

PIMCO Floating Rate Strategy Fund
Form N-CSRS
April 07, 2006

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number 811-21601

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

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

10105
(Zip code)

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

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

Date of fiscal year July 31, 2006
end:

Date of reporting period: January 31, 2006

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

PIMCO Floating Rate Income Fund

PIMCO Floating Rate Strategy Fund

Semi-Annual Report

January 31, 2006

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

March 24, 2006

Dear Shareholder:

We are pleased to provide you with the semi-annual report for PIMCO Floating Rate Income Fund and PIMCO Floating Rate Strategy Fund, collectively the Funds for the six-month and five-month periods ended January 31, 2006, respectively. In December 2005, PIMCO Floating Rate Strategy changed its fiscal year-end from July 31 to August 31. Accordingly, the financial statements for this Fund cover the five-month period from September 1, 2005 to January 31, 2006.

During the period, the Federal Reserve raised short-term interest rates five times for a total increase of 125 basis points. Within this rising interest rate environment, the 3-month London Interbank Offered Rate (LIBOR) increased nearly 1%, ending the reporting period at 4.68%. This trend was positive for floating-rate securities, which typically pay a spread over LIBOR. Accordingly, the Funds increased their dividends to shareholders during the period.

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. Also, you may visit our Web site at www.allianzinvestors.com/closedendfunds to access additional information.

Together with Allianz Global Investors Fund Management LLC, the Funds investment manager, and Pacific Investment Management Company LLC, the Funds sub-adviser, we thank you for investing with us.

We remain dedicated to serving your financial needs.

Sincerely,

Robert E. Connor

Chairman

Brian S. Shlissel

President & Chief Executive Officer

PIMCO Floating Rate Income Fund Performance & Statistics

January 31, 2006 (unaudited)

Symbol:

PFL

Objective:

Seeks high current income, consistent with the preservation of capital.

Primary Investments:

Floating rate debt instruments, substantial portion of which will be senior floating rate loans.

Inception Date:

August 29, 2003

Total Net Assets⁽¹⁾:

\$558.1 million

Portfolio Manager:

Raymond G. Kennedy

Total Return⁽²⁾:

Six months ended 1/31/06

1 Year

Commencement of Operations (8/29/03) to 1/31/06

Market Price

3.70%

(5.65)%

3.31%

Net Asset Value (NAV)

3.31%

5.70%

6.33%

Common Share Market Price/NAV Performance:

Commencement of Operations (8/29/03) to 1/31/06

Market Price/NAV:

| | |
|-----------------------------------|---------|
| Market Price | \$18.60 |
| NAV | \$19.31 |
| Discount to NAV | (3.68)% |
| Market Price Yield ⁽³⁾ | 8.45% |

Portfolio composition (as a % of total investments)

(1) Inclusive of net assets attributable to Preferred Shares outstanding.

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(2) **Past performance is no guarantee of future results.** Total return is calculated by subtracting the value of an investment in the Fund at the beginning of each specified period from the value at the end of the period and dividing the remainder by the value of the investment at the beginning of the period and expressing the result as a percentage. The calculation assumes that all income dividends and capital gain distributions have been reinvested at prices obtained under the Fund's dividend reinvestment plan. Total return does not reflect broker commissions or sales charges. Total return for a period of less than one year is not annualized. Total return for a period of more than one year represents the average annual total return.

An investment in the Fund involves risk, including the loss of principal. Total return, price, yield and net asset value will fluctuate with changes in market conditions. This data is provided for information only and is not intended for trading purposes. Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. Net asset value is total assets applicable to common shareholders less total liabilities divided by the number of common shares outstanding. Holdings are subject to change daily.

(3) 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, 2006.

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PIMCO Floating Rate Strategy Fund Performance & Statistics

January 31, 2006 (unaudited)

Symbol:

PFN

Objective:

Seeks high current income, consistent with the preservation of capital.

Primary Investments:

Floating rate debt instruments, substantial portion of which will be senior floating rate loans.

Inception Date:

October 29, 2004

Total Net Assets⁽¹⁾:

\$1,263.4 million

Portfolio Manager:

Raymond G. Kennedy

Total Return⁽²⁾:

Five months ended 1/31/06

1 Year

Commencement of Operations (10/29/04) to 1/31/06

Market Price

4.12%

0.64%

(0.37)%

Net Asset Value (NAV)

2.51%

6.22%

5.44%

Common Share Market Price/NAV Performance:

Commencement of Operations (10/29/04) to 1/31/06

Market Price/NAV:

| | |
|-----------------------------------|---------|
| Market Price | \$18.34 |
| NAV | \$18.84 |
| Discount to NAV | (2.65)% |
| Market Price Yield ⁽³⁾ | 8.30% |

Portfolio composition (as a % of total investments)

(1) Inclusive of net assets attributable to Preferred Shares outstanding.

(2) **Past performance is no guarantee of future results.** Total return is calculated by subtracting the value of an investment in the Fund at the beginning of each specified period from the value at the end of the period and dividing the remainder by the value of the investment at the beginning of the period and expressing the result as a percentage. The calculation assumes that all income dividends and capital gain distributions have been reinvested at prices obtained under the Fund's dividend reinvestment plan. Total return does not reflect broker commissions or sales charges. Total return for a period of less than one year is not annualized. Total return for a period of more than one year represents the average annual total return.

An investment in the Fund involves risk, including the loss of principal. Total return, price, yield and net asset value will fluctuate with changes in market conditions. This data is provided for information only and is not intended for trading purposes. Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public offering and once issued, shares of closed-end funds are sold in the open market

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through a stock exchange. Net asset value is total assets applicable to common shareholders less total liabilities divided by the number of common shares outstanding. Holdings are subject to change daily.

(3) 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, 2006.

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PIMCO Floating Rate Income Fund Schedule of Investments

January 31, 2006 (unaudited)

| Principal Amount (000) | | Value |
|---------------------------------------|---|--------------|
| SENIOR LOANS (a) (b) (c) 69.9% | | |
| Aerospace 0.3% | | |
| \$ 1,254 | K & F Industries, Inc., Term B, 6.81%, 11/18/12 | \$ 1,269,844 |
| 625 | 6.87%, 11/18/12 | 632,812 |
| | | 1,902,656 |
| Automotive 0.7% | | |
| 292 | Hayes Lemmerz International, Inc., Term B, 7.31%, 6/3/09 | 292,386 |
| 449 | 7.34%, 6/3/09 | 448,674 |
| 299 | 7.67%, 6/3/09 | 299,116 |
| 479 | 7.84%, 6/3/09 | 479,187 |
| 183 | 7.91%, 6/3/09 | 183,200 |
| 286 | 7.97%, 6/3/09 | 285,656 |
| 383 | Visteon Corp., 8.558%, 6/25/07 | 386,984 |
| 385 | 8.85%, 6/25/07 | 388,600 |
| 59 | 9.00%, 6/25/07 | 59,286 |
| 1,104 | 9.25%, 6/25/07 | 1,114,642 |
| | | 3,937,731 |
| Automotive Products 4.6% | | |
| 2,281 | Cooper Standard Automotive, Inc., 6.563%, 12/31/11, Term B | 2,290,498 |
| 3,669 | 6.563%, 12/31/11, Term C | 3,684,714 |
| 2,408 | Delphi Corp., 12.75%, 6/14/11 | 2,546,330 |
| 4,000 | Goodyear Tire & Rubber Co., 7.06%, 4/30/10, Term A | 4,045,416 |
| 1,000 | 7.81%, 4/1/11 | 1,009,643 |
| 2,674 | Polypore, Inc., 7.53%, 11/12/11, Term B | 2,661,791 |
| 1,796 | Tenneco Automotive, Inc., 6.63%, 12/12/10, Term B (e) | 1,825,153 |
| 789 | 6.635%, 12/12/10, Term B1 | 801,757 |
| 3,465 | TRW Automotive, Inc., 6.25%, 6/30/12, Term B | 3,471,015 |
| 4,256 | VWR International, Inc., 7.12%, 4/7/11, Term B | 4,324,137 |
| | | 26,660,454 |
| Banking 0.4% | | |
| 1,092 | Aster Co., Ltd. 6.765%, 9/19/13, Term B1 | 1,091,898 |
| 1,132 | 7.265%, 9/19/14, Term C1 | 1,131,080 |
| | | 2,222,978 |
| Building/Construction 1.5% | | |
| 58 | Masonite International Corp., Term B, 6.527%, 4/6/13 | 56,866 |
| 3,426 | 6.63%, 4/6/13 | 3,345,960 |
| 4,871 | Nortek, Inc., 6.94%, 8/27/11 | 4,914,789 |
| 25 | 8.50%, 8/27/11 | 25,026 |
| | | 8,342,641 |

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PIMCO Floating Rate Income Fund Schedule of Investments

January 31, 2006 (unaudited) (continued)

| | Principal Amount (000) | | Value |
|---------------------------------|------------------------------|--|--------------|
| Chemicals 4.8% | | | |
| | 1,750 | Basell NV, 4.74%, 9/15/13, Term B | \$ 2,147,586 |
| | 1,750 | 9/15/14, Term C (f) | 2,156,651 |
| \$ | 2,978 | Celanese AG, 6.527%, 4/6/11, Term B | 3,013,039 |
| | | Cognis BV, 6.871%, 5/12/13, Term C1 | 2,017,142 |
| | 1,992 | 7.42%, 5/12/12, Term B1 | 1,159,638 |
| | 1,149 | Cognis Deutschland GMBH, 4.356%, 5/12/11, Term A | 2,301,459 |
| | 1,889 | Hercules, Inc., Term B, 6.277%, 10/8/10 | 91,181 |
| \$ | 90 | 6.31%, 10/8/10 | 1,899,609 |
| | 1,875 | Huntsman International LLC, 6.233%, 8/10/12 | 1,052,556 |
| | 1,046 | INEOS Holdings Ltd., 10/7/13, Term B (e) (f) | 1,357,150 |
| | 1,250 | 10/7/14, Term C (e) (f) | 607,150 |
| | 500 | 10/7/14, Term C1 (e) (f) | 750,000 |
| | 750 | 9.481%, 10/7/06 | 1,217,335 |
| | 1,000 | KRATON Polymers Group LLC, 6.625%, 12/2/09 | 313,214 |
| \$ | 309 | 7.00%, 12/2/09 | 56,389 |
| | 56 | 7.063%, 12/2/09 | 788,205 |
| | 777 | 7.063%, 12/23/10 | 1,804,444 |
| | 1,778 | Nalco Co., Term B, 6.49%, 11/1/10 | 1,374,136 |
| | 1,355 | 6.50%, 11/4/10 | 1,893,496 |
| | 1,867 | 6.73%, 11/1/10 | 1,288,253 |
| | 1,271 | 8.25%, 11/1/10 | 85,884 |
| | 85 | | 27,374,517 |
| Commercial Products 1.0% | | | |
| | 1,000 | Rexel S.A., 6.904%, 1/20/13, Term B1 | 1,007,692 |
| | 1,000 | 7.741%, 4/18/14, Term C1 | 1,014,591 |
| | | Sigmakalon, 4.742%, 9/19/12, Term A (e) | 1,190,772 |
| | 1,000 | 5.242%, 9/19/12, Term B | 1,192,674 |
| | 982 | 5.242%, 9/19/12, Term B1 | 21,542 |
| | 18 | 5.742%, 9/19/13 | 327,640 |
| | 269 | 5.742%, 9/19/13, Term C | 892,479 |
| | 731 | | 5,647,390 |
| Computer Services 0.6% | | | |
| \$ | 3,482 | SunGard Data Systems, Inc., 6.81%, 2/11/13 | 3,522,402 |
| Computer Software 0.6% | | | |
| | 116 | Spectrum Brands Corp., 6.53%, 2/6/12, Term B | 117,007 |
| | 3,154 | UGS Corp., 6.55%, 3/31/12, Term B | 3,197,547 |
| | | | 3,314,554 |
| Consumer Products 2.3% | | | |
| | 867 | Eastman Kodak Co., Term B, 6.61%, 10/14/12 | 872,571 |

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| | | |
|-----|------------------|---------|
| 333 | 6.70%, 10/14/12 | 335,604 |
| 133 | 6.75%, 10/14/12 | 134,242 |
| 167 | 6.79%, 10/14/12 | 167,802 |
| 333 | 6.80%, 10/18/12 | 335,604 |
| 167 | 6.851%, 10/14/12 | 167,802 |

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PIMCO Floating Rate Income Fund Schedule of Investments

January 31, 2006 (unaudited) (continued)

| Principal Amount (000) | | Value |
|--------------------------------------|---|--------------|
| Consumer Products (continued) | | |
| \$ 3,837 | Jarden Corp., 6.527%, 1/24/12, Term B1 | \$ 3,869,957 |
| | Rayovac Corp., Term B, | |
| 321 | 6.31%, 2/7/12 | 324,017 |
| 166 | 6.34%, 2/7/12 | 167,581 |
| 1,260 | 6.81%, 2/6/12 | 1,272,925 |
| 200 | 6.85%, 2/6/12 | 201,844 |
| | Revlon, Inc., | |
| 750 | 9.92%, 7/31/10 | 773,554 |
| 375 | 9.98%, 7/9/10 | 386,777 |
| 750 | 10.33%, 7/31/10 | 773,555 |
| 750 | 10.56%, 7/31/10 | 773,555 |
| | Sealy Mattress Co., Term D, | |
| 885 | 6.118%, 4/1/13 | 895,742 |
| 531 | 6.16%, 4/14/13 | 537,445 |
| 177 | 6.233%, 4/14/13 | 179,148 |
| | Spectrum Brands Corp., Term B, | |
| 136 | 5.92%, 2/7/12 | 137,658 |
| 115 | 6.31%, 2/7/12 | 115,720 |
| 458 | 6.33%, 2/6/12 | 462,882 |
| | | 12,885,985 |
| Containers 5.3% | | |
| | Graham Packaging Co., Term B, | |
| 1,707 | 6.50%, 9/15/11 | 1,729,909 |
| 2,166 | 6.625%, 9/15/11 | 2,195,062 |
| 55 | 6.813%, 9/15/11 | 55,742 |
| 1,517 | 7.00%, 10/7/11 | 1,537,697 |
| | Graphic Packaging Corp., Term C, | |
| 693 | 6.716%, 8/9/10 | 704,979 |
| 284 | 6.99%, 8/9/10 | 288,400 |
| 2,080 | 7.03%, 8/9/10 | 2,114,937 |
| 32 | 7.137%, 8/9/10 | 32,044 |
| 47 | 7.163%, 8/9/10 | 48,067 |
| 359 | 7.19%, 8/9/10 | 365,307 |
| 3,970 | Horizon Lines LLC, 6.78%, 7/7/11 | 4,022,702 |
| | Intertape Polymer Group, Inc., Term B, | |
| 1,294 | 6.73%, 7/28/11 | 1,313,156 |
| 188 | 6.80%, 7/28/11 | 190,313 |
| | Kappa Jefferson, (h) | |
| 1,000 | 7.24%, 11/29/13, Term B | 999,225 |
| 1,000 | 7.74%, 11/29/14, Term C | 999,225 |
| 1,296 | Owens-Illinois Group, Inc., 6.27%, 4/1/08, Term B | 1,303,547 |
| | Solo Cup Co., Term B, | |
| 10 | 6.98%, 2/27/11 | 10,147 |
| 3,937 | 7.027%, 2/27/11 | 3,977,534 |
| | Stone Container Corp., | |
| 742 | 3.616%, 11/1/10 | 750,470 |
| 550 | 5.00%, 11/1/11 | 550,000 |
| 2,890 | 6.438%, 11/1/11, Term B | 2,921,913 |
| 1,825 | 6.50%, 11/1/10, Term B | 1,845,419 |
| 1,217 | 6.50%, 11/1/11, Term C | 1,230,279 |
| 611 | 6.688%, 11/1/10, Term B | 618,072 |

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590

6.688%, 11/1/10, Term C

596,685
30,400,831

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PIMCO Floating Rate Income Fund Schedule of Investments

January 31, 2006 (unaudited) (continued)

| Principal Amount (000) | | Value |
|--|---|--------------|
| Diversified Manufacturing 0.4% | | |
| \$ 2,241 | Invensys PLC, 7.791%, 9/5/09, Term B1 | \$ 2,269,049 |
| Drugs & Medical Products 0.8% | | |
| 1,369 | Warner Chilcott PLC, 7.011%, 1/18/12, Term B | 1,376,881 |
| 495 | 7.277%, 1/18/12 | 498,033 |
| 1,291 | 7.277%, 1/18/12, Term B | 1,298,529 |
| 1,072 | 7.277%, 1/18/12, Term C | 1,078,060 |
| 308 | 7.28%, 1/4/12 | 311,704 |
| 308 | 7.53%, 1/4/12 (h) | 308,867 |
| | | 4,872,074 |
| Electronics 1.5% | | |
| 3,000 | Avago, 12/1/12, Term DD (f) | 3,023,124 |
| 1,000 | 6.821%, 12/1/12 | 1,003,594 |
| 2,000 | DRS Technologies Bridge, 11/22/06 (f) (h) | 2,008,805 |
| 2,000 | KDG Media Technologies AG, 4.634%, 7/9/11, Term A | 2,435,455 |
| | | 8,470,978 |
| Energy 3.2% | | |
| \$ 829 | Covanta Energy Corp., 4.527%, 6/24/12 | 842,744 |
| 61 | 7.38%, 6/30/12, Term B | 61,966 |
| 498 | 7.521%, 6/30/12, Term B | 506,421 |
| 750 | 10.019%, 5/12/13, Term DHC | 764,531 |
| 750 | 10.04%, 5/12/13, Term DHC | 764,531 |
| 1,476 | Foundation Coal Holdings, Inc., Term B, 6.28%, 7/30/11 | 1,503,235 |
| 1,060 | 6.44%, 7/30/11 | 1,079,246 |
| 4,810 | Headwaters, Inc., 6.86%, 4/30/11, Term B | 4,854,468 |
| 1,969 | NRG Energy, Inc., 4.427%, 12/24/11 | 1,975,928 |
| 557 | 5.00%, 9/30/12 | 562,211 |
| 2,443 | 5.00%, 9/30/12, Term B | 2,470,240 |
| 290 | Targa Resources, Inc., 4.402%, 10/5/11 | 293,589 |
| 375 | 6.59%, 10/5/12, Term B | 379,219 |
| 823 | 6.656%, 10/5/12, Term B | 831,835 |
| 9 | 6.777%, 10/5/12, Term B | 9,175 |
| 1,500 | 6.83%, 10/5/07 | 1,516,875 |
| | | 18,416,214 |
| Entertainment 2.1% | | |
| 2,000 | AMC Entertainment, Inc., 5.00%, 1/5/13 | 2,020,208 |
| 5,300 | MGM Studios, 6.78%, 4/8/12, Term B | 5,360,828 |
| | Warner Music Group, Inc., Term B, 6.371%, 2/27/11 | 195,701 |
| 194 | 6.394%, 2/27/11 | 939,363 |
| 929 | 6.406%, 2/27/11 | 939,363 |
| 929 | 6.44%, 2/28/11 | 1,247,750 |
| 1,235 | 6.59%, 2/27/11 | 197,678 |
| 196 | 6.614%, 2/27/11 | 929,970 |
| 920 | 8.00%, 2/28/11 | 13,214 |
| 13 | | |

