

January 31, 2007 (unaudited)

1. Organization and Significant Accounting Policies (continued)

(k) Credit-Linked Trust Certificates

Credit-linked trust certificates are investments in a limited purpose trust or other vehicle formed under state law which, in turn, invests in a basket of derivative instruments, such as credit default swaps, interest rate swaps and other securities, in order to provide exposure to the high yield or another fixed income market.

Similar to an investment in a bond, investments in credit-linked trust certificates represent the right to receive periodic income payments (in the form of distributions) and payment of principal at the end of the term of the certificate. However, these payments are conditioned on the trust's receipt of payments from, and the trust's potential obligations to, the counterparties to the derivative instruments and other securities in which the trust invests.

(l) Repurchase Agreements

The Funds may enter into transactions with its custodian bank or securities brokerage firms whereby it purchases securities under agreements to resell at an agreed upon price and date (repurchase agreements). Such agreements are carried at the contract amount in the financial statements. Collateral pledged (the securities received), which consists primarily of U.S. government obligations and asset-backed securities, are held by the custodian bank until maturity of the repurchase agreement. Provisions of the repurchase agreements and the procedures adopted by the Funds require that the market value of the collateral, including accrued interest thereon, is sufficient in the event of default by the counterparty. If the counterparty defaults and the value of the collateral declines or if the counterparty enters an insolvency proceeding, realization of the collateral by the Funds may be delayed or limited.

(m) Reverse Repurchase Agreements

In a reverse repurchase agreement, the Fund sells securities to a bank or broker-dealer and agrees to repurchase the securities at a mutually agreed date and price. Generally, the effect of such a transaction is that the Fund can recover and reinvest all or most of the cash invested in the portfolio securities involved during the term of the reverse repurchase agreement and still be entitled to the returns associated with those portfolio securities. Such transactions are advantageous if the interest cost to the Fund of the reverse repurchase transaction is less than the returns it obtains on investments purchased with the cash. Unless the Fund covers its positions in reverse repurchase agreements (by segregating liquid assets at least equal in amount to the forward purchase commitment), its obligations under the agreements will be subject to the Fund's limitations on borrowings. Reverse repurchase agreements involve leverage risk and also the risk that the market value of the securities that the Fund is obligated to repurchase under the agreement may decline below the repurchase price. In the event the buyer of securities under a reverse repurchase agreement files for bankruptcy or becomes insolvent, the Fund's use of the proceeds of the agreement may be restricted pending determination by the other party, or its trustee or receiver, whether to enforce the Fund's obligation to repurchase the securities. The weighted average daily balance of reverse repurchase agreements outstanding during the period ended January 31, 2007 for Floating Rate Income and Floating Rate Strategy was \$9,100,000 at a weighted average interest rate of 5.45% and \$1,397,250 at a weighted average interest rate of zero, respectively.

(n) When-Issued/Delayed-Delivery Transactions

The Funds may purchase or sell securities on a when-issued or delayed-delivery basis. The transactions involve a commitment to purchase or sell securities for a predetermined price or yield, with payment and delivery taking place beyond the customary settlement period. When delayed-delivery purchases are outstanding, the Funds will set aside and maintain until the settlement date in a designated account, liquid assets in an amount sufficient to meet the purchase price. When purchasing a security on a delayed-delivery basis, the Funds assume the rights and risks of ownership of the security, including the risk of price and yield fluctuations, and take such fluctuations into account when determining its net asset value. The Funds may dispose of or renegotiate a delayed-delivery transaction after it is entered into, and may sell when-issued securities before they are delivered, which may result in a realized gain or loss. When a security on a delayed-delivery basis is sold, the Funds do not participate in future gains and losses with respect to the security.

(o) Custody Credits on Cash Balances

The Funds benefit from an expense offset arrangement with its 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 Funds.

PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds

Notes to Financial Statements

January 31, 2007 (unaudited)

2. Investment Manager/Sub-Adviser

The Funds have an Investment Management Agreement (the Agreement) with the Investment Manager. Subject to the supervision of the Funds Board of Trustees, the Investment Manager is responsible for managing, either directly or through others selected by it, the Funds investment activities, business affairs and administrative matters. Pursuant to the Agreement, the Investment Manager receives an annual fee, payable monthly, at an annual rate of 0.75% of each Funds average weekly total managed assets. Total managed assets refer to the total assets of each Fund (including assets attributable to any Preferred Shares or other forms of leverage that may be outstanding minus accrued liabilities, other than liabilities representing leverage).

The Investment Manager has retained its affiliate, Pacific Investment Management Company LLC (the Sub-Adviser), to manage the Funds investments. Subject to the supervision of the Investment Manager, the Sub-Adviser is responsible for making all of the Funds investment decisions. The Investment Manager, and not the Funds, pays a portion of the fees it receives to the Sub-Adviser in return for its services, at the maximum annual rate of 0.39% of Floating Rate Income s and Floating Rate Strategy s average weekly total managed assets, inclusive of net assets attributable to any preferred shares that may be outstanding, for the period from commencement of operations through August 31, 2008 and October 31, 2008, respectively. Commencing September 1, 2008 for Floating Rate Income and November 1, 2008 for Floating Rate Strategy, the Investment Manager will pay the Sub-Adviser a monthly fee at the annual rate of 0.55% of the Funds average weekly total managed assets, inclusive of net assets attributable to any preferred shares that may be outstanding.

