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PIMCO Floating Rate Strategy Fund
Form N-CSRS
April 08, 2008

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, NY
(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, 2008
end:

Date of reporting period: January 31, 2008

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

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

March 10, 2008

Dear Shareholder:

We are pleased to provide you with the semi-annual report for the PIMCO Floating Rate Income Fund and PIMCO Floating Rate Strategy Fund (collectively the Funds) for the six months ended January 31, 2008.

The Federal Reserve reduced short-term interest rates five times during the period, moving the Federal Funds target from 5.25% at the beginning of the reporting period to 3.00% at the period's end, as economic weakness and lack of liquidity threatened to extend economic slowing to recession. Bonds advanced during the period in most categories, as stocks weakened. Subsequent to the end of the period, industry-wide developments in the auction-rate preferred markets have caused auctions for preferred shares of both Funds to fail, as described in the accompanying Notes to Financial Statements.

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 (PIMCO), the Funds' sub-adviser, we thank you for investing with us.

We remain dedicated to serving your investment needs.

Sincerely,

Hans W. Kertess

Chairman

Brian S. Shlissel

President & Chief Executive Officer

PIMCO Floating Rate Income Fund Fund Insights/Performance & Statistics

January 31, 2008 (unaudited)

- For the six months ended January 31, 2008, PIMCO Floating Rate Income Fund returned (2.99)% on net asset value (NAV) and (1.69)% on market price.
- Avoiding the home-construction and housing sectors, which continued to decline alongside the fallout in the sub-prime mortgage sector, was positive for Fund performance.
- An emphasis on the telecom sector, which significantly outperformed the overall leveraged-loan market, was a strong contributor to Fund performance during the period.
- A relatively minimal allocation to the retail sector, which was among the worst performing sectors during the period, benefited returns.
- An emphasis on improving quality over the period benefited performance, as higher rated loans significantly outperformed lower quality issues.
- As the auto sector came under pressure, underperforming during the period, a relatively significant allocation to the sector detracted from Fund performance.
- A larger-than-market weighting in technology hindered the Fund's returns, as these loans underperformed during the reporting period.
- Security selection in the media sector detracted from Fund performance, as broadcasting and cable underperformed the broader sector.

| Total Return⁽¹⁾: | Market Price | NAV |
|---|---------------------|------------|
| Six months | (1.69)% | (2.99)% |
| 1 Year | (11.48)% | (7.86)% |
| 3 Year | 1.08% | 2.28% |
| Commencement of Operations (8/29/03) to 1/31/08 | 3.90% | 3.71% |

| Market Price/NAV Performance: | Market Price/NAV: | |
|---|-----------------------------------|---------|
| Commencement of Operations (8/29/03) to 1/31/08 | Market Price | \$16.38 |
| NAV | NAV | \$15.76 |
| Market Price | Premium to NAV | 3.93% |
| | Market Price Yield ⁽²⁾ | 8.03% |

Portfolio Composition
(as a % of total investments)

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

Returns are calculated by determining the percentage change in net asset value or market share price (as applicable) with all distributions reinvested. The Fund's performance at market price will differ from its results at NAV. Although market price returns typically reflect investment results over time, during shorter periods, returns at market price can also be influenced by factors such as changing views about the Fund, market conditions, supply and demand for the Fund's shares, or changes in Fund distributions.

An investment in the Fund involves risk, including the loss of principal. Total return, market price, market 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 attributable to common shareholders less total liabilities divided by the number of common shares outstanding. Holdings are subject to change daily.

(2) Market Price Yield is determined by dividing the annualized current monthly per share dividend to common shareholders by the market price per common share at January 31, 2008.

PIMCO Floating Rate Strategy Fund Fund Insights/Performance & Statistics

January 31, 2008 (unaudited)

- For the six months ended January 31, 2008, PIMCO Floating Rate Strategy Fund returned (4.25)% on net asset value (NAV) and (7.83)% on market price.
- An emphasis on the telecom sector, which outperformed the overall leveraged-loan market, was a strong contributor to Fund performance during the period.
- Avoiding the home-construction and housing sectors, which continued their decline alongside the fallout in the subprime mortgage sector, was positive for Fund performance.
- As the auto sector came under pressure, underperforming during the period, a relatively significant allocation to the sector detracted from Fund performance.
- A larger-than-market weighting in utilities hindered the Fund's returns, as these loans were among the worst performers during the period.
- Security selection in the media sector detracted from Fund performance, as broadcasting and cable underperformed the broader sector.

| Total Return⁽¹⁾: | Market Price | NAV |
|--|---------------------|------------|
| Six months | (7.83)% | (4.25)% |
| 1 Year | (13.80)% | (9.62)% |
| 3 Year | 0.76% | 1.95% |
| Commencement of Operations (10/29/04) to 1/31/08 | 0.36% | 1.99% |

| Market Price/NAV Performance: | Market Price/NAV: | |
|--|-----------------------------------|---------|
| Commencement of Operations (10/29/04) to 1/31/08 | Market Price | \$15.10 |
| NAV | NAV | \$15.26 |
| Market Price | Discount to NAV | (1.05)% |
| | Market Price Yield ⁽²⁾ | 8.38% |

Portfolio Composition
(as a % of total investments)

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

Returns are calculated by determining the percentage change in net asset value or market share price (as applicable) with all distributions reinvested. The Fund's performance at market price will differ from its results at NAV. Although market price returns typically reflect investment results over time, during shorter periods returns at market price can also be influenced by factors such as changing views about the Fund, market conditions, supply and demand for the Fund's shares, or changes in Fund distributions.

An investment in the Fund involves risk, including the loss of principal. Total return, market price, market 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 attributable to common shareholders less total liabilities divided by the number of common shares outstanding. Holdings are subject to change daily.

(2) Market Price Yield is determined by dividing the annualized current monthly per share dividend to common shareholders by the market price per common share at January 31, 2008.

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PIMCO Floating Rate Income Fund Schedule of Investments

January 31, 2008 (unaudited)

| Principal Amount (000) | | Value |
|------------------------------------|---|-------------|
| SENIOR LOANS (a)(c) 64.5% | | |
| Advertising 0.7% | | |
| | West Corp., | |
| \$1,847 | 5.619%, 10/23/13 | \$1,709,036 |
| 210 | 5.66%, 10/23/13 | 194,559 |
| 1,852 | 6.093%, 10/23/13 | 1,713,805 |
| 68 | 7.735%, 10/23/13 | 63,285 |
| | | 3,680,685 |
| Aerospace 0.1% | | |
| 750 | TransDigm Group, Inc., 6.588%, 6/23/13, Term B (b) | 722,812 |
| Airlines 0.5% | | |
| 2,970 | Northwest Airlines Corp., 5.99%, 8/22/08 (b) | 2,661,862 |
| Apparel & Textiles 0.5% | | |
| 995 | Aearo Technologies, Inc., 7.08%, 6/5/14, Term B (b) | 986,294 |
| | Simmons Co., Term C (b), | |
| 888 | 4.875%, 12/19/11 | 811,593 |
| 97 | 5.313%, 12/19/11 | 88,690 |
| 366 | 6.375%, 12/19/11 | 334,678 |
| 92 | 6.50%, 12/19/11 | 83,669 |
| 37 | 6.938%, 12/19/11 | 33,468 |
| 73 | 7.125%, 12/19/11 | 66,935 |
| 73 | 7.375%, 12/19/11 | 66,935 |
| 73 | 7.438%, 12/19/11 | 66,935 |
| 4 | 8.75%, 12/19/11 | 3,347 |
| | | 2,542,544 |
| Automotive 1.3% | | |
| 5,940 | Ford Motor Corp., 8.00%, 12/15/13, Term B | 5,216,401 |
| 1,489 | General Motors Corp., 7.056%, 11/29/13 | 1,366,089 |
| | | 6,582,490 |
| Automotive Products 1.2% | | |
| | Cooper Standard Automotive, Inc., | |
| 1,346 | 7.375%, 12/31/11, Term B | 1,281,177 |
| 3,365 | 7.375%, 12/31/11, Term C | 3,202,221 |
| 2,000 | Goodyear Tire & Rubber Co., 6.43%, 4/20/14, Term B | 1,832,500 |
| | | 6,315,898 |
| Banking 0.4% | | |
| | Aster Co., Ltd. (b), | |
| 1,092 | 7.393%, 9/19/13, Term B | 1,015,699 |
| 1,132 | 7.393%, 9/19/14, Term C | 1,055,543 |
| | | 2,071,242 |
| Building/Construction 1.5% | | |
| 4,000 | Building Materials Corp., 9.563%, 9/14/14 (b) | 3,245,716 |
| | Masonite International Corp., Term B (b), | |
| 1,901 | 5.331%, 4/6/13 | 1,646,093 |
| 513 | 6.83%, 4/6/13 | 443,874 |
| 2,328 | Nortek, Inc., 5.53%, 8/27/11 (b) | 2,153,271 |
| | | 7,488,954 |

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PIMCO Floating Rate Income Fund Schedule of Investments

January 31, 2008 (unaudited) (continued)

| Principal Amount (000) | | Value |
|--|--|-------------|
| Chemicals 1.3% | | |
| \$3,840 | INEOS Group Ltd., 7.357%, 10/7/12, Term A | \$3,417,941 |
| 735 | 7.357%, 10/7/13, Term B | 664,758 |
| 735 | 7.857%, 10/7/14, Term C | 681,406 |
| 1,758 | KRATON Polymers Group LLC, 6.75%, 5/11/13 (b) | 1,633,036 |
| | | 6,397,141 |
| Commercial Products 0.2% | | |
| 194 | iPayment, Inc. (b), 6.081%, 12/27/12 | 170,874 |
| 782 | 6.83%, 12/27/12 | 688,237 |
| | | 859,111 |
| Computer Services 1.3% | | |
| 2,703 | PanAmSat Corp., 5.144%, 7/3/12 | 2,411,170 |
| 1,000 | 5.144%, 1/3/14 (b) | 875,714 |
| 3,422 | SunGard Data Systems, Inc., 6.898%, 2/11/13 | 3,179,634 |
| | | 6,466,518 |
| Computer Software 2.5% | | |
| 1,247 | Infor Global Solutions (b), 7.771%, 8/1/12 | 1,679,940 |
| \$899 | 8.58%, 8/1/12 | 818,488 |
| 467 | 8.58%, 8/1/12, Term DD | 425,064 |
| 7,481 | Thomson Learning, Inc., 6.03%, 6/27/14, Term B | 6,753,908 |
| 3,000 | Trilogy International, Inc., 8.33%, 6/22/12 (b) | 2,745,000 |
| | | 12,422,400 |
| Consumer Products 1.9% | | |
| 1,932 | Education Management Corp., 6.625%, 2/13/14, Term B (b) | 1,790,687 |
| 2,947 | Jarden Corp., Term B, 6.58%, 1/24/12 (b) | 2,767,682 |
| 1,496 | 7.33%, 1/24/12 | 1,428,919 |
| 56 | National Mentor, Inc. (b), 5.32%, 6/30/13 | 51,940 |
| 613 | 6.73%, 6/30/13, Term B | 568,500 |
| 1,000 | 6.904%, 6/30/12 | 927,500 |
| 317 | 7.32%, 6/30/13, Term B | 293,927 |
| 1,995 | Pinnacle Foods, 7.58%, 3/30/14, Term B (b) | 1,805,475 |
| | | 9,634,630 |
| Containers & Packaging 2.4% | | |
| 807 | Graham Packaging Holdings Co., Term B, 6.813%, 10/18/11 | 750,088 |
| 1,558 | 7.00%, 10/18/11 | 1,449,034 |
| 14 | 7.125%, 10/18/11 | 12,786 |
| 733 | 7.188%, 10/18/11 | 681,898 |
| 1,173 | 7.438%, 10/18/11 | 1,091,037 |
| 1,173 | 7.75%, 10/18/11 | 1,091,037 |
| 1,194 | Graphic Packaging International Corp., 5.331%, 5/3/14 | 1,098,877 |
| 427 | 5.951%, 5/3/14 | 393,433 |
| 1,251 | 6.729%, 5/3/14 | 1,151,958 |

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PIMCO Floating Rate Income Fund Schedule of Investments

January 31, 2008 (unaudited) (continued)

| Principal Amount (000) | | Value |
|---|--|------------|
| Containers & Packaging (continued) | | |
| | Intertape Polymer Group, Inc., Term B (b), | |
| \$663 | 7.90%, 7/28/11 | \$658,856 |
| 31 | 8.54%, 7/28/11 | 30,558 |
| 188 | 8.646%, 7/28/11 | 186,328 |
| | Smurfit-Stone Container, | |
| 368 | 5.313%, 11/1/10, Term C | 352,395 |
| 224 | 5.313%, 11/1/11, Term B | 214,321 |
| 482 | 5.313%, 11/1/11, Term C | 461,955 |
| 742 | 5.393%, 11/1/10 | 710,963 |
| 608 | 7.125%, 11/1/11, Term B | 582,757 |
| 1,217 | 7.125%, 11/1/11, Term C | 1,165,175 |
| | | 12,083,456 |
| Diversified Manufacturing 1.3% | | |
| 3,818 | Grant Forest Products, 12.75%, 9/16/13 (b) | 3,236,110 |
| | Invensys PLC (b), | |
| 521 | 6.604%, 7/17/13 | 517,945 |
| 479 | 6.898%, 7/17/13 | 477,055 |
| | KION Group GmbH (b), | |
| 1,250 | 6.751%, 12/20/14, Term B | 1,135,937 |
| 1,250 | 7.251%, 12/20/15, Term C | 1,142,188 |
| | | 6,509,235 |
| Drugs & Medical Products 2.3% | | |
| 1,000 | Bausch & Lomb, Inc., 8.015%, 4/11/15 | 1,447,457 |
| | Mylan Laboratories, Inc., Term B (b), | |
| \$1,826 | 6.625%, 10/2/14 | 1,789,765 |
| 1,174 | 8.125%, 10/2/14 | 1,150,235 |
| | Nycomed Holdings (b), | |
| 1,135 | 7.013%, 12/20/15, Term B | 1,364,736 |
| 865 | 7.013%, 12/29/16, Term B | 1,040,009 |
| 2,000 | 7.763%, 12/20/15, Term C | 2,419,729 |
| | Warner Chilcott PLC, | |
| \$609 | 5.112%, 1/18/12, Term B | 581,187 |
| 85 | 5.271%, 1/18/12, Term B | 81,003 |
| 1,141 | 6.83%, 1/18/12, Term B | 1,089,723 |
| 633 | 6.83%, 1/18/12, Term C | 604,134 |
| | | 11,567,978 |
| Energy 1.3% | | |
| | Alon USA Energy, Inc. (b), | |
| 1,751 | 5.521%, 6/8/13 | 1,632,911 |
| 219 | 5.521%, 6/8/13, Term DD | 204,114 |
| 2,432 | Headwaters, Inc., 6.79%, 4/30/11, Term B (b) | 2,322,841 |
| 1,500 | NRG Energy Holding, 6.48%, 2/1/13 (e) | 1,381,688 |
| | Targa Resources, Inc., | |
| 290 | 4.705%, 10/31/11 | 278,855 |
| 24 | 6.83%, 10/31/12, Term B | 23,238 |
| 158 | 6.906%, 10/31/12, Term B | 151,325 |
| 339 | 7.36%, 10/5/12, Term B | 325,331 |
| | | 6,320,303 |

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PIMCO Floating Rate Income Fund Schedule of Investments