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PIMCO Floating Rate Income Fund Schedule of Investments

January 31, 2006 (unaudited) (continued)

| | Principal Amount (000) | | Value |
|--|------------------------------|---|--------------|
| Financial Services 1.0% | | | |
| \$ | 3,340 | Global Cash Access LLC, 6.818%, 3/10/10, Term B | \$ 3,384,878 |
| | 500 | Satbirds Finance SARL, 4.586%, 4/4/12, Term A | 603,886 |
| | 1,250 | 5.086%, 4/4/13, Term B | 1,523,811 |
| | | | 5,512,575 |
| Food & Beverage 1.9% | | | |
| \$ | 1,011 | Arby's Restaurant Group, Inc., Term B, 6.493%, 7/25/12 | 1,018,586 |
| | 2,004 | 6.656%, 7/25/12 | 2,019,577 |
| | 975 | 6.777%, 7/25/12 | 982,092 |
| | 2,565 | Dominos, Inc., 6.063%, 6/25/10, Term B | 2,595,543 |
| | 4,000 | Michael Foods, Inc., 6.671%, 11/21/10, Term B | 4,055,832 |
| | | | 10,671,630 |
| Funeral Services 0.1% | | | |
| | 102 | Alderwoods Group, Inc., Term B, 6.058%, 9/17/08 | 103,619 |
| | 43 | 6.483%, 9/17/08 | 43,643 |
| | 132 | 6.527%, 9/17/09 | 133,976 |
| | 148 | 6.73%, 9/17/08 | 149,853 |
| | | | 431,091 |
| Healthcare & Hospitals 3.9% | | | |
| | 562 | Beverly Enterprises, Inc., Term B, 6.89%, 10/30/08 | 563,462 |
| | 356 | 6.91%, 10/30/08 | 356,222 |
| | 1,037 | 7.04%, 10/30/08 | 1,038,982 |
| | 3,970 | Community Health Systems, Inc., 6.16%, 8/19/11, Term B | 4,026,503 |
| | 1,355 | DaVita, Inc., Term B, 6.54%, 5/16/12 | 1,376,065 |
| | 365 | 6.62%, 5/16/12 | 371,074 |
| | 228 | 6.64%, 5/16/12 | 231,921 |
| | 3,807 | 6.78%, 5/16/12 | 3,865,353 |
| | 411 | 6.85%, 5/16/12 | 417,458 |
| | 667 | 6.94%, 5/16/12 | 676,823 |
| | 610 | 6.94%, 10/5/12 | 618,456 |
| | 4,500 | HealthSouth Corp., 9.49%, 6/9/10 | 4,556,250 |
| | 1,000 | Psychiatric Solutions, Inc., Term B, 6.041%, 7/7/12 | 1,014,792 |
| | 1,000 | 6.26%, 7/7/12 | 1,014,792 |
| | 1,995 | Renal Advantage, Inc., 6.97%, 10/6/12, Term B | 2,018,691 |
| | | | 22,146,844 |
| Hotels/Gaming 2.7% | | | |
| | 2,286 | Aladdin Gaming, Inc., 7.53%, 8/31/10, Term A | 2,256,063 |
| | 50 | 8.53%, 8/31/10, Term B | 49,409 |
| | 308 | CCM Merger, Inc., 6.45%, 7/21/12, Term B | 310,250 |
| | 770 | MotorCity Casino, Term B, 6.39%, 7/21/12 | 775,626 |
| | 2,908 | 6.519%, 7/21/12 | 2,928,764 |

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PIMCO Floating Rate Income Fund Schedule of Investments

January 31, 2006 (unaudited) (continued)

| | Principal Amount (000) | | Value |
|-----------------------------------|------------------------------|---|------------|
| Hotels/Gaming (continued) | | | |
| \$ | 55 | Penn National Gaming, Inc., Term B, 6.28%, 5/26/12 | \$ 55,791 |
| | 388 | 6.29%, 5/26/12 | 393,762 |
| | 1,164 | 6.39%, 5/26/12 | 1,180,364 |
| | 388 | 6.51%, 5/26/12 | 393,762 |
| | 1,985 | Resorts International, Inc., 7.53%, 3/22/12, Term B | 1,951,835 |
| | 1,000 | Venetian Casino, 6.28%, 2/22/12, Term B | 1,009,922 |
| | 4,000 | Wynn Resorts Ltd., 6.685%, 12/14/11, Term B | 4,046,500 |
| | | | 15,352,048 |
| Household Products 0.7% | | | |
| | 1,000 | Springer S.A. (h), 7.36%, 9/16/11, Term B2 | 1,014,722 |
| | 2,800 | 7.86%, 9/16/12, Term C2 | 2,855,714 |
| | | | 3,870,436 |
| Leasing 0.3% | | | |
| | 333 | United Rentals, Inc., 4.111%, 2/14/11, Term LC | 336,795 |
| | 1,638 | 6.79%, 2/14/11, Term B | 1,658,716 |
| | | | 1,995,511 |
| Machinery 1.2% | | | |
| | 2,270 | Agco Corp., 6.277%, 6/15/09, Term B | 2,295,959 |
| | 167 | Flowserve Corp., 6.188%, 8/15/12 | 168,932 |
| | 1,000 | 6.50%, 8/10/12 | 1,013,594 |
| | 725 | 6.50%, 8/15/12 | 735,342 |
| | 238 | Mueller Industries, Inc., Term B, 6.466%, 9/28/12 | 241,220 |
| | 238 | 6.656%, 9/28/12 | 241,220 |
| | 93 | 6.859%, 9/28/12 | 93,955 |
| | 429 | 6.918%, 9/28/12 | 434,197 |
| | 1,022 | Rexnord Corp., Term B, 6.21%, 12/31/11 | 1,035,350 |
| | 119 | 6.78%, 12/31/11 | 120,791 |
| | 709 | 6.85%, 12/31/11 | 717,842 |
| | | | 7,098,402 |
| Manufacturing 0.4% | | | |
| | 2,003 | Berry Plastics Corp., 6.447%, 6/30/10 | 2,032,199 |
| Measuring Instruments 1.0% | | | |
| | 689 | Dresser, Inc., 6.134%, 10/29/11, Term B | 700,921 |
| | 461 | 6.527%, 10/29/11, Term B | 469,651 |
| | 308 | 6.778%, 10/29/11, Term B | 313,101 |
| | 4,000 | 7.99%, 3/1/10, Term C3 | 4,070,000 |
| | | | 5,553,673 |
| Metals & Mining 0.4% | | | |
| | 1,369 | Novelis, Inc., 6.011%, 1/7/12, Term B | 1,387,063 |
| | 788 | 6.011%, 1/7/12, Term B2 | 798,612 |

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PIMCO Floating Rate Income Fund Schedule of Investments

January 31, 2006 (unaudited) (continued)

| | Principal Amount (000) | | Value |
|----------------------------------|------------------------------|--|--------------|
| Multi-Media 5.0% | | | |
| \$ | 1,000 | Atlantic Broadband, Inc., 7.20%, 8/4/12, Term B | \$ 1,017,813 |
| | 6,366 | Charter Communications Holdings LLC, 7.50%, 4/27/11, Term B | 6,417,672 |
| | 1,998 | Charter Communications Holdings II LLC, 7.25%, 4/27/10, Term A | 2,008,165 |
| | | DirectTV Holdings LLC, Term B, | |
| | 1,500 | 5.983%, 4/13/13 | 1,517,226 |
| | 1,500 | 6.039%, 4/13/13 | 1,517,226 |
| | 2,000 | Ekabel Hessen GMBH, 4.711%, 6/7/12, Term A | 2,424,213 |
| \$ | 2,890 | Insight Midwest Holdings LLC, 6.563%, 12/31/09, Term C (h) | 2,916,733 |
| | 3,000 | Primedia, 6.648%, 9/30/13, Term B | 2,971,125 |
| | | Telecordia Technologies, Inc., Term B, | |
| | 10 | 6.84%, 9/9/12 | 9,894 |
| | 3,970 | 6.906%, 9/9/12 | 3,927,819 |
| | | Young Broadcasting, Inc., Term B, | |
| | 1,001 | 6.563%, 5/2/12 | 1,003,286 |
| | 2,963 | 6.75%, 11/3/12 | 2,969,727 |
| | 20 | 6.813%, 5/2/12 | 20,066 |
| | | | 28,720,965 |
| Office Equipment 0.4% | | | |
| | 2,000 | Xerox Corp., 6.22%, 9/30/08, Term B | 2,019,250 |
| Oil & Gas 1.8% | | | |
| | | El Paso Corp., | |
| | 4,500 | 4.00%, 11/23/09, Term LC | 4,524,376 |
| | 2,430 | 7.313%, 11/23/09, Term B | 2,449,730 |
| | 1,968 | Kinetic Concepts, Inc., 6.28%, 8/11/10, Term B | 1,992,205 |
| | | Vetco International, | |
| | 750 | 6.811%, 1/16/13, Term C4 | 757,875 |
| | 750 | 7.45%, 1/16/12, Term B4 | 755,922 |
| | | | 10,480,108 |
| Paper/Paper Products 1.2% | | | |
| | | Appleton Papers, Inc., | |
| | 1,146 | 6.33%, 6/9/10 | 1,159,219 |
| | 1,167 | 6.86%, 6/11/10 | 1,179,608 |
| | | Boise Cascade Holdings LLC, Term D, | |
| | 2,357 | 6.281%, 10/28/11 | 2,391,322 |
| | 368 | 6.344%, 10/28/11 | 373,046 |
| | | Buckeye Technologies, Inc., Term B, | |
| | 136 | 5.91%, 11/4/10 | 137,435 |
| | 144 | 5.97%, 4/15/10 | 145,281 |
| | 411 | 6.01%, 11/4/10 | 415,087 |
| | 167 | 6.02%, 11/4/10 | 168,629 |
| | 411 | 6.29%, 11/4/10 | 415,087 |
| | 350 | 6.53%, 11/4/10 | 352,824 |
| | 195 | 6.69%, 11/4/10 | 197,166 |
| | 206 | 6.70%, 11/4/10 | 207,544 |
| | | | 7,142,248 |
| Printing/Publishing 2.2% | | | |
| | | Dex Media East LLC, Term B, | |
| | 568 | 6.05%, 5/8/09 | 573,024 |

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| | | |
|-------|----------------|-----------|
| 1,029 | 6.19%, 5/8/09 | 1,039,128 |
| 128 | 6.23%, 11/8/08 | 128,830 |
| 269 | 6.28%, 5/8/09 | 272,023 |
| 243 | 6.36%, 5/8/09 | 245,318 |

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PIMCO Floating Rate Income Fund Schedule of Investments

January 31, 2006 (unaudited) (continued)

| | Principal Amount (000) | | Value |
|--|------------------------------|---|------------|
| Printing/Publishing (continued) | | | |
| \$ | 182 | Dex Media West LLC, Term B, 6.08%, 9/9/10 | \$ 183,416 |
| | 267 | 6.16%, 9/9/10 | 269,445 |
| | 500 | 6.23%, 9/9/10 | 505,209 |
| | 342 | 6.24%, 9/9/10 | 345,215 |
| | 471 | 6.26%, 9/9/10 | 475,654 |
| | 114 | 6.28%, 9/9/10 | 114,928 |
| | 589 | 6.29%, 9/9/10 | 594,992 |
| | 213 | 6.36%, 9/9/10 | 215,468 |
| | 133 | 6.38%, 9/9/10 | 134,194 |
| | | RH Donnelly Corp., | |
| | 694 | 5.78%, 12/31/09, Term A3 | 698,947 |
| | 245 | 5.92%, 12/31/09, Term A3 | 245,755 |
| | 116 | 6.12%, 12/31/09, Term A3 | 116,842 |
| | 546 | 6.20%, 6/30/11, Term D | 550,659 |
| | 1,228 | 6.25%, 6/30/11, Term D | 1,238,984 |
| | 546 | 6.26%, 6/30/11, Term D | 550,659 |
| | 136 | 6.27%, 6/30/11, Term D | 137,665 |
| | 1,028 | 6.28%, 6/30/11, Term D | 1,036,689 |
| | 409 | 6.31%, 6/30/11, Term D | 412,995 |
| | 2,000 | Seat Pagine Gialle SpA, 2.495%, 5/25/13 | 2,454,141 |
| | | | 12,540,180 |
| Real Estate 0.8% | | | |
| \$ | 825 | General Growth Properties, Inc., 6.22%, 11/12/07, Term A | 826,534 |
| | 3,966 | 6.57%, 11/12/08, Term B | 3,977,551 |
| | | | 4,804,085 |
| Recreation 1.5% | | | |
| | 2,000 | Amadeus Global Travel, 5.244%, 4/8/13, Term B | 2,452,703 |
| | 2,000 | 5.744%, 4/8/14, Term C | 2,462,903 |
| \$ | 1,784 | Six Flags Theme Parks, Inc., 7.05%, 6/30/09, Term B | 1,806,716 |
| | | Worldspan L.P., Term B, | |
| | 80 | 6.50%, 2/11/10 | 78,975 |
| | 71 | 7.00%, 2/11/10 | 70,200 |
| | 1,013 | 7.125%, 2/11/10 | 1,000,351 |
| | 156 | 7.188%, 2/11/10 | 153,563 |
| | 89 | 7.25%, 2/11/10 | 87,750 |
| | 213 | 7.313%, 2/11/10 | 210,600 |
| | | | 8,323,761 |
| Retail 0.3% | | | |
| | 1,937 | Jean Coutu Group, Inc., 6.938%, 7/30/11, UNIT | 1,962,307 |
| Semi Conductors 0.5% | | | |
| | 2,970 | On Semiconductor Corp., 7.30%, 12/3/11, Term G | 3,002,949 |
| Telecommunications 5.2% | | | |
| | 237 | Centennial Cellular Communications Corp., Term B, 6.45%, 1/20/11 | 240,151 |

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| | | |
|-------|-----------------|-----------|
| 1,500 | 6.45%, 2/9/11 | 1,522,083 |
| 1,667 | 6.777%, 1/20/11 | 1,691,203 |
| 263 | 6.83%, 1/20/11 | 267,210 |

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PIMCO Floating Rate Income Fund Schedule of Investments

January 31, 2006 (unaudited) (continued)

| | Principal Amount (000) | | Value |
|---------------------------------------|------------------------------|--|------------|
| Telecommunications (continued) | | | |
| \$ | 941 | Consolidated Communications, Inc., Term B, 6.28%, 9/18/11 | \$ 952,792 |
| | 2,353 | 6.28%, 10/14/11 | 2,381,981 |
| | 1,150 | 6.618%, 9/18/11 | 1,164,524 |
| | 1,272 | Debitel AG, 5.242%, 6/30/12, Term B | 1,557,426 |
| | 1,272 | 5.742%, 6/30/14, Term C | 1,562,789 |
| \$ | 2,000 | Hawaiian Telcom Communications, Inc., 6.78%, 10/31/12, Term B | 2,019,376 |
| | 1,500 | Intersat Bridge, 4/24/06 (f) (h) | 1,506,846 |
| | 1,600 | Mediacom Broadband LLC, Term C | |
| | 1,000 | 6.36%, 2/28/14 | 1,624,125 |
| | 330 | 6.39%, 2/28/14 | 1,014,609 |
| | 1,040 | 6.527%, 2/28/14 | 334,976 |
| | 1,495 | 6.64%, 2/28/14 | 1,055,193 |
| | 1,316 | New Skies Satellites, NV, 6.438%, 5/4/11, Term B | 1,505,391 |
| | 688 | PanAmSat Corp., 6.31%, 8/20/09, Term A1 | 1,329,534 |
| | 4,000 | 6.31%, 8/20/09, Term A2 | 695,174 |
| | 1,771 | UPC Distribution Holding B.V., 7.28%, 9/30/12, Term H2 | 4,048,928 |
| | 24 | Valor Telecommunications Enterprises LLC, Term B, 5.811%, 2/14/12 | 1,778,935 |
| | 1,322 | 6.00%, 2/14/12 | 23,714 |
| | 307 | 6.277%, 2/14/12 | 1,327,997 |
| | | 6.318%, 2/14/12 | 308,285 |
| | | | 29,913,242 |
| Utilities 3.3% | | | |
| | 786 | AES Corp., Term B, 5.07%, 4/30/08 | 794,750 |
| | 786 | 5.69%, 8/10/11 | 794,750 |
| | 826 | Allegheny Energy Supply, Co. LLC, 5.76%, 3/8/11, Term C | 834,509 |
| | 3,490 | 6.35%, 3/8/11, Term C | 3,525,201 |
| | 257 | 6.352%, 3/8/11 | 258,161 |
| | 463 | 6.41%, 3/8/11 | 464,690 |
| | 766 | Midwest Generation LLC, 5.12%, 4/27/11, Term B1 | 775,494 |
| | 960 | 5.41%, 4/27/11, Term B | 972,450 |
| | 161 | 5.55%, 4/27/11 | 163,322 |
| | 2,000 | 6.05%, 4/27/11, Term B | 2,025,938 |
| | 8,222 | Reliant Energy, Inc., 6.089%, 4/30/10 | 8,215,831 |
| | | | 18,825,096 |
| Waste Disposal 1.6% | | | |
| | 2,542 | Allied Waste North America, Inc., 4.87%, 1/15/12 | 2,565,564 |
| | 3,158 | 6.09%, 1/15/12 | 3,186,234 |
| | 1,078 | 6.39%, 1/15/12 | 1,087,818 |
| | 1,027 | 6.62%, 1/15/12 | 1,036,174 |
| | 1,284 | 6.73%, 1/15/12 | 1,295,217 |
| | | | 9,171,007 |