3. Investments in Securities

For the six months ended January 31, 2007, purchases and sales of investments, other than short-term securities and U.S. government obligations, were:

| | Floating Rate Income | Floating Rate Strategy |
|-----------|-------------------------|---------------------------|
| Purchases | \$154,109,167 | \$349,722,653 |
| Sales | 152,794,564 | 354,476,859 |

(a) Futures contracts outstanding at January 31, 2007:

Floating Rate Income:

| Type | Contracts | Market Value (000) | Expiration Date | Unrealized Appreciation (Depreciation) |
|--|-----------|-----------------------|--------------------|--|
| Long: Financial Future Euro 90 day | 1,473 | \$349,230 | 12/17/07 | \$(1,546,414) |
| Short: U.S. Treasury Notes 5 yr. Futures | (250) | 26,133 | 3/30/07 | 308,594 |
| U.S. Treasury Notes 10 yr. Futures | (514) | 54,870 | 3/21/07 | 1,092,370 |
| | | | | \$(145,450) |

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Floating Rate Strategy:

| Type | Contracts | Market Value (000) | Expiration Date | Unrealized Appreciation (Depreciation) |
|--|-----------|-----------------------|-----------------|---|
| Long: Financial Future Euro 90 day | 3,759 | \$891,212 | 12/17/07 | \$(3,900,091) |
| Short: U.S. Treasury Notes 5 yr. Futures | (550) | 57,492 | 3/30/07 | 678,906 |
| U.S. Treasury Notes 10 yr. Futures | (1,011) | 107,924 | 3/21/07 | 2,086,710 |
| | | | | \$(1,134,475) |

38 PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Semi-Annual Report | 1.31.07

PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds
Notes to Financial Statements

January 31, 2007 (unaudited)

3. Investments in Securities (continued)

(b) Transactions in options written for the six months ended January 31, 2007:

| <u>Floating Rate Income:</u> | Contracts | | Premiums | |
|---|--------------------|--|----------|-------------|
| Options outstanding, July 31, 2006 | 2,308 | | \$ | 692,100 |
| Options written | 4,338 | | | 923,760 |
| Options terminated in closing purchase transactions | (5,148) | | | (1,075,807) |
| Options outstanding, January 31, 2007 | 1,498 | | \$ | 540,053 |
| | | | | |
| <u>Floating Rate Strategy:</u> | Contracts/Notional | | Premiums | |
| Options outstanding, July 31, 2006 | 17,204,999 | | \$ | 1,637,161 |
| Options written | 9,400 | | | 1,999,700 |
| Options terminated in closing purchase transactions | (17,211,151) | | | (2,465,292) |
| Options outstanding, January 31, 2007 | 3,248 | | \$ | 1,171,569 |

(c) Credit default swaps contracts outstanding at January 31, 2007:

Floating Rate Income:

| Swap Counterparty/ Referenced Debt Issuer | Notional Amount Payable on Default (000) | Termination Date | Fixed Payments Received by Fund | Unrealized Appreciation (Depreciation) |
|---|--|---------------------|--|--|
| Bank of America | | | | |
| Abitibi-Consolidated | \$ 2,000 | 6/20/08 | 2.95% | \$ 54,012 |
| AES | 1,000 | 12/20/07 | 1.50% | 9,851 |
| Allied Waste North America | 600 | 9/20/09 | 2.75% | 28,938 |
| Bombardier | 1,400 | 6/20/10 | 3.80% | 122,598 |
| Dow Jones CDX High Yield | 10,000 | 12/20/11 | 3.25% | 82,540 |
| Williams Cos. | 875 | 9/20/09 | 2.05% | 34,683 |
| Bear Stearns | | | | |
| Abitibi-Consolidated | 2,500 | 6/20/07 | 1.65% | 13,246 |
| Georgia-Pacific | 700 | 9/20/09 | 1.24% | 15,624 |
| Host Marriot | 700 | 9/20/09 | 1.95% | 26,647 |
| MGM | 1,500 | 9/20/09 | 1.92% | 48,416 |
| Citigroup | | | | |

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| | | | | |
|-------------------------------------|-----------|----------|-------|---------|
| AES | 5,000 | 6/20/08 | 1.17% | 38,281 |
| Allied Waste North America | 1,500 | 9/20/07 | 2.18% | 22,289 |
| Crown European Holdings | 1,500 | 9/20/07 | 2.38% | 24,739 |
| Host Marriot | 900 | 9/20/07 | 1.90% | 12,042 |
| Owens-Brockway Glass Containers | 3,000 | 9/20/07 | 2.05% | 41,528 |
| Starwood Hotels & Resorts Worldwide | 1,500 | 9/20/07 | 1.20% | 11,912 |
| Credit Suisse First Boston | | | | |
| AES | 900 | 9/20/09 | 3.85% | 64,713 |
| Allied Waste North America | 875 | 9/20/09 | 2.46% | 35,667 |
| Delhaize America | 875 | 9/20/09 | 1.40% | 25,374 |
| Intelsat Bermuda | 3,000 | 3/20/10 | 3.21% | 162,361 |
| Samis | 2,640 | 9/20/08 | 2.45% | 43,872 |
| Deutsche Bank | | | | |
| Dow Jones CDX High Yield | 20,000 | 12/20/11 | 3.25% | 739,735 |
| Federation of Russia | 3,000 | 6/20/07 | 0.44% | 4,321 |
| SoftBank | ¥ 392,000 | 9/20/07 | 2.30% | 39,643 |

1.31.07 | PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Semi-Annual Report **39**

PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds
Notes to Financial Statements

January 31, 2007 (unaudited)