January 31, 2008 (unaudited) (continued)

| Principal Amount (000) | | Value |
|--|---|-------------|
| Entertainment 3.2% | | |
| \$10,661 | MGM Studios, 8.108%, 4/8/12, Term B | \$9,526,693 |
| 785 | Revolution Studios LLC (b), 5.78%, 12/25/12, Term A | 743,835 |
| 1,699 | 7.03%, 12/25/14, Term B | 1,639,698 |
| 804 | Warner Music Group, Inc., Term B, 5.718%, 2/28/11 | 753,698 |
| 310 | 5.894%, 2/28/11 | 290,442 |
| 1,125 | 7.015%, 2/28/11 | 1,054,687 |
| 2,086 | 7.541%, 2/28/11 | 1,955,162 |
| | | 15,964,215 |
| Financial Services 4.6% | | |
| 1,125 | Bearingpoint, Inc. (b), 9.07%, 5/18/12 | 990,000 |
| 375 | 9.281%, 5/18/12 | 330,000 |
| 6,982 | Chrysler Financial Corp., 8.99%, 8/3/12 | 6,284,250 |
| 2,500 | Delphi Corp., 7.376%, 7/1/08, Term C (b) | 2,468,750 |
| 275 | First Data Corp., 7.58%, 9/24/14 (b) | 249,348 |
| 3,715 | 7.634%, 9/24/14, Term B | 3,363,868 |
| 5,955 | Nielson Finance, 7.146%, 8/9/13, Term B | 5,519,952 |
| 1,927 | Nuveen Investments, Term B, 6.285%, 11/1/14 | 1,870,123 |
| 2,073 | 7.83%, 11/13/14 | 2,012,689 |
| | | 23,088,980 |
| Food Services 1.8% | | |
| 679 | Arby's Restaurant Group, Inc., Term B, 5.494%, 7/25/12 | 650,679 |
| 2,231 | 5.521%, 7/25/12 | 2,137,636 |
| 670 | 7.08%, 7/25/12 | 641,694 |
| 1,470 | Bolthouse Farms, Inc., 7.50%, 11/17/12, Term B (b) | 1,394,662 |
| 3,165 | Michael Foods, Inc., 6.845%, 11/21/10, Term B (b) | 3,106,829 |
| 1,492 | Sturm Foods, Inc., 5.813%, 1/30/14, Term B (b) | 1,231,312 |
| | | 9,162,812 |
| Healthcare & Hospitals 6.3% | | |
| 5,486 | Biomet, Inc., 7.857%, 3/25/15, Term B | 5,337,249 |
| 650 | Capio AB (b), 6.552%, 3/8/15, Term B | 937,430 |
| 650 | 6.677%, 3/8/16, Term C | 932,618 |
| \$480 | Community Health Systems, Inc., Term B, 7.072%, 7/2/14 | 443,727 |
| 1,397 | 7.331%, 7/25/14 | 1,292,533 |
| 681 | DaVita, Inc., Term B, 4.78%, 10/5/12 | 647,566 |
| 75 | 5.76%, 10/5/12 | 71,047 |
| 420 | 6.23%, 10/5/12 | 398,894 |
| 44 | 6.49%, 10/5/12 | 41,792 |
| 66 | 6.52%, 10/5/12 | 62,689 |
| 214 | 6.73%, 10/5/12 | 203,863 |
| 10,890 | HCA, Inc., 7.08%, 11/16/13, Term B | 10,089,411 |

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PIMCO Floating Rate Income Fund Schedule of Investments

January 31, 2008 (unaudited) (continued)

| Principal Amount (000) | | Value |
|---|--|------------|
| Healthcare & Hospitals (continued) | | |
| | HealthSouth Corp., | |
| \$12 | 5.78%, 2/2/13 | \$11,380 |
| 2,513 | 6.92%, 3/10/13 | 2,355,983 |
| 1,000 | ISTA, 8.519%, 6/15/16 (b) | 1,220,444 |
| \$902 | MultiPlan, Inc., 5.771%, 4/12/13, Term B (b) | 863,346 |
| | Psychiatric Solutions, Inc., Term B (b), | |
| 784 | 5.021%, 7/7/12 | 756,159 |
| 516 | 6.568%, 7/7/12 | 497,605 |
| 695 | 7.178%, 7/7/12 | 671,023 |
| 4,311 | Renal Advantage, Inc., 8.098%, 10/6/12, Term B (b) | 4,041,478 |
| | United Surgical (b), | |
| 835 | 5.49%, 4/18/14, Term B | 760,453 |
| 48 | 6.791%, 4/18/14, Term DD | 43,358 |
| 55 | 7.43%, 4/18/14, Term DD | 49,972 |
| | | 31,730,020 |
| Hotels/Gaming 1.3% | | |
| 308 | CCM Merger, Inc., 7.151%, 7/21/12, Term B (b) | 288,032 |
| | Las Vegas Sands Corp. (e), | |
| 600 | 3.00%, 5/23/14 | 533,063 |
| 2,400 | 6.58%, 5/23/14 (b) | 2,132,251 |
| | MotorCity Casino, Term B (b), | |
| 2,838 | 6.843%, 7/21/12 | 2,653,494 |
| 770 | 7.015%, 7/21/12 | 720,079 |
| | | 6,326,919 |
| Household Products 0.7% | | |
| | Springer S.A. (b), | |
| 1,000 | 7.094%, 9/16/11, Term B | 939,688 |
| 2,800 | 8.121%, 9/16/12, Term C | 2,645,126 |
| | | 3,584,814 |
| Leasing 0.4% | | |
| 1,194 | Rental Service Corp., 8.15%, 11/21/13 (b) | 1,030,613 |
| | United Rentals, Inc. (b), | |
| 306 | 5.32%, 2/14/11, Term LC | 293,593 |
| 727 | 6.09%, 2/14/11, Term B | 697,959 |
| | | 2,022,165 |
| Manufacturing 1.9% | | |
| 2,734 | Bombardier, Inc., 6.43%, 6/26/13, Term B (b) | 2,595,191 |
| | Dresser-Rand Group, Inc., Term T, | |
| 69 | 5.771%, 5/4/14 | 62,221 |
| 2,877 | 7.449%, 5/4/14 | 2,585,808 |
| | Lucite International Ltd. (b), | |
| 1,240 | 5.50%, 5/26/13, Term B | 1,140,705 |
| 439 | 5.50%, 5/26/13, Term DD | 403,894 |
| 2,992 | Polypore, Inc., 5.52%, 5/15/14 (b) | 2,820,431 |
| | | 9,608,250 |
| Multi-Media 5.8% | | |
| | American Media Operations, Inc. (b), | |
| 1,500 | 8.16%, 1/30/13 | 1,410,000 |
| 1,500 | 8.34%, 1/30/13 | 1,410,000 |

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985
3,000

Atlantic Broadband, Inc., 7.08%, 8/9/12, Term B (b)
Charter Communications, 7.33%, 9/6/14

937,450
2,622,480

8 PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds Semi-Annual Report | 1.31.08

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PIMCO Floating Rate Income Fund Schedule of Investments

January 31, 2008 (unaudited) (continued)

| Principal Amount (000) | | Value |
|----------------------------------|---|-------------|
| Multi-Media (continued) | | |
| \$4,937 | CSC Holdings, Inc., 6.896%, 2/24/13, Term B | \$4,554,288 |
| 4,665 | NTL Investment, 6.055%, 1/6/13, Term B | 4,408,086 |
| 1,000 | ProSieben Sat.1 Media AG, 7.00% 5/9/15 (b) | 1,291,823 |
| | Seven Media Group, Term T (b), | |
| AUD 3,017 | 8.878%, 2/7/13 | 2,537,679 |
| AUD 419 | 9.392%, 2/7/13 | 352,455 |
| | Univision Communications, Inc., | |
| \$6,107 | 5.494%, 9/15/14, Term B | 5,039,226 |
| 174 | 5.521%, 9/15/14, Term B | 143,978 |
| 1,000 | 5.771%, 3/15/09 | 946,875 |
| | Young Broadcasting, Inc., Term B (b), | |
| 2,936 | 7.063%, 11/3/12 | 2,679,182 |
| 30 | 7.375%, 11/3/12 | 27,401 |
| 948 | 7.438%, 5/2/12 | 864,645 |
| | | 29,225,568 |
| Oil & Gas 0.3% | | |
| 668 | Big West Oil LLC, 5.50%, 5/2/14, Term B (b) | 634,125 |
| | Oxbow Carbon & Minerals LLC (b), | |
| 888 | 6.83%, 5/4/14, Term B | 801,438 |
| 80 | 6.83%, 5/4/14, Term DD | 72,503 |
| 27 | 7.00%, 5/4/14, Term B | 24,228 |
| | | 1,532,294 |
| Paper/Paper Products 0.9% | | |
| | Georgia-Pacific Corp., Term B, | |
| 397 | 6.58%, 12/20/12 | 367,923 |
| 503 | 6.831%, 12/20/12 | 465,725 |
| 4,277 | 6.896%, 12/20/12 | 3,958,664 |
| | | 4,792,312 |
| Printing/Publishing 2.0% | | |
| | Seat Pagine Gialle SpA (b), | |
| 918 | 4.179%, 5/25/12, Term A | 1,285,691 |
| 626 | 4.179%, 6/8/13, Term B | 886,419 |
| | Tribune Co., | |
| \$4,367 | 7.396%, 5/30/09, Term X (e) | 4,089,658 |
| 3,980 | 7.91%, 5/30/14, Term B | 3,001,417 |
| 1,000 | Verso Paper Holdings LLC, 9.489%, 2/1/13 (b) | 925,000 |
| | | 10,188,185 |
| Recreation 3.0% | | |
| | Amadeus Global Travel (b), | |
| 2,750 | 6.846%, 4/8/13, Term B | 2,482,676 |
| 2,750 | 7.096%, 4/8/14, Term C | 2,494,633 |
| 3,940 | Cedar Fair L.P., 5.271%, 8/30/12 | 3,695,476 |
| 2,488 | Six Flags Theme Parks, Inc., 7.25%, 4/30/15, Term B | 2,156,180 |
| | Travelport, | |
| 1,780 | 7.08%, 8/23/13 | 1,645,869 |
| 2,992 | 7.08%, 8/23/13, Term DD | 2,733,463 |
| | | 15,208,297 |
| Retail 0.2% | | |
| | Neiman Marcus Group, Inc., | |

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| | | |
|-------|---------------|-----------|
| 1,280 | 6.90%, 4/6/13 | 1,179,734 |
| 20 | 7.09%, 4/6/13 | 18,433 |
| | | 1,198,167 |

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PIMCO Floating Rate Income Fund Schedule of Investments

January 31, 2008 (unaudited) (continued)

| Principal Amount (000) | | Value |
|--------------------------------|--|-------------|
| Telecommunications 6.3% | | |
| \$2,992 | Alltel Corp., 6.773%, 5/15/15, Term B | \$2,733,149 |
| 4,332 | Centennial Cellular Communications Corp. (b), 6.83%, 2/9/11 | 4,199,763 |
| 335 | 7.081%, 1/20/11 | 324,957 |
| 1,200 | eircom Group PLC (b), 6.625%, 8/15/14, Term B | 1,653,140 |
| 1,200 | 6.875%, 8/15/15, Term C | 1,659,989 |
| \$2,536 | Hawaiian Telcom Communications, Inc., 7.08%, 6/1/14, Term C | 2,250,896 |
| 504 | Integra Telecom, Inc., Term T (b), 7.494%, 8/31/13 | 480,252 |
| 819 | 9.08%, 8/31/13 | 779,649 |
| 672 | 9.331%, 8/31/13 | 640,336 |
| 2,500 | Intelsat Ltd., 5.644%, 2/15/14 | 2,448,958 |
| 1,605 | Nordic Telephone Co. Holdings ApS, 6.085%, 11/30/13, Term B | 2,300,714 |
| 1,922 | 6.335%, 11/30/14, Term C | 2,766,489 |
| 1,500 | Telenet Bidco NV, 6.929%, 7/31/15, Term C (b)(g) | 2,203,458 |
| \$1,300 | Telesat (b), 8.37%, 10/31/08 | 1,241,500 |
| 1,598 | 9.00%, 10/31/08 | 1,525,807 |
| 2,213 | Telesat Canada, Inc., 6.25%, 10/22/14, Term B | 2,099,701 |
| 945 | 7.84%, 10/22/14, Term B | 896,457 |
| 21 | 8.00%, 10/22/14, Term DD (b) | 19,921 |
| 527 | 8.09%, 10/22/14, Term B | 500,024 |
| 102 | 9.00%, 10/31/08 | 97,693 |
| 1,000 | Verizon IDEARC, Inc., 6.83%, 11/17/14, Term B | 914,091 |
| | | 31,736,944 |
| Transportation 0.5% | | |
| 188 | Fleetpride Corp., Term B (b), 5.771%, 6/6/13 | 163,125 |
| 2,531 | 7.33%, 6/6/13 | 2,202,187 |
| | | 2,365,312 |
| Utilities 1.9% | | |
| 786 | AES Corp., Term B (b), 7.00%, 4/30/08 | 754,777 |
| 786 | 7.19%, 8/10/11 | 754,777 |
| 1,600 | Sandridge Energy, Inc., 8.354%, 4/1/14 (b) | 1,532,000 |
| 4,000 | Texas Competitive Electric Holdings Co. LLC, 8.396%, 10/10/14 | 3,688,636 |
| 3,000 | 8.396%, 10/10/14, Term B | 2,776,365 |
| | | 9,506,555 |
| Waste Disposal 0.9% | | |
| 1,663 | Allied Waste North America, Inc., 4.60%, 3/28/14 | 1,561,999 |
| 853 | 5.43%, 3/28/14, Term B | 800,882 |
| 432 | 5.46%, 3/28/14, Term B | 406,082 |
| 76 | 6.36%, 3/28/14, Term B | 71,464 |

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| | | |
|-------|--------------------------------------|-----------|
| 72 | 6.42%, 3/28/14, Term B | 67,680 |
| 504 | 6.88%, 3/28/14, Term B | 473,762 |
| 1,000 | AVR-Bedrijven NV, 6.976%, 3/1/14 (b) | 1,405,333 |
| | | 4,787,202 |

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PIMCO Floating Rate Income Fund Schedule of Investments

January 31, 2008 (unaudited) (continued)

| Principal Amount (000) | | Credit Rating (Moody's/S&P) | Value |
|--|---|-----------------------------|-------------|
| Wholesale 0.7% | | | |
| \$3,930 | Roundy's, Inc., 7.91%, 10/27/11, Term B | | \$3,785,370 |
| Wire & Cable Products 1.1% | | | |
| 3,143 | UPC Broadband Holding BV, 6.193%, 12/31/14, Term M | | 4,184,158 |
| 1,000 | 7.042%, 12/31/14 | | 1,331,348 |
| | | | 5,515,506 |
| Total Senior Loans (cost-\$348,307,145) | | | 325,657,146 |
| CORPORATE BONDS & NOTES 24.9% | | | |
| Apparel & Textiles 0.6% | | | |
| 3,500 | Hanesbrands, Inc., 8.204%, 12/15/14, FRN | B2/B- | 3,185,000 |
| Automotive Products 0.8% | | | |
| 4,000 | Goodyear Tire & Rubber Co., 8.663%, 12/1/09, FRN (k) | Ba3/B | 4,010,000 |
| Banking 0.9% | | | |
| £2,464 | Royal Bank of Scotland PLC, 9.370%, 4/6/11, FRN (g) | NR/NR | 4,690,623 |
| Building/Construction 0.8% | | | |
| 3,000 | Grohe Holding GmbH, 7.451%, 1/15/14, FRN | B2/B | 3,897,679 |
| Commercial Services 0.8% | | | |
| \$4,500 | ARAMARK Corp., 6.751%, 2/1/15, FRN | B3/B- | 4,050,000 |
| Containers & Packaging 0.2% | | | |
| 1,000 | Berry Plastics Holding Corp., 8.866%, 9/15/14, FRN | B3/B | 825,000 |
| Drugs & Medical Products 0.3% | | | |
| 1,500 | Universal Hospital Services, Inc., 8.288%, 6/1/15, FRN | B3/B+ | 1,432,500 |
| Electronics 0.6% | | | |
| 1,796 | Sanmina-SCI Corp., 7.741%, 6/15/10, FRN (a)(d) | B1/B+ | 1,796,000 |
| 1,400 | Spansion LLC, 8.249%, 6/1/13, FRN (a)(d) | B1/BB- | 1,043,000 |
| | | | 2,839,000 |
| Financial Services 5.6% | | | |
| 2,500 | Chukchansi Economic Dev. Auth., 8.238%, 11/15/12, FRN (a)(d) | B2/BB- | 2,400,000 |
| 8,150 | Ford Motor Credit Co. LLC, 7.127%, 1/13/12, FRN | B1/B | 6,870,923 |
| 7,000 | General Motors Acceptance Corp. LLC, 7.324%, 12/1/14, FRN | B1/B+ | 5,501,055 |
| 3,000 | Hellas Telecommunications Luxembourg V, 8.076%, 10/15/12, FRN | B1/B | 4,080,903 |
| \$2,000 | Hexion U.S. Finance Corp., 9.369%, 11/15/14, FRN | B3/B | 1,950,000 |
| 600 | LVB Acquisition Merger Sub., Inc. (a)(d), 10.00%, 10/15/17 | B3/B- | 621,000 |
| 600 | 10.375%, 10/15/17, PIK | B3/B- | 606,000 |
| 800 | 11.625%, 10/15/17 | Caa1/B- | 785,000 |
| 3,500 | Universal City Florida Holding Co., 8.001%, 5/1/10, FRN | B3/B- | 3,395,000 |
| 2,000 | 8.375%, 5/1/10 | B3/B- | 2,015,000 |
| | | | 28,224,881 |
| Hotels/Gaming 1.4% | | | |