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PIMCO Floating Rate Income Fund Schedule of Investments

January 31, 2006 (unaudited) (continued)

| | Principal Amount (000) | | Value |
|---|------------------------------|--|--------------|
| Wholesale 0.7% | | | |
| \$ | 2,000 | Roundy s, Inc., Term B, 7.42%, 10/27/11 | \$ 1,995,000 |
| | 2,000 | 7.49%, 11/1/11 | 1,995,000 |
| | | | 3,990,000 |
| Wire & Cable Products 1.7% | | | |
| | 1,000 | Pirelli Cable S.A., 5.066%, 6/23/13, Term B | 1,218,930 |
| | 1,000 | 5.253%, 6/23/14, Term C | 1,250,728 |
| | 1,500 | 9.442%, 6/23/12 (e) | 1,876,093 |
| | 4,500 | UPC Broadband Holding B.V., 5.139%, 4/1/10, Term G | 5,451,540 |
| | | | 9,797,291 |
| Total Senior Loans (cost \$396,272,345) | | | 399,627,102 |

CORPORATE BONDS & NOTES 20.1%

| | | | Credit Rating (Moody s/S&P) | |
|--|-------|---|--------------------------------|------------|
| Airlines 0.5% | | | | |
| \$ | 1,019 | Delta Air Lines, Inc., 7.379%, 5/18/10, Ser. 00-1 (g) | Ba2/BB | 1,009,766 |
| | 1,597 | JetBlue Airways Corp., FRN, 7.44%, 11/15/08, Ser. 04-2 | Ba1/BB | 1,587,503 |
| | 552 | 8.741%, 3/15/08, Ser. 04-1 | Ba1/BB | 559,006 |
| | | | | 3,156,275 |
| Automotive 0.5% | | | | |
| | 1,000 | ArvinMeritor, Inc., 6.625%, 6/15/07 | Ba2/BB | 987,500 |
| | 2,000 | Dura Operating Corp., 8.625%, 4/15/12, Ser. B | Caa1/B- | 1,650,000 |
| | | | | 2,637,500 |
| Computer Services 0.4% | | | | |
| | 2,000 | SunGard Data Systems, Inc., 8.525%, 8/15/13, FRN (d) | B3/B- | 2,085,000 |
| Energy 0.5% | | | | |
| | 2,500 | Dynegy Holdings, Inc., 11.10%, 7/15/08, FRN (d) | B1/B- | 2,634,375 |
| Financial Services 4.0% | | | | |
| | 4,000 | Borden US Finance Corp., 9.35%, 7/15/10, FRN (d) | B3/B- | 4,070,000 |
| | 1,500 | Chukchansi Economic Dev. Auth., 8.06%, 11/15/12, FRN (d) | B2/BB- | 1,541,250 |
| | 6,000 | Ford Motor Credit Co., 7.26%, 11/2/07, FRN | Ba2/BB- | 5,882,706 |
| | 4,000 | General Motors Acceptance Corp., FRN, 5.55%, 7/16/07 | Ba1/BB | 3,857,032 |
| | 3,000 | 6.61%, 12/1/14 | Ba1/BB | 2,848,014 |
| | 2,000 | Universal City Florida Holding Co., 8.375%, 5/1/10 | B3/B- | 2,015,000 |
| | 2,500 | 9.00%, 5/1/10, FRN | B3/B- | 2,525,000 |
| | | | | 22,739,002 |
| Food Services 0.3% | | | | |
| | 1,500 | Bolthouse Farms, Inc., 6.938%, 11/17/12 | NR/NR | 1,522,812 |
| Healthcare & Hospitals 0.3% | | | | |
| | 2,000 | HCA, Inc., 5.50%, 12/1/09 | Ba2/BB+ | 1,981,824 |

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| | | | | | |
|----------------------|-------------|-------|---|--------|-----------|
| Hotels/Gaming | 0.4% | | | | |
| | | 2,000 | Mandalay Resort Group, 7.625%, 7/15/13 | Ba3/B+ | 2,110,000 |
| Insurance | 0.3% | | | | |
| | | 1,500 | Parametric Re Ltd., 8.88%, 5/19/08, FRN (d) | Ba2/NR | 1,526,130 |

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PIMCO Floating Rate Income Fund Schedule of Investments

January 31, 2006 (unaudited) (continued)

| | Principal Amount (000) | | Credit Rating (Moody s/S&P) | Value |
|--|------------------------------|--|--------------------------------|--------------|
| Multi-Media 4.0% | | | | |
| \$ | 2,000 | Cablevision Systems Corp., Ser. B, 8.00%, 4/15/12 | B3/B | \$ 1,915,000 |
| | 5,000 | 8.716%, 4/1/09, FRN | B3/B | 5,131,250 |
| | 4,000 | CCO Holdings LLC, 8.616%, 12/15/10, FRN | B3/CCC- | 3,930,000 |
| | 1,000 | 8.75%, 11/15/13 | B3/CCC- | 965,000 |
| | 4,000 | Charter Communications Holdings II LLC, 10.25%, 9/15/10 | Caa1/CCC- | 3,955,000 |
| | 5,665 | Echostar DBS Corp., 7.78%, 10/1/08, FRN | Ba3/BB- | 5,820,787 |
| | 514 | Emmis Communications Corp., 10.366%, 6/15/12, FRN | B3/B- | 517,500 |
| | 1,000 | Paxson Communications Corp., 10.777%, 1/15/13, FRN (d) | B3/CCC- | 965,000 |
| | | | | 23,199,537 |
| Paper/Paper Products 1.2% | | | | |
| | 2,000 | Abitibi-Consolidated, Inc., 5.25%, 6/20/08 | B1/B+ | 1,905,000 |
| | 1,000 | 7.991%, 6/15/11, FRN | B1/B+ | 965,000 |
| | 3,000 | Boise Cascade LLC, 7.475%, 10/15/12, FRN | B1/B+ | 2,932,500 |
| | 1,000 | Bowater Canada Finance, 7.491%, 3/15/10, FRN | B1/B+ | 990,000 |
| | | | | 6,792,500 |
| Semi-Conductors 0.3% | | | | |
| | 2,000 | Freescale Semiconductor, Inc., 7.35%, 7/15/09, FRN | Ba1/BB+ | 2,055,000 |
| Telecommunications 6.9% | | | | |
| | 4,000 | Cincinnati Bell, Inc., 8.375%, 1/15/14 | B3/B- | 3,950,000 |
| | 3,000 | Dobson Cellular Systems, Inc., 9.43%, 11/1/11, FRN | B1/B- | 3,135,000 |
| | 2,250 | Hawaiian Telcom Communications, Inc., 9.948%, 5/1/13, FRN (d) | B3/CCC+ | 2,244,375 |
| | 2,500 | Intelsat Bermuda Ltd., 9.609%, 1/15/12, FRN (d) | B2/B+ | 2,556,250 |
| | 2,500 | New Skies Satellites NV, 9.573%, 11/1/11, FRN | B3/B- | 2,618,750 |
| | 2,000 | Qwest Capital Funding, Inc., 7.90%, 8/15/10 | B3/B | 2,075,000 |
| | 12,000 | Qwest Communications International, Inc., 7.84%, 2/15/09, FRN | B2/B | 12,240,000 |
| | 3,500 | Rogers Wireless, Inc., 7.616%, 12/15/10, FRN | Ba3/BB | 3,626,875 |
| | 2,000 | Rural Cellular Corp., 8.25%, 3/15/12 | B2/B- | 2,117,500 |
| | 2,000 | 8.991%, 3/15/10, FRN | B2/B- | 2,065,000 |
| | 3,000 | Time Warner Telecom Holdings, Inc., 8.34%, 2/15/11, FRN | B2/CCC+ | 3,067,500 |
| | | | | 39,696,250 |
| Utilities 0.3% | | | | |
| | 1,759 | NRG Energy, Inc., 8.00%, 12/15/13 | Ba3/B | 1,970,080 |
| Wire & Cable Products 0.2% | | | | |
| | 1,000 | Superior Essex Communications LLC, 9.00%, 4/15/12 | B3/B | 1,005,000 |
| Total Corporate Bonds & Notes (cost-\$114,091,026) | | | | 115,111,285 |
| SOVEREIGN DEBT OBLIGATIONS 3.0% | | | | |
| Brazil 3.0% | | | | |
| | 2,594 | Federal Republic of Brazil, 5.25%, 4/15/09 | Ba3/BB- | 2,602,642 |
| | 7,953 | 5.25%, 4/15/12 | Ba3/BB- | 7,937,977 |

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| | | | |
|--|-----------------|---------|------------|
| 5,000 | 11.00%, 8/17/40 | Ba3/BB- | 6,463,750 |
| Total Sovereign Debt Obligations (cost-\$15,480,837) | | | 17,004,369 |

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PIMCO Floating Rate Income Fund Schedule of Investments

January 31, 2006 (unaudited) (continued)

| | Principal Amount (000) | | Credit Rating (Moody s/S&P) | Value |
|--|------------------------------|--|--------------------------------|------------|
| ASSET-BACKED SECURITIES 0.5% | | | | |
| \$ | 29 | CDC Mortgage Capital Trust, 4.88%, 10/25/33, FRN | Aaa/AAA | \$ 28,940 |
| | 636 | Credit-Suisse First Boston Mortgage Securities Corp., FRN, 4.88%, 7/25/32 | Aaa/AAA | 637,487 |
| | 733 | 4.90%, 8/25/32 | Aaa/AAA | 734,994 |
| | 1,347 | GSAMP Trust, 4.82%, 3/25/34, FRN | Aaa/AAA | 1,347,975 |
| | 437 | Jade CBO Ltd., 7.67%, 10/24/11 (d) (h) | B2/NR | 335,797 |
| Total Asset-Backed Securities (cost-\$3,069,016) | | | | 3,085,193 |
| MORTGAGE-BACKED SECURITIES 0.5% | | | | |
| | 2,817 | Mellon Residential Funding Corp., 4.82%, 11/15/31, CMO, FRN (cost-\$2,816,665) | Aaa/AAA | 2,821,313 |
| PREFERRED STOCK (b) (d) (h) 0.5% | | | | |
| | <u>Shares</u> | | | |
| Financial Services 0.5% | 30 | Richmond Cnty. Capital Corp., 7.85% (cost-\$3,068,307) | NR/NR | 3,021,563 |
| SHORT-TERM INVESTMENTS 5.5% | | | | |
| Commercial Paper 2.6% | | | | |
| Financial Services 2.6% | 14,700 | UBS Finance LLC, 4.47%, 2/1/06 (cost-\$14,700,000) | NR/NR | 14,700,000 |
| Corporate Notes 0.6% | | | | |
| Financial Services 0.2% | 1,000 | General Motors Acceptance Corp., 5.243%, 5/18/06, FRN | Ba1/BB | 996,167 |
| Paper/Paper Products 0.3% | 2,000 | GP Canada Finance Co., 7.20%, 12/15/06 (d) | B2/B | 2,030,000 |
| Telecommunications 0.1% | 500 | Qwest Capital Funding, Inc., 7.75%, 8/15/06 | B3/B | 506,250 |
| Total Corporate Notes (cost-\$3,525,243) | | | | 3,532,417 |
| U.S. Treasury Bills (j) 0.6% | 3,315 | 3.82%-4.10%, 3/2/06-3/16/06 (cost-\$3,300,634) | | 3,300,634 |
| Repurchase Agreement 1.7% | 9,684 | State Street Bank & Trust Co., dated 1/31/06, 3.90%, due 2/1/06, proceeds \$9,685,049; collateralized by Fannie Mae, 2.625%, 1/19/07, valued at \$9,881,441 including accrued interest (cost-\$9,684,000) | | 9,684,000 |
| Total Short-Term Investments (cost-\$31,209,877) | | | | 31,217,051 |

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PIMCO Floating Rate Income Fund Schedule of Investments

January 31, 2006 (unaudited) (continued)

| Contracts | Value |
|---|--|
| OPTIONS PURCHASED (k) 0.0% | |
| Call Options 0.0% | |
| 350 | U.S. Treasury Notes 10 yr. Futures, Chicago Board of Trade, strike price \$115, expires 2/24/06 |
| 717 | strike price \$116, expires 2/24/06 |
| | \$ 5,469 |
| | 11,203 |
| | 16,672 |
| Put Options 0.0% | |
| 613 | Eurodollar Futures, Chicago Mercantile Exchange, strike price \$93, expires 12/18/06 |
| 324 | strike price \$94.50, expires 6/19/06 |
| | 3,831 |
| | 2,025 |
| 657 | U.S. Treasury Notes 10 yr. Futures, Chicago Board of Trade, strike price \$100, expires 2/24/06 |
| | 10,266 |
| | 16,122 |
| Total Options Purchased (cost-\$47,298) | 32,794 |
| Total Investments before options written (cost-\$566,055,371) 100.0% | 571,920,670 |
| OPTIONS WRITTEN (k) (0.0)% | |
| Call Options (0.0)% | |
| 734 | U.S. Treasury Notes 10 yr. Futures, Chicago Board of Trade, strike price \$110, expires 2/24/06 |
| 467 | strike price \$112, expires 5/26/06 |
| | (45,875) |
| | (65,672) |
| | (111,547) |
| Put Options (0.0)% | |
| 150 | U.S. Treasury Notes 10 yr. Futures, Chicago Board of Trade, strike price \$104, expires 5/26/06 |
| 237 | strike price \$107, expires 2/24/06 |
| | (21,094) |
| | (25,922) |
| | (47,016) |
| Total Options Written (premiums received-\$637,327) | (158,563) |
| Total Investments net of options written (cost-\$565,418,044) 100.0% | \$ 571,762,107 |

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2006 (unaudited)

| Principal Amount (000) | | Value |
|---------------------------------------|---|--------------|
| SENIOR LOANS (a) (b) (c) 72.8% | | |
| Aerospace 0.9% | | |
| \$ 4,460 | K & F Industries, Inc., Term B, 6.81%, 11/18/12 | \$ 4,515,757 |
| 2,223 | 6.87%, 11/18/12 | 2,250,377 |
| 945 | Standard Aero Holdings, Inc., 6.63%, 8/24/12, Term B | 939,132 |
| 1,574 | 6.79%, 8/30/12, Term B | 1,565,220 |
| 3,148 | 6.96%, 8/24/12 | 3,130,439 |
| | | 12,400,925 |
| Apparel & Textiles 0.2% | | |
| 280 | Simmons Co., Term C, 7.063%, 12/19/11 | 283,719 |
| 2,458 | 7.375%, 12/19/11 | 2,492,969 |
| 60 | 8.75%, 12/19/11 | 60,943 |
| | | 2,837,631 |
| Automotive 1.0% | | |
| 2,000 | Dura Operating Corp., 7.942%, 4/28/11 | 2,005,000 |
| 556 | Hertz Corp., 4.50%, 12/21/12 | 564,078 |
| 3,793 | 6.65%, 12/21/12, Term B | 3,851,527 |
| 95 | Visteon Corp., 7.90%, 6/25/07 | 96,024 |
| 1,389 | 8.558%, 6/25/07 | 1,402,817 |
| 1,395 | 8.85%, 6/25/07 | 1,408,675 |
| 213 | 9.00%, 6/25/07 | 214,909 |
| 4,001 | 9.25%, 6/25/07 | 4,040,577 |
| | | 13,583,607 |
| Automotive Products 5.0% | | |
| 8,722 | Affinia Group, 6.90%, 11/30/11, Term B | 8,674,135 |
| 3,972 | Cooper Standard Automotive, Inc., 6.563%, 12/31/11, Term B | 3,988,937 |
| 6,390 | 6.563%, 12/31/11, Term C | 6,416,986 |
| 1,500 | Delphi Corp., 7.375%, 10/8/07, Term A | 1,523,125 |
| 6,743 | 12.75%, 6/14/11 | 7,129,724 |
| 6,000 | Federal-Mogul Corp., 6.563%, 11/23/06, Term B | 6,030,000 |
| 10,500 | Goodyear Tire & Rubber Co., 7.06%, 4/30/10, Term A | 10,619,217 |
| 2,000 | 7.81%, 4/1/11 | 2,019,286 |
| 896 | Plastech Engineered Products, Inc., 9.28%, 2/12/10, Term B | 836,793 |
| 6,175 | Polypore, Inc., 7.53%, 11/12/11, Term B | 6,146,456 |
| 1,217 | Tenneco Automotive, Inc., 6.63%, 12/12/10, Term B | 1,239,794 |
| 2,000 | 6.63%, 12/12/10, Term B (e) | 2,030,000 |
| 534 | 6.635%, 12/12/10, Term B1 | 543,302 |
| 5,940 | TRW Automotive, Inc., 6.00%, 10/29/10, Term E | 5,965,245 |
| 2,746 | VWR International, Inc., 7.12%, 4/7/11, Term B | 2,789,766 |
| | | 65,952,766 |