3. Investments in Securities (continued)

| Swap Counterparty/ Referenced Debt Issuer | Notional Amount Payable on Default (000) | Termination Date | Fixed Payments Received by Fund | Unrealized Appreciation (Depreciation) |
|--|--|---------------------|--|--|
| Goldman Sachs HCA | \$ 1,000 | 12/20/07 | 0.75% | \$ 3,978 |
| Royal Caribbean Cruises | 3,500 | 12/20/13 | 1.33% | 30,393 |
| Starwood Hotels & Resorts Worldwide | 1,000 | 12/20/07 | 1.10% | 9,258 |
| TRW Automotive | 875 | 9/20/09 | 2.15% | 30,502 |
| JPMorgan Chase AES | 1,500 | 9/20/07 | 2.15% | 19,358 |
| Electronic Data Systems | 1,000 | 12/20/07 | 1.30% | 11,230 |
| Nortel Network | 1,300 | 9/20/07 | 1.43% | 11,876 |
| Tenet Healthcare | 5,000 | 12/20/07 | (3.20)% | (120,222) |
| Tenet Healthcare | 5,000 | 12/20/09 | 4.15% | 297,120 |
| Lehman Securities | | | | |
| Dow Jones CDX High Yield | 10,000 | 12/20/11 | 3.25% | 76,289 |
| Six Flags Theme Parks | 1,000 | 3/20/10 | 2.70% | (18,242) |
| Merrill Lynch SPX Corp. | 900 | 9/20/09 | 2.25% | 37,360 |
| Williams Cos. | 700 | 9/20/09 | 1.71% | 21,610 |
| Morgan Stanley Dean Witter Georgia-Pacific | 900 | 9/20/09 | 1.63% | 27,893 |
| | | | | \$ 2,141,435 |

Floating Rate Strategy:

| Swap Counterparty/ Referenced Debt Issuer | Notional Amount Payable on Default (000) | Termination Date | Fixed Payments Received by Fund | Unrealized Appreciation (Depreciation) |
|--|--|---------------------|--|--|
| Bank of America Abitibi-Consolidated | \$ 5,000 | 6/20/08 | 2.95% | \$ 135,030 |
| Bombardier | 3,500 | 6/20/10 | 3.80% | 306,495 |
| Dow Jones CDX High Yield | 40,000 | 12/20/11 | 3.25% | 330,158 |
| Royal Caribbean Cruises | 5,000 | 12/20/09 | 1.12% | 96,309 |
| Williams Cos. | 5,000 | 12/20/09 | 1.65% | 153,100 |
| Barclays Bank | | | | |
| Dynergy Holdings | 6,000 | 3/20/12 | 2.15% | 22,519 |
| Qwest Holding | 5,000 | 3/20/12 | 1.50% | (2,736) |

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| | | | | |
|----------------------------|-------|----------|-------|----------|
| Solectron | 5,000 | 3/20/12 | 2.85% | (36,563) |
| Bear Stearns | | | | |
| Abitibi-Consolidated | 2,500 | 6/20/07 | 1.65% | 13,246 |
| Allied Waste North America | 1,500 | 12/20/07 | 1.85% | 23,869 |
| ArvinMeritor | 1,500 | 12/20/07 | 1.14% | 8,100 |
| Dynergy Holdings | 1,500 | 12/20/09 | 2.35% | 49,897 |
| MGM | 5,000 | 12/20/09 | 1.54% | 114,018 |
| Smurfit Stone Container | 1,500 | 12/20/09 | 1.76% | 17,225 |
| Smurfit Stone Container | 5,000 | 12/20/09 | 1.87% | 72,696 |

40 PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Semi-Annual Report | 1.31.07

PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds
Notes to Financial Statements

January 31, 2007 (unaudited)

3. Investments in Securities (continued)

| Swap Counterparty/ Referenced Debt Issuer | Notional Amount Payable on Default (000) | Termination Date | Fixed Payments Received by Fund | Unrealized Appreciation (Depreciation) |
|--|---|---------------------|--|--|
| Citigroup | | | | |
| AES | \$ 10,000 | 6/20/08 | 1.17% | \$76,563 |
| Ford Motor Credit | 6,000 | 3/20/12 | 2.38% | (20,864) |
| Host Marriot | 5,000 | 12/20/09 | 1.70% | 165,770 |
| NRG Energy | 6,000 | 3/20/12 | 1.70% | 3,683 |
| Reliant Energy | 5,000 | 12/20/09 | 3.20% | 291,778 |
| RH Donnelley | 6,000 | 3/20/12 | 1.84% | 3,987 |
| Credit Suisse First Boston | | | | |
| Equistar Chemicals | 5,000 | 12/20/09 | 2.25% | 231,429 |
| Intelsat Bermuda | 7,000 | 3/20/10 | 3.21% | 378,842 |
| ITRAXX Europe Crossover | 7,400 | 6/20/11 | 2.90% | 491,817 |
| Samis | \$2,600 | 12/20/09 | 2.15% | 36,354 |
| Samis | 1,200 | 9/20/08 | 2.45% | 17,320 |
| Deutsche Bank | | | | |
| Dow Jones CDX High Yield | 35,000 | 12/20/11 | 3.25% | 1,294,536 |
| Federation of Russia | 7,000 | 6/20/07 | 0.44% | 10,081 |
| SoftBank | ¥ 850,000 | 9/20/07 | 2.30% | 85,961 |
| Goldman Sachs | | | | |
| Ford Motor Credit | \$ 13,000 | 3/20/12 | 2.54% | 43,970 |
| Freescale | 4,000 | 3/20/12 | 2.67% | (21,359) |
| Royal Caribbean Cruises | 6,500 | 12/20/13 | 1.33% | 56,445 |
| Tenet Healthcare | 6,000 | 3/20/12 | 3.47% | 10,529 |
| JPMorgan Chase | | | | |
| Nortel Network | 3,100 | 9/20/07 | 1.43% | 28,320 |
| NRG Energy | 5,000 | 12/20/09 | 2.20% | 177,638 |
| Owens-Brockway Glass Containers | 5,000 | 12/20/11 | 2.09% | 147,226 |
| Lehman Securities | | | | |
| Bon Ton | 4,000 | 3/20/12 | 4.05% | 5,400 |
| Celestica | 5,000 | 3/20/12 | 2.85% | (113,322) |
| Dow Jones CDX High Yield | 40,000 | 12/20/11 | 3.25% | 305,158 |
| Georgia-Pacific | 5,000 | 12/20/11 | 1.65% | 64,775 |
| Hayes Lemmerz International | 5,000 | 12/20/09 | 2.50% | 163,357 |
| HCA | 5,000 | 12/20/09 | 1.55% | 12,213 |
| PanAmSat | 3,000 | 12/20/09 | 3.00% | 185,169 |
| Qwest Holding | 13,000 | 3/20/12 | 1.55% | 24,903 |
| Six Flags Theme Parks | 4,000 | 3/20/10 | 2.70% | (72,967) |
| Smurfit Stone Container | 3,000 | 12/20/09 | 1.85% | 41,951 |
| Station Casinos | 5,000 | 12/20/09 | 1.45% | 99,910 |
| TRW Automotive | 5,000 | 12/20/09 | 2.05% | 162,535 |