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| | | | |
|-------|--------------------------------------|-------|-----------|
| 2,336 | Harrah's Operating Co., Inc. (a)(d), | B3/B- | 2,125,760 |
| 664 | 10.75%, 2/1/16 | B3/B- | 567,720 |
| | 10.75%, 2/1/18, PIK | | |

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PIMCO Floating Rate Income Fund Schedule of Investments

January 31, 2008 (unaudited) (continued)

| Principal Amount (000) | | Credit Rating (Moody s/S&P) | Value |
|----------------------------------|--|--------------------------------|-------------|
| Hotels/Gaming (continued) | | | |
| \$2,000 | Mandalay Resort Group, 7.625%, 7/15/13 | B1/B+ | \$1,895,000 |
| 3,000 | Seminole Hard Rock Entertainment, Inc., 7.491%, 3/15/14, FRN (a)(d) | B1/BB | 2,715,000 |
| | | | 7,303,480 |
| Insurance 0.4% | | | |
| 1,300 | Residential Reins Ltd., FRN (a)(b)(d), 12.374%, 6/7/10 | NR/BB | 1,335,362 |
| 500 | 12.874%, 6/7/10 | NR/BB+ | 514,100 |
| | | | 1,849,462 |
| Manufacturing 0.9% | | | |
| 3,250 | Bombardier, Inc., 7.70%, 11/15/13, FRN (a)(d) | Ba2/BB | 4,667,590 |
| Metals & Mining 0.4% | | | |
| \$2,150 | Freeport-McMoRan Copper & Gold, Inc., 8.394%, 4/1/15, FRN (k) | Ba3/BB | 2,115,062 |
| Multi-Media 2.6% | | | |
| 2,000 | Cablevision Systems Corp., 8.00%, 4/15/12 | B3/B+ | 1,925,000 |
| 4,000 | 9.644%, 4/1/09, FRN | B3/B+ | 4,020,000 |
| 1,000 | CCO Holdings LLC, 8.75%, 11/15/13 | Caa1/CCC | 935,000 |
| 4,000 | Charter Communications Holdings II LLC, 10.25%, 9/15/10 | Caa1/CCC | 3,810,000 |
| 1,800 | DirecTV Holdings LLC, 8.375%, 3/15/13 (k) | Ba3/BB- | 1,869,750 |
| 1,000 | ION Media Networks, Inc., 10.508%, 1/15/13, FRN (a)(d) | Caa1/CCC- | 867,500 |
| | | | 13,427,250 |
| Paper/Paper Products 1.0% | | | |
| 1,000 | Abitibi-Consolidated, Inc., 8.491%, 6/15/11, FRN | B3/B | 731,250 |
| 4,500 | Verso Paper Holdings LLC, 7.001%, 8/1/14, FRN | B2/B+ | 4,297,500 |
| | | | 5,028,750 |
| Semi-Conductors 0.9% | | | |
| 6,000 | Freescale Semiconductor, Inc., 8.866%, 12/15/14, FRN | B2/B- | 4,350,000 |
| Telecommunications 6.5% | | | |
| 4,000 | Cincinnati Bell, Inc., 8.375%, 1/15/14 | B2/B- | 3,840,000 |
| 2,500 | Hawaiian Telecom Communications, Inc., 10.318%, 5/1/13, FRN | Caa1/CCC | 2,212,500 |
| 4,500 | Intelsat Bermuda Ltd., FRN, 7.581%, 1/15/15 | NR/NR | 4,522,500 |
| 3,000 | 10.829%, 6/15/13 | NR/NR | 3,082,500 |
| 2,950 | Nordic Telephone Co. Holdings ApS, 9.883%, 5/1/16, FRN (a)(d) | B2/B | 4,302,253 |
| \$5,200 | Nortel Networks Ltd., 8.508%, 7/15/11, FRN | B3/B- | 4,862,000 |
| 1,500 | Qwest Capital Funding, Inc., 7.90%, 8/15/10 | B1/B+ | 1,515,000 |
| 4,000 | Qwest Communications International, Inc., 8.369%, 2/15/09, FRN (k) | Ba3/B+ | 4,000,000 |
| 2,000 | Rural Cellular Corp., 8.25%, 3/15/12 | Ba3/B+ | 2,070,000 |
| 3,000 | TelCordia Technologies, Inc., 8.008%, 7/15/12, FRN (a)(d) | B2/B | 2,565,000 |
| | | | 32,971,753 |

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Wire & Cable Products 0.2%

| | | | | |
|--|-------|--|-------|-------------|
| | 1,000 | Superior Essex Communications LLC, 9.00%, 4/15/12 | B3/B+ | 945,000 |
| Total Corporate Bonds & Notes (cost-\$133,290,493) | | | | 125,813,030 |

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PIMCO Floating Rate Income Fund Schedule of Investments

January 31, 2008 (unaudited) (continued)

| Principal Amount (000) | | Credit Rating (Moody s/S&P) | Value |
|--|--|--------------------------------|-------------|
| MORTGAGE-BACKED SECURITIES 0.3% | | | |
| \$1,527 | Mellon Residential Funding Corp., 4.586%, 11/15/31, CMO, FRN (cost-\$1,526,624) | Aaa/AAA | \$1,485,114 |
| ASSET-BACKED SECURITIES 0.2% | | | |
| 12 | Credit Suisse First Boston Mortgage Securities Corp., FRN, 4.076%, 7/25/32 | Aaa/AAA | 10,425 |
| 442 | 5.605%, 8/25/32 | Aaa/AAA | 404,860 |
| 444 | GSAMP Trust, 3.666%, 3/25/34, FRN | Aaa/AAA | 442,050 |
| Total Asset-Backed Securities (cost-\$898,204) | | | 857,335 |
| PREFERRED STOCK 0.6% | | | |
| Shares | | | |
| Financial Services 0.6% | | | |
| 30 | Richmond Cnty. Capital Corp., 7.508%, FRN (a)(b)(d) (cost-\$3,068,306) | | 3,017,813 |
| SHORT-TERM INVESTMENTS 9.5% | | | |
| Principal Amount (000) | | | |
| U.S. Treasury Bills (i) 9.0% | | | |
| \$45,400 | 2.00%-3.13%, 2/28/08-3/13/08 (cost-\$45,258,290) | | 45,258,290 |
| Corporate Notes 0.5% | | | |
| Airlines 0.2% | | | |
| 819 | JetBlue Airways Corp., FRN, 7.969%, 5/15/08 | B1/BB- | 813,098 |
| 325 | 9.241%, 3/17/08 | B1/BB- | 325,516 |
| | | | 1,138,614 |
| Insurance 0.3% | | | |
| 1,500 | Parametric Re Ltd., 9.661%, 5/19/08, FRN (a)(d) | NR/NR | 1,500,000 |
| Total Corporate Notes (cost-\$2,647,609) | | | 2,638,614 |
| Total Short-Term Investments (cost-\$47,905,899) | | | 47,896,904 |
| OPTIONS PURCHASED (j) 0.0% | | | |
| Contracts | | | |
| Call Options 0.0% | | | |
| 164 | U.S. Treasury Notes 10 yr. Futures (CBOT), strike price \$126, expires 2/22/08 | | 2,562 |
| Put Options 0.0% | | | |
| 600 | Financial Future Euro 90 day (CME), strike price \$91.75, expires 3/17/08 | | 2 |
| 216 | strike price \$92.25, expires 6/16/08 | | |

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399 United Kingdom 90 day (CME),
strike price \$93, expires 3/19/08

Total Options Purchased (cost-\$16,341)

2
2,564

Total Investments (cost-\$535,013,012) **100.0%**

\$504,729,906

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2008 (unaudited)

| Principal Amount (000) | | Value |
|------------------------------------|---|-------------|
| SENIOR LOANS (a)(c) 70.0% | | |
| Advertising 1.4% | | |
| | PagesJaunes Groupe S.A. (b), | |
| 2,250 | 7.177%, 1/11/15, Term B | \$3,042,638 |
| 2,250 | 7.677%, 1/11/16, Term C | 3,049,234 |
| | West Corp., | |
| \$3,694 | 5.619%, 10/23/13 | 3,418,071 |
| 6,125 | 6.093%, 10/23/13 | 5,667,479 |
| 137 | 7.735%, 10/23/13 | 126,570 |
| | | 15,303,992 |
| Aerospace 0.1% | | |
| 1,250 | TransDigm Group, Inc., 6.588%, 6/23/13, Term B (b) | 1,204,687 |
| Airlines 0.5% | | |
| 6,930 | Northwest Airlines Corp., 5.99%, 8/22/08 (b) | 6,211,012 |
| Apparel & Textiles 0.4% | | |
| 995 | Aearo Technologies, Inc., 7.08%, 6/5/14, Term B (b) | 986,294 |
| | Hanesbrands, Inc., Term B, | |
| 571 | 4.994%, 10/15/13 | 552,589 |
| 126 | 5.016%, 10/15/13 (b) | 121,742 |
| | Simmons Co., Term C (b), | |
| 1,305 | 4.875%, 12/19/11 | 1,192,369 |
| 143 | 5.313%, 12/19/11 | 130,300 |
| 538 | 6.375%, 12/19/11 | 491,698 |
| 135 | 6.50%, 12/19/11 | 122,924 |
| 54 | 6.938%, 12/19/11 | 49,170 |
| 108 | 7.125%, 12/19/11 | 98,340 |
| 5 | 7.375%, 12/19/11 | 4,917 |
| 108 | 7.375%, 12/19/11 | 98,340 |
| 108 | 7.438%, 12/19/11 | 98,340 |
| | | 3,947,023 |
| Automotive 1.7% | | |
| 2,000 | Dura Operating Corp., 7.894%, 4/28/11 (b) | 1,995,000 |
| 11,910 | Ford Motor Corp., 8.00%, 12/15/13, Term B | 10,459,148 |
| 2,481 | General Motors Corp., 7.056%, 11/29/13 | 2,276,814 |
| | Hertz Corp., | |
| 321 | 4.91%, 12/21/12 | 307,353 |
| 208 | 6.75%, 12/21/12, Term B | 198,794 |
| 2,130 | 6.89%, 12/21/12, Term B | 2,041,459 |
| 1,523 | 6.92%, 12/21/12, Term B | 1,459,708 |
| | | 18,738,276 |
| Automotive Products 1.6% | | |
| 8,302 | Affinia Group, 6.244%, 11/30/11, Term B (b) | 8,115,634 |
| | Cooper Standard Automotive, Inc., | |
| 2,345 | 7.375%, 12/31/11, Term B | 2,231,190 |
| 5,860 | 7.375%, 12/31/11, Term C | 5,576,716 |
| 3,000 | Goodyear Tire & Rubber Co., 6.43%, 4/20/14, Term B | 2,748,750 |
| | | 18,672,290 |

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2008 (unaudited) (continued)

| Principal Amount (000) | | Value |
|-----------------------------------|--|-------------|
| Banking 0.7% | | |
| 2,800 | Aster Co., Ltd. (b), 7.00%, 9/19/13, Term B | \$3,876,210 |
| \$2,137 | 7.393%, 9/19/13, Term B | 1,987,237 |
| 2,214 | 7.393%, 9/19/14, Term C | 2,065,190 |
| | | 7,928,637 |
| Building/Construction 1.5% | | |
| 8,500 | Building Materials Corp., 9.563%, 9/14/14 (b) | 6,897,147 |
| | Masonite International Corp., Term B (b), | |
| 5,108 | 5.331%, 4/6/13 | 4,421,899 |
| 1,377 | 6.83%, 4/6/13 | 1,192,377 |
| | Nortek, Inc. (b), | |
| 4,737 | 5.53%, 8/27/11 | 4,381,989 |
| 12 | 7.25%, 8/27/11 | 11,323 |
| | | 16,904,735 |
| Chemicals 2.1% | | |
| 1,660 | Brenntag AG (b), 6.517%, 12/23/13 | 2,294,892 |
| 340 | 6.517%, 12/23/13, Term B | 470,586 |
| | Chart Industries, Term B (b), | |
| \$333 | 6.875%, 10/14/12 | 329,167 |
| 2,333 | 7.188%, 10/14/12 | 2,304,167 |
| 1,591 | Georgia Gulf Corp., 5.681%, 10/3/13 | 1,482,399 |
| | INEOS Group Ltd., | |
| 3,903 | 7.357%, 10/7/12, Term A | 3,473,384 |
| 1,960 | 7.357%, 10/7/13, Term B | 1,772,687 |
| 233 | 7.451%, 10/7/12, Term A | 207,476 |
| 1,960 | 7.857%, 10/7/14, Term C | 1,817,083 |
| 2,337 | Innophos, Inc., 7.08%, 8/13/10, Term B (b) | 2,242,909 |
| 4,848 | KRATON Polymers Group LLC, 6.75%, 5/11/13 (b) | 4,502,132 |
| 1,668 | MacDermid, Inc., 6.976%, 4/12/14 (b) | 2,395,918 |
| | | 23,292,800 |
| Commercial Products 0.4% | | |
| \$2,791 | Alliance Laundry Holdings LLC, Term B, 5.85%, 1/27/12 (b) | 2,693,600 |
| 30 | 7.61%, 1/27/12 | 28,655 |
| | iPayment, Inc. (b), | |
| 550 | 5.264%, 12/27/12 | 483,530 |
| 388 | 6.081%, 12/27/12 | 341,747 |
| 1,010 | 6.83%, 12/27/12 | 888,544 |
| | | 4,436,076 |
| Commercial Services 0.4% | | |
| 774 | ARAMARK Corp., 5.198%, 1/26/14, Term LC (e) | 714,660 |
| 4,145 | 6.83%, 1/26/14, Term B | 3,829,454 |
| | | 4,544,114 |
| Computer Services 1.6% | | |
| 5,042 | PanAmSat Corp., 5.144%, 7/3/12 | 4,497,393 |
| 3,000 | 5.144%, 1/3/14 (b) | 2,627,142 |

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11,702

SunGard Data Systems, Inc., 6.898%, 2/11/13

10,874,143
17,998,678

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PIMCO Floating Rate Strategy Fund Schedule of Investments

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| Principal Amount (000) | | Value |
|--|---|-------------|
| Computer Software 2.5% | | |
| | Infor Global Solutions (b), | |
| \$1,494 | 7.58%, 7/28/12 | \$1,359,248 |
| 3,097 | 7.771%, 8/1/12 | 4,172,988 |
| \$1,273 | 8.58%, 8/1/12 | 1,158,820 |
| 667 | 8.58%, 8/1/12, Term DD | 606,580 |
| 15,960 | Thomson Learning, Inc., 6.03%, 6/27/14, Term B | 14,408,337 |
| 7,000 | Trilogy International, Inc., 8.33%, 6/22/12 (b) | 6,405,000 |
| | | 28,110,973 |
| Consumer Products 2.0% | | |
| 6,528 | Education Management Corp., 6.625%, 2/13/14, Term B (b) | 6,051,677 |
| | Jarden Corp., Term B, | |
| 5,998 | 6.58%, 1/24/12 (b) | 5,633,675 |
| 2,985 | 7.33%, 1/24/12 | 2,850,675 |
| | National Mentor, Inc. (b), | |
| 1,307 | 6.73%, 6/30/13, Term B | 1,212,116 |
| 3,000 | 6.904%, 6/30/12 | 2,782,500 |
| 673 | 7.32%, 6/30/13, Term B | 624,287 |
| 3,491 | Pinnacle Foods, 7.58%, 3/30/14, Term B (b) | 3,159,581 |
| | | 22,314,511 |
| Containers & Packaging 1.8% | | |
| | Graham Packaging Holdings Co., Term B, | |
| 1,467 | 6.813%, 10/18/11 | 1,363,796 |
| 2,133 | 7.00%, 10/18/11 | 1,983,703 |
| 25 | 7.125%, 10/18/11 | 23,247 |
| 1,333 | 7.188%, 10/18/11 | 1,239,815 |
| 2,133 | 7.438%, 10/18/11 | 1,983,703 |
| 700 | 7.50%, 10/18/11 | 650,903 |
| 2,133 | 7.75%, 10/18/11 | 1,983,703 |
| | Graphic Packaging International Corp., | |
| 1,180 | 5.331%, 5/3/14 | 1,086,506 |
| 540 | 5.951%, 5/3/14 | 497,437 |
| 1,251 | 6.729%, 5/3/14 | 1,151,958 |
| | Intertape Polymer Group, Inc., Term B (b), | |
| 1,543 | 7.90%, 7/28/11 | 1,532,920 |
| 72 | 8.54%, 7/28/11 | 71,097 |
| 436 | 8.646%, 7/28/11 | 433,518 |
| | Smurfit-Stone Container, | |
| \$758 | 5.313%, 11/1/10, Term C | 725,542 |
| 342 | 5.313%, 11/1/11, Term B | 327,628 |
| 746 | 5.313%, 11/1/11, Term C | 713,931 |
| 1,528 | 5.393%, 11/1/10 | 1,463,510 |
| 931 | 7.125%, 11/1/11, Term B | 891,302 |
| 2,506 | 7.125%, 11/1/11, Term C | 2,398,928 |
| | | 20,523,147 |
| Diversified Manufacturing 1.5% | | |
| 8,183 | Grant Forest Products, 12.75%, 9/16/13 (b) | 6,934,893 |
| | Invensys PLC (b), | |
| 1,041 | 6.604%, 7/17/13 | 1,035,890 |
| 959 | 6.898%, 7/17/13 | 954,110 |