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2006 (unaudited) (continued)

| Principal Amount (000) | | Value | |
|-----------------------------------|--------|---|--------------|
| Banking 0.6% | | | |
| \$ | 2,800 | Aster Co., Ltd., 4.722%, 9/19/13, Term B | \$ 3,398,339 |
| | 2,137 | 6.765%, 9/19/13, Term B1 | 2,136,319 |
| | 2,214 | 7.265%, 9/19/14, Term C1 | 2,212,981 |
| | | | 7,747,639 |
| Building/Construction 1.5% | | | |
| | 138 | Masonite International Corp., Term B, 6.527%, 4/6/13 | 134,566 |
| | 9,787 | 6.63%, 4/6/13 | 9,559,886 |
| | 9,334 | Nortek, Inc., 6.94%, 8/27/11 | 9,418,342 |
| | 48 | 8.50%, 8/27/11 | 47,957 |
| | | | 19,160,751 |
| Chemicals 6.0% | | | |
| | 4,500 | Basell NV, 4.74%, 9/15/13, Term B | 5,522,363 |
| | 5,095 | 9/15/14, Term C (f) | 6,279,033 |
| \$ | 10,309 | Celanese AG, 6.527%, 4/6/11, Term B | 10,431,479 |
| | 222 | Chart Industries, Term B, 6.188%, 10/14/12 | 225,000 |
| | 56 | 6.375%, 10/14/10 | 56,250 |
| | 5,556 | 6.625%, 10/14/12 | 5,625,000 |
| | 1,000 | Cognis BV, Term B1, 7.42%, 5/12/12 | 987,026 |
| | 3,000 | 7.42%, 5/12/12 (e) | 3,048,750 |
| | 1,018 | Cognis Deutschland GMBH, Term A, 4.356%, 5/12/11 | 1,239,762 |
| | 2,288 | 4.834%, 5/12/11 | 2,787,792 |
| \$ | 63 | Hercules, Inc., Term B, 6.277%, 10/8/10 | 63,758 |
| | 1,311 | 6.31%, 10/8/10 | 1,328,298 |
| | 4,943 | Huntsman International LLC, 6.233%, 8/10/12 | 4,975,718 |
| | 3,000 | INEOS Holdings Ltd., 10/7/13, Term B1 (e) (f) | 3,214,300 |
| | 1,000 | 10/7/14, Term C (e) (f) | 1,214,300 |
| | 2,000 | 10/7/14, Term C1 (e) (f) | 2,000,000 |
| | 2,500 | 9.481%, 10/7/06 | 3,043,338 |
| \$ | 1,818 | Innophos, Inc., Term B, 6.78%, 8/15/11 | 1,843,940 |
| | 1,962 | 6.82%, 8/15/11 | 1,989,611 |
| | 450 | KRATON Polymers Group LLC, 6.625%, 12/2/09 | 456,520 |
| | 81 | 7.00%, 12/2/09 | 82,189 |
| | 1,132 | 7.063%, 12/2/09 | 1,148,833 |
| | 2,591 | 7.063%, 12/23/10 | 2,630,035 |
| | 7,905 | Lyondell-CITGO Refining L.P., 6.527%, 5/21/07, Term B | 7,983,759 |
| | 2,605 | Nalco Co., Term B, 6.49%, 11/1/10 | 2,641,438 |
| | 3,590 | 6.50%, 11/4/10 | 3,639,778 |
| | 2,442 | 6.73%, 11/1/10 | 2,476,348 |
| | 163 | 8.25%, 11/1/10 | 165,090 |

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2006 (unaudited) (continued)

| | Principal Amount (000) | | Value |
|---------------------------------|------------------------------|--|--------------|
| Chemicals (continued) | | | |
| \$ | 2,485 | Niagara Holdings, Inc., 6.563%, 2/11/12, Term B | \$ 2,517,163 |
| | 493 | PQ Corp., 6.313%, 2/11/12, Term B | 499,417 |
| | | | 80,116,288 |
| Commercial Products 1.2% | | | |
| | 2,000 | Alliance Laundry Holdings LLC, 6.73%, 1/27/12, Term B | 2,028,942 |
| | 3,500 | Rexel S.A., 6.904%, 1/20/13, Term B1 | 3,526,922 |
| | 3,500 | 7.741%, 4/18/14, Term C1 Sigmakalon, 4.742%, 6/30/12, Term A (e) | 3,551,068 |
| | 1,000 | 5.242%, 9/19/12, Term B | 1,190,773 |
| | 2,456 | 5.242%, 9/19/12, Term B1 | 2,981,686 |
| | 44 | 5.742%, 9/19/13 | 53,854 |
| | 671 | 5.742%, 9/19/13, Term C | 819,100 |
| | 1,829 | | 2,231,196 |
| | | | 16,383,541 |
| Computer Services 0.9% | | | |
| \$ | 11,940 | SunGard Data Systems, Inc., 6.81%, 2/11/13 | 12,076,809 |
| Computer Software 0.7% | | | |
| | 386 | Spectrum Brands Corp., Term B, 5.92%, 2/7/12 | 390,262 |
| | 325 | 6.31%, 2/7/12 | 328,068 |
| | 1,298 | 6.33%, 2/6/12 | 1,312,272 |
| | 328 | 6.53%, 2/6/12 | 331,713 |
| | 6,541 | UGS Corp., 6.55%, 3/31/12, Term B | 6,630,673 |
| | | | 8,992,988 |
| Consumer Products 2.0% | | | |
| | 2,281 | Eastman Kodak Co., Term B, 6.61%, 10/14/12 | 2,296,915 |
| | 877 | 6.70%, 10/14/12 | 883,429 |
| | 351 | 6.75%, 10/14/12 | 353,372 |
| | 439 | 6.79%, 10/14/12 | 441,714 |
| | 877 | 6.80%, 10/18/12 | 883,429 |
| | 439 | 6.851%, 10/14/12 | 441,714 |
| | 9,955 | Jarden Corp., 6.527%, 1/24/12, Term B1 | 10,041,318 |
| | 909 | Rayovac Corp., Term B, 6.31%, 2/7/12 | 918,590 |
| | 470 | 6.34%, 2/7/12 | 475,091 |
| | 3,571 | 6.81%, 2/6/12 | 3,608,747 |
| | 566 | 6.85%, 2/6/12 | 572,229 |
| | 1,512 | Revlon, Inc., 9.92%, 7/31/10 | 1,560,001 |
| | 756 | 9.98%, 7/9/10 | 780,001 |
| | 1,512 | 10.33%, 7/31/10 | 1,560,002 |
| | 1,512 | 10.56%, 7/31/10 | 1,560,002 |
| | | | 26,376,554 |

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2006 (unaudited) (continued)

| Principal Amount (000) | | Value |
|--|--|--------------|
| Containers 3.7% | | |
| \$ 3,105 | Graham Packaging Co., Term B, 6.50%, 9/15/11 | \$ 3,146,471 |
| 3,939 | 6.625%, 9/15/11 | 3,992,523 |
| 100 | 6.813%, 9/15/11 | 101,386 |
| 2,760 | 7.00%, 10/7/11 | 2,796,864 |
| 7,359 | Horizon Lines LLC, 6.78%, 7/7/11 | 7,457,097 |
| 3,010 | Intertape Polymer Group, Inc., Term B, 6.73%, 7/28/11 | 3,055,238 |
| 436 | 6.80%, 7/28/11 | 442,788 |
| 2,250 | Kappa Jefferson, (h) 7.24%, 11/29/13, Term B | 2,248,256 |
| 2,250 | 7.74%, 11/29/14, Term C | 2,248,256 |
| 3 | Solo Cup Co., Term B, 5.42%, 2/27/11 | 2,551 |
| 23 | 6.98%, 2/27/11 | 23,482 |
| 9,112 | 7.027%, 2/27/11 | 9,204,998 |
| 1,528 | Stone Container Corp., 3.616%, 11/1/10 | 1,544,834 |
| 850 | 5.00%, 11/1/11 | 850,000 |
| 4,420 | 6.438%, 11/1/11, Term B | 4,468,859 |
| 2,792 | 6.50%, 11/1/10, Term B | 2,822,437 |
| 2,505 | 6.50%, 11/1/11, Term C | 2,532,967 |
| 935 | 6.688%, 11/1/10, Term B | 945,280 |
| 1,215 | 6.688%, 11/1/10, Term C | 1,228,489 |
| | | 49,112,776 |
| Diversified Manufacturing 0.9% | | |
| 4,462 | Demag Holdings, 6.45%, 12/23/11, Term A2 | 4,444,935 |
| 5,000 | Invensys PLC, 9.431%, 12/30/09 | 5,112,500 |
| 1,016 | Linpac Mouldings Ltd., 6.77%, 4/16/12, Term B1 | 1,012,529 |
| 1,277 | 7.777%, 4/16/12, Term C1 | 1,278,103 |
| | | 11,848,067 |
| Drugs & Medical Products 0.6% | | |
| 2,181 | Warner Chilcott PLC, 7.011%, 1/18/12, Term B | 2,193,568 |
| 789 | 7.277%, 1/18/12 | 793,438 |
| 2,057 | 7.277%, 1/18/12, Term B | 2,068,742 |
| 1,708 | 7.277%, 1/18/12, Term C | 1,717,503 |
| 704 | 7.28%, 1/4/12 | 712,093 |
| 704 | 7.53%, 1/4/12 (h) | 705,611 |
| | | 8,190,955 |
| Electronics 0.8% | | |
| 5,000 | Avago, 12/1/12, Term DD (f) | 5,038,540 |
| 1,000 | 6.821%, 12/1/12 | 1,003,594 |
| 5,000 | DRS Technologies Bridge, 11/22/06 (f) (h) | 5,022,013 |
| | | 11,064,147 |

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2006 (unaudited) (continued)

| Principal Amount (000) | | Value |
|---------------------------------|---|--------------|
| Energy 3.5% | | |
| \$ 1,106 | Covanta Energy Corp., 4.527%, 6/24/12 | \$ 1,123,659 |
| 81 | 7.38%, 6/30/12, Term B | 82,621 |
| 664 | 7.521%, 6/30/12, Term B | 675,228 |
| 1,500 | 10.019%, 5/12/13, Term DHC | 1,529,062 |
| 1,500 | 10.04%, 5/12/13, Term DHC | 1,529,062 |
| 2,651 | Foundation Coal Holdings, Inc., Term B, 6.28%, 7/30/11 | 2,699,241 |
| 1,903 | 6.44%, 7/30/11 | 1,937,917 |
| 11,096 | Headwaters, Inc., 6.86%, 4/30/11, Term B | 11,197,478 |
| 4,156 | NRG Energy, Inc., 4.427%, 12/24/11 | 4,171,404 |
| 557 | 5.00%, 9/30/12 | 562,211 |
| 2,443 | 5.00%, 9/30/12, Term B | 2,470,241 |
| 12,968 | Reliant Energy, Inc., 6.575%, 4/30/10, Term B2 | 12,943,186 |
| 581 | Targa Resources, Inc., 4.402%, 10/5/11 | 587,177 |
| 750 | 6.59%, 10/5/12, Term B | 758,438 |
| 1,645 | 6.656%, 10/5/12, Term B | 1,663,669 |
| 18 | 6.777%, 10/5/12, Term B | 18,349 |
| 3,000 | 6.83%, 10/5/07 | 3,033,750 |
| | | 46,982,693 |
| Entertainment 1.8% | | |
| 2,500 | AMC Entertainment, Inc., 5.00%, 1/5/13 | 2,525,260 |
| 13,000 | MGM Studios, 6.78%, 4/8/12, Term B | 13,149,201 |
| 347 | Warner Music Group, Inc., Term B, 6.371%, 2/27/11 | 350,820 |
| 1,666 | 6.394%, 2/27/11 | 1,683,937 |
| 1,666 | 6.406%, 2/27/11 | 1,683,938 |
| 2,213 | 6.44%, 2/28/11 | 2,236,762 |
| 351 | 6.59%, 2/27/11 | 354,364 |
| 1,649 | 6.614%, 2/27/11 | 1,667,098 |
| 23 | 8.00%, 2/28/11 | 23,689 |
| | | 23,675,069 |
| Financial Services 1.0% | | |
| 5,346 | Global Cash Access LLC, 6.818%, 3/10/10, Term B | 5,417,422 |
| 3,500 | Satbirds Finance SARL, 4.586%, 4/4/12, Term A | 4,227,205 |
| 3,500 | 5.086%, 4/4/13, Term B | 4,266,670 |
| | | 13,911,297 |
| Food & Beverage 1.8% | | |
| \$ 2,899 | Arby's Restaurant Group, Inc., Term B, 6.493%, 7/25/12 | 2,921,114 |
| 5,748 | 6.656%, 7/25/12 | 5,791,768 |
| 2,795 | 6.777%, 7/25/12 | 2,816,455 |
| 7,518 | Dominos, Inc., 6.063%, 6/25/10, Term B | 7,607,467 |
| 3,866 | Michael Foods, Inc., 6.671%, 11/21/10, Term B | 3,919,728 |
| | | 23,056,532 |

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2006 (unaudited) (continued)

| Principal Amount (000) | | Value |
|--|--|--------------|
| Funeral Services 0.4% | | |
| \$ 1,290 | Alderwoods Group, Inc., Term B, 6.058%, 9/17/08 | \$ 1,306,332 |
| 543 | 6.483%, 9/17/08 | 550,201 |
| 1,668 | 6.527%, 9/17/09 | 1,689,046 |
| 1,866 | 6.73%, 9/17/08 | 1,889,209 |
| | | 5,434,788 |
| Healthcare & Hospitals 3.3% | | |
| 3,287 | DaVita, Inc., Term B, 6.54%, 5/16/12 | 3,337,999 |
| 886 | 6.62%, 5/16/12 | 900,134 |
| 554 | 6.64%, 5/16/12 | 562,584 |
| 9,233 | 6.78%, 5/16/12 | 9,376,400 |
| 997 | 6.85%, 5/16/12 | 1,012,651 |
| 3,095 | 6.94%, 5/16/12 | 3,142,032 |
| 9,500 | HealthSouth Corp., 9.49%, 6/9/10 | 9,618,750 |
| 2,731 | Psychiatric Solutions, Inc., Term B, 6.041%, 7/7/12 | 2,771,163 |
| 2,731 | 6.26%, 7/7/12 | 2,771,163 |
| 9,975 | Renal Advantage, Inc., 6.97%, 10/6/12, Term B | 10,093,453 |
| | | 43,586,329 |
| Hotels/Gaming 3.9% | | |
| 4,572 | Aladdin Gaming, Inc., 7.53%, 8/31/10, Term A | 4,512,126 |
| 100 | 8.53%, 8/31/10, Term B | 98,819 |
| 693 | CCM Merger, Inc., 6.45%, 7/21/12, Term B | 697,845 |
| 132 | Choctaw Resort Development Enterprise, Inc., Term B, 6.45%, 11/4/11 | 133,744 |
| 9,087 | 6.94%, 11/4/11 | 9,194,864 |
| 1,732 | MotorCity Casino, Term B, 6.39%, 7/21/12 | 1,744,612 |
| 6,541 | 6.519%, 7/21/12 | 6,587,657 |
| 165 | Penn National Gaming, Inc., Term B, 6.28%, 5/26/12 | 167,372 |
| 1,165 | 6.29%, 5/26/12 | 1,181,286 |
| 3,491 | 6.39%, 5/26/12 | 3,541,091 |
| 1,165 | 6.51%, 5/26/12 | 1,181,286 |
| 9,329 | Resorts International, Inc., 7.53%, 3/22/12, Term B | 9,172,370 |
| 3,393 | Venetian Casino, 6.28%, 2/22/12, Term B | 3,426,829 |
| 10,000 | Wynn Resorts Ltd., 6.685%, 12/14/11, Term B | 10,116,250 |
| | | 51,756,151 |
| Machinery 1.0% | | |
| 5,601 | Agco Corp., 6.277%, 6/15/09, Term B | 5,663,526 |
| 952 | Mueller Industries, Inc., Term B, 6.466%, 9/28/12 | 964,881 |
| 952 | 6.656%, 9/28/12 | 964,881 |
| 70 | 6.859%, 9/28/12 | 70,919 |
| 2,015 | 6.918%, 9/28/12 | 2,041,688 |
| 2,300 | Rexnord Corp., Term B, 6.21%, 12/31/11 | 2,329,537 |
| 268 | 6.78%, 12/31/11 | 271,779 |
| 1,595 | 6.85%, 12/31/11 | 1,615,145 |