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| | | | | |
|-------------------|-------|----------|-------|----------|
| Merrill Lynch | | | | |
| AES | 3,000 | 12/20/09 | 2.60% | 120,527 |
| ArvinMeritor | 4,500 | 12/20/09 | 2.25% | 66,022 |
| Chesapeake Energy | 5,000 | 12/20/09 | 1.30% | 96,569 |
| CMS Energy | 1,500 | 12/20/09 | 1.85% | 61,766 |
| Delhaize America | 5,000 | 12/20/09 | 1.07% | 105,801 |
| Naftogaz Ukrainy | 3,000 | 4/20/09 | 3.30% | (56,820) |
| Toys R Us | 5,000 | 12/20/09 | 3.20% | 94,979 |

1.31.07 | PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Semi-Annual Report **41**

PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds
Notes to Financial Statements

January 31, 2007 (unaudited)

3. Investments in Securities (continued)

| Swap Counterparty/ Referenced Debt Issuer | Notional Amount Payable on Default (000) | Termination Date | Fixed Payments Received by Fund | Unrealized Appreciation (Depreciation) |
|--|--|------------------|---------------------------------|--|
| Morgan Stanley Dean Witter | | | | |
| Hanesbrands | \$ 2,000 | 3/20/12 | 0.90% | \$ 400 |
| Wachovia Securities | | | | |
| Ford Motor Credit | 5,000 | 12/20/09 | 2.14% | (150,872) |
| GMAC | 5,000 | 12/20/09 | 2.26% | (1,787) |
| | | | | \$ 6,029,056 |

(d) Interest rate swap agreements outstanding at January 31, 2007:

| Floating Rate Income: Swap Counterparty | Notional Amount (000) | Termination Date | Rate Type | | Unrealized Appreciation (Depreciation) |
|--|-----------------------|------------------|-----------------------|---------------------------|--|
| | | | Payments made by Fund | Payments received by Fund | |
| Barclays Bank | \$290,000 | 6/21/25 | 3 month LIBOR | 5.70% | \$ 7,704,414 |
| Barclays Bank | 578,000 | 6/21/25 | 5.70% | 3 month LIBOR | |
| Deutsche Bank | 59,700 | 12/19/08 | 3 month LIBOR | 5.00% | (156,557) |
| Deutsche Bank | 57,200 | 12/19/08 | 3 month LIBOR | 5.00% | (188,931) |
| Goldman Sachs | 22,300 | 12/19/08 | 3 month LIBOR | 5.00% | (70,020) |
| Lehman Securities | 18,500 | 6/20/17 | 5.00% | 3 month LIBOR | 643,343 |
| UBS Securities | 4,900 | 12/19/08 | 3 month LIBOR | 5.00% | (14,111) |
| UBS Securities | 170,000 | 6/21/25 | 3 month LIBOR | 5.70% | (3,515,852) |
| UBS Securities | 115,000 | 6/21/25 | 3 month LIBOR | 5.70% | 3,532,777 |

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| | | | | | | | | | | |
|--|--|--|--|--|--|--|--|----|-----------|--|
| | | | | | | | | \$ | 7,935,063 | |
|--|--|--|--|--|--|--|--|----|-----------|--|