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| | | |
|-------|--|-----------|
| 3,000 | KION Group GmbH (b), 6.751%, 12/20/14, Term B | 2,726,250 |
| 3,000 | 7.251%, 12/20/15, Term C | 2,741,250 |

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2008 (unaudited) (continued)

| Principal Amount (000) | | Value |
|--|--|------------|
| Diversified Manufacturing (continued) | | |
| \$1,016 | Linpac Mouldings Ltd. (b), 7.218%, 4/16/12, Term B | \$911,594 |
| 1,277 | 7.718%, 4/16/12, Term C | 1,152,623 |
| | | 16,456,610 |
| Drugs & Medical Products 2.3% | | |
| 650 | Bausch & Lomb, Inc., 6.511%, 10/26/15 (b) | 635,375 |
| 650 | 7.00%, 4/11/15, Term B | 650,000 |
| 5,200 | 8.08%, 10/26/15, Term T | 5,083,000 |
| 3,957 | Mylan Laboratories, Inc., Term B (b), 6.625%, 10/2/14 | 3,877,825 |
| 2,543 | 8.125%, 10/2/14 | 2,492,175 |
| 2,270 | Nycomed Holdings (b), 7.013%, 12/20/15, Term B | 2,729,473 |
| 1,730 | 7.013%, 12/29/16, Term B | 2,080,018 |
| 4,000 | 7.763%, 12/20/15, Term C | 4,839,459 |
| \$969 | Warner Chilcott PLC, 5.112%, 1/18/12, Term B | 925,912 |
| 135 | 5.271%, 1/18/12, Term B | 129,050 |
| 1,818 | 6.83%, 1/18/12, Term B | 1,736,084 |
| 1,008 | 6.83%, 1/18/12, Term C | 962,472 |
| | | 26,140,843 |
| Energy 1.5% | | |
| 5,147 | Alon USA Energy, Inc. (b), 5.521%, 6/8/13 | 4,799,267 |
| 458 | 5.521%, 6/8/13, Term DD | 427,396 |
| 107 | 7.072%, 6/8/13 | 99,467 |
| 198 | 7.072%, 6/8/13, Term DD | 184,946 |
| 51 | Edison Midwest, 6.82%, 4/27/11, Term B | 49,340 |
| 5,141 | Headwaters, Inc., 6.79%, 4/30/11, Term B (b) | 4,909,890 |
| 101 | Longview Power (b), 5.563%, 2/27/14, Term DD | 95,000 |
| 141 | 7.063%, 2/27/14, Term DD | 132,500 |
| 243 | 7.125%, 2/27/14, Term DD | 227,500 |
| 267 | 7.125%, 2/27/14, Term LC | 250,000 |
| 107 | 7.126%, 2/27/14, Term DD | 100,000 |
| 800 | 7.25%, 2/27/14, Term B | 750,000 |
| 120 | 7.813%, 2/27/14, Term DD | 112,500 |
| 2,500 | NRG Energy Holding, 6.48%, 2/1/13 (e) | 2,302,812 |
| 260 | Ruhrgas Industries, 6.91%, 7/15/13, Term B (b) | 252,824 |
| 774 | Targa Resources, Inc., 4.705%, 10/31/11 | 743,516 |
| 56 | 6.83%, 10/31/12, Term B | 54,215 |
| 420 | 6.906%, 10/31/12, Term B | 403,481 |
| 903 | 7.541%, 10/5/12, Term B | 867,435 |
| | | 16,762,089 |
| Entertainment 2.5% | | |
| 17,715 | MGM Studios, 8.108%, 4/8/12, Term B | 15,830,457 |
| | Revolution Studios LLC (b), | |

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| | | |
|-------|-------------------------|-----------|
| 785 | 5.78%, 12/25/12, Term A | 743,835 |
| 4,758 | 7.03%, 12/25/14, Term B | 4,591,154 |

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2008 (unaudited) (continued)

| Principal Amount (000) | | Value |
|--|---|-------------|
| Entertainment (continued) | | |
| | Warner Music Group, Inc., Term B, | |
| \$1,441 | 5.718%, 2/28/11 | \$1,351,107 |
| 555 | 5.894%, 2/28/11 | 520,658 |
| 2,017 | 7.015%, 2/28/11 | 1,890,672 |
| 3,739 | 7.541%, 2/28/11 | 3,504,895 |
| | | 28,432,778 |
| Financial Services 5.0% | | |
| | Bearingpoint, Inc. (b), | |
| 875 | 9.07%, 5/18/12 | 770,000 |
| 2,625 | 9.07%, 5/18/12 | 2,310,000 |
| 15,492 | Chrysler Financial Corp., 8.99%, 8/3/12 | 13,943,250 |
| | Delphi Corp. (b), | |
| 500 | 6.876%, 7/1/08, Term B | 494,500 |
| 8,000 | 7.376%, 7/1/08, Term C | 7,900,000 |
| 9,000 | First Data Corp., 7.634%, 9/24/14, Term B | 8,150,112 |
| | Nielson Finance, Term B, | |
| 4,448 | 6.661%, 8/9/13 | 4,122,757 |
| 7,402 | 7.146%, 8/9/13 | 6,861,562 |
| | Nuveen Investments, Term B, | |
| 3,521 | 6.285%, 11/1/14 | 3,417,378 |
| 5,184 | 7.83%, 11/13/14 | 5,031,722 |
| 1,296 | 7.858%, 11/1/14 | 1,257,930 |
| 2,000 | Wind Finance SL S.A., 11.319%, 10/26/14 (b) | 2,095,000 |
| | | 56,354,211 |
| Food Services 1.4% | | |
| | Arby's Restaurant Group, Inc., Term B, | |
| 1,948 | 5.494%, 7/25/12 | 1,866,026 |
| 6,398 | 5.521%, 7/25/12 | 6,130,339 |
| 1,921 | 7.08%, 7/25/12 | 1,840,257 |
| 3,059 | Michael Foods, Inc., 6.845%, 11/21/10, Term B (b) | 3,002,571 |
| 3,474 | Sturm Foods, Inc., 5.813%, 1/30/14, Term B (b) | 2,865,844 |
| | | 15,705,037 |
| Healthcare & Hospitals 6.4% | | |
| 13,000 | Biomet, Inc., 7.857%, 3/25/15, Term B | 12,646,933 |
| | Capio AB (b), | |
| 356 | 6.552%, 3/8/15, Term B | 513,218 |
| 1,209 | 6.552%, 3/8/16, Term C | 1,734,943 |
| 1,209 | 6.677%, 3/8/15, Term B | 1,734,943 |
| 356 | 6.677%, 3/8/16, Term C | 510,584 |
| \$4,152 | Community Health Systems, Inc., 7.331%, 7/25/14, Term B | 3,842,173 |
| | DaVita, Inc., Term B, | |
| 1,631 | 4.78%, 10/5/12 | 1,549,774 |
| 179 | 5.76%, 10/5/12 | 170,032 |
| 1,004 | 6.23%, 10/5/12 | 954,647 |
| 105 | 6.49%, 10/5/12 | 100,019 |
| 158 | 6.52%, 10/5/12 | 150,028 |
| 513 | 6.73%, 10/5/12 | 487,891 |
| 24,750 | HCA, Inc., 7.08%, 11/16/13, Term B | 22,930,479 |
| | HealthSouth Corp., | |

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22
4,607

5.78%, 2/2/13
6.92%, 3/10/13

20,864
4,319,303

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2008 (unaudited) (continued)

| Principal Amount (000) | | Value |
|---|---|-------------|
| Healthcare & Hospitals (continued) | | |
| 3,000 | ISTA, 8.519%, 6/15/16 (b) | \$3,661,331 |
| \$2,633 | MultiPlan, Inc., 5.771%, 4/12/13, Term B (b) | 2,521,417 |
| | Psychiatric Solutions, Inc., Term B (b), | |
| 1,640 | 5.021%, 7/7/12 | 1,582,388 |
| 1,074 | 6.568%, 7/7/12 | 1,036,464 |
| 1,458 | 7.178%, 7/7/12 | 1,406,567 |
| 9,778 | Renal Advantage, Inc., 8.098%, 10/6/12, Term B (b) | 9,167,048 |
| | United Surgical (b), | |
| 1,665 | 5.49%, 4/18/14, Term B | 1,517,084 |
| 95 | 6.791%, 4/18/14, Term DD | 86,716 |
| 110 | 7.43%, 4/18/14, Term DD | 99,943 |
| | | 72,744,789 |
| Hotels/Gaming 1.6% | | |
| 693 | CCM Merger, Inc., 7.151%, 7/21/12, Term B (b) | 647,869 |
| | Las Vegas Sands Corp. (e), | |
| 1,189 | 3.00%, 5/23/14 | 1,056,123 |
| 5,011 | 6.58%, 5/23/14 (b) | 4,452,192 |
| | MotorCity Casino, Term B (b), | |
| 6,383 | 6.843%, 7/21/12 | 5,968,494 |
| 1,732 | 7.015%, 7/21/12 | 1,619,672 |
| 4,851 | Wimar OPCO LLC, 9.75%, 1/3/12, Term B | 4,809,337 |
| | | 18,553,687 |
| Leasing 0.3% | | |
| | Rental Service Corp., | |
| 3,990 | 8.15%, 11/21/13 (b) | 3,444,355 |
| Manufacturing 2.4% | | |
| 1,000 | Boc Group, Inc., 10.831%, 11/30/14 (b) | 730,000 |
| | Bombardier, Inc., Term B (b), | |
| 7,277 | 6.43%, 6/26/13 | 6,907,326 |
| 102 | 7.63%, 6/26/13 | 97,286 |
| | Dresser-Rand Group, Inc., Term T, | |
| 139 | 5.771%, 5/4/14 | 124,442 |
| 5,754 | 7.449%, 5/4/14 | 5,171,615 |
| | Lucite International Ltd. (b), | |
| 2,194 | 5.50%, 5/26/13, Term B | 2,018,118 |
| 137 | 5.50%, 5/26/13, Term DD | 126,412 |
| 641 | 7.61%, 5/26/13, Term DD | 589,924 |
| 5,970 | Polypore, Inc., 5.52%, 5/15/14 (b) | 5,626,164 |
| 313 | TPF Generation, 7.098%, 12/15/13 (b)(e) | 282,452 |
| 6,134 | Xerium Technologies, Inc., 7.58%, 5/18/12, Term B (b) | 5,566,654 |
| | | 27,240,393 |
| Multi-Media 6.7% | | |
| 3,735 | American Media Operations, Inc. (b), | |
| | 8.16%, 1/30/13 | 3,510,900 |
| 500 | 8.34%, 1/30/13 | 470,000 |
| 3,235 | 8.59%, 1/30/13 | 3,040,900 |
| 1,231 | Atlantic Broadband, Inc., 7.08%, 8/9/12, Term B (b) | 1,171,813 |
| 7,000 | Charter Communications, 7.33%, 9/6/14 | 6,119,120 |
| | CMP Susquhanna Corp., Term B (b), | |

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| | | |
|-------|----------------|-----------|
| 1,365 | 5.301%, 5/5/13 | 1,206,540 |
| 540 | 5.989%, 5/5/13 | 476,893 |
| 964 | 6.441%, 5/5/13 | 851,731 |

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2008 (unaudited) (continued)

| Principal Amount (000) | | Value |
|----------------------------------|--|--------------|
| Multi-Media (continued) | | |
| \$13,842 | CSC Holdings, Inc., 6.896%, 2/24/13, Term B | \$12,768,066 |
| 4,975 | Metro-Goldwyn Mayer, Inc., 8.108%, 4/8/12, Term B | 4,445,839 |
| 6,025 | NTL Investment, 6.055%, 1/6/13, Term B | 5,693,538 |
| 2,000 | ProSieben Sat.1 Media AG, 7.00%, 5/9/15 (b) | 2,583,646 |
| AUD 6,933 | Seven Media Group (b), 8.878%, 2/7/13, Term T | 5,831,535 |
| AUD 1,733 | 9.392%, 2/7/13, Term T | 1,457,884 |
| AUD 217 | 9.418%, 2/7/13 | 182,236 |
| \$2,018 | Source Media, Inc., 7.08%, 11/8/11, Term B | 1,916,825 |
| 1,474 | Thomas Media, 7.08%, 11/8/11, Term B | 1,400,736 |
| | Univision Communications, Inc., 5.494%, 9/15/14, Term B | 12,016,615 |
| 14,564 | 5.521%, 9/15/14, Term B | 343,332 |
| 416 | 5.771%, 3/15/09 | 1,893,750 |
| 2,000 | Young Broadcasting, Inc., Term B (b), 7.063%, 11/3/12 | 6,362,937 |
| 6,973 | 7.375%, 11/3/12 | 43,384 |
| 48 | 7.438%, 5/2/12 | 2,053,493 |
| 2,250 | | 75,841,713 |
| Oil & Gas 0.4% | | |
| 1,113 | Big West Oil LLC, 5.50%, 5/2/14, Term B (b) | 1,056,875 |
| | Oxbow Carbon & Minerals LLC (b), 6.83%, 5/4/14, Term B | 3,282,317 |
| 3,637 | 6.83%, 5/4/14, Term DD | 296,969 |
| 329 | 7.00%, 5/4/14, Term B | 34,729 |
| 38 | | 4,670,890 |
| Paper/Paper Products 0.9% | | |
| | Georgia-Pacific Corp., Term B, 6.58%, 12/20/12 | 817,934 |
| 883 | 6.831%, 12/20/12 | 1,007,835 |
| 1,089 | 6.896%, 12/20/12 | 8,566,596 |
| 9,255 | | 10,392,365 |
| Printing/Publishing 2.0% | | |
| 3,838 | Seat Pagine Gialle SpA, 4.179%, 5/25/12, Term A (b) | 5,375,250 |
| | Tribune Co., 7.396%, 5/30/09, Term X (e) | 10,630,710 |
| \$11,351 | 7.91%, 5/30/14, Term B | 6,770,157 |
| 8,977 | | 22,776,117 |
| Recreation 2.6% | | |
| | Amadeus Global Travel (b), 6.846%, 4/8/13, Term B | 4,694,315 |
| 5,200 | 7.096%, 4/8/14, Term C | 4,717,192 |
| 5,200 | Cedar Fair L.P., 5.271%, 8/30/12 | 6,474,141 |
| 6,903 | Six Flags Theme Parks, Inc., 7.25%, 4/30/15, Term B | 5,174,832 |
| 5,970 | Travelport, 7.08%, 8/23/13 | 3,291,738 |
| 3,559 | 7.08%, 8/23/13, Term DD | 5,453,225 |
| 5,970 | | 29,805,443 |