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2006 (unaudited) (continued)

| | Principal Amount (000) | | Value |
|-----------------------------------|------------------------|---|--------------|
| Manufacturing 1.1% | | | |
| \$ | 4,478 | Berry Plastics Corp., 6.447%, 6/30/10 | \$ 4,541,864 |
| | 1,500 | Bombardier, Inc., 6/30/07 (f) | 1,451,250 |
| | 7,945 | Xerium Technologies, Inc., 6.527%, 5/18/12, Term B | 7,950,003 |
| | | | 13,943,117 |
| Measuring Instruments 0.3% | | | |
| | 1,821 | Dresser, Inc., Term B, 6.134%, 10/29/11 | 1,853,712 |
| | 1,220 | 6.527%, 10/29/11 | 1,242,077 |
| | 814 | 6.778%, 10/29/11 | 828,051 |
| | | | 3,923,840 |
| Metals & Mining 0.6% | | | |
| | 4,907 | Novelis, Inc., 6.011%, 1/7/12, Term B | 4,970,310 |
| | 2,825 | 6.011%, 1/7/12, Term B2 | 2,861,694 |
| | | | 7,832,004 |
| Multi-Media 4.9% | | | |
| | 1,250 | Atlantic Broadband, Inc., 7.20%, 8/4/12, Term B | 1,272,266 |
| | 17,342 | Charter Communications Holdings LLC, 7.50%, 4/27/11, Term B | 17,482,677 |
| | 4,900 | Ekabel Hessen GMBH, 4.711%, 6/7/12, Term A | 5,939,322 |
| \$ | 6,856 | Insight Midwest Holdings LLC, 6.563%, 12/31/09, Term C (h) | 6,918,994 |
| | 9,500 | Primedia, 6.648%, 9/30/13, Term B | 9,408,563 |
| | 3,968 | Source Media, Inc., 6.85%, 11/8/11, Term B | 4,019,481 |
| | 10,922 | Telecordia Technologies, Inc., 6.906%, 9/9/12, Term B | 10,806,424 |
| | | Young Broadcasting, Inc., Term B, 6.563%, 5/2/12 | 2,382,759 |
| | 2,377 | 6.75%, 11/3/12 | 7,052,966 |
| | 7,036 | 6.813%, 5/2/12 | 47,655 |
| | 48 | | 65,331,107 |
| Oil & Gas 3.2% | | | |
| | 11,500 | El Paso Corp., 4.00%, 11/23/09, Term LC | 11,562,296 |
| | 5,865 | 6.375%, 2/1/09 (d) | 5,865,000 |
| | 21,413 | 7.313%, 11/23/09, Term B | 21,583,905 |
| | 3,491 | Kinetic Concepts, Inc., 6.28%, 8/11/10, Term B | 3,533,338 |
| | | | 42,544,539 |
| Paper/Paper Products 0.2% | | | |
| | 922 | Appleton Papers, Inc., 6.33%, 6/9/10 | 932,035 |
| | 938 | 6.86%, 6/11/10 | 948,427 |
| | | Boise Cascade Holdings LLC, Term D, 6.281%, 10/28/11 | 800,752 |
| | 789 | 6.344%, 10/28/11 | 124,917 |
| | 123 | | 2,806,131 |
| Printing/Publishing 0.9% | | | |
| | 1,719 | RH Donnelly Corp., Term D, 6.20%, 6/30/11 | 1,734,225 |
| | 3,868 | 6.25%, 6/30/11 | 3,902,007 |
| | 1,719 | 6.26%, 6/30/11 | 1,734,225 |
| | 430 | 6.27%, 6/30/11 | 433,556 |
| | 3,234 | 6.28%, 6/30/11 | 3,262,143 |
| | 1,289 | 6.31%, 6/30/11 | 1,300,668 |

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2006 (unaudited) (continued)

| Principal Amount (000) | | Value | |
|--------------------------------|-------|---|------------|
| Real Estate 1.2% | | | |
| \$ | 822 | Gables Residential Trust, 6.15%, 7/28/06 | \$ 827,414 |
| | 1,053 | 6.17%, 7/28/06 | 1,059,430 |
| | 8,251 | General Growth Properties, Inc., 6.22%, 11/12/07, Term A | 8,265,343 |
| | 5,949 | 6.57%, 11/12/08, Term B | 5,966,326 |
| | | | 16,118,513 |
| Recreation 1.7% | | | |
| | 3,450 | Amadeus Global Travel, 5.244%, 4/8/13, Term B | 4,230,913 |
| | 3,450 | 5.744%, 4/8/14, Term C | 4,248,508 |
| \$ | 3,955 | Six Flags Theme Parks, Inc., 7.05%, 6/30/09, Term B | 4,005,819 |
| | 473 | Worldspan L.P., Term B, 6.50%, 2/11/10 | 466,735 |
| | 578 | 7.00%, 2/11/10 | 570,454 |
| | 5,989 | 7.125%, 2/11/10 | 5,911,978 |
| | 762 | 7.188%, 2/11/10 | 751,962 |
| | 525 | 7.25%, 2/11/10 | 518,595 |
| | 1,261 | 7.313%, 2/11/10 | 1,244,627 |
| | | | 21,949,591 |
| Retail 0.9% | | | |
| | 8,731 | Jean Coutu Group, Inc., 6.938%, 7/30/11, UNIT | 8,844,521 |
| | 3,133 | Neiman Marcus Group, Inc., 6.947%, 4/6/13 | 3,171,017 |
| | | | 12,015,538 |
| Semi-Conductors 0.4% | | | |
| | 4,950 | On Semiconductor Corp., 7.30%, 12/3/11, Term G | 5,004,915 |
| Telecommunications 7.5% | | | |
| | 2,307 | Alliance Atlantis Communications, Inc., 5.889%, 10/19/11 | 2,328,591 |
| | 534 | Centennial Cellular Communications Corp., 6.45%, 1/20/11 | 541,547 |
| | 3,383 | 6.45%, 2/9/11 | 3,432,340 |
| | 3,758 | 6.777%, 1/20/11 | 3,813,711 |
| | 594 | 6.83%, 1/20/11 | 602,566 |
| | 1,434 | Consolidated Communications, Inc., Term B, 6.28%, 9/18/11 | 1,451,934 |
| | 3,585 | 6.28%, 10/14/11 | 3,629,835 |
| | 1,753 | 6.618%, 9/18/11 | 1,774,586 |
| | 2,000 | Debitel AG, 5.242%, 6/30/12, Term B | 2,448,669 |
| | 2,000 | 5.742%, 6/30/14, Term C | 2,457,101 |
| | 2,000 | 9.492%, 6/30/14, Term 2 | 2,504,493 |
| \$ | 3,000 | Hawaiian Telcom Communications, Inc., 6.78%, 10/31/12, Term B | 3,029,064 |
| | 9,500 | Intersat Bridge, 4/24/06 (f) (h) | 9,543,360 |
| | 3,200 | Mediacom Broadband LLC, Term C, 6.36%, 2/28/14 | 3,248,250 |
| | 2,000 | 6.39%, 2/28/14 | 2,029,218 |
| | 660 | 6.527%, 2/28/14 | 669,951 |
| | 2,080 | 6.64%, 2/28/14 | 2,110,387 |

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2006 (unaudited) (continued)

| | Principal Amount (000) | | Value |
|---------------------------------------|------------------------------|--|-------------|
| Telecommunications (continued) | | | |
| \$ | 627 | Mediacomm Communications Corp., Term A, 5.777%, 3/31/10 | \$ 624,710 |
| | 667 | 5.79%, 3/31/10 | 667,144 |
| | 467 | 6.04%, 3/31/10 | 466,791 |
| | 5,336 | New Skies Satellites NV, 6.438%, 5/4/11, Term B | 5,372,387 |
| | 3,023 | PanAmSat Corp., 6.31%, 8/20/09, Term A1 | 3,053,957 |
| | 1,580 | 6.31%, 8/20/09, Term A2 | 1,596,823 |
| | 11,500 | Qwest Corp., 6.95%, 6/30/10, Term B | 11,668,912 |
| | 7,400 | 9.22%, 6/30/07, Term A | 7,586,391 |
| | 2,550 | Telewest Global Finance LLC, 6.471%, 11/2/12, Term B2 | 2,550,842 |
| | 1,950 | 7.221%, 11/2/12, Term C2 | 1,955,074 |
| | 15,000 | UPC Distribution Holding B.V., 7.28%, 9/30/12, Term H2 | 15,183,480 |
| | 1,976 | Valor Telecommunications Enterprises LLC, Term B, 5.811%, 2/14/12 | 1,984,827 |
| \$ | 26 | 6.00%, 2/14/12 | 26,464 |
| | 1,475 | 6.277%, 2/14/12 | 1,482,004 |
| | 342 | 6.318%, 2/14/12 | 344,037 |
| | | | 100,179,446 |
| Utilities 3.7% | | | |
| | 3,720 | AES Corp., Term B, 5.07%, 4/30/08 | 3,762,491 |
| | 3,720 | 5.69%, 8/10/11 | 3,762,491 |
| | 1,629 | Allegheny Energy Supply Co., LLC, 5.76%, 3/8/11, Term C | 1,645,313 |
| | 6,882 | 6.35%, 3/8/11, Term C | 6,950,269 |
| | 507 | 6.352%, 3/8/11 | 508,989 |
| | 913 | 6.41%, 3/8/11 | 916,180 |
| | 95 | Midwest Generation LLC, 5.47%, 4/27/11 | 96,061 |
| | 467 | 5.809%, 4/27/11, Term B | 472,880 |
| | 86 | 5.809%, 4/27/11, Term B1 | 87,451 |
| | 604 | 5.814%, 4/27/11, Term B | 612,252 |
| | 5,095 | 6.05%, 4/27/11, Term B | 5,161,077 |
| | 5,970 | 6.85%, 12/31/11, Term B | 6,057,687 |
| | 18,727 | Reliant Energy, Inc., 6.089%, 4/30/10 | 18,713,839 |
| | | | 48,746,980 |
| Waste Disposal 1.4% | | | |
| | 5,105 | Allied Waste North America, Inc., 4.87%, 1/15/12 | 5,152,099 |
| | 7,088 | 6.09%, 1/15/12 | 7,150,894 |
| | 1,928 | 6.39%, 1/15/12 | 1,945,158 |
| | 1,836 | 6.62%, 1/15/12 | 1,852,812 |
| | 2,296 | 6.73%, 1/15/12 | 2,316,014 |
| | | | 18,416,977 |
| Wholesale 0.8% | | | |
| | | Roundy s, Inc., Term B, | |

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| | | |
|-------|-----------------|-----------|
| 5,000 | 7.42%, 10/27/11 | 4,987,500 |
| 5,000 | 7.49%, 11/1/11 | 4,987,500 |
| | | 9,975,000 |

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2006 (unaudited) (continued)

| | Principal Amount (000) | | | Value |
|---|------------------------------|---|--------------------------------|--------------|
| Wire & Cable Products | 1.3% | | | |
| | 1,000 | Pirelli Cable S.A., 5.066%, 6/23/13, Term B | | \$ 1,218,930 |
| | 1,500 | 5.066%, 6/23/13, Term B (e) | | 1,828,394 |
| | 1,000 | 5.253%, 6/23/14, Term C | | 1,250,729 |
| | 1,500 | 5.253%, 6/23/14, Term C (e) | | 1,876,093 |
| | 1,500 | 9.442%, 6/23/12 (e) | | 1,876,093 |
| \$ | 8,000 | UPC Broadband Holding B.V., 5.139%, 4/1/10, Term G | | 9,691,626 |
| | | | | 17,741,865 |
| Total Senior Loans (cost-\$964,059,603) | | | | 967,067,046 |
| CORPORATE BONDS & NOTES | 16.8% | | | |
| | | | Credit Rating (Moody s/S&P) | |
| Airlines | 0.4% | | | |
| | 3,650 | JetBlue Airways Corp., FRN, 7.44%, 5/15/10, Ser. 04-2 | Ba1/BB | 3,628,579 |
| | 1,813 | 8.741%, 9/15/09, Ser. 04-1 | Ba1/BB | 1,836,732 |
| | | | | 5,465,311 |
| Automotive | 0.5% | | | |
| | 3,000 | Arvin Industries, Inc., 6.75%, 3/15/08 | Ba2/BB | 2,940,000 |
| | 3,500 | ArvinMeritor, Inc., 6.625%, 6/15/07 | Ba2/BB | 3,456,250 |
| | | | | 6,396,250 |
| Computer Services | 0.5% | | | |
| | 4,000 | SunGard Data Systems, Inc., (d) 8.525%, 8/15/13, FRN | B3/B- | 4,170,000 |
| | 2,000 | 9.125%, 8/15/13 | B3/B- | 2,090,000 |
| | | | | 6,260,000 |
| Financial Services | 4.7% | | | |
| | 5,750 | Borden US Finance Corp., 9.35%, 7/15/10, FRN (d) | B3/B- | 5,850,625 |
| | 3,500 | Chukchansi Economic Dev. Auth., 8.06%, 11/15/12, FRN (d) | B2/BB- | 3,596,250 |
| | 8,000 | Ford Motor Credit Co., FRN, 5.45%, 3/21/07 | Ba2/BB- | 7,840,912 |
| | 10,000 | 6.17%, 1/15/10 | Ba2/BB- | 9,009,420 |
| | 14,000 | 7.68%, 11/2/07 | Ba2/BB- | 13,726,314 |
| | 16,000 | General Motors Acceptance Corp., FRN, 5.55%, 7/16/07 | Ba1/BB | 15,428,128 |
| | 5,000 | 6.61%, 12/1/14 | Ba1/BB | 4,746,690 |
| | 1,479 | Simsbury CLO Ltd., 4.69%, 9/24/11, FRN (d) (h) | Aaa/AAA | 1,468,659 |
| | | | | 61,666,998 |
| Multi-Media | 2.0% | | | |
| | 7,000 | Cablevision Systems Corp., 8.716%, 4/1/09, Ser. B, FRN | B3/B | 7,183,750 |
| | 6,000 | CCO Holdings LLC, 8.616%, 12/15/10, FRN | B3/CCC- | 5,895,000 |
| | 2,000 | 8.75%, 11/15/13 | B3/CCC- | 1,930,000 |
| | 8,000 | Charter Communications Holdings II LLC, 10.25%, 9/15/10 | Caa1/CCC- | 7,910,000 |

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| | | | |
|-------|---|---------|------------|
| 1,886 | Emmis Communications Corp., 10.366%, 6/15/12, FRN | B3/B- | 1,897,500 |
| 2,000 | Paxson Communications Corp., 10.777%, 1/15/13, FRN (d) | B3/CCC- | 1,930,000 |
| | | | 26,746,250 |

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2006 (unaudited) (continued)

| | Principal Amount (000) | | Credit Rating (Moody s/S&P) | Value |
|--|------------------------------|---|--------------------------------|--------------|
| Oil & Gas 0.9% | | | | |
| \$ | 9,500 | El Paso Corp., 7.375%, 12/15/12 | Caa1/B- | \$ 9,856,250 |
| | 2,500 | OAO Gazprom, 9.125%, 4/25/07 | NR/BB+ | 2,618,750 |
| | | | | 12,475,000 |
| Paper/Paper Products 1.0% | | | | |
| | 2,000 | Abitibi-Consolidated, Inc., 7.875%, 8/1/09 | B1/B+ | 1,960,000 |
| | 8,000 | 7.991%, 6/15/11, FRN | B1/B+ | 7,720,000 |
| | 4,000 | Bowater Inc., 7.491%, 3/15/10, FRN | B1/B+ | 3,960,000 |
| | | | | 13,640,000 |
| Special Purpose Entity 0.5% | | | | |
| | 99 | Dow Jones CDX US High Yield, 8.75%, 12/29/10, Ser. 5-T1 (d) (i) | B3/NR | 100,794 |
| | 2,000 | Universal City Florida Holding Co., 8.375%, 5/1/10 | B3/B- | 2,015,000 |
| | 4,500 | 9.43%, 5/1/10, FRN | B3/B- | 4,545,000 |
| | | | | 6,660,794 |
| Telecommunications 6.3% | | | | |
| | 2,000 | Cincinnati Bell, Inc., 8.375%, 1/15/14 | B3/B- | 1,975,000 |
| | 5,000 | Dobson Cellular Systems, Inc., 9.43%, 11/1/11, FRN | B1/B- | 5,225,000 |
| | 8,499 | Echostar DBS Corp., 7.78%, 10/1/08, FRN | Ba3/BB- | 8,732,723 |
| | 5,000 | Hawaiian Telcom Communications, Inc., 9.948%, 5/1/13, FRN (d) | B3/CCC+ | 4,987,500 |
| | 5,425 | Intelsat Bermuda Ltd., 9.609%, 1/15/12, FRN (d) | B2/B+ | 5,547,062 |
| | 2,000 | New Skies Satellites NV, 9.573%, 11/1/11, FRN | B3/B- | 2,095,000 |
| | 5,000 | Qwest Capital Funding, Inc., 7.90%, 8/15/10 | B3/B | 5,187,500 |
| | 25,650 | Qwest Communications International, Inc., 7.84%, 2/15/09, FRN | B2/B | 26,163,000 |
| | 6,000 | Qwest Corp., 7.741%, 6/15/13, FRN (d) | Ba3/BB | 6,502,500 |
| | 7,750 | Rogers Wireless Communications, Inc., 7.616%, 12/15/10, FRN | Ba3/BB | 8,030,938 |
| | 3,500 | Rural Cellular Corp., 8.991%, 3/15/10, FRN | B2/B- | 3,613,750 |
| | 5,820 | Time Warner Telecom Holdings, Inc., 8.34%, 2/15/11, FRN | B2/CCC+ | 5,950,950 |
| | | | | 84,010,923 |
| Total Corporate Bonds & Notes (cost-\$222,353,194) | | | | 223,321,526 |
| SOVEREIGN DEBT OBLIGATIONS 2.1% | | | | |
| Brazil 2.1% | | | | |
| | 15,294 | Federal Republic of Brazil, 5.25%, 4/15/12, FRN | Ba3/BB | 15,265,341 |
| | 10,000 | 11.00%, 8/17/40 | Ba3/BB- | 12,927,500 |
| Total Sovereign Debt Obligations (cost-\$25,698,702) | | | | 28,192,841 |
| ASSET-BACKED SECURITIES 0.6% | | | | |
| | 2,780 | Bear Stearns Asset Backed Securities, Inc., 4.70%, 12/25/42, FRN | Aaa/AAA | 2,782,208 |
| | 705 | Chase Funding Loan Acquisition Trust, 4.86%, 1/25/33, FRN | Aaa/AAA | 706,433 |