| Floating Rate Strategy: | | | | | Rate Type | | | |
|-------------------------|-------------------|-----------------------|------------------|-----------------------|---------------------------|--|--------------|--|
| | Swap Counterparty | Notional Amount (000) | Termination Date | Payments made by Fund | Payments received by Fund | Unrealized Appreciation (Depreciation) | | |
| Barclays Bank | \$265,000 | | 6/21/25 | 3 month LIBOR | 5.70% | \$ | 7,040,240 | |
| Barclays Bank | 526,700 | | 6/21/25 | 5.70% | 3 month LIBOR | | | |
| Deutsche Bank | 93,500 | | 12/19/08 | 3 month LIBOR | 5.00% | | (308,830) | |
| Deutsche Bank | 97,300 | | 12/19/08 | 3 month LIBOR | 5.00% | | (255,160) | |
| Goldman Sachs | 36,300 | | 12/19/08 | 3 month LIBOR | 5.00% | | (113,979) | |
| Lehman Securities | 30,300 | | 6/20/17 | 5.00% | 3 month LIBOR | | 1,053,692 | |
| Lehman Securities | 630,000 | | 12/18/24 | 5.77% | 3 month LIBOR | | (26,166,960) | |
| Lehman Securities | 613,000 | | 12/18/24 | 3 month LIBOR | 5.70% | | 17,482,737 | |
| UBS Securities | 8,000 | | 12/19/08 | 3 month LIBOR | 5.00% | | (23,039) | |
| UBS Securities | 255,000 | | 6/21/25 | 3 month LIBOR | 5.70% | | 7,833,548 | |
| | | | | | | \$ | 6,542,249 | |

Euro
 ¥ Japanese Yen
 LIBOR London Interbank Offered Rate

Floating Rate Income and Floating Rate Strategy received \$750,000 and \$1,250,000 par value, respectively, in U.S. Treasury Bills as collateral for swap contracts.

PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds
Notes to Financial Statements

January 31, 2007 (unaudited)

3. Investments in Securities (continued)

(e) Forward foreign currency contracts outstanding at January 31, 2007:

| | U.S. \$ Value on Origination Date | U.S. \$ Value January 31, 2007 | Unrealized Appreciation (Depreciation) |
|---|--------------------------------------|-----------------------------------|--|
| Floating Rate Income: | | | |
| Purchased: | | | |
| 7,000,000 settling 2/27/07 | \$ 9,082,300 | \$ 9,107,696 | \$ 25,396 |
| ¥391,000,000 settling 2/15/07 | 3,350,242 | 3,239,076 | (111,166) |
| 6,714,000,000 Swiss Franc settling 3/6/07 | 5,630,836 | 5,396,866 | (233,970) |
| Sold: | | | |
| 47,076,000 settling 2/27/07 | 61,109,003 | 61,250,557 | (141,554) |
| ¥390,163,371 settling 2/15/07 | 3,237,000 | 3,232,145 | 4,855 |
| £1,493,000 settling 2/22/07 | 2,885,133 | 2,922,338 | (37,205) |
| 10,071,000 Swiss Franc settling 3/6/07 | 8,423,243 | 8,095,299 | 327,942 |
| | | | \$ (165,702) |

| | U.S. \$ Value on Origination Date | U.S. \$ Value January 31, 2007 | Unrealized Appreciation (Depreciation) |
|--------------------------------|--------------------------------------|-----------------------------------|--|
| Floating Rate Strategy: | | | |
| Purchased: | | | |
| 9,002,000 settling 2/27/07 | \$ 11,675,054 | \$ 11,712,497 | \$37,443 |
| ¥885,500,000 settling 2/15/07 | 7,587,312 | 7,335,555 | (251,757) |
| Sold: | | | |
| 110,914,000 settling 2/27/07 | 144,017,668 | 144,310,144 | (292,476) |
| ¥869,882,277 settling 2/15/07 | 7,217,000 | 7,206,176 | 10,824 |
| £2,985,000 settling 2/22/07 | 5,768,333 | 5,842,719 | (74,386) |
| | | | \$ (570,352) |

£ British Pound
Euro
¥ Japanese Yen

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(f) Open reverse repurchase agreements at January 31, 2007:

Floating Rate Income:

| Counterparty | Rate | Trade Date | Maturity Date | Principal & Interest | Par |
|-------------------|-------|------------|---------------|----------------------|--------------|
| Lehman Securities | 5.45% | 9/8/06 | 4/25/08 | \$ 9,301,135 | \$ 9,100,000 |

Floating Rate Strategy:

| Counterparty | Rate | Trade Date | Maturity Date | Principal & Interest | Par |
|-------------------|-------|------------|---------------|----------------------|--------------|
| Lehman Securities | 0.00% | 1/4/07 | 1/2/09 | \$ 1,397,250 | \$ 4,500,000 |

1.31.07 | PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Semi-Annual Report **43**

**PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds
Notes to Financial Statements**

January 31, 2007 (unaudited)

3. Investments in Securities (continued)

Collateral for open reverse repurchase agreements at January 31, 2007 as reflected in the schedule of investments:

Floating Rate Income:

| Counterparty | Description | Rate | Maturity Date | Par | Value |
|-------------------|-----------------------|--------|---------------|--------------|--------------|
| Lehman Securities | Ford Motor Credit Co. | 8.371% | 11/2/07 | \$10,000,000 | \$10,146,590 |

Floating Rate Strategy:

| Counterparty | Description | Rate | Maturity Date | Par | Value |
|-------------------|----------------------|--------|---------------|-------------|-------------|
| Lehman Securities | Dura Operating Corp. | 8.625% | 4/15/12 | \$4,500,000 | \$1,400,625 |

(g) At January 31, 2007, the Funds had the following unfunded loan commitments which could be extended at the option of the borrower:

| Borrower | Floating Rate Income | Floating Rate Strategy |
|-------------------------------|-------------------------|---------------------------|
| Eastman Kodak | \$ 2,509,933 | \$ 5,019,865 |
| Host Marriott L.P. Revolver A | 1,007,603 | 1,007,603 |
| Host Marriott L.P. Revolver B | 1,627,391 | 1,627,391 |
| Lucite International | 446,047 | 787,143 |
| | \$ 5,590,974 | \$ 8,442,002 |