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2008 (unaudited) (continued)

| Principal Amount (000) | | Value |
|--------------------------------|--|-------------|
| Retail 0.2% | | |
| \$2,673 | Neiman Marcus Group, Inc., 6.90%, 4/6/13 | \$2,464,001 |
| 42 | 7.09%, 4/6/13 | 38,500 |
| | | 2,502,501 |
| Telecommunications 7.8% | | |
| 6,484 | Alltel Corp., 6.773%, 5/15/15, Term B | 5,921,823 |
| 8,603 | Centennial Cellular Communications Corp. (b), 6.83%, 2/9/11 | 8,341,124 |
| 666 | 7.081%, 1/20/11 | 645,395 |
| | eircom Group PLC (b), 6.625%, 8/15/14, Term B | 5,097,181 |
| 3,700 | 6.875%, 8/15/15, Term C | 5,118,300 |
| 3,700 | 9.00%, 2/15/16 | 2,750,599 |
| 2,000 | Hawaiian Telecom Communications, Inc., 7.08%, 6/1/14, Term C | 4,997,791 |
| \$5,631 | Integra Telecom, Inc., Term T (b), 7.494%, 8/31/13 | 1,796,533 |
| 1,886 | 9.08%, 8/31/13 | 2,916,521 |
| 3,062 | 9.331%, 8/31/13 | 2,395,377 |
| 2,515 | Intelsat Ltd., 5.644%, 2/15/14 | 5,387,706 |
| 5,500 | Nordic Telephone Co. Holdings ApS, 6.085%, 11/30/13, Term B | 6,326,962 |
| 4,414 | 6.335%, 11/30/14, Term C | 7,607,846 |
| 5,285 | Qwest Corp., 6.95%, 6/30/10, Term B | 7,656,248 |
| \$7,500 | Telenet Bidco NV, 6.929%, 7/31/15, Term C (b)(g) | 4,406,915 |
| 3,000 | Telesat (b), 8.37%, 10/31/08 | 2,865,000 |
| \$3,000 | 9.00%, 10/31/08 | 3,590,133 |
| 3,759 | Telesat Canada, Inc., 6.25%, 10/22/14, Term B | 4,724,327 |
| 4,979 | 7.84%, 10/22/14, Term B | 2,017,028 |
| 2,126 | 8.09%, 10/22/14, Term B | 1,125,053 |
| 1,186 | 9.00%, 10/31/08 (b) | 229,867 |
| 241 | Verizon IDEARC, Inc., 6.83%, 11/17/14, Term B | 1,828,182 |
| 2,000 | | 87,745,911 |
| Transportation 0.4% | | |
| | Fleetpride Corp., Term B (b), 5.771%, 6/6/13 | 326,250 |
| 375 | 7.33%, 6/6/13 | 4,404,375 |
| 5,062 | | 4,730,625 |
| Utilities 2.6% | | |
| | AES Corp., Term B (b), 7.00%, 4/30/08 | 3,573,251 |
| 3,720 | 7.19%, 8/10/11 | 3,573,251 |
| 3,720 | Midwest Generation LLC, 5.676%, 12/31/11, Term B (b) | 4,144,332 |
| 4,170 | Sandridge Energy, Inc., 8.354%, 4/1/14 (b) | 3,470,938 |
| 3,625 | Texas Competitive Electric Holdings Co. LLC, 8.396%, 10/10/14 | 9,198,536 |
| 9,975 | 8.396%, 10/10/14, Term B | 5,538,848 |
| 5,985 | | |

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2008 (unaudited) (continued)

| Principal Amount (000) | | Credit Rating (Moody s/S&P) | Value |
|--|--|-----------------------------|-------------|
| Waste Disposal 0.9% | | | |
| \$2,418 | Allied Waste North America, Inc., 4.60%, 3/28/14 | | \$2,271,999 |
| 1,474 | 5.43%, 3/28/14, Term B | | 1,384,914 |
| 885 | 5.46%, 3/28/14, Term B | | 830,948 |
| 270 | 6.349%, 3/28/14, Term B | | 253,898 |
| 156 | 6.36%, 3/28/14, Term B | | 146,234 |
| 147 | 6.42%, 3/28/14, Term B | | 138,491 |
| 1,032 | 6.88%, 3/28/14, Term B | | 969,440 |
| 3,000 | AVR-Bedrijven NV, 6.976%, 3/1/14 (b) | | 4,216,000 |
| | | | 10,211,924 |
| Wholesale 0.8% | | | |
| \$9,801 | Roundy s, Inc., 7.91%, 10/27/11, Term B | | 9,439,588 |
| Wire & Cable Products 1.1% | | | |
| 4,345 | UPC Broadband Holding BV, 6.193%, 12/31/14, Term M | | 5,784,566 |
| 5,000 | 7.042%, 12/31/14 | | 6,656,739 |
| | | | 12,441,305 |
| Total Senior Loans (cost-\$841,642,864) | | | 792,023,281 |
| CORPORATE BONDS & NOTES 23.5% | | | |
| Apparel & Textiles 0.7% | | | |
| 8,600 | Hanesbrands, Inc., 8.204%, 12/15/14, FRN | B2/B- | 7,826,000 |
| Automotive Products 0.9% | | | |
| 4,500 | Dura Operating Corp., 8.625%, 4/15/12 (b)(f) | NR/NR | 562,500 |
| 9,000 | Goodyear Tire & Rubber Co., 8.663%, 12/1/09, FRN | Ba3/B | 9,022,500 |
| | | | 9,585,000 |
| Banking 1.3% | | | |
| 5,000 | Bank of America Corp., 8.00%, 1/30/18 (h) | Aa3/A+ | 5,202,680 |
| £4,928 | Royal Bank of Scotland PLC, 9.370%, 4/6/11, FRN (g) | NR/NR | 9,381,246 |
| | | | 14,583,926 |
| Building/Construction 0.8% | | | |
| 7,000 | Grohe Holding GmbH, 7.451%, 1/15/14, FRN | B2/B | 9,094,584 |
| Chemicals 0.2% | | | |
| 2,000 | Rhodia S.A., 7.326%, 10/15/13, FRN (a)(d) | B1/B | 2,694,691 |
| Commercial Services 0.8% | | | |
| \$10,000 | ARAMARK Corp., 6.751%, 2/1/15, FRN | B3/B- | 9,000,000 |
| Computer Services 0.2% | | | |
| 2,000 | SunGard Data Systems, Inc., 9.125%, 8/15/13 | Caa1/B- | 2,040,000 |
| Containers & Packaging 0.2% | | | |
| 3,000 | Berry Plastics Holding Corp., 8.866%, 9/15/14, FRN | B3/B | 2,475,000 |
| Drugs & Medical Products 0.3% | | | |
| 3,500 | Universal Hospital Services, Inc., 8.288%, 6/1/15, FRN | B3/B+ | 3,342,500 |
| Electronics 0.2% | | | |
| 3,300 | Spansion LLC, 8.249%, 6/1/13, FRN (a)(d) | B1/BB- | 2,458,500 |

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2008 (unaudited) (continued)

| Principal Amount (000) | | Credit Rating (Moody s/S&P) | Value |
|----------------------------------|---|-----------------------------|-------------|
| Financial Services 5.0% | | | |
| \$3,500 | Chukchansi Economic Dev. Auth., 8.238%, 11/15/12, FRN (a)(d) | B2/BB- | \$3,360,000 |
| 5,715 | Ford Motor Credit Co. LLC, FRN, 5.828%, 1/15/10 | B1/B | 5,098,157 |
| 12,350 | 7.127%, 1/13/12 | B1/B | 10,411,766 |
| 10,000 | General Motors Acceptance Corp. LLC, 7.324%, 12/1/14, FRN | B1/B+ | 7,858,650 |
| 6,000 | Hellas Telecommunications Luxembourg V, 8.076%, 10/15/12, FRN | B1/B | 8,161,806 |
| \$4,000 | Hexion U.S. Finance Corp., 9.369%, 11/15/14, FRN | B3/B | 3,900,000 |
| 2,100 | LVB Acquisition Merger Sub., Inc. (a)(d), 10.00%, 10/15/17 | B3/B- | 2,173,500 |
| 2,100 | 10.375%, 10/15/17, PIK | B3/B- | 2,121,000 |
| 2,800 | 11.625%, 10/15/17 | Caa1/B- | 2,747,500 |
| 2,000 | Universal City Florida Holding Co., 8.001%, 5/1/10 | B3/B- | 2,015,000 |
| 9,000 | 9.661%, 5/1/10, FRN | B3/B- | 8,730,000 |
| | | | 56,577,379 |
| Hotels/Gaming 1.0% | | | |
| 4,672 | Harrah s Operating Co., Inc. (a)(d), 10.75%, 2/1/16 | B3/B- | 4,251,520 |
| 1,328 | 10.75%, 2/1/18, PIK | B3/B- | 1,135,440 |
| 7,000 | Seminole Hard Rock Entertainment, Inc., 7.491%, 3/15/14, FRN (a)(d) | B1/BB | 6,335,000 |
| | | | 11,721,960 |
| Insurance 0.4% | | | |
| 3,000 | Residential Reins Ltd., FRN (a)(b)(d), 12.374%, 6/7/10 | NR/BB | 3,081,605 |
| 1,200 | 12.874%, 6/7/10 | NR/BB+ | 1,233,840 |
| | | | 4,315,445 |
| Manufacturing 0.8% | | | |
| 6,500 | Bombardier, Inc., 7.70%, 11/15/13, FRN (a)(d) | Ba2/BB | 9,335,181 |
| Metals & Mining 0.4% | | | |
| \$5,050 | Freeport-McMoRan Copper & Gold, Inc., 8.394%, 4/1/15, FRN | Ba3/BB | 4,967,938 |
| Multi-Media 2.5% | | | |
| 13,000 | Cablevision Systems Corp., 9.644%, 4/1/09, FRN | B3/B+ | 13,065,000 |
| 2,000 | CCO Holdings LLC, 8.75%, 11/15/13 | Caa1/CCC | 1,870,000 |
| 8,000 | Charter Communications Holdings II LLC, 10.25%, 9/15/10 | Caa1/CCC | 7,620,000 |
| 3,200 | DirecTV Holdings LLC, 8.375%, 3/15/13 | Ba3/BB- | 3,324,000 |
| 2,000 | ION Media Networks, Inc., 10.508%, 1/15/13, FRN (a)(d) | Caa1/CCC- | 1,735,000 |
| | | | 27,614,000 |
| Paper/Paper Products 1.2% | | | |
| 2,800 | Abitibi-Consolidated, Inc., 8.491%, 6/15/11, FRN | B3/B | 2,047,500 |
| 1,500 | Bowater, Inc., 7.991%, 3/15/10, FRN | B3/B | 1,192,500 |
| 10,500 | Verso Paper Holdings LLC, 7.001%, 8/1/14, FRN | B2/B+ | 10,027,500 |

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| | | | | |
|---------------------------|-------------|---|----------|------------|
| | | | | 13,267,500 |
| Semi-Conductors | 0.8% | | | |
| | 12,000 | Freescale Semiconductor, Inc., 8.866%, 12/15/14, FRN | B2/B- | 8,700,000 |
| Telecommunications | 5.8% | | | |
| | 2,000 | Cincinnati Bell, Inc., 8.375%, 1/15/14 | B2/B- | 1,920,000 |
| | 8,750 | Hawaiian Telcom Communications, Inc., 10.318%, 5/1/13, FRN | Caa1/CCC | 7,743,750 |

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2008 (unaudited) (continued)

| Principal Amount (000) | | Credit Rating (Moody s/S&P) | Value |
|---------------------------------------|---|--------------------------------|-------------|
| Telecommunications (continued) | | | |
| | Intelsat Bermuda Ltd., FRN, 7.581%, 1/15/15 | NR/NR | \$9,547,500 |
| \$9,500 | | | |
| 6,000 | 10.829%, 6/15/13 | NR/NR | 6,165,000 |
| 6,350 | Nordic Telephone Co. Holdings ApS, 9.883%, 5/1/16, FRN (a)(d) | B2/B | 9,260,781 |
| \$12,150 | Nortel Networks Ltd., 9.493%, 7/15/11, FRN | B3/B- | 11,360,250 |
| 8,550 | Qwest Communications International, Inc., 8.369%, 2/15/09, FRN | Ba3/B+ | 8,550,000 |
| 6,000 | Qwest Corp., 8.241%, 6/15/13, FRN | Ba1/BBB- | 5,880,000 |
| 6,500 | TelCordia Technologies, Inc., 8.008%, 7/15/12, FRN (a)(d) | B2/B | 5,557,500 |
| | | | 65,984,781 |
| | Total Corporate Bonds & Notes (cost-\$282,396,007) | | 265,584,385 |
| ASSET-BACKED SECURITIES 0.1% | | | |
| 822 | CIT Group Home Equity Loan Trust, 3.646%, 6/25/33, FRN | Aaa/AAA | 740,403 |
| 830 | Salomon Brothers Mortgage Securities VII, Inc., 3.676%, 3/25/32, FRN | NR/AAA | 821,763 |
| | Total Asset-Backed Securities (cost-\$1,648,919) | | 1,562,166 |
| SHORT-TERM INVESTMENTS 6.4% | | | |
| U.S. Treasury Bills (i) 5.2% | | | |
| \$59,425 | 3.13%-3.19%, 2/28/08-3/13/08 (cost-\$59,239,549) | | 59,239,549 |
| Commercial Paper 1.0% | | | |
| Financial Services 1.0% | | | |
| 10,800 | Rabobank USA Financial Corp., 3.01%, 2/1/08 (cost-\$10,800,000) | P-1/A-1+ | 10,800,000 |
| Corporate Notes 0.2% | | | |
| Airlines 0.2% | | | |
| 1,673 | JetBlue Airways Corp., FRN, 7.969%, 5/15/08 | B1/BB- | 1,660,542 |
| 840 | 9.241%, 3/15/08 | B1/BB- | 842,372 |
| | | | 2,502,914 |
| Energy 0.0% | | | |
| 250 | Transcontinental Gas Pipe Line Corp., 5.538%, 4/15/08, FRN (a)(d) | Baa2/BBB- | 250,625 |
| | Total Corporate Notes (cost-\$2,762,909) | | 2,753,539 |
| Repurchase Agreement 0.0% | | | |
| 123 | State Street Bank & Trust Co., dated 1/31/08, 2.65%, due 2/1/08, proceeds \$123,009; collateralized by Fannie Mae, 5.00% due 2/27/08, valued at \$127,969 including accrued interest (cost-\$123,000) | | 123,000 |
| | Total Short-Term Investments (cost-\$72,925,458) | | 72,916,088 |

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2008 (unaudited) (continued)

| Contracts | Value |
|--|------------------------|
| OPTIONS PURCHASED (j) 0.0% | |
| Call Options 0.0% | |
| 550 U.S. Treasury Notes 5 yr. Futures (CBOT), strike price \$126, expires 2/22/08 | \$8,594 |
| 271 U.S. Treasury Notes 10 yr. Futures (CBOT), strike price \$138, expires 2/22/08 | 4,234 |
| | 12,828 |
| Put Options 0.0% | |
| 2,900 Financial Future Euro 90 day (CME), strike price \$91.75, expires 3/17/08 | 7 |
| 390 strike price \$92, expires 3/17/08 | 1 |
| 1,751 United Kingdom 90 day (CME), strike price \$93, expires 3/19/08 | 8 |
| Total Options Purchased (cost-\$71,401) | 12,836 |
| Total Investments (cost-\$1,198,684,649) 100.0% | \$1,132,098,756 |

Notes to Schedules of Investments:

- (a) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$357,086,244, representing 70.75% of total investments in Floating Rate Income. Securities with an aggregate value of \$849,754,964, representing 75.06% of total investments in Floating Rate Strategy.
- (b) Illiquid security.
- (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 Funds are 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. The interest rate disclosed reflects the rate in effect on January 31, 2008.
- (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/delivered after January 31, 2008.
- (f) Security in default.
- (g) Fair-valued security Securities with an aggregate value of \$6,894,081, representing 1.37% of total investments, have been fair-valued for Floating Rate Income. Securities with an aggregate value of \$13,788,161, representing 1.22% of total investments, have been fair-valued for Floating Rate Strategy.
- (h) Perpetual maturity security. Maturity date shown is the first call date. Interest rate is fixed until the first call date and variable thereafter.
- (i) All or partial amount segregated as collateral for futures contracts, swaps, and/or when-issued or delayed-delivery securities.
- (j) Non-income producing.
- (k) All or partial amount segregated as collateral for reverse repurchase agreements.