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| | | | |
|--|--|---------|-----------|
| 3,144 | CIT Group Home Equity Loan Trust, 4.80%, 6/25/33, FRN | Aaa/AAA | 3,152,096 |
| 135 | Long Beach Mortgage Loan Trust, 4.85%, 7/25/33, FRN | Aaa/AAA | 134,578 |
| 2,087 | Salomon Brothers Mortgage Securities VII, 4.83%, 3/25/32, FRN | NR/AAA | 2,093,983 |
| Total Asset-Backed Securities (cost-\$8,848,229) | | | 8,869,298 |

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2006 (unaudited) (continued)

| Principal Amount (000) | | Credit Rating (Moody s/S&P) | Value |
|--|---|--------------------------------|--------------|
| MORTGAGE-BACKED SECURITIES 0.2% | | | |
| \$ 2,266 | Master Adjustable Rate Mortgage Trust, 3.787%, 12/21/34, CMO, FRN (cost-\$2,269,008) | Aaa/AAA | \$ 2,253,745 |
| SHORT-TERM INVESTMENTS 7.5% | | | |
| Commercial Paper 2.0% | | | |
| Financial Services 2.0% | | | |
| 26,600 | UBS Finance LLC, 4.47%, 2/1/06 (cost-\$26,600,000) | NR/NR | 26,600,000 |
| Corporate Notes 1.9% | | | |
| Financial Services 1.3% | | | |
| 13,000 | General Motors Acceptance Corp., 5.243%, 5/18/06, FRN | Ba1/BB | 12,950,171 |
| 4,000 | 6.125%, 9/15/06 | Ba1/BB | 3,958,160 |
| | | | 16,908,331 |
| Telecommunications 0.2% | | | |
| 2,386 | Calpoint Receivable Structured Trust, 7.44%, 12/10/06 (d) | B3/NR | 2,403,854 |
| Utilities 0.4% | | | |
| 5,000 | NorthWestern Corp., 7.30%, 12/1/06 (d) | Ba1/BB+ | 5,080,640 |
| Total Corporate Notes (cost-\$24,398,964) | | | 24,392,825 |
| U.S. Treasury Bills (j) 1.6% | | | |
| 21,385 | 3.82%-4.17%, 3/2/06-3/16/06 (cost-\$21,288,149) | | 21,288,149 |
| Repurchase Agreements 2.0% | | | |
| 20,048 | State Street Bank & Trust Co., dated 1/31/06, 3.90%, due 2/1/06, proceeds \$20,050,172; collateralized by Fannie Mae, 5.00%, 1/15/07, valued at \$20,449,287 including accrued interest | | 20,048,000 |
| 7,000 | Credit Suisse First Boston, dated 1/31/06, 4.32%, due 2/1/06, proceeds \$7,000,840: collateralized by U.S. Treasury Note, 4.375%, 1/31/08, valued at \$7,157,806 including accrued interest | | 7,000,000 |
| Total Repurchase Agreements (cost-\$27,048,000) | | | 27,048,000 |
| Total Short-Term Investments (cost-\$99,335,113) | | | 99,328,974 |
| OPTIONS PURCHASED (k) 0.0% | | | |
| <u>Contracts</u> | | | |
| Call Options 0.0% | | | |
| 1,567 | U.S. Treasury Notes 10 yr. Futures, Chicago Board of Trade, strike price \$115, expires 2/24/06 | | 24,484 |
| 837 | strike price \$119, expires 2/24/06 | | 13,078 |
| | | | 37,562 |

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Put Options 0.0%

| | | |
|-------|--|--------|
| 1,063 | Eurodollar Futures, Chicago Mercantile Exchange, strike price \$92.75, expires 12/18/06 | 26,575 |
| 1,472 | strike price \$93, expires 12/18/06 | 9,200 |

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PIMCO Floating Rate Strategy Fund Schedule of Investments

January 31, 2006 (unaudited) (continued)

| Contracts | | | Value |
|---|--|---|------------------|
| Put Options (continued) | | | |
| | | U.S. Treasury Notes 10 yr. Futures, Chicago Board of Trade, | |
| 1,100 | | strike price \$99, expires 2/24/06 | \$ 17,188 |
| 1,039 | | strike price \$100, expires 2/24/06 | 16,234 |
| | | | 69,197 |
| Total Options Purchased (cost-\$125,675) | | | 106,759 |
| Total Investments before options written (cost-\$1,322,689,524) 100.0% | | | 1,329,140,189 |
| OPTIONS WRITTEN (k) (0.0)% | | | |
| Call Options (0.0)% | | | |
| | | U.S. Treasury Notes 10 yr. Futures, Chicago Board of Trade, | |
| 1,384 | | strike price \$110, expires 2/24/06 | (86,500) |
| Put Options (0.0)% | | | |
| | | U.S. Treasury Notes 10 yr. Futures, Chicago Board of Trade, | |
| 600 | | strike price \$104, expires 5/26/06 | (84,375) |
| 245 | | strike price \$107, expires 2/24/06 | (26,797) |
| | | | (111,172) |
| Total Options Written (premiums received-\$1,067,316) | | | (197,672) |
| Total Investments net of options written (cost-\$1,321,622,208) 100.0% | | | \$ 1,328,942,517 |
| Notes to Schedules of Investments: | | | |
| (a) | Private Placement. Restricted as to resale and may not have a readily available market. | | |
| (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 each Fund is ordinarily contractually obligated to receive approval from the Agent bank and/or borrower prior to disposition. Remaining maturities of senior loans may be less than the stated maturities shown as a result of contractual or optional payments by the borrower. Such prepayments cannot be predicted with certainty. | | |
| (d) | 144A Security Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration typically only to qualified institutional buyers. Unless otherwise indicated, these securities are not considered to be illiquid. | | |
| (e) | Delayed-delivery security. To be delivered after January 31, 2006. | | |
| (f) | Unsettled security, coupon rate undetermined at January 31, 2006. | | |
| (g) | Security in default. | | |
| (h) | Fair-valued security. | | |
| (i) | Credit-linked trust certificate. | | |
| (j) | | | |

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| | | | | |
|------------------|--|--|--|--|
| | All or partial amount segregated as collateral for futures contracts or delayed-delivery securities. | | | |
| (k) | Non-income producing. | | | |
| | | | | |
| Glossary: | | | | |
| | - | Euros | | |
| CMO | - | Collateralized Mortgage Obligation | | |
| FRN | - | Floating Rate Note. The interest rate disclosed reflects the rate in effect on January 31, 2006. | | |
| LIBOR | - | London Inter-Bank Offered Rate | | |
| NR | - | Not Rated | | |
| UNIT | - | More than one class of securities traded together. | | |

See accompanying Notes to Financial Statements. | 1.31.06 | PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Semi-Annual Report 29

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

January 31, 2006 (unaudited)

| | Floating Rate Income | Floating Rate Strategy |
|--|-------------------------|---------------------------|
| Assets: | | |
| Investments, at value (cost-\$566,055,371 and \$1,322,689,524, respectively) | \$571,920,670 | \$1,329,140,189 |
| Cash (including foreign currency of \$4,257,203 and \$7,822,970 with a cost of \$4,239,995 and \$7,790,591, respectively) | 4,359,992 | 8,456,887 |
| Interest receivable | 5,014,481 | 10,825,838 |
| Unrealized appreciation on swaps | 940,026 | 1,676,296 |
| Receivable for investments sold | 276,014 | 2,710,185 |
| Unrealized appreciation on unfunded loan commitments | 260,381 | 451,130 |
| Premiums for swaps purchased | 17,500 | 18,087,825 |
| Receivable for terminated swaps | 619 | 824,212 |
| Prepaid expenses | 22,529 | 39,246 |
| Total Assets | 582,812,212 | 1,372,211,808 |
| Liabilities: | | |
| Payable for investments purchased | 18,796,781 | 61,294,447 |
| Dividends payable to common and preferred shareholders | 2,505,482 | 5,507,307 |
| Unrealized depreciation on swaps | 1,818,723 | 38,243,944 |
| Deferred facility fees | 409,527 | 545,457 |
| Unrealized depreciation on forward foreign currency contracts | 402,443 | 1,016,908 |
| Investment management fees payable | 354,959 | 803,093 |
| Options written, at value (premiums received - \$637,327 and \$1,067,316, respectively) | 158,563 | 197,672 |
| Payable for terminated swaps | 47,919 | 931,493 |
| Premium for swaps sold | 46,000 | 102,000 |
| Payable for variation margin on futures contracts | 10,312 | 31,687 |
| Accrued expenses | 136,876 | 182,845 |
| Total Liabilities | 24,687,585 | 108,856,853 |
| Preferred Shares (\$0.00001 par value, \$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 | \$348,124,627 | \$783,354,955 |
| Composition of Net Assets Applicable to Common Shareholders: | | |
| Common Stock: | | |
| Par value (\$0.00001 per share) | \$180 | \$416 |
| Paid-in-capital in excess of par | 345,554,312 | 787,483,157 |
| Dividends in excess of net investment income | (651,492) | (9,238,826) |
| Accumulated net realized gain (loss) | (1,746,629) | 35,859,132 |
| Net unrealized appreciation (depreciation) of investments, futures contracts, options written, swaps, foreign currency transactions and unfunded loan commitments | 4,968,256 | (30,748,924) |
| Net Assets Applicable to Common Shareholders | \$348,124,627 | \$783,354,955 |
| Common Shares Outstanding | 18,024,012 | 41,582,884 |
| Net Asset Value Per Common Share | \$19.31 | \$18.84 |

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**PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds
Statements of Operations**

For the six months ended January 31, 2006 (unaudited)

| | Floating Rate Income | Floating Rate Strategy** |
|---|-------------------------|-----------------------------|
| Investment Income: | | |
| Interest | \$18,916,610 | \$ 32,980,333 |
| Dividends | 123,917 | 27,650 |
| Facility and other fee income | 64,124 | 39,125 |
| Total Investment Income | 19,104,651 | 33,047,108 |
| Expenses: | | |
| Investment management fees | 2,114,393 | 3,968,831 |
| Auction agent fees and commissions | 269,462 | 512,301 |
| Custodian and accounting agent fees | 93,488 | 139,533 |
| Audit and tax services | 73,888 | 93,714 |
| Reports to shareholders | 47,924 | 49,631 |
| Transfer agent fees | 22,028 | 14,328 |
| Trustees fees and expenses | 14,560 | 15,453 |
| New York Stock Exchange listing fees | 10,435 | 18,194 |
| Insurance expense | 8,129 | 14,763 |
| Investor relations | 3,520 | 8,973 |
| Legal fees | 3,520 | 10,480 |
| Miscellaneous | 9,430 | 7,514 |
| Total expenses | 2,670,777 | 4,853,715 |
| Less: custody credits earned on cash balances | (45,068) | (66,598) |
| Net expenses | 2,625,709 | 4,787,117 |
| Net Investment Income | 16,478,942 | 28,259,991 |
| Realized and Change in Unrealized Gain (Loss): | | |
| Net realized gain (loss) on: | | |
| Investments | (1,442,132) | (5,066,793) |
| Futures contracts | (711,028) | 10,685 |
| Options written | 986,298 | 1,945,622 |
| Swaps | 7,997,583 | 48,223,693 |
| Foreign currency transactions | (444,909) | 1,997,233 |
| Net change in unrealized appreciation/depreciation of: | | |
| Investments | (299,990) | 631,671 |
| Futures contracts | 170,136 | (843,192) |
| Options written | 78,915 | 148,221 |
| Swaps | (7,195,888) | (47,613,869) |
| Foreign currency transactions | (445,617) | (746,555) |
| Unfunded loan commitments | 119,905 | 315,468 |
| Net realized and change in unrealized loss on investments, futures contracts, options written, swaps, foreign currency transactions and unfunded loan commitments | (1,186,727) | (997,816) |
| Net Increase in Net Assets Resulting from Investment Operations | 15,292,215 | 27,262,175 |
| Dividends on Preferred Shares from Net Investment Income | (3,956,301) | (7,832,296) |
| Net Increase in Net Assets Applicable to Common Shareholders Resulting from Investment Operations | \$11,335,914 | \$ 19,429,879 |

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

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See accompanying Notes to Financial Statements. | 1.31.06 | PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Semi-Annual Report 31

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

| | Floating Rate Income | | Floating Rate Strategy | |
|---|---|--------------------------|---|--|
| | Six Months Ended January 31, 2006 (unaudited) | Year ended July 31, 2005 | For the Period September 1, 2005 through January 31, 2006** (unaudited) | For the period October 29, 2004* through August 31, 2005 |
| Investment Operations: | | | | |
| Net investment income | \$ 16,478,942 | \$ 24,363,961 | \$ 28,259,991 | \$ 36,347,687 |
| Net realized gain (loss) on investments, futures contracts, options written, swaps and foreign currency transactions | 6,385,812 | (3,293,145) | 47,110,440 | (4,489,982) |
| Net change in unrealized appreciation/depreciation of investments, futures contracts, options written, swaps, foreign currency transactions and unfunded loan commitments | (7,572,539) | 10,337,612 | (48,108,256) | 17,359,332 |
| Net increase in net assets resulting from investment operations | 15,292,215 | 31,408,428 | 27,262,175 | 49,217,037 |
| Dividends on Preferred Shares from Net investment income | (3,956,301) | (5,230,747) | (7,832,296) | (9,877,326) |
| Net increase in net assets applicable to common shareholders resulting from investment operations | 11,335,914 | 26,177,681 | 19,429,879 | 39,339,711 |
| Dividends and Distributions to Common Shareholders from: | | | | |
| Net investment income | (14,391,272) | (21,339,798) | (25,168,885) | (37,754,323) |
| Net realized gains | (528,104) | (2,486,478) | | |
| Total dividends and distributions to common shareholders | (14,919,376) | (23,826,276) | (25,168,885) | (37,754,323) |
| Capital Share Transactions: | | | | |
| Net proceeds from the sale of common stock | | | | 788,830,000 |
| Preferred shares underwriting discount charged to paid-in capital in excess of par | | | | (4,800,000) |
| Common stock and preferred shares offering costs charged to paid-in capital in excess of par | | | | (1,912,898) |
| Reinvestment of dividends and distributions | | 2,607,725 | | 5,291,463 |
| Net increase from capital transactions | | 2,607,725 | | 787,408,565 |
| Total increase (decrease) in net assets applicable to common shareholders | (3,583,462) | 4,959,130 | (5,739,006) | 788,993,953 |
| Net Assets Applicable to Common Shareholders: | | | | |
| Beginning of period | 351,708,089 | 346,748,959 | 789,093,961 | 100,008 |
| End of period (including dividends in excess of net investment income of \$(651,492) and \$(1,217,139); \$(9,238,826) and \$(4,497,636); | \$348,124,627 | \$351,708,089 | \$783,354,955 | \$789,093,961 |

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respectively)

Common Shares Issued and Reinvested:

| | | |
|---|----------------|-------------------|
| Issued | | 41,300,000 |
| Issued in reinvestment of dividends and distributions | 130,238 | 277,648 |
| Net Increase | 130,238 | 41,577,648 |

* Commencement of operations

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

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

For the six months ended January 31, 2006 (unaudited)

| | Floating Rate Income | Floating Rate Strategy** |
|---|-------------------------|-----------------------------|
| Cash Flows used for Operating Activities | | |
| Purchases of long-term investments | \$(184,358,563) | \$(416,562,487) |
| Proceeds from sales of long-term investments | 171,801,356 | 399,453,197 |
| Interest, dividends and facility and other fee income received | 17,967,375 | 31,695,598 |
| Net cash provided by options written | 1,587,357 | 2,026,196 |
| Net cash provided by swap transactions | 1,901,520 | 5,427,789 |
| Increase (decrease) in prepaid expenses | (7,700) | 15,560 |
| Operating expenses paid | (2,670,657) | (4,834,169) |
| Net cash used for futures transactions | (621,580) | (800,820) |
| Net realized gain (loss) on foreign currency transactions | (427,701) | 2,029,609 |
| Net decrease in short-term investments | 17,597,457 | 24,543,289 |
| Net cash provided by operating activities | 22,768,864 | 42,993,762 |
| Cash Flows from Financing Activities: | | |
| Cash dividends paid | (18,875,677) | (33,001,181) |
| Increase in dividends payable | 408,505 | 837,390 |
| Net cash used for financing activities | (18,467,172) | (32,163,791) |
| Net increase in cash | 4,301,692 | 10,829,971 |
| Cash at beginning of period | 58,300 | (2,373,084) |
| Cash at end of period | \$4,359,992 | \$8,456,887 |
| Reconciliation of Net Increase in Net Assets From Investment Operations to Net Cash Used for Operating Activities: | | |
| Net increase in net assets resulting from investment operations | \$15,292,215 | \$27,262,175 |
| Decrease in receivable for investments sold | 3,931,653 | 10,281,821 |
| Increase in interest receivable | (855,998) | (1,014,966) |
| Increase (decrease) in premium for swaps purchased | 6,381 | (18,614,782) |
| Decrease in premium for swaps sold | (6,102,444) | (24,181,122) |
| Decrease in premium for options written | (53,881) | (345,607) |
| Decrease in receivable for premium on options written | 204,061 | |
| Increase (decrease) in prepaid expenses | (7,700) | 15,559 |
| Decrease in Investment Management fees payable | (1,624) | (6,055) |
| Increase in net unrealized depreciation on swaps | 7,195,888 | 47,613,869 |
| Increase in net unrealized depreciation on forward foreign currency contracts | 384,660 | 845,796 |
| Increase in net unrealized appreciation on unfunded loan commitments | (119,905) | (315,468) |
| Increase (decrease) in variation margin on futures contracts | (80,688) | 31,687 |
| Increase in net unrealized appreciation on options written | (78,915) | (148,221) |
| Decrease in accrued expenses | (43,323) | (40,996) |
| Increase in deferred facility fees | 111,046 | 309,756 |
| Decrease in payable for investments purchased | (8,390,192) | (11,287,417) |
| Net decrease in investments | 11,377,630 | 12,587,733 |
| Net cash provided by operating activities | \$22,768,864 | \$42,993,762 |

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

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See accompanying Notes to Financial Statements. | 1.31.06 | PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Semi-Annual Report 33

PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds

Notes to Financial Statements

January 31, 2006 (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 a Massachusetts business trust on June 19, 2003 and June 30, 2004, respectively.