4. Income Tax Information

The cost of investments for federal income tax purposes and gross unrealized appreciation and gross unrealized depreciation of investments at January 31, 2007 were:

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| | Cost of Investments | Gross Unrealized Appreciation | Gross Unrealized Depreciation | Net Unrealized Appreciation |
|------------------------|------------------------|-------------------------------------|-------------------------------------|-----------------------------------|
| Floating Rate Income | \$ 558,584,526 | \$ 8,454,244 | \$ 547,526 | \$ 7,906,718 |
| Floating Rate Strategy | 1,266,596,079 | 17,001,102 | 1,731,353 | 15,269,749 |

Net investment income and net realized gains differ for financial statement and tax purposes primarily due to the treatment of amounts received under swap agreements. For the six months ended January 31, 2007, Floating Rate Income and Floating Rate Strategy received \$1,807,327 and \$4,142,763, respectively, from swap agreements which are treated as net realized gain (loss) for financial statement purposes and as net income (loss) for federal income tax purposes.

5. Auction Preferred Shares

Floating Rate Income has issued 2,800 shares of Preferred Shares Series T, 2,800 shares of Preferred Shares Series W, 2,800 shares of Preferred Shares Series TH, each with a net asset and liquidation value of \$25,000 per share plus accrued dividends.

Floating Rate Strategy has issued 3,840 shares of Preferred Shares Series M, 3,840 shares of Preferred Shares Series T, 3,840 shares of Preferred Shares Series W, 3,840 shares of Preferred Shares Series TH, and 3,840 shares of Preferred Shares Series F, each with a net asset and liquidation value of \$25,000 per share plus accrued dividends.

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

**PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds
Notes to Financial Statements**

January 31, 2007 (unaudited)

5. Auction Preferred Shares (continued)

For the six months ended January 31, 2007, the annualized dividend rates ranged from:

| | High | Low | At January 31, 2007 |
|-------------------------------|-------|-------|---------------------|
| <u>Floating Rate Income</u> | | | |
| Series T | 5.30% | 4.85% | 4.85% |
| Series W | 5.30% | 4.75% | 5.00% |
| Series TH | 5.32% | 4.90% | 5.00% |
| <u>Floating Rate Strategy</u> | | | |
| Series M | 5.31% | 4.88% | 4.90% |
| Series T | 5.32% | 4.93% | 4.95% |
| Series W | 5.15% | 4.90% | 5.00% |
| Series TH | 5.26% | 4.90% | 5.00% |
| Series F | 5.31% | 4.84% | 4.95% |

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

Preferred Shares, which are entitled to one vote per share, generally vote together with the common stock but 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 February 2, 2007, the following dividends were declared to common shareholders payable March 2, 2007 to shareholders of record on February 12, 2007:

| | |
|------------------------|----------------------------|
| Floating Rate Income | \$0.14768 per common share |
| Floating Rate Strategy | \$0.14351 per common share |

On March 2, 2007, the following dividends were declared to common shareholders payable April 5, 2007 to shareholders of record on March 12, 2007:

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| | |
|------------------------|----------------------------|
| Floating Rate Income | \$0.14729 per common share |
| Floating Rate Strategy | \$0.14312 per common share |

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. In addition to monetary payments, the settling parties agreed to undertake certain corporate governance, compliance and disclosure reforms related to market timing, brokerage commissions, revenue sharing and shelf space arrangements, and consented to cease and desist orders and censures. The settling parties did not admit or deny the findings in these settlements. None of the settlements allege that any inappropriate activity took place with respect to the Funds.

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 proceeding in the United States District

**PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds
Notes to Financial Statements**

January 31, 2007 (unaudited)

7. Legal Proceedings (continued)

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 their affiliates or related injunctions.

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 their ability to perform their respective investment advisory activities relating to the Fund. The foregoing speaks only as of the date hereof.

8. Corporate Changes:

On September 17, 2006, the Fund's Board of Trustees appointed William B. Ogden IV as a Class I Trustee. On October 10, 2006, David C. Flattum, an interested Trustee, resigned. On December 12, 2006, the Fund's Board of Trustees appointed John C. Maney, as a Class III (interested) Trustee, and appointed Hans W. Kertess as Chairman of the Board of Trustees, effective January 1, 2007.

PIMCO Floating Rate Income Fund Financial Highlights

For a share of common stock outstanding throughout each period:

| | Six Months ended January 31, 2007 (unaudited) | Year ended July 31, | | For the period August 29, 2003* through July 31, 2004 \$19.35** |
|--|--|---------------------|-----------|---|
| | | 2006 | 2005 | |
| Net asset value, beginning of period | \$19.14 | \$19.51 | \$19.38 | \$19.35** |
| Investment Operations: | | | | |
| Net investment income | 1.08 | 1.91 | 1.36 | 0.71 |
| Net realized and change in unrealized gain (loss) on investments, futures contracts, options written, swaps, unfunded loan commitments and foreign currency transactions | 0.55 | (0.14) | 0.39 | 0.39 |
| Total from investment operations | 1.63 | 1.77 | 1.75 | 1.10 |
| Dividends on Preferred Shares from Net Investment Income | (0.30) | (0.48) | (0.29) | (0.11) |
| Net increase in net assets applicable to common shareholders resulting from investment operations | 1.33 | 1.29 | 1.46 | 0.99 |
| Dividends and Distributions to Common Shareholders from: | | | | |
| Net investment income | (0.88) | (1.63) | (1.19) | (0.78) |
| Net realized gains | (0.24) | (0.03) | (0.14) | |
| Total dividends and distributions to common shareholders | (1.12) | (1.66) | (1.33) | (0.78) |
| Capital Share Transactions: | | | | |
| Common stock offering costs charged to paid-in capital in excess of par Preferred shares offering costs/underwriting discounts charged to paid-in capital in excess of par | | | | (0.04) |
| Total capital share transactions | | | | (0.18) |
| Net asset value, end of period | \$19.35 | \$19.14 | \$19.51 | \$19.38 |
| Market price, end of period | \$20.78 | \$20.02 | \$18.75 | \$20.47 |
| Total Investment Return (1) | 10.02% | 16.53% | (2.05)% | 6.55% |
| RATIOS/SUPPLEMENTAL DATA: | | | | |
| Net assets applicable to common shareholders, end of period (000) | \$351,028 | \$345,750 | \$351,708 | \$346,749 |
| Ratio of expenses to average net assets (2)(3) | 1.66%(4) | 1.53% | 1.52% | 1.36%(4) |
| Ratio of net investment income to average net assets (2) | 11.23%(4) | 9.91% | 6.93% | 4.04%(4) |
| Preferred shares asset coverage per share | \$66,766 | \$66,133 | \$66,856 | \$66,274 |
| Portfolio turnover | 28% | 64% | 83% | 94% |