Glossary:

| | |
|------|--------------------------|
| AUD | - Australian Dollar |
| £ | - British Pound |
| | - Euro |
| CBOT | - Chicago Board of Trade |

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| | |
|-------|--|
| CME | - Chicago Mercantile Exchange |
| CMO | - Collateralized Mortgage Obligation |
| FRN | - Floating Rate Note. The interest rate disclosed reflects the rate in effect on January 31, 2008. |
| LIBOR | - London Inter-Bank Offered Rate |
| NR | - Not Rated |
| PIK | - Payment-in-Kind |

See accompanying Notes to Financial Statements | 1.31.08 | PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds Semi-Annual Report **25**

**PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds
Statements of Assets and Liabilities**

January 31, 2008 (unaudited)

| | Floating Rate Income | Floating Rate Strategy |
|---|-------------------------|---------------------------|
| Assets: | | |
| Investments, at value (cost-\$535,013,012 and \$1,198,684,649, respectively) | \$504,729,906 | \$1,132,098,756 |
| Cash (including foreign currency of \$847,918 and \$2,852,496 with a cost of \$832,740 and \$2,851,767, respectively) | 932,260 | 3,818,201 |
| Deposits with brokers for futures contracts collateral | 530,100 | 1,495,000 |
| Unrealized appreciation of swaps | 75,045,358 | 153,041,118 |
| Premium for swaps purchased | 8,764,015 | 23,205,636 |
| Interest receivable | 8,496,776 | 17,680,349 |
| Receivable for investments sold | 4,670,300 | 9,644,614 |
| Unrealized appreciation of forward foreign currency contracts | 198,142 | 518,888 |
| Prepaid expenses | 4,357 | 9,602 |
| Receivable for terminated swaps | | 40,437 |
| Total Assets | 603,371,214 | 1,341,552,601 |
| Liabilities: | | |
| Premium for swaps sold | 41,015,531 | 35,994,701 |
| Unrealized depreciation of swaps | 38,324,724 | 144,826,862 |
| Payable for investments purchased | 13,699,274 | 23,015,236 |
| Payable for reverse repurchase agreements | 9,591,000 | |
| Dividends payable to common and preferred shareholders | 2,715,475 | 6,172,947 |
| Investment management fees payable | 324,427 | 738,210 |
| Unrealized depreciation of forward foreign currency contracts | 112,008 | 277,153 |
| Unrealized depreciation of unfunded loan commitments | 79,506 | 179,030 |
| Payable for variation margin on futures contracts | 69,399 | 35,551 |
| Interest payable for reverse repurchase agreements | 7,088 | |
| Accrued expenses | 123,206 | 180,788 |
| Total Liabilities | 106,061,638 | 211,420,478 |
| 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 | \$287,309,576 | \$650,132,123 |
| Composition of Net Assets Applicable to Common Shareholders: | | |
| Common Stock: | | |
| Par value (\$0.00001 per share) | \$182 | \$426 |
| Paid-in-capital in excess of par | 349,587,041 | 806,377,297 |
| Dividends in excess of net investment income | (6,278,656) | (17,065,067) |
| Accumulated net realized loss | (63,335,927) | (84,102,792) |
| Net unrealized appreciation (depreciation) of investments, futures contracts, swaps, unfunded loan commitments and foreign currency transactions | 7,336,936 | (55,077,741) |
| Net Assets Applicable to Common Shareholders | \$287,309,576 | \$650,132,123 |
| Common Shares Issued and Outstanding | 18,235,492 | 42,604,834 |
| Net Asset Value Per Common Share | \$15.76 | \$15.26 |

PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds

Statements of Operations

Six months ended January 31, 2008 (unaudited)

| | Floating Rate Income | Floating Rate Strategy |
|--|-------------------------|---------------------------|
| Investment Income: | | |
| Interest | \$20,840,178 | \$47,530,869 |
| Facility and other fee income | 215,079 | 521,549 |
| Dividends | 66,010 | |
| Total Investment Income | 21,121,267 | 48,052,418 |
| Expenses: | | |
| Investment management fees | 1,984,626 | 4,507,819 |
| Auction agent fees and commissions | 269,703 | 616,259 |
| Custodian and accounting agent fees | 84,230 | 140,413 |
| Audit and tax services | 72,645 | 68,623 |
| Shareholder communications | 44,240 | 74,153 |
| Trustees fees and expenses | 20,109 | 38,208 |
| Legal fees | 18,350 | 22,622 |
| Transfer agent fees | 18,097 | 17,596 |
| New York Stock Exchange listing fees | 10,317 | 16,480 |
| Interest expense | 9,220 | 4,809 |
| Insurance expense | 5,278 | 11,630 |
| Miscellaneous | 7,540 | 11,563 |
| Total expenses | 2,544,355 | 5,530,175 |
| Less: custody credits earned on cash balances | (13,846) | (38,358) |
| Net expenses | 2,530,509 | 5,491,817 |
| Net Investment Income | 18,590,758 | 42,560,601 |
| Realized and Change in Unrealized Gain (Loss): | | |
| Net realized gain (loss) on: | | |
| Investments | 133,358 | (1,392,462) |
| Futures contracts | (3,819,072) | (8,216,622) |
| Swaps | (60,546,358) | (51,227,920) |
| Foreign currency transactions | (3,391,585) | (9,724,645) |
| Net change in unrealized appreciation/depreciation of: | | |
| Investments | (20,206,469) | (44,616,904) |
| Futures contracts | 2,268,023 | 6,942,228 |
| Swaps | 64,375,334 | 52,182,490 |
| Unfunded loan commitments | 108,662 | 294,622 |
| Foreign currency transactions | (151,237) | (662,225) |
| Net realized and change in unrealized loss on investments, futures contracts, swaps, unfunded loan commitments and foreign currency transactions | (21,229,344) | (56,421,438) |
| Net Decrease in Net Assets Resulting from Investment Operations | (2,638,586) | (13,860,837) |
| Dividends on Preferred Shares from Net Investment Income | (5,651,460) | (12,944,244) |
| Net Decrease in Net Assets Applicable to Common Shareholders Resulting from Investment Operations | \$(8,290,046) | \$(26,805,081) |

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See accompanying Notes to Financial Statements. | 1.31.08 | PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds Semi-Annual Report 27

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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 | |
|---|--|-----------------------------|
| | Six months ended January 31, 2008 (unaudited) | Year ended July 31, 2007 |
| Investment Operations: | | |
| Net investment income | \$18,590,758 | \$38,505,179 |
| Net realized gain (loss) on investments, futures contracts, options written, swaps and foreign currency transactions | (67,623,657) | 17,503,653 |
| Net change in unrealized appreciation/depreciation of investments, futures contracts, options written, swaps, unfunded loan commitments and foreign currency transactions | 46,394,313 | (40,980,501) |
| Net increase (decrease) in net assets resulting from investment operations | (2,638,586) | 15,028,331 |
| Dividends and Distributions on Preferred Shares from: | | |
| Net investment income | (5,651,460) | (10,623,545) |
| Net realized gains | | (14,659) |
| Total dividends and distributions on Preferred Shares | (5,651,460) | (10,638,204) |
| Net increase (decrease) in net assets applicable to common shareholders resulting from investment operations | (8,290,046) | 4,390,127 |
| Dividends and Distributions to Common Shareholders from: | | |
| Net investment income | (15,784,512) | (32,063,817) |
| Net realized gains | (5,488,696) | (4,410,852) |
| Total dividends and distributions to common shareholders | (21,273,208) | (36,474,669) |
| Capital Share Transactions: | | |
| Reinvestment of dividends and distributions | 583,604 | 2,624,141 |
| Total decrease in net assets applicable to common shareholders | (28,979,650) | (29,460,401) |
| Net Assets Applicable to Common Shareholders: | | |
| Beginning of period | 316,289,226 | 345,749,627 |
| End of period (including dividends in excess of net investment income of \$6,278,656 and \$3,433,442, respectively) | \$287,309,576 | \$316,289,226 |
| Common shares issued in reinvestment of Dividends and Distributions | | |
| | 34,037 | 134,684 |

28 PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds Semi-Annual Report | 1.31.08 | See accompanying Notes to Financial Statements.

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

| | Floating Rate Strategy | |
|---|--|-----------------------------|
| | Six months ended January 31, 2008 (unaudited) | Year ended July 31, 2007 |
| Investment Operations: | | |
| Net investment income | \$42,560,601 | \$86,345,791 |
| Net realized gain (loss) on investments, futures contracts, options written, swaps and foreign currency transactions | (70,561,649) | 2,533,112 |
| Net change in unrealized appreciation/depreciation of investments, futures contracts, options written, swaps, unfunded loan commitments and foreign currency transactions | 14,140,211 | (59,121,679) |
| Net increase (decrease) in net assets resulting from investment operations | (13,860,837) | 29,757,224 |
| Dividends and Distributions on Preferred Shares from: | | |
| Net investment income | (12,944,244) | (24,278,975) |
| Net realized gains | | (133,242) |
| Total dividends and distributions on Preferred Shares | (12,944,244) | (24,412,217) |
| Net increase (decrease) in net assets applicable to common shareholders resulting from investment operations | (26,805,081) | 5,345,007 |
| Dividends and Distributions to Common Shareholders from: | | |
| Net investment income | (37,027,853) | (72,379,805) |
| Net realized gains | | (17,803,004) |
| Total dividends and distributions to common shareholders | (37,027,853) | (90,182,809) |
| Capital Share Transactions: | | |
| Reinvestment of dividends and distributions | 1,812,902 | 14,619,026 |
| Total decrease in net assets applicable to common shareholders | (62,020,032) | (70,218,776) |
| Net Assets Applicable to Common Shareholders: | | |
| Beginning of period | 712,152,155 | 782,370,931 |
| End of period (including dividends in excess of net investment income of \$17,065,067 and \$13,541,143, respectively) | \$650,132,123 | \$712,152,155 |
| Common shares issued in reinvestment of Dividends and Distributions | | |
| | 107,686 | 783,996 |

See accompanying Notes to Financial Statements. | 1.31.08 | PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds Semi-Annual Report 29

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**PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds
Statements of Cash Flows**

Six months ended January 31, 2008 (unaudited)

| | Floating Rate Income | Floating Rate Strategy |
|--|-------------------------|---------------------------|
| Cash Flows provided by Operating Activities: | | |
| Purchases of long-term investments | \$(92,589,987) | \$(265,159,782) |
| Proceeds from sales of long-term investments | 94,663,196 | 222,226,770 |
| Increase in deposits with brokers for futures collateral | (530,100) | (1,495,000) |
| Interest, dividends and facility and other fee income received | 17,459,009 | 40,930,770 |
| Net cash used for swap transactions | (8,637,959) | (23,680,898) |
| Operating expenses paid | (2,634,728) | (5,607,635) |
| Net cash used for futures transactions | (1,605,906) | (1,483,878) |
| Net realized loss on foreign currency transactions | (3,392,942) | (9,795,318) |
| Net decrease in short-term investments | 6,168,667 | 70,336,622 |
| Net cash provided by operating activities* | 8,899,250 | 26,271,651 |
| Cash Flows used for Financing Activities: | | |
| Increase in reverse repurchase agreements | 9,591,000 | |
| Cash dividends paid (excluding reinvestment of dividends and distributions of \$583,604 and \$1,812,902, respectively) | (26,341,064) | (48,159,195) |
| Decrease in dividends payable | (140,917) | (196,394) |
| Net cash used for financing activities | (16,890,981) | (48,355,589) |
| Net decrease in cash | (7,991,731) | (22,083,938) |
| Cash at beginning of period | 8,923,991 | 25,902,139 |
| Cash at end of period | 932,260 | 3,818,201 |
| Reconciliation of Net Decrease in Net Assets Resulting from Investment Operations to Net Cash provided by Operating Activities: | | |
| Net decrease in net assets resulting from investment operations | (2,638,586) | (13,860,837) |
| Decrease in payable for investments purchased | (24,983,294) | (71,374,387) |
| Increase in deposits with brokers for futures collateral | (530,100) | (1,495,000) |
| Increase in receivable for investments sold | (3,668,738) | (6,678,053) |
| Increase in interest receivable | (2,748,378) | (5,263,177) |
| (Increase) decrease in premium for swaps purchased | 11,572,780 | (4,611,214) |
| Decrease in receivable for terminated swaps | 76,000 | 119,613 |
| Decrease in premium for swaps sold | 40,259,619 | 32,038,623 |
| Decrease in prepaid expenses | 11,374 | 17,382 |
| Decrease in investment management fees payable | (28,677) | (55,286) |
| Increase in net unrealized appreciation of swaps | (64,375,334) | (52,182,490) |
| Decrease in net unrealized appreciation of forward foreign currency contracts | 203,663 | 748,173 |
| Decrease in net unrealized depreciation of unfunded loan commitments | (108,662) | (294,622) |
| Decrease in net payable for variation margin on futures contracts | (54,857) | (209,484) |
| Decrease in accrued expenses | (94,004) | (77,914) |
| Increase in payable for reverse repurchase agreements | 7,088 | |
| Decrease in deferred facility fees | (116,026) | (232,051) |
| Net decrease in investments | 56,115,382 | 149,682,375 |
| Net cash provided by operating activities | \$8,899,250 | \$26,271,651 |

* Included in operating expenses is cash paid by Floating Rate Income and Floating Rate Strategy for interest on reverse repurchase agreements of \$2,132 and \$4,809, respectively.

30 PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds Semi-Annual Report | 1.31.08 | **See accompanying Notes to Financial Statements.**

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

January 31, 2008 (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 there under, 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 SE, a publicly traded European insurance and financial services company. The Funds have an unlimited amount of \$0.0001 par value common stock authorized.

Each Fund s investment objective is to seek high current income, consistent with the preservation of capital. Under normal market conditions, each Fund seeks to achieve its investment objective by investing at least 80% of its net assets (plus any borrowings for investment purposes) in a diversified portfolio of 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 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.

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 Funds, 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 Funds management has determined that its evaluation of the Interpretation has resulted in no impact to the Funds financial statements at January 31, 2008.

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 Funds are in the process of reviewing the Standard against their current valuation policies to determine future applicability.

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, or persons acting in their discretion 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

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

January 31, 2008 (unaudited)

1. Organization and Significant Accounting Policies (continued)

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. At January 31, 2008, Floating Rate Income and Floating Rate Strategy held Senior Loans with an aggregate value of \$2,203,458, and \$4,406,915, representing 0.44% and 0.39% of total investments, respectively, that were fair-valued. 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 normally 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

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 their 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.

(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.

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

January 31, 2008 (unaudited)

1. Organization and Significant Accounting Policies (continued)

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 to 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 their investment strategies. 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, if any, 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 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

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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).

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

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

January 31, 2008 (unaudited)

1. Organization and Significant Accounting Policies (continued)

(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.

(k) Repurchase Agreements

A Fund 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.

(l) Reverse Repurchase Agreements

In a reverse repurchase agreement, a 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

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

January 31, 2008 (unaudited)

1. Organization and Significant Accounting Policies (continued)

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.

(m) 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.

(n) 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.

2. Investment Manager/Sub-Adviser

Each Fund has entered into 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 each 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)).

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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.

3. Investments in Securities

For the six months ended January 31, 2008, purchases and sales of investments, other than short-term securities and U.S. government obligations, were:

| | Floating Rate Income | Floating Rate Strategy |
|-----------|-------------------------|---------------------------|
| Purchases | \$64,013,994 | \$192,183,441 |
| Sales | 78,806,738 | 220,600,577 |

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

January 31, 2008 (unaudited)

3. Investments in Securities (continued)

(a) Futures contracts outstanding at January 31, 2008:

Floating Rate Income:

| Type | | Contracts | Market Value (000) | Expiration Date | Unrealized Appreciation (Depreciation) |
|--------|---------------------------------------|-----------|-----------------------|-----------------|---|
| Long: | Financial Future British Pound 90 day | 416 | \$97,773 | 3/19/08 | \$240,308 |
| | Financial Future Euro 90 day | 456 | 110,688 | 3/17/08 | 2,162,726 |
| Short: | U.S. Treasury Notes 10 yr. Futures | (164) | (19,142) | 3/19/08 | (677,781) |
| | U.S. Treasury Notes 5 yr. Futures | (250) | (28,250) | 3/31/08 | (875,000) |
| | | | | | \$850,253 |

Floating Rate Strategy:

| Type | | Contracts | Market Value (000) | Expiration Date | Unrealized Appreciation (Depreciation) |
|--------|---------------------------------------|-----------|-----------------------|-----------------|---|
| Long: | Financial Future British Pound 90 day | 1,061 | \$249,368 | 3/19/08 | \$613,003 |
| | Financial Future Euro 90 day | 1,163 | 282,304 | 3/17/08 | 5,515,900 |
| Short: | U.S. Treasury Notes 10 yr. Futures | (271) | (31,631) | 3/19/08 | (1,075,495) |
| | U.S. Treasury Notes 5 yr. Futures | (550) | (62,150) | 3/31/08 | (1,846,683) |
| | | | | | \$3,206,725 |

Floating Rate Income and Floating Rate Strategy received \$400,000 and \$675,000 par value, respectively, in U.S. Treasury Bills and \$530,100 and \$1,495,000 in cash, respectively, as collateral for futures contracts.