PIMCO Floating Rate Strategy Fund changed its fiscal year-end from August 31 to July 31. Accordingly, the financial statements of the Fund cover the five-month period from September 1, 2005 to January 31, 2006.

Prior to commencing operations on August 29, 2003 and October 29, 2004, respectively, Floating Rate Income and Floating Rate Strategy had no operations other than matters relating to their organization and registration as diversified, closed-end management investment companies registered under the Investment Company Act of 1940 and the rules and regulations thereunder, as amended. Allianz Global Investors Fund Management LLC (the Investment Manager), serves as the Funds Investment Manager and is an indirect, wholly-owned subsidiary of Allianz Global Investors of America L.P. (Allianz Global). Allianz Global is an indirect, majority-owned subsidiary of Allianz AG, a publicly traded insurance and financial services company.

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

The Funds investment objective is to seek high current income, consistent with the preservation of capital by investing primarily in floating rate debt instruments, a substantial portion of which will be senior 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.

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, may be fair-valued, in good faith, pursuant to guidelines established by the Board of Trustees, including certain fixed income securities which may be valued with reference to securities whose prices are more readily available. The Funds investments are valued on the last business day of each week using prices supplied by an independent pricing service or dealer quotations, or are valued at the last sale price on the exchange that is the primary market for such securities, or the last quoted bid price for those securities for which the over-the-counter market is the primary market or for listed securities in which there were no sales. Independent pricing services use information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics. The Funds investments in senior floating rate loans (Senior Loans) for which a secondary market exists will be valued at the mean of the last available bid and asked prices in the market for such Senior Loans, as provided by an independent pricing service. Other Senior Loans are valued at fair-value by Pacific Investment Management Company LLC (the Sub-Adviser). Such procedures by the Sub-Adviser 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

PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds

Notes to Financial Statements

January 31, 2006 (unaudited)

1. Organization and Significant Accounting Policies (continued)

Loan. Exchange traded options, futures and options on futures are valued at the settlement price determined by the relevant exchange. Securities purchased on a when-issued or delayed-delivery basis are marked to market daily until settlement at the forward settlement value. Short-term investments maturing in 60 days or less are valued at amortized cost, if their original term to maturity was 60 days or less, or by amortizing their value on the 61st day prior to maturity, if the original term to maturity exceeded 60 days. The prices used by the Funds to value securities may differ from the value that would be realized if the securities were sold and the differences could be material to the financial statements. The Funds' net asset value is determined weekly on the last business day of the week as of close of regular trading (normally, 4:00 p.m. Eastern time) on the New York Stock Exchange (NYSE) on each day the NYSE is open for business.

(b) Investment Transactions and Investment Income

Investment transactions are accounted for on trade date. Securities purchased and sold on a when-issued or delayed-delivery basis may be settled a month or more after the trade date. Realized gains and losses on investments are determined on the identified cost basis. Interest income is recorded on an accrual basis. Discounts or premiums on debt securities purchased are accreted or amortized to interest income over the lives of the respective securities using the effective interest method. Dividend income is recorded on the ex-dividend date. Facility fees and other fees (such as origination fees) received by the Fund are amortized as income over the expected term of the loan. Commitment fees received by the Fund 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 its shareholders on the ex-dividend date. The amount of dividends and distributions from net investment income and net realized capital gains are determined in accordance with federal income tax regulations, which may differ from generally accepted accounting principles. These book-tax differences are considered either temporary or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the capital accounts based on their federal income tax treatment; temporary differences do not require reclassification.

Net investment income and net realized gains differ for financial statement and tax purposes primarily due to the treatment of amounts received under swap agreements. For the periods ended January 31, 2006, Floating Rate Income and Floating Rate Strategy received \$1,554,566 and \$5,059,321, respectively from swap agreements which are treated as net realized gain (loss) for financial statement purposes and as net income (loss) for federal income tax purposes.

(e) Foreign Currency Translation

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

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

(f) Senior Loans

The Funds may 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

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

January 31, 2006 (unaudited)

1. Organization and Significant Accounting Policies (continued)

syndicate of financial institutions (the Lender). When purchasing an assignment, the Funds succeed all the rights and obligations under the loan agreement with the same rights and obligations as the assigning Lender. Assignments may, however, be arranged through private negotiations between potential assignees and potential assignors, and the rights and obligations acquired by the purchaser of an assignment may differ from, and be more limited than, those held by the assigning Lender.

(g) Option Transactions

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

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

(h) Interest Rate/Credit Default Swaps

The Funds may enter into interest rate and credit default swap contracts (swaps) for investment purposes, to manage its interest rate and credit risk or to add leverage.

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

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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 obligation. In return, the Funds would make periodic payments to the counterparty over the term of the contract provided no event of default has occurred. Such periodic payments are accrued daily and recorded as realized gain (loss).

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

Swaps are marked to market daily by the Sub-Adviser based upon quotations from 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

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

January 31, 2006 (unaudited)

1. Organization and Significant Accounting Policies (continued)

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) Credit-Linked Trust Certificates

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

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

(l) Repurchase Agreements

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

(m) 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

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

January 31, 2006 (unaudited)

1. Organization and Significant Accounting Policies (continued)

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

The Funds have 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 Agreement, the Investment Manager receives an annual fee, payable monthly, at an annual rate of 0.75% of each Fund's average weekly total managed assets. Total managed assets refer to the total assets of each Fund (including assets attributable to any Preferred Shares and borrowings that may be outstanding minus accrued liabilities (other than liabilities representing borrowings)).

The Investment Manager has retained the Sub-Adviser, to manage the Funds' investments. Subject to the supervision of the Investment Manager, the Sub-Adviser is responsible for making all the Funds' investment decisions. The Investment Manager, and not the Funds, pays a portion of the fees it receives as Investment Manager to the Sub-Adviser in return for its services, at the maximum annual rate of 0.39% of the Floating Rate Income and Floating Rate Strategy's average weekly total managed assets for the period from each Fund's commencement of operations through August 31, 2008 and October 31, 2008, respectively. Commencing September 1, 2008 for Floating Rate Income and November 1, 2008 for Floating Rate Strategy, the Investment Manager will pay the Sub-Adviser a monthly fee at the annual rate of 0.55% of each Fund's average weekly total managed assets.

3. Investments in Securities

For the periods ended January 31, 2006, purchases and sales of investments, other than short-term securities and U.S. government obligations, were as follows:

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| | Floating Rate Income | Floating Rate Strategy |
|-----------|-------------------------|---------------------------|
| Purchases | \$173,637,613 | \$411,172,804 |
| Sales | 163,325,501 | 364,714,455 |

(a) Futures contracts outstanding at January 31, 2006:

| <u>Floating Rate Income:</u> | Notional Amount (000) | Expiration Date | Unrealized Depreciation |
|--|-----------------------------|--------------------|----------------------------|
| Type Long: Financial Future Euro 90 day | \$2,063 | 12/18/06 | \$(293,994) |

| <u>Floating Rate Strategy:</u> | Notional Amount (000) | Expiration Date | Unrealized Depreciation |
|--|-----------------------------|--------------------|----------------------------|
| Type Long: Financial Future Euro 90 day | \$6,338 | 12/18/06 | \$(843,192) |

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

January 31, 2006 (unaudited)

3. Investments in Securities (continued)

(b) Transactions in options written for the periods ended January 31, 2006:

| | | |
|---|-------------|--------------|
| Floating Rate Income: | Contracts | Premiums |
| Options outstanding, July 31, 2005 | 2,203 | \$ 691,208 |
| Options written | 5,367 | 1,383,296 |
| Options terminated in closing purchase transactions | (5,982) | (1,437,177) |
| Options outstanding, January 31, 2006 | 1,588 | \$637,327 |
| Floating Rate Strategy: | Contracts | Premiums |
| Options outstanding, August 31, 2005 | 9,204,560 | \$ 1,412,922 |
| Options written | 7,736 | 2,026,196 |
| Options terminated in closing purchase transactions | (9,210,067) | (2,371,802) |
| Options outstanding, January 31, 2006 | 2,229 | \$1,067,316 |

(c) Credit default swaps contracts outstanding at January 31, 2006:

Floating Rate Income:

| Swap Counterparty/ Referenced Debt Issuer | Notional Amount Payable on Default (000) | Termination Date | Fixed Payments Received (Paid) by Fund | Unrealized Appreciation (Depreciation) |
|--|--|------------------|--|--|
| Bank of America | | | | |
| AES Corp. | \$1,000 | 12/20/07 | 1.50% | \$ 5,160 |
| Allied Waste North American | 600 | 9/20/09 | 2.75% | 11,761 |
| Bombardier | 1,400 | 6/20/10 | 3.80% | 10,569 |
| MCI | 875 | 9/20/07 | 4.57% | 67,215 |
| Williams Cos. | 875 | 9/20/09 | 2.05% | 31,929 |
| Bear Stearns | | | | |
| Georgia-Pacific | 700 | 9/20/09 | 1.24% | (22,925) |
| GMAC | 2,000 | 3/20/06 | 2.10% | 2,227 |
| Host Marriot | 700 | 9/20/09 | 1.95% | 21,369 |
| MGM Mirage | 1,500 | 9/20/09 | 1.92% | 27,115 |
| Citigroup | | | | |
| Allied Waste North America | 1,500 | 9/20/07 | 2.18% | 10,647 |

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| | | | | |
|-------------------------------------|-------|----------|-------|-----------|
| Crown Cork | 1,500 | 9/20/07 | 2.38% | 33,641 |
| Host Marriott Corp. | 900 | 9/20/07 | 1.90% | 20,311 |
| Owens-Illinois Group | 3,000 | 9/20/07 | 2.05% | 37,469 |
| Starwood Hotels & Resorts Worldwide | 1,500 | 9/20/07 | 1.20% | 25,484 |
| | | | | |
| Credit Suisse First Boston | | | | |
| AES Corp. | 900 | 9/20/09 | 3.85% | 64,898 |
| Allied Waste North America | 875 | 9/20/09 | 2.46% | 9,223 |
| Delhaize Group | 875 | 9/20/09 | 1.40% | 22,591 |
| OAO Gazprom | 5,000 | 4/20/06 | 0.72% | 15,958 |
| Intelsat Bermuda | 3,000 | 3/20/10 | 3.21% | (299,467) |
| Samis | 4,400 | 9/20/08 | 2.45% | 69,785 |
| | | | | |
| Goldman Sachs | | | | |
| HCA | 1,000 | 12/20/07 | 0.75% | 4,598 |
| Starwood Hotels & Resorts Worldwide | 1,000 | 12/20/07 | 1.10% | 16,672 |
| TRW Automotive | 875 | 9/20/09 | 2.15% | 12,747 |

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

January 31, 2006 (unaudited)

3. Investments in Securities (continued)

| Swap Counterparty/ Referenced Debt Issuer | Notional Amount Payable on Default (000) | Termination Date | Fixed Payments Received (Paid) by Fund | Unrealized Appreciation (Depreciation) |
|--|--|------------------|--|--|
| J. P. Morgan Chase AES Corp. | \$1,500 | 9/20/07 | 2.15% | \$ 25,311 |
| Electronic Data System | 1,000 | 12/20/07 | 1.30% | 22,330 |
| Ford Motor Credit | 5,000 | 6/20/06 | 3.25% | 21,223 |
| Tenet Healthcare | 5,000 | 12/20/07 | (3.20)% | (74,339) |
| Tenet Healthcare | 5,000 | 12/20/09 | 4.15% | 104,112 |
| Lehman Securities | | | | |
| Extendicare Health Services | 2,600 | 9/20/09 | 2.10% | 42,788 |
| L-3 Communications Group | 5,000 | 12/20/08 | 1.50% | 87,700 |
| Six Flags | 1,000 | 3/20/10 | 2.70% | 26,868 |
| Merrill Lynch | | | | |
| PSEG Energy | 3,500 | 12/4/06 | 2.95% | 48,642 |
| SPX Corp. | 900 | 9/20/09 | 2.25% | 22,215 |
| Williams Cos. | 700 | 9/20/09 | 1.71% | 17,468 |
| Morgan Stanley Dean Witter | | | | |
| Georgia-Pacific | 900 | 9/20/09 | 1.63% | (17,784) |
| GMAC | 1,000 | 9/20/06 | 1.70% | (11,230) |
| | | | | \$514,281 |

Floating Rate Strategy:

| Swap Counterparty/ Referenced Debt Issuer | Notional Amount Payable on Default (000) | Termination Date | Fixed Payments Received (Paid) by Fund | Unrealized Appreciation (Depreciation) |
|--|--|------------------|--|--|
| Bank of America | | | | |
| Bombardier | \$3,500 | 6/20/10 | 3.80% | \$ 26,423 |
| CMS Energy Corp. | 5,000 | 12/20/09 | 2.15% | 135,772 |
| Royal Caribbean Cruises | 5,000 | 12/20/09 | 1.12% | 105,750 |
| Williams Cos. | 5,000 | 12/20/09 | 1.65% | 112,472 |
| Bear Stearns | | | | |
| Allied Waste North America | 1,500 | 12/20/07 | 1.85% | 3,231 |

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| | | | | |
|----------------------------|-------|----------|---------|-----------|
| ArvinMeritor | 1,500 | 12/20/07 | 1.14% | (25,745) |
| Dura Operating | 4,500 | 12/20/09 | 4.15% | (608,489) |
| Dynegy | 1,500 | 12/20/09 | 2.35% | (25,280) |
| GMAC | 5,000 | 3/20/06 | 2.10% | 5,568 |
| MGM Mirage | 5,000 | 12/20/09 | 1.54% | 13,600 |
| Stone Container | 1,500 | 12/20/09 | 1.76% | (113,595) |
| Stone Container | 5,000 | 12/20/09 | 1.87% | (360,071) |
| | | | | |
| Citigroup | | | | |
| Host Marriott Corp. | 5,000 | 12/20/09 | 1.70% | 106,021 |
| Reliant Energy | 5,000 | 12/20/09 | 3.20% | (190,906) |
| | | | | |
| Credit Suisse First Boston | | | | |
| Equistar Chemicals | 5,000 | 12/20/09 | 2.25% | 23,650 |
| Goodyear Tire & Rubber | 2,000 | 3/20/15 | (3.85)% | (11,950) |
| Intelsat Bermuda | 7,000 | 3/20/10 | 3.21% | (698,756) |
| Samis | 2,000 | 9/20/08 | 2.45% | 23,972 |
| Samis | 4,600 | 12/20/09 | 2.15% | 11,180 |

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

January 31, 2006 (unaudited)

3. Investments in Securities (continued)

| Swap Counterparty/ Referenced Debt Issuer | Notional Amount Payable on Default (000) | Termination Date | Fixed Payments Received (Paid) by Fund | Unrealized Appreciation (Depreciation) |
|--|--|------------------|--|--|
| HSBC Bank | | | | |
| Ford Motor Credit | \$2,000 | 6/20/06 | 3.25% | \$ 8,489 |
| GMAC | 4,000 | 6/20/06 | 4.25% | 36,992 |
| J.P. Morgan Chase | | | | |
| Goodyear Tire & Rubber | 2,000 | 3/20/07 | (1.55)% | (16,981) |
| Goodyear Tire & Rubber | 4,000 | 3/20/10 | 3.40% | 50,984 |
| NRG Energy | 5,000 | 12/20/09 | 2.20% | 13,058 |
| Lehman Securities | | | | |
| Boyd Gaming | 5,000 | 12/20/09 | 1.65% | 148,516 |
| Ford Motor Credit | 3,000 | 6/20/06 | 2.90% | 7,480 |
| GMAC | 3,000 | 3/20/06 | 2.10% | 3,341 |
| Hayes Lemmerz International | 5,000 | 12/20/09 | 2.50% | (105,545) |
| HCA | 5,000 | 12/20/09 | 1.55% | 109,009 |
| PanAmSat Corp. | 3,000 | 12/20/09 | 3.00% | 24,874 |
| Six Flags | 4,000 | 3/20/10 | 2.70% | 107,471 |
| Starwood Hotels and Resorts Worldwide | 5,000 | 12/20/09 | 1.15% | 99,343 |
| Station Casinos | 5,000 | 12/20/09 | 1.45% | 69,828 |
| Stone Container | 3,000 | 12/20/09 | 1.85% | (218,068) |
| TRW | 5,000 | 12/20/09 | 2.05% | 40,697 |
| Merrill Lynch | | | | |
| AES Corp. | 3,000 | 12/20/09 | 2.60% | 88,961 |
| ArvinMeritor | 4,500 | 12/20/09 | 2.25% | (157,584) |
| Bombardier | 5,000 | 3/20/06 | 3.25% | 34,329 |
| Chesapeake Energy Corp. | 5,000 | 12/20/09 | 1.30% | 66,250 |
| CMS Energy Corp. | 1,500 | 12/20/09 | 1.85% | 24,630 |
| Delhaize America | 5,000 | 12/20/09 | 1.07% | 66,246 |
| Toys R Us | 3,500 | 12/20/06 | (1.45)% | (6,062) |
| Toys R Us | 7,000 | 12/20/09 | 2.91% | 24,331 |
| Toys R Us | 5,000 | 12/20/09 | 3.20% | (484,748) |
| Toys R Us | 3,500 | 12/20/14 | (3.34)% | (13,963) |
| Vintage Petroleum | 3,000 | 12/20/09 | 1.50% | 3,500 |