* Commencement of operations.

** Initial public offering price of \$20.00 per share less underwriting discount of \$0.65 per share.

(1) Total investment return is calculated assuming a purchase of common stock at the current market price on the first day of each period and a sale 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)

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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(o) in Notes to Financial Statements).
- (4) Annualized.

See accompanying Notes to Financial Statements. | 1.31.07 | PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Semi-Annual Report **47**

PIMCO Floating Rate Strategy Fund Financial Highlights

For a share of common stock outstanding throughout each period:

| | Six Months ended January 31, 2007 (unaudited) | Eleven Months ended July 31, 2006 | For the period October 29, 2004* through August 31, 2005 \$19.10** |
|---|--|---|--|
| Net asset value, beginning of period | \$18.76 | \$18.98 | \$19.10** |
| Investment Operations: | | | |
| Net investment income | 1.05 | 1.64 | 0.88 |
| Net realized and unchange in unrealized gain (loss) on investments, futures contracts, options written, swaps, unfunded loan commitments and foreign currency transactions | 0.44 | | 0.31 |
| Total from investment operations | 1.49 | 1.64 | 1.19 |
| Dividends on Preferred | | | |
| Shares from Net Investment Income | | | |
| Net increase in net assets applicable to common shareholders resulting from investment operations | (0.29) | (0.45) | (0.24) |
| Dividends and Distributions to Common | | | |
| Shareholders from: | | | |
| Net investment income | (0.86) | (1.41) | (0.91) |
| Net realized gains | (0.42) | | |
| Total dividends and distributions to common shareholders | (1.28) | (1.41) | (0.91) |
| Capital Share Transactions: | | | |
| Common stock offering costs charged to paid-in capital in excess of par | | | (0.03) |
| Preferred shares offering costs/underwriting discounts charged to paid-in capital in excess of par | | | (0.13) |
| Total capital share transactions | | | (0.16) |
| Net asset value, end of period | \$18.68 | \$18.76 | \$18.98 |
| Market price, end of period | \$19.36 | \$18.87 | \$18.21 |
| Total Investment Return (1) | 9.84% | 11.77% | (4.39)% |
| RATIOS/SUPPLEMENTAL DATA: | | | |
| Net assets applicable to common shareholders, end of period (000) | \$ 787,645 | \$ 782,371 | \$ 789,094 |
| Ratio of expenses to average net assets (2)(3)(4) | 1.47% | 1.47% | 1.35% |
| Ratio of net investment income to average net assets (2)(4) | 11.18% | 9.51% | 5.57% |
| Preferred shares asset coverage per share | \$ 66,002 | \$ 65,722 | \$ 66,084 |
| Portfolio turnover | 28% | 60% | 47% |

* Commencement of operations.

** Initial public offering price of \$20.00 per share less underwriting discount of \$0.90 per share.

Fiscal year-end changed from August 31 to July 31.

Less than \$0.005 per share.

- (1) Total investment return is calculated assuming a purchase of common stock at the current market price on the first day of each period and a sale 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)

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Inclusive of expenses offset by custody credits earned on cash balances at the custodian bank. (See note 1(o) in Notes to Financial Statements).

(4) Annualized.

48 PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Semi-Annual Report | 1.31.07 | **See accompanying Notes to Financial Statements.**

| PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds Annual Shareholders | | |
|---|--|-----------------|
| January 31, 2007 (unaudited) | | Meeting Results |

The Fund held their annual meeting of shareholders on December 14, 2006. Common/Preferred shareholders of Floating Rate Income voted to re-elect R. Peter Sullivan III as Class III Trustee and to elect William B. Ogden, IV as Class I Trustees to serve until 2009 and 2007 respectively. Common/Preferred shareholders of Floating Rate Strategy voted to re-elect R. Peter Sullivan III and to elect William B. Ogden, IV as Class II and Class I Trustees respectively also John J. Dalessandro, II as Class II Trustee to serve until 2009, 2008, and 2009 respectively.

The resulting vote count is indicated below:

| | Affirmative | Withhold Authority |
|---|-------------|--------------------|
| <u>Floating Rate Income:</u> | | |
| Re-election of R. Peter Sullivan III | 14,172,080 | 130,227 |
| Election of William B. Ogden, IV | 14,168,141 | 134,166 |
| <u>Floating Rate Strategy:</u> | | |
| Re-election of R. Peter Sullivan III | 30,711,746 | 370,039 |
| Election of William B. Ogden, IV | 30,719,186 | 362,599 |
| Re-election of John J. Dalessandro, II* | 12,165 | 35 |

Messrs. Robert E. Connor, John C. Maney and Paul Belica continue to serve as Trustees of the Funds.