(b) Credit default swaps contracts outstanding at January 31, 2008:

Floating Rate Income:

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| Swap Counterparty/ Referenced Debt Issuer | Notional Amount Payable on Default (000) | Termination Date | Payments Received by Fund | Unrealized Appreciation (Depreciation) |
|--|--|---------------------|---------------------------------|--|
| Bank of America | \$2,000 | 6/20/08 | 2.95% | \$(86,239) |
| Abitibi-Consolidated | 600 | 9/20/09 | 2.75% | 8,599 |
| Allied Waste North America | 1,400 | 6/20/10 | 3.80% | 83,251 |
| Bombardier | 1,500 | 12/20/12 | 2.55% | (66,862) |
| Las Vegas Sands | 1,470 | 6/20/12 | 1.20% | (76,640) |
| Dow Jones CDX | 875 | 9/20/09 | 2.05% | 24,605 |
| Williams Cos. | | | | |
| Bear Stearns | | | | |
| Georgia-Pacific | 700 | 9/20/09 | 1.24% | (15,862) |
| Host Marriott | 700 | 9/20/09 | 1.95% | (3,638) |
| MGM | 1,500 | 9/20/09 | 1.92% | (8,496) |
| Citigroup | | | | |
| AES | 5,000 | 6/20/08 | 1.17% | 7,482 |
| Las Vegas Sands | 1,000 | 12/20/12 | 2.55% | (44,575) |
| Univision Communications | 2,000 | 3/20/12 | 0.97% | (257,756) |
| Credit Suisse First Boston | | | | |
| AES | 900 | 9/20/09 | 3.85% | 33,148 |
| Allied Waste North America | 875 | 9/20/09 | 2.46% | 8,200 |
| Delhaize America | 875 | 9/20/09 | 1.40% | 12,785 |
| Intelsat Bermuda | 3,000 | 3/20/10 | 3.21% | (320,970) |
| Samis | 2,200 | 9/20/08 | 2.45% | 28,319 |

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

January 31, 2008 (unaudited)

3. Investments in Securities (continued)

| Swap Counterparty/ Referenced Debt Issuer | Notional Amount Payable on Default (000) | Termination Date | Payments Received by Fund | Unrealized Appreciation (Depreciation) |
|--|--|---------------------|---------------------------------|--|
| Deutsche Bank | \$4,365 | 6/20/12 | 1.20% | \$(237,632) |
| Dow Jones CDX | 3,000 | 12/20/12 | 3.01% | (241,173) |
| Goldman Sachs | 875 | 9/20/09 | 2.15% | (13,733) |
| TRW Automotive | | | | |
| JPMorgan Chase | 3,000 | 3/20/09 | 4.40% | 12,387 |
| SLM | | | | |
| Lehman Brothers | 3,000 | 12/20/12 | 2.85% | (263,164) |
| Dow Jones CDX | 3,000 | 12/20/12 | 3.23% | (215,202) |
| Dow Jones CDX | 2,000 | 6/20/12 | 1.75% | (258,247) |
| Six Flags | | | | |
| Merrill Lynch & Co. | | | | |
| Aramark | 1,000 | 9/20/12 | 2.60% | (10,095) |
| Dow Jones CDX | 3,000 | 12/20/12 | 3.13% | (226,697) |
| Dow Jones CDX | 5,200 | 12/20/12 | 3.23% | (374,417) |
| Dow Jones CDX | 6,000 | 12/20/12 | 3.51% | (366,634) |
| Dow Jones CDX | 6,000 | 12/20/12 | 3.81% | (291,620) |
| Georgia-Pacific | 3,500 | 3/20/13 | 3.75% | (108,193) |
| Royal Caribbean Cruises | 3,500 | 3/20/13 | 2.05% | (158,379) |
| Williams Cos. | 700 | 9/20/09 | 1.71% | 15,560 |
| Morgan Stanley | | | | |
| Biomet | 1,000 | 9/20/12 | 3.05% | 4,232 |
| Georgia-Pacific | 900 | 9/20/09 | 1.63% | (14,443) |
| Russian Federation | 300 | 6/20/08 | 0.245% | (326) |
| | | | | \$(3,422,425) |

Floating Rate Strategy:

| Swap Counterparty/ Referenced Debt Issuer | Notional Amount Payable on Default (000) | Termination Date | Payments Received by Fund | Unrealized Appreciation (Depreciation) |
|--|--|---------------------|---------------------------------|--|
| Bank of America | | | | |
| Abitibi-Consolidated | \$5,000 | 6/20/08 | 2.95% | \$(215,598) |
| Bombardier | 3,500 | 6/20/10 | 3.80% | 208,128 |
| Dynegy Holdings | 6,000 | 3/20/13 | 4.30% | (872) |

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| | | | | |
|-------------------------|-------|----------|-------|-----------|
| Las Vegas Sands | 3,500 | 12/20/12 | 2.55% | (156,012) |
| Dow Jones CDX | 3,395 | 6/20/12 | 1.20% | (178,827) |
| NRG Energy | 6,000 | 3/20/13 | 3.88% | (71,077) |
| Williams Cos. | 5,000 | 12/20/09 | 1.65% | 118,373 |
| Bear Stearns | | | | |
| Dynegy Holdings | 1,500 | 12/20/09 | 2.35% | (5,768) |
| MGM | 5,000 | 12/20/09 | 1.54% | (77,889) |
| Roundy's Supermarket | 2,000 | 3/20/12 | 1.10% | (89,819) |
| Smurfit-Stone Container | 1,500 | 12/20/09 | 1.76% | (56,483) |
| Smurfit-Stone Container | 5,000 | 12/20/09 | 1.87% | (177,886) |

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Notes to Financial Statements

January 31, 2008 (unaudited)

3. Investments in Securities (continued)

| Swap Counterparty/ Referenced Debt Issuer | Notional Amount Payable on Default (000) | Termination Date | Payments Received by Fund | Unrealized Appreciation (Depreciation) |
|--|--|---------------------|---------------------------------|--|
| Citigroup | | | | |
| Ford Motor Credit | \$19,000 | 3/20/13 | 6.85% | \$(102,264) |
| Host Marriott | 5,000 | 12/20/09 | 1.70% | (69,407) |
| Las Vegas Sands | 2,000 | 12/20/12 | 2.55% | (89,150) |
| Qwest Capital Funding | 18,000 | 3/20/13 | 3.40% | (464,818) |
| R.H. Donnelley | 6,000 | 3/20/13 | 5.20% | (242,900) |
| Reliant Energy | 5,000 | 12/20/09 | 3.20% | 51,907 |
| Univision Communications | 4,000 | 3/20/12 | 0.97% | (515,512) |
| Credit Suisse First Boston | | | | |
| Dow Jones CDX | 7,400 | 6/20/11 | 2.90% | (303,951) |
| Equistar | \$5,000 | 12/20/09 | 2.25% | (105,370) |
| Freescale Semiconductor | 4,000 | 3/20/13 | 7.20% | (379,378) |
| Intelsat Bermuda | 7,000 | 3/20/10 | 3.21% | (748,929) |
| Samis | 1,000 | 9/20/08 | 2.45% | 7,909 |
| Samis | 1,800 | 12/20/09 | 2.15% | (7,416) |
| Deutsche Bank | | | | |
| Dow Jones CDX | 10,185 | 6/20/12 | 1.20% | (554,473) |
| Ford Motor | 1,000 | 6/20/12 | 2.17% | (74,222) |
| Goldman Sachs | | | | |
| Dow Jones CDX | 97 | 6/20/12 | 1.20% | 524 |
| Dow Jones CDX | 10,000 | 12/20/12 | 3.01% | (803,910) |
| JPMorgan Chase | | | | |
| NRG Energy | 5,000 | 12/20/09 | 2.20% | (8,524) |
| Owens Brockway | 5,000 | 12/20/11 | 2.09% | 42,051 |
| SLM Corp. | 7,000 | 3/20/09 | 4.40% | 28,904 |
| Lehman Brothers | | | | |
| Aramark | 1,000 | 9/20/12 | 3.90% | (35,781) |
| Bon-Ton | 4,000 | 3/20/12 | 4.05% | (1,258,276) |
| Celestica | 5,000 | 3/20/13 | 5.30% | (8,985) |
| Dow Jones CDX | 10,000 | 12/20/12 | 2.85% | (877,214) |
| Dow Jones CDX | 10,000 | 12/20/12 | 3.23% | (717,342) |
| GMAC | 5,000 | 12/20/08 | 5.00% | (105,060) |
| HCA | 5,000 | 3/20/13 | 4.50% | (85,711) |
| PanAmSat | 3,000 | 12/20/09 | 3.00% | (11,222) |
| Six Flags | 3,000 | 6/20/12 | 1.75% | (387,371) |
| Smurfit-Stone Container | 3,000 | 12/20/09 | 1.85% | (107,865) |
| Station Casinos | 5,000 | 12/20/09 | 1.45% | (338,355) |
| TRW Automotive | 5,000 | 12/20/09 | 2.05% | (107,621) |
| Merrill Lynch & Co. | | | | |
| AES | 3,000 | 12/20/09 | 2.60% | 44,968 |
| Aramark | 1,000 | 9/20/12 | 2.60% | (10,095) |

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| | | | | |
|-------------------|--------|----------|-------|-------------|
| ArvinMeritor | 4,500 | 12/20/09 | 2.25% | (279,735) |
| Chesapeake Energy | 5,000 | 12/20/09 | 1.30% | (17,931) |
| CMS Energy | 1,500 | 12/20/09 | 1.85% | 27,517 |
| Delhaize America | 5,000 | 12/20/09 | 1.07% | 47,324 |
| Dow Jones CDX | 10,000 | 12/20/12 | 3.13% | (755,655) |
| Dow Jones CDX | 11,800 | 12/20/12 | 3.23% | (849,639) |
| Dow Jones CDX | 29,000 | 12/20/12 | 3.51% | (1,772,066) |
| Dow Jones CDX | 24,000 | 12/20/12 | 3.81% | (1,166,481) |

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

January 31, 2008 (unaudited)

3. Investments in Securities (continued)

| Swap Counterparty/ Referenced Debt Issuer | Notional Amount Payable on Default | Termination Date | Payments Received by Fund | Unrealized Appreciation (Depreciation) |
|--|---|---------------------|---------------------------------|--|
| Ford Motor | \$5,000 | 3/20/13 | 7.70% | \$(85,873) |
| General Motors | 5,000 | 3/20/13 | 7.00% | (110,725) |
| Georgia-Pacific | 6,500 | 3/20/13 | 3.75% | (200,930) |
| Royal Caribbean Cruises | 6,500 | 3/20/13 | 2.05% | (294,133) |
| Morgan Stanley | | | | |
| Biomet | 3,000 | 9/20/12 | 3.05% | 12,697 |
| Hanes Brands | 2,000 | 3/20/12 | 0.90% | (132,484) |
| Russian Federation | 700 | 6/20/08 | 0.245% | (762) |
| | | | | \$(14,627,465) |

(c) Interest rate swap agreements outstanding at January 31, 2008:

Floating Rate Income:

| Swap Counterparty | Notional Amount (000) | Termination Date | Rate Type | Payments Received by Fund | Unrealized Appreciation (Depreciation) |
|------------------------|-----------------------------|---------------------|-------------------|---------------------------------|--|
| Bank of America | \$195,600 | 2/15/17 | 4.785% | 3-Month USD-LIBOR | \$(8,599,020) |
| Bank of America | 195,600 | 2/15/17 | 3-Month USD-LIBOR | 5.91% | 504,968 |
| Barclays Bank | 290,000 | 6/21/25 | 3-Month USD-LIBOR | 5.70% | 34,845,979 |
| Barclays Bank | 569,800 | 6/21/25 | 5.70% | 3-Month USD-LIBOR | (25,666,914) |
| Deutsche Bank | 116,900 | 6/18/09 | 3-Month USD-LIBOR | 4.00% | 1,449,526 |
| Deutsche Bank | 38,000 | 6/18/13 | 3-Month USD-LIBOR | 4.00% | 922,278 |
| Goldman Sachs | 68,000 | 6/18/15 | 3-Month USD-LIBOR | 5.00% | 112,791 |
| Goldman Sachs | 8,500 | 6/18/18 | 5.00% | 3-Month USD-LIBOR | (397,797) |
| JPMorgan Chase | 34,000 | 6/18/13 | 3-Month USD-LIBOR | 4.00% | 706,196 |
| Morgan Stanley | 27,200 | 6/18/09 | 3-Month USD-LIBOR | 4.00% | 334,503 |
| Morgan Stanley | 54,000 | 6/18/15 | 3-Month USD-LIBOR | 5.00% | 1,259,749 |
| Morgan Stanley | 145,000 | 6/21/25 | 3-Month USD-LIBOR | 5.70% | 17,835,692 |
| Royal Bank of Scotland | 21,000 | 6/18/13 | 3-Month USD-LIBOR | 4.00% | 716,530 |
| UBS | 140,000 | 6/21/25 | 3-Month USD-LIBOR | 5.70% | 16,118,578 |
| | | | | | \$40,143,059 |

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

January 31, 2008 (unaudited)

3. Investments in Securities (continued)

Floating Rate Strategy:

| | Notional Amount (000) | Termination Date | Payments Made by Fund | Rate Type | Payments Received by Fund | Unrealized Appreciation (Depreciation) |
|--------------------------------------|-----------------------------|---------------------|-----------------------------|-----------|---------------------------------|--|
| Swap Counterparty Bank of America | \$340,000 | 6/18/09 | 3-Month USD-LIBOR | | 4.00% | \$2,634,902 |
| Bank of America | 444,400 | 2/15/17 | 4.785% | | 3-Month USD-LIBOR | (19,501,427) |
| Bank of America | 444,400 | 2/15/17 | 3-Month USD-LIBOR | | 5.91% | 1,111,864 |
| Barclays Bank | 82,000 | 6/18/13 | 3-Month USD-LIBOR | | 4.00% | 1,990,179 |
| Barclays Bank | 265,000 | 6/21/25 | 3-Month USD-LIBOR | | 5.70% | 31,842,016 |
| Barclays Bank | 489,200 | 6/21/25 | 5.70% | | 3-Month USD-LIBOR | (22,036,249) |
| Deutsche Bank | 189,600 | 6/18/09 | 3-Month USD-LIBOR | | 4.00% | 2,339,543 |
| Goldman Sachs | 157,000 | 6/18/15 | 3-Month USD-LIBOR | | 5.00% | 260,414 |
| Goldman Sachs | 59,300 | 6/18/18 | 5.00% | | 3-Month USD-LIBOR | (2,775,220) |
| JPMorgan Chase | 85,100 | 6/18/13 | 3-Month USD-LIBOR | | 4.00% | 1,794,010 |
| Lehman Brothers | 613,000 | 12/18/24 | 3-Month USD-LIBOR | | 5.70% | 74,348,434 |
| Lehman Brothers | 630,000 | 12/18/24 | 5.77% | | 3-Month USD-LIBOR | (85,296,199) |
| Morgan Stanley | 36,300 | 6/18/09 | 3-Month USD-LIBOR | | 4.00% | 446,414 |
| Morgan Stanley | 181,000 | 6/18/15 | 3-Month USD-LIBOR | | 5.00% | 4,222,493 |
| Morgan Stanley | 255,000 | 6/21/25 | 3-Month USD-LIBOR | | 5.70% | 31,366,216 |
| Royal Bank of Scotland | 3,700 | 6/18/09 | 3-Month USD-LIBOR | | 5.00% | 35,414 |
| Royal Bank of Scotland | 200 | 6/18/13 | 3-Month USD-LIBOR | | 4.00% | 6,824 |
| UBS | 5,500 | 6/18/09 | 3-Month USD-LIBOR | | 5.00% | 52,093 |
| | | | | | | \$22,841,721 |

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Euro

LIBOR London Inter-Bank Offered Rate

Floating Rate Income and Floating Rate Strategy received \$44,750,000 and \$58,750,000 par value, respectively, in U.S. Treasury Bills as collateral for swap contracts.

(d) Forward foreign currency contracts outstanding at January 31, 2008:

| Floating Rate Income: | U.S.\$ Value Origination Date | U.S.\$ Value January 31, 2008 | Unrealized Appreciation (Depreciation) |
|--|----------------------------------|----------------------------------|--|
| <u>Purchased:</u> | | | |
| 521,000 Australian Dollar settling 2/7/08 | \$445,637 | \$464,596 | \$18,959 |
| 147,000 Australian Dollar settling 2/21/08 | 128,856 | 130,892 | 2,036 |
| 900,000 Euro settling 2/26/08 | 1,315,485 | 1,331,620 | 16,135 |
| <u>Sold:</u> | | | |
| 3,987,813 Australian Dollar settling 2/21/08 | 3,451,053 | 3,550,833 | (99,780) |
| 34,240,000 Euro settling 2/26/08 | 50,821,747 | 50,660,735 | 161,012 |
| 2,750,000 British Pounds settling 3/6/08 | 5,443,212 | 5,455,440 | (12,228) |
| | | | \$86,134 |

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

January 31, 2008 (unaudited)

3. Investments in Securities (continued)

| Floating Rate Strategy: | U.S.\$ Value Origination Date | U.S.\$ Value January 31, 2008 | Unrealized Appreciation (Depreciation) |
|---|----------------------------------|----------------------------------|--|
| <u>Purchased:</u> | | | |
| 1,143,000 Australian Dollar settling 2/7/08 | \$977,665 | \$1,019,258 | \$41,593 |
| 360,000 Australian Dollar settling 2/21/08 | 315,565 | 320,551 | 4,986 |
| 3,000,000 Euro settling 2/26/08 | 4,428,030 | 4,438,733 | 10,703 |
| <u>Sold:</u> | | | |
| 10,065,250 Australian Dollar settling 2/21/08 | 8,710,467 | 8,962,312 | (251,845) |
| 98,163,000 Euro settling 2/26/08 | 145,701,377 | 145,239,771 | 461,606 |
| 5,692,000 British Pound settling 3/6/08 | 11,266,461 | 11,291,769 | (25,308) |
| | | | \$241,735 |

(e) The weighted average daily balances of reverse repurchase agreements outstanding during the six months ended January 31, 2008 for Floating Rate Income and Floating Rate Strategy were \$9,455,889 and \$7,398,125, respectively, at a weighted average interest rate of 3.90% for both Funds.