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| | | | | | | | | | |
|---------------------|--|-------|--|----------|--|-------|--|---------------|--|
| UBS Securities | | | | | | | | | |
| GMAC | | 6,000 | | 9/20/06 | | 5.05% | | 80,328 | |
| Wachovia Securities | | | | | | | | | |
| Ford Motor Credit | | 5,000 | | 12/20/09 | | 2.14% | | (828,671) | |
| GMAC | | 5,000 | | 12/20/09 | | 2.26% | | (1,203,876) | |
| | | | | | | | | \$(3,393,994) | |

(d) Interest rate swap agreements outstanding at January 31, 2006:

| Floating Rate Income: | Notional Amount (000) | Termination Date | Rate Type | Payments made by Fund | Payments received by Fund | Unrealized Depreciation |
|--------------------------|-----------------------------|---------------------|---------------|-----------------------------|---------------------------------|----------------------------|
| Bank of America | \$115,000 | 1/7/25 | 3 month LIBOR | 5.13% | | \$ (123,620) |
| Bank of America | 115,000 | 6/15/25 | 5.25% | 3 month LIBOR | | (1,269,358) |
| | | | | | | \$(1,392,978) |

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

January 31, 2006 (unaudited)

3. Investments in Securities (continued)

| Floating Rate Strategy: | Notional Amount | Termination Date | Payments made by Fund | Rate Type | Payments received by Fund | Unrealized Depreciation |
|----------------------------|--------------------|---------------------|-----------------------------|-----------|---------------------------------|----------------------------|
| Swap Counterparty | (000) | | | | | |
| Bank of America | \$255,000 | 1/7/25 | 3 month LIBOR | | 5.13% | \$ (274,114) |
| Bank of America | 255,000 | 6/15/25 | 5.25% | | 3 month LIBOR | (2,814,665) |
| Goldman Sachs | 630,000 | 6/15/25 | 5.00% | | 3 month LIBOR | (6,535,305) |
| Goldman Sachs | 613,000 | 7/22/25 | 3 month LIBOR | | 4.83% | (23,549,570) |
| | | | | | | \$(33,173,654) |

LIBOR London Interbank Offered Rate

Floating Rate Income and Floating Rate Strategy received \$2,000,000 and \$17,750,000 par value, respectively, in U.S. Treasury Bills as collateral for swap contracts.

(e) Forward foreign currency contracts outstanding at January 31, 2006:

| | | | | |
|-------------------------|-----------------------------|--------------------------------------|-----------------------------------|----------------------------|
| Floating Rate Income: | | U.S. \$ Value on Origination Date | U.S. \$ Value January 31, 2006 | Unrealized Depreciation |
| Purchased: | 4,287,000 settling 2/22/06 | \$ 5,266,009 | \$ 5,212,605 | \$ (53,404) |
| Sold: | 36,742,000 settling 2/22/06 | 44,325,916 | 44,674,955 | (349,039) |
| | | | | \$(402,443) |
| Floating Rate Strategy: | | U.S. \$ Value on Origination Date | U.S. \$ Value January 31, 2006 | Unrealized Depreciation |
| Purchased: | 18,201,000 settling 2/22/06 | \$22,357,508 | \$ 22,130,773 | \$(226,735) |
| Sold: | 82,399,000 settling 3/31/06 | 99,616,271 | 100,406,444 | (790,173) |
| | | | | \$(1,016,908) |

(f) At January 31, 2006, the Funds had the following unfunded loan commitments which could be extended at the option of the borrower:

Floating Rate
Income:

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| Borrower | Unfunded Commitments |
|-------------------------------|----------------------|
| Eastman Kodak | \$ 2,517,032 |
| El Paso Nova Scotia Revolver | 4,975,000 |
| Host Marriott L.P. Revolver A | 2,537,585 |
| Host Marriott L.P. Revolver B | 1,633,333 |
| Visteon Corp. | 85,355 |
| Warner Chilcott | 124,017 |
| | \$11,872,322 |

Floating Rate Strategy:

| Borrower | Unfunded Commitments |
|-------------------------------|----------------------|
| Eastman Kodak | \$ 5,034,065 |
| Hertz | 660,019 |
| Host Marriott L.P. Revolver A | 2,537,584 |
| Host Marriott L.P. Revolver B | 1,633,333 |
| Visteon Corp. | 213,387 |
| Warner Chilcott | 283,320 |
| | \$10,361,708 |

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

January 31, 2006 (unaudited)

4. Income Tax Information

The cost of investments for federal income tax purposes and gross unrealized appreciation and gross unrealized depreciation of investments at January 31, 2006 were:

| | Cost of Investments | Gross Unrealized Appreciation | Gross Unrealized Depreciation | Net Unrealized Appreciation |
|------------------------|------------------------|-------------------------------------|-------------------------------------|-----------------------------------|
| Floating Rate Income | \$ 566,055,371 | \$ 7,580,402 | \$1,715,103 | \$5,865,299 |
| Floating Rate Strategy | 1,322,689,524 | 10,781,773 | 4,331,108 | 6,450,665 |

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

For the period ended January 31, 2006, the annualized dividend rates ranged from:

| | High | Low | At January 31, 2006 |
|------------------------|-------|-------|---------------------|
| Floating Rate Income | | | |
| Series T | 4.15% | 3.00% | 4.15% |
| Series W | 4.40% | 3.20% | 4.14% |
| Series TH | 4.40% | 3.24% | 4.20% |
| Floating Rate Strategy | | | |
| Series M | 4.50% | 3.46% | 4.34% |

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| | | | |
|-----------|-------|-------|-------|
| Series T | 4.38% | 3.47% | 4.19% |
| Series W | 4.45% | 3.48% | 4.24% |
| Series TH | 4.50% | 3.37% | 4.15% |
| Series F | 4.40% | 3.40% | 4.27% |

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 3, 2006, the following dividends were declared to common shareholders payable March 3, 2006 to shareholders of record on February 13, 2006:

| | |
|------------------------|----------------------------|
| Floating Rate Income | \$0.13102 per common share |
| Floating Rate Strategy | \$0.12685 per common share |

On March 3, 2006, the following dividends were declared to common shareholders payable April 7, 2006 to shareholders of record on March 13, 2006:

| | |
|------------------------|----------------------------|
| Floating Rate Income | \$0.13730 per common share |
| Floating Rate Strategy | \$0.13314 per common share |

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

January 31, 2006 (unaudited)

7. Legal Proceedings

In June and September 2004, the Investment Manager, certain of its affiliates (Allianz Global Investors Distributors LLC and PEA Capital LLC) and Allianz Global, agreed to settle, without admitting or denying the allegations, claims brought by the Securities and Exchange Commission (the Commission), the New Jersey Attorney General and the California Attorney General alleging violations of federal and state securities laws with respect to certain open-end funds for which the Investment Manager serves as investment adviser. Two settlements (with the Commission and New Jersey) related to an alleged market timing arrangement in certain open-end funds sub-advised by PEA Capital. Two settlements (with the Commission and California) related to the alleged use of cash and fund portfolio commissions to finance shelf-space arrangements with broker-dealers for open-end funds. The Investment Manager and its affiliates agreed to pay a total of \$68 million to settle the claims related to market timing and \$20.6 million to settle the claims related to shelf space. The settling parties also agreed to make certain corporate governance changes. None of the settlements allege that any inappropriate activity took place with respect to the Funds.

Since February 2004, the Investment Manager and certain of its affiliates and their employees have been named as defendants in a number of pending lawsuits concerning market timing and revenue sharing/shelf space/directed brokerage, which allege the same or similar conduct underlying the regulatory settlements discussed above. The market timing lawsuits have been consolidated in a Multi-District Litigation in the United States District Court for the District of Maryland, and the revenue sharing/shelf space/directed brokerage lawsuits have been consolidated in the United States District Court for the District of Connecticut. An additional market timing lawsuit filed by the Attorney General of West Virginia against a number of fund companies, including the Investment Manager and two of its affiliates, has also been transferred to the Multi-District Litigation in 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 believes that other similar lawsuits may be filed in federal or state courts in the future.

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

The foregoing speaks only as of the date hereof.

PIMCO Floating Rate Income Fund Financial Highlights

For a share of common stock outstanding throughout each period:

| | Six Months ended January 31, 2006 (unaudited) | Year ended July 31, 2005 | For the period August 29, 2003* through July 31, 2004 |
|---|--|-----------------------------|--|
| Net asset value, beginning of period | \$19.51 | \$19.38 | \$19.35** |
| Investment Operations: | | | |
| Net investment income | 0.92 | 1.36 | 0.71 |
| Net realized and change in unrealized gain (loss) on investments, futures contracts, options written, swaps, foreign currency transactions, and unfunded loan commitments | (0.07) | 0.39 | 0.39 |
| Total from investment operations | 0.85 | 1.75 | 1.10 |
| Dividends on Preferred Shares from Net Investment Income | (0.22) | (0.29) | (0.11) |
| Net increase in net assets applicable to common shareholders resulting from investment operations | 0.63 | 1.46 | 0.99 |
| Dividends and Distributions to Common Shareholders from: | | | |
| Net investment income | (0.80) | (1.19) | (0.78) |
| Net realized gains | (0.03) | (0.14) | |
| Total dividends and distributions to common shareholders | (0.83) | (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 | \$19.31 | \$19.51 | \$19.38 |
| Market price, end of period | \$18.60 | \$18.75 | \$20.47 |
| Total Investment Return (1) | 3.70% | (2.05)% | 6.55% |
| RATIOS/SUPPLEMENTAL DATA: | | | |
| Net assets applicable to common shareholders, end of period (000) | \$348,125 | \$351,708 | \$346,749 |
| Ratio of expenses to average net assets (2)(3) | 1.49%(4) | 1.52% | 1.36%(4) |
| Ratio of net investment income to average net assets (2) | 9.36%(4) | 6.93% | 4.04%(4) |
| Preferred shares asset coverage per share | \$66,415 | \$66,856 | \$66,274 |
| Portfolio turnover | 35% | 83% | 94% |

* Commencement of operations.

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

(1) Total investment return is calculated assuming a purchase of a share of common stock at the current market price on the first day of each period and a sale of a share of common stock at the current market price on the last day of each period reported. Dividends and distributions are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment return does not reflect brokerage commissions or sales charges. Total investment return for a period of less than one year

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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. | 1.31.06 | PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Semi-Annual Report **45**

PIMCO Floating Rate Strategy Fund Financial Highlights

For a share of common stock outstanding throughout each period:

| | Five Months ended January 31, 2006 (unaudited) | For the Period October 29, 2004* through August 31, 2005 |
|--|---|---|
| Net asset value, beginning of period | \$18.98 | \$19.10** |
| Investment Operations: | | |
| Net investment income | 0.69 | 0.88 |
| Net realized and change in unrealized gain (loss) on investments, futures contracts, options written, swaps, foreign currency transactions, and unfunded loan commitments | (0.03) | 0.31 |
| Total from investment operations | 0.66 | 1.19 |
| Dividends on Preferred Shares from Net Investment Income | (0.19) | (0.24) |
| Net increase in net assets applicable to common shareholders resulting from investment operations | 0.47 | 0.95 |
| Dividends to Common Shareholders from: | | |
| Net Investment Income | (0.61) | (0.91) |
| Capital Share Transactions: | | |
| Common stock offering costs charged to paid-in capital in excess of par | | (0.03) |
| Preferred shares offering costs/underwriting discounts charged to paid-in capital in excess of par | | (0.13) |
| Total capital share transactions | | (0.16) |
| Net asset value, end of period | \$18.84 | \$18.98 |
| Market price, end of period | \$18.34 | \$18.21 |
| Total Investment Return (1) | 4.12% | (4.39)% |
| RATIOS/SUPPLEMENTAL DATA: | | |
| Net assets applicable to common shareholders, end of period (000) | \$783,355 | \$789,094 |
| Ratio of expenses to average net assets (2)(3) | 1.46%(4) | 1.35%(4) |
| Ratio of net investment income to average net assets (2) | 8.62%(4) | 5.57%(4) |
| Preferred shares asset coverage per share | \$65,780 | \$66,084 |
| Portfolio turnover | 30% | 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.

- (1) Total investment return is calculated assuming a purchase of a share of common stock at the current market price on the first day of each period and a sale of a share of common stock at the current market price on the last day of each period reported. Dividends are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment return does not reflect brokerage commissions or sales charges. Total investment return for a period of less than one year is not annualized.
- (2) Calculated on the basis of income and expenses applicable to both common and preferred shares relative to the average net assets of common shareholders.
- (3)

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

(4) Annualized.

46 PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Semi-Annual Report | 1.31.06 | See accompanying Notes to Financial Statements.

PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds

Annual Shareholder Meetings Results (unaudited)

The Funds held their annual meetings of shareholders on December 15, 2005. Common and/or Preferred shareholders of each fund voted to elect/re-elect the Trustees as indicated below.

| | Affirmative | Withheld Authority |
|---|-------------|-----------------------|
| <u>PIMCO Floating Rate Income Fund</u> | | |
| <u>Class II Trustee</u> | | |
| Re-election of Paul Belica to serve until 2008 | 13,120,888 | 202,138 |
| Re-election John J. Dalessandro II* to serve until 2008 | 5,016 | 50 |
| <u>PIMCO Floating Rate Strategy Fund</u> | | |
| <u>Class I Trustee</u> | | |
| Election of Paul Belica to serve until 2008 | 26,185,066 | 349,765 |
| Re-election of Robert E. Connor* to serve until 2008 | 10,688 | 44 |
| <u>Class II Trustee</u> | | |
| Election of R. Peter Sullivan III to serve until 2006 | 26,219,029 | 315,802 |
| <u>Class III Trustee</u> | | |
| Re-election of David C. Flattum to serve until 2007 | 26,217,051 | 317,780 |

Messrs. Robert E. Connor, David C. Flattum, Hans W. Kertess and R. Peter Sullivan III continue to serve as Trustees of Floating Rate Income.

Messrs. John J. Dalessandro II and Hans W. Kertess continue to serve as Trustees of Floating Rate Strategy.

* Preferred Shares Trustee

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Trustees and Principal Officers

Robert E. Connor
Trustee, Chairman of the Board of Trustees

Paul Belica
Trustee

John J. Dalessandro II
Trustee

David C. Flattum
Trustee

Hans W. Kertess
Trustee

R. Peter Sullivan III
Trustee

Brian S. Shlissel
President & Chief Executive Officer

Lawrence G. Altadonna
Treasurer, Principal Financial & Accounting Officer

Thomas J. Fuccillo
Secretary & Chief Legal Officer

Youse Guia
Chief Compliance Officer

Investment Manager

Allianz Global Investors Fund Management LLC

1345 Avenue of the Americas

New York, NY 10105

Sub-Adviser

Pacific Investment Management Company LLC

840 Newport Center Drive

Newport Beach, CA 92660

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Custodian & Accounting Agent

State Street Bank & Trust Co.

801 Pennsylvania

Kansas City, MO 64105-1307

Transfer Agent, Dividend Paying Agent and Registrar

PFPC Inc.

P.O. Box 43027

Providence, RI 02940-3027

Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP

300 Madison Avenue

New York, NY 10017

Legal Counsel

Ropes & Gray LLP

One International Place

Boston, MA 02210-2624

This report, including the financial information herein, is transmitted to the shareholders of PIMCO 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.

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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 are 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.

On December 15, 2005, 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 Fund's principal executive and principal financial officer made quarterly certifications, included in filings with the SEC on Forms N-CSR and N-Q relating to, among other things, each Fund's disclosure controls and procedures and internal control over financial reporting, as applicable.

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 months ended June 30, 2005 is available (i) without charge upon request by calling the Funds' shareholder servicing agent at (800) 331-1710; (ii) on that Fund's website at www.allianzinvestors.com; and (iii) on the Securities and Exchange Commission website at www.sec.gov.

Additional information on the Funds is available at www.allianzinvestors.com 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.

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ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANT

Not required in this filing.

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

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

Not required in this filing.

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

Not required in this filing.

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 2005 | N/A | N/A | N/A | N/A |
| September 2005 | N/A | N/A | N/A | N/A |
| October 2005 | N/A | N/A | N/A | N/A |
| November 2005 | N/A | N/A | N/A | N/A |
| December 2005 | N/A | N/A | N/A | N/A |
| January 2006 | N/A | N/A | N/A | N/A |

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

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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. The Nominating Committee Charter governing the affairs of the Nominating Committee of the Board is posted on the Allianz Funds website at www.allianzinvestors.com

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 Investment Company Act of 1940, 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 or in factors that could affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

ITEM 12. EXHIBITS

(a) (1) Exhibit 99 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 and Chief Executive Officer

Date April 7, 2006

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

Date April 7, 2006

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 and Chief Executive Officer

Date April 7, 2006

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

Date April 7, 2006