* Preferred Shares Trustee

Trustees and Principal Officers

Hans W. Kertess
Trustee, Chairman of the Board of Trustees
Paul Belica
Trustee
Robert E. Connor
Trustee
John J. Dalessandro II
Trustee
John C. Maney
Trustee
William B. Ogden, IV
Trustee
R. Peter Sullivan III
Trustee

Brian S. Shlissel
President & Chief Executive Officer
Lawrence G. Altadonna
Treasurer, Principal Financial & Accounting Officer
Scott Whisten
Assistant Treasurer
Thomas J. Fuccillo
Vice President, Secretary & Chief Legal Officer
Youse E. Guia
Chief Compliance Officer
Kathleen A. Chapman
Assistant Secretary
William Healy
Assistant Secretary
Richard Kirk
Assistant Secretary
Lagan Srivastava
Assistant Secretary

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.

801 Pennsylvania

Kansas City, MO 64105-1307

Transfer Agent, Dividend Paying Agent and Registrar

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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 Floating Rate Income Fund and PIMCO Floating Rate Strategy Fund for their information. It is not a prospectus, circular or representation intended for use in the purchase of shares of the Funds or any securities mentioned in this report.

The financial information included herein is taken from the records of the Funds without examination by an independent registered public accounting firm, who did not express an opinion hereon

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

The Funds file their complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarter of its fiscal year on Form N-Q. The Funds' Form N-Q is available on the SEC's website at www.sec.gov and may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330. The information on Form N-Q is also available on the Funds' website at www.allianzinvestors.com.

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, 2006 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 website at sec.gov.

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On January 8, 2007, the Funds submitted a CEO annual certification to the New York Stock Exchange (NYSE) on which the Funds' principal executive officer certified that he was not aware, as of the date, of any violation by the Funds 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 Funds' 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 Funds' disclosure controls and procedures and internal control over financial reporting, as applicable.

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

ITEM 2. CODE OF ETHICS

Not required in this filing.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT

Not required in this filing.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Not required in this filing.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANT

Not required in this filing.

ITEM 6. SCHEDULE OF INVESTMENTS Schedule of Investments is included as part of the report to shareholders filed under Item 1 of this form.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES

Not required in this filing.

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES

Not required in this filing

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ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED COMPANIES

| PERIOD | TOTAL NUMBER PURCHASED | AVERAGE PRICE PAID PER SHARE | TOTAL NUMBER OF SHARES PURCHASED AS PART OF PUBLICLY ANNOUNCED PLANS OR PROGRAMS | MAXIMUM NUMBER OF SHARES THAT MAY YET BE PURCHASED UNDER THE PLANS OR PROGRAMS |
|----------------|------------------------------|------------------------------------|---|--|
| August 2006 | N/A | 18.78 | 62,109 | N/A |
| September 2006 | N/A | 18.78 | 60,734 | N/A |
| October 2006 | N/A | 18.75 | 61,358 | N/A |
| November 2006 | N/A | N/A | N/A | N/A |
| December 2006 | N/A | 18.63 | 113,652 | N/A |
| January 2007 | N/A | 18.54 | 163,564 | N/A |

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There have been no material changes to the procedures by which shareholders may recommend nominees to the Fund's Board of Trustees since the Fund last provided disclosure in response to this item.

ITEM 11. CONTROLS AND PROCEDURES

(a) The Registrant's principal executive and principal financial officers have evaluated the Registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and have concluded that the Registrant's disclosure controls and procedures are effective as of a date within 90 days of the filing.

Prior to reaching this conclusion, the principal officers had become aware of matters relating to the accounting treatment in connection with the Registrant's ability to participate in certain inverse floater structures that required enhancements to certain controls. The Registrant's management determined that controls relating to the review and analysis of relevant terms and conditions of certain transfers of securities under the provisions of Statement of Financial Accounting Standards No. 140 Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities (SFAS 140) were not effective.

Although the Registrant has not invested in these types of securities, the Registrant's Management is taking such future actions as are necessary to revise its disclosure controls and procedures in order to increase the effectiveness of these controls with respect to the accounting treatment of transfers of certain inverse floater transactions.

(b) There have been no changes in the Registrant's internal controls over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940, as amended) that occurred during the second fiscal quarter of the period covered by this report that materially affected, or is reasonably likely to affect, the Registrant's internal control over financial reporting. However as discussed above, subsequent to January 31, 2007, the Registrant is enhancing controls related to the accounting treatment of transfers of certain inverse floater securities.

ITEM 12. EXHIBITS

- (a) (1) Exhibit 99.302 CERT Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
 - (b) Exhibit 99.906 Cert. Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
-

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Signature

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PIMCO Floating Rate Strategy Fund

By /s/ Brian S. Shlissel
Brian S. Shlissel, President & Chief Executive Officer

Date: April 09, 2007

By /s/ Lawrence G. Altadonna
Lawrence G. Altadonna, Treasurer, Principal Financial & Accounting Officer

Date: April 09, 2007

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By /s/ Brian S. Shlissel
Brian S. Shlissel, President & Chief Executive Officer

Date: April 09, 2007

By /s/ Lawrence G. Altadonna
Lawrence G. Altadonna, Treasurer, Principal Financial & Accounting Officer

Date: April 09, 2007