Floating Rate Income had open reverse repurchase agreements at January 31, 2008 of:

| Counterparty | Rate | Trade Date | Maturity Date | Principal & Interest | Par |
|-----------------|-------|------------|---------------|----------------------|-------------|
| Lehman Brothers | 3.90% | 1/24/08 | 2/1/08 | \$7,982,913 | \$7,976,000 |
| | 3.90% | 1/31/08 | 2/1/08 | 1,615,175 | 1,615,000 |
| | | | | | \$9,591,000 |

Collateral for open reverse repurchase agreements for Floating Rate Income at January 31, 2008 as reflected in the schedule of investments:

| Counterparty | Description | Rate | Maturity Date | Par | Value |
|-----------------|--|--------|---------------|-------------|--------------|
| Lehman Brothers | DirecTV Holdings LLC | 8.375% | 3/15/13 | \$1,800,000 | \$1,869,750 |
| | Freeport-McMoRan Copper & Gold, Inc. | 8.394% | 4/1/15 | 2,150,000 | 2,115,062 |
| | Goodyear Tire & Rubber Co. | 8.663% | 12/1/09 | 4,000,000 | 4,010,000 |
| | Qwest Communications International, Inc. | 8.369% | 2/15/09 | 4,000,000 | 4,000,000 |
| | | | | | \$11,994,812 |

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(f) At January 31, 2008, 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 |
|------------------|-------------------------|---------------------------|
| Big West Oil | \$825,000 | \$1,375,000 |
| Community Health | 92,807 | 208,817 |
| Eastman Kodak | 2,500,000 | 5,000,000 |
| Longview Power | | 221,333 |
| Telesat Canada | 293,963 | 708,661 |
| United Surgical | 58,871 | 117,742 |
| Univision | 218,121 | 520,134 |
| | \$3,988,762 | \$8,151,687 |

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

January 31, 2008 (unaudited)

4. Income Tax Information

Net investment income and net realized gains differ for federal income tax and financial statement purposes primarily due to the treatment of amounts received under swap agreements. For the six months ended January 31, 2008, Floating Rate Income and Floating Rate Strategy received \$3,509,869 and \$8,765,162 from swap agreements which are treated as net realized gain for financial statement purposes and as net income for federal income tax purposes.

The cost basis of investments is substantially the same for both federal income tax and financial statement purposes. Gross unrealized appreciation and gross unrealized depreciation of investments at January 31, 2008 were:

| | Cost of Investments | Gross Unrealized Appreciation | Gross Unrealized Depreciation | Net Unrealized Depreciation |
|------------------------|------------------------|-------------------------------------|-------------------------------------|-----------------------------------|
| Floating Rate Income | \$535,013,012 | \$3,081,186 | \$(33,364,292) | \$(30,283,106) |
| Floating Rate Strategy | 1,198,684,649 | 8,787,484 | (75,373,377) | (66,585,893) |

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. Additional information regarding recent developments with regard to Preferred Shares auctions is provided in Note 8.

For the six months ended January 31, 2008, the annualized dividend rates ranged from:

High Low At January 31, 2008

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Floating Rate Income

| | | | |
|-----------|-------|-------|-------|
| Series T | 6.20% | 4.10% | 4.10% |
| Series W | 6.30% | 4.00% | 4.00% |
| Series TH | 6.30% | 4.50% | 4.50% |

Floating Rate Strategy

| | | | |
|-----------|-------|--------|--------|
| Series M | 6.35% | 4.20% | 4.35% |
| Series T | 6.35% | 4.049% | 4.049% |
| Series W | 6.50% | 4.099% | 4.35% |
| Series TH | 6.30% | 4.388% | 4.50% |
| Series F | 6.35% | 4.45% | 4.45% |

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 1, 2008, the following dividends were declared to common shareholders payable March 7, 2008 to shareholders of record on February 11, 2008:

| | |
|------------------------|----------------------------|
| Floating Rate Income | \$0.14443 per common share |
| Floating Rate Strategy | \$0.14027 per common share |

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

January 31, 2008 (unaudited)

6. Subsequent Common Dividend Declarations (continued)

On March 7, 2008, the following dividends were declared to common shareholders payable April 4, 2008 to shareholders of record on March 17, 2008:

| | |
|------------------------|----------------------------|
| Floating Rate Income | \$0.10959 per common share |
| Floating Rate Strategy | \$0.10543 per common share |

7. Legal Proceedings

In June and September 2004, the Investment Manager and certain of its affiliates (including PEA Capital LLC (PEA), Allianz Global Investors Distributors LLC (AGID) and Allianz Global Investors of America, L.P.) agreed to settle, without admitting or denying the allegations, claims brought by the SEC and the New Jersey 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. The settlements related to an alleged market timing arrangement in certain open-end funds formerly sub-advised by PEA. The Investment Manager and its affiliates agreed to pay a total of \$68 million to settle the claims. In addition to monetary payments, the settling parties agreed to undertake certain corporate governance, compliance and disclosure reforms related to market timing and consented to cease and desist orders and censures. Subsequent to these events, PEA deregistered and dissolved. None of the settlements alleged 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 , 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 U.S. District Court for the District of Maryland. Any potential resolution of these matters may include, but not be limited to judgments or settlements for damages against the Investment Manager or its affiliates or related injunctions.

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

The foregoing speaks only as of the date hereof.

8. Subsequent Event Auction-Rate Preferred Shares

Subsequent to the close of the six-month period ended January 31, 2008, holders of auction-rate preferred shares (ARPS) issued by the Funds have been directly impacted by an unprecedented lack of liquidity, which has similarly affected ARPS holders in many of the nation's closed-end

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funds. Since February 2008, regularly scheduled auctions for ARPS issued by the Funds have consistently failed because of insufficient demand (bids to buy shares) to meet the supply (shares offered for sale) at each auction. In a failed auction, ARPS holders cannot sell all, and may not be able to sell any, of their shares tendered for sale. While repeated auction failures have affected the liquidity for ARPS, they do not constitute a default or automatically alter the credit quality of the ARPS, and ARPS holders have continued to receive dividends at a previously defined maximum rate (which is a function of short-term interest rates and typically higher than the rate that would have otherwise been set through a successful auction).

These developments with respect to ARPS have not affected the management or investment policies of the Funds, and the Funds' outstanding common shares continue to trade on the NYSE without any change. If the Funds' ARPS auctions continue to fail and the maximum rate payable on the ARPS rises as a result of changes in short-term interest rates, returns for the Funds' common shareholders could be adversely affected.

At the time this report is being prepared, it is not possible to predict how and when full or partial liquidity will return, if at all, to the closed-end fund ARPS market. Additional information regarding ARPS, failed auctions and potential solutions to address the unprecedented lack of liquidity of the ARPS due to recent failed auctions can be accessed at <http://www.allianzinvestors.com>.

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PIMCO Floating Rate Income Fund Financial Highlights

For a share of common stock outstanding throughout each period:

| | Six months ended January 31, 2008 (unaudited) | 2007 | Year ended July 31, 2006 | 2005 | For the period August 29, 2003* through July 31, 2004 \$19.35** |
|--|--|-----------|-----------------------------|-----------|---|
| Net asset value, beginning of period | \$17.38 | \$19.14 | \$19.51 | \$19.38 | |
| Investment Operations: | | | | | |
| Net investment income | 1.02 | 2.13 | 1.91 | 1.36 | 0.71 |
| Net realized and unrealized gain (loss) on investments, futures contracts, options written, swaps, unfunded loan commitments and foreign currency transactions | (1.16) | (1.29) | (0.14) | 0.39 | 0.39 |
| Total from investment operations | (0.14) | 0.84 | 1.77 | 1.75 | 1.10 |
| Dividends and Distributions on Preferred Shares from: | | | | | |
| Net investment income | (0.31) | (0.59) | (0.48) | (0.29) | (0.11) |
| Net realized gains | | (0.00) | | | |
| Total dividends and distributions on preferred shares | (0.31) | (0.59) | (0.48) | (0.29) | (0.11) |
| Net increase (decrease) in net assets applicable to common shareholders resulting from investment operations | (0.45) | 0.25 | 1.29 | 1.46 | 0.99 |
| Dividends and Distributions to Common Shareholders from: | | | | | |
| Net investment income | (0.87) | (1.77) | (1.63) | (1.19) | (0.78) |
| Net realized gains | (0.30) | (0.24) | (0.03) | (0.14) | |
| Total dividends and distributions to common shareholders | (1.17) | (2.01) | (1.66) | (1.33) | (0.78) |
| Capital Share Transactions: | | | | | |
| Common stock offering costs charged to paid-in capital in excess of par | | | | | (0.04) |
| Preferred shares offering costs/underwriting discounts charged to paid-in capital in excess of par | | | | | (0.14) |
| Total capital share transactions | | | | | (0.18) |
| Net asset value, end of period | \$15.76 | \$17.38 | \$19.14 | \$19.51 | \$19.38 |
| Market price, end of period | \$16.38 | \$17.88 | \$20.02 | \$18.75 | \$20.47 |
| Total Investment Return (1) | (1.69)% | (0.93)% | 16.53% | (2.05)% | 6.55% |
| RATIOS/SUPPLEMENTAL DATA: | | | | | |
| Net assets applicable to common shareholders, end of period (000) | \$287,310 | \$316,289 | \$345,750 | \$351,708 | \$346,749 |
| Ratio of expenses to average net assets (2)(3) | 1.60%(4) | 1.68% | 1.53% | 1.52% | 1.36%(4) |
| Ratio of expenses to average net assets excluding interest expense (2)(3) | 1.60%(4) | 1.55% | 1.53% | 1.52% | 1.36%(4) |
| Ratio of net investment income to average net assets (2) | 11.70%(4) | 11.14% | 9.91% | 6.93% | 4.04%(4) |
| | \$59,190 | \$62,622 | \$66,133 | \$66,856 | \$66,274 |

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Preferred shares asset coverage

per share

| | | | | | |
|--------------------|-----|-----|-----|-----|-----|
| Portfolio turnover | 13% | 62% | 64% | 83% | 94% |
|--------------------|-----|-----|-----|-----|-----|

* Commencement of operations.

** Initial public offering price of \$20.00 per share less underwriting discount of \$0.65 per share.
Amount 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) Inclusive of expenses offset by custody credits earned on cash balances at the custodian bank. (See note 1(n) in Notes to Financial Statements).
- (4) Annualized.

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PIMCO Floating Rate Strategy Fund Financial Highlights

For a share of common stock outstanding throughout each period:

| | Six months ended | | Eleven months ended | For the period October 29, 2004* through August 31, 2005 |
|--|---------------------------------|-----------------------------|------------------------|--|
| | January 31, 2008 (unaudited) | Year ended July 31, 2007 | July 31, 2006 | |
| Net asset value, beginning of period | \$16.76 | \$18.76 | \$18.98 | \$19.10** |
| Investment Operations: | | | | |
| Net investment income | 1.00 | 2.06 | 1.64 | 0.88 |
| Net realized and unrealized gain (loss) on investments, futures contracts, options written, swaps, unfunded loan commitments and foreign currency transactions | (1.33) | (1.34) | | 0.31 |
| Total from investment operations | (0.33) | 0.72 | 1.64 | 1.19 |
| Dividends and Distributions on Preferred Shares from: | | | | |
| Net investment income | (0.30) | (0.58) | (0.45) | (0.24) |
| Net realized gains | | (0.00) | | |
| Total dividends and distributions on preferred shares | (0.30) | (0.58) | (0.45) | (0.24) |
| Net increase (decrease) in net assets applicable to common shareholders resulting from investment operations | (0.63) | 0.14 | 1.19 | 0.95 |
| Dividends and Distributions to Common Shareholders from: | | | | |
| Net investment income | (0.87) | (1.72) | (1.41) | (0.91) |
| Net realized gains | | (0.42) | | |
| Total dividends and distributions to common shareholders | (0.87) | (2.14) | (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 | \$15.26 | \$16.76 | \$18.76 | \$18.98 |
| Market price, end of period | \$15.10 | \$17.28 | \$18.87 | \$18.21 |
| Total Investment Return (1) | (7.83)% | 2.73% | 11.77% | (4.39)% |
| RATIOS/SUPPLEMENTAL DATA: | | | | |
| Net assets applicable to common shareholders, end of period (000) | \$650,132 | \$712,152 | \$782,371 | \$789,094 |
| Ratio of expenses to average net assets (2)(3) | 1.54%(4) | 1.48% | 1.47%(4) | 1.35%(4) |
| Ratio of expenses to average net assets excluding interest expense (2)(3) | 1.54%(4) | 1.48% | 1.47%(4) | 1.35%(4) |
| Ratio of net investment income to average net assets (2) | 11.83%(4) | 11.03% | 9.51%(4) | 5.57%(4) |

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| | | | | |
|---|----------|----------|----------|----------|
| Preferred shares asset coverage per share | \$58,847 | \$62,069 | \$65,722 | \$66,084 |
| Portfolio turnover | 17% | 65% | 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.

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

See accompanying Notes to Financial Statements. | 1.31.08 | PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds Semi-Annual Report **45**

**PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds
Annual Shareholder Meeting Results/Proxy Voting Policies & Procedures (unaudited)**

Annual Shareholder Meeting Results:

The Funds held their annual meeting of shareholders on December 18, 2007. Common/Preferred shareholders voted as indicated below:

Floating Rate Income:

| | Affirmative | Withheld Authority |
|---|-------------|-----------------------|
| Re-election of Robert E. Connor* Class I to serve until 2010 | 7,845 | 81 |
| Re-election of Hans W. Kertess Class I to serve until 2010 | 15,679,192 | 276,524 |
| Re-election of William B. Ogden, IV Class I to serve until 2010 | 15,687,365 | 268,351 |
| Election of John C. Maney Class III to serve until 2009 | 15,615,473 | 340,243 |

Messrs. Paul Belica, John J. Dalessandro II*, and R. Peter Sullivan III continue to serve as Trustees.

* Preferred Shares Trustee

Floating Rate Strategy:

| | Affirmative | Withheld Authority |
|--|-------------|-----------------------|
| Re-election of Hans W. Kertess Class III to serve until 2010 | 35,559,178 | 829,072 |
| Election of John C. Maney Class III to serve until 2010 | 35,587,343 | 800,907 |

Messrs. Paul Belica, Robert E. Connor*, John J. Dalessandro II*, William B. Ogden, IV and R. Peter Sullivan III continue to serve as Trustees.

* Preferred Shares Trustee

Proxy Voting Policies & Procedures:

A description of the policies and procedures that the Funds have adopted to determine how to vote proxies relating to portfolio securities and information about how the Funds voted proxies relating to portfolio securities held during the twelve month period ended June 30 is available

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(i) without charge, upon request, by calling the Funds' shareholder servicing agent at (800) 331-1710; (ii) on the Funds' website at www.allianzinvestors.com/closedendfunds; and (iii) on the Securities and Exchange Commission website at www.sec.gov.

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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
Thomas J. Fuccillo
Vice President, Secretary & Chief Legal Officer
Scott Whisten
Assistant Treasurer
Youse E. Guia
Chief Compliance Officer
William V. Healey
Assistant Secretary
Richard H. Kirk
Assistant Secretary
Kathleen A. Chapman
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 02110-2624

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/closedendfunds.

On December 26, 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.

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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

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Not required in this filing

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

| PERIOD | TOTAL NUMBER OF SHARES 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 2007 | N/A | \$16.84 | 54,067 | N/A |
| September 2007 | N/A | \$16.83 | 53,619 | N/A |
| October 2007 | N/A | N/A | N/A | N/A |
| November 2007 | N/A | N/A | N/A | N/A |
| December 2007 | N/A | N/A | N/A | N/A |
| January 2008 | N/A | N/A | N/A | 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 President and Chief Executive Officer and Principal Financial Officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-2(c) under the Act (17 CFR 270.30a-3(c))), as amended are effective based on their evaluation of these controls and procedures as of a date within 90 days of the filing date of this document.

(b) There were no significant changes in the registrant's internal controls (over financial reporting as defined in Rule 30a-3(d) under the Act (17 CFR 270.30a-3(d))) that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's control over financial reporting.

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.

(Registrant)

PIMCO Floating Rate Strategy Fund

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

Date April 8, 2008

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

Date April 8, 2008

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
President & Chief Executive Officer

Date April 8, 2008

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

Date April 8, 2008
