

PIMCO Floating Rate Strategy Fund
Form N-CSR
October 09, 2007

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

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

Investment Company Act file number 811-21601

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

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

10105
(Zip code)

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

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

Date of fiscal year July 31, 2007
end:

Date of reporting period: July 31, 2007

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

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

ITEM 1. REPORT TO SHAREHOLDERS

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

July 31, 2007

Dear Shareholder:

We are pleased to provide you with the annual report for the PIMCO Floating Rate Income Fund and PIMCO Floating Rate Strategy Fund (collectively the Funds) for the fiscal year ended July 31, 2007.

Following a steady succession of interest-rate increases, the Federal Reserve Board (the Fed) set short-term interest rates at 5.25% at the beginning of the period and held fast to that level throughout the fiscal year. The Fed cited mixed signals in the economy during the period, most notably weakness in housing, elevated levels of core inflation and steady, moderate economic growth.

Please refer to the following pages for specific information on the Funds. If you have any questions regarding the information provided, we encourage you to contact your financial advisor or call the Funds' shareholder servicing agent at (800) 331-1710. In addition, a wide range of information and resources are available on our Web site at www.allianzinvestors.com/closedendfunds.

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

We remain dedicated to serving your investment needs.

Sincerely,

Hans W. Kertess

Chairman

Brian S. Shlissel

President & Chief Executive Officer

PIMCO Floating Rate Income Fund Performance & Statistics

July 31, 2007 (unaudited)

- * For the fiscal year ended July 31, 2007, PIMCO Floating Rate Income Fund returned 0.83% on net asset value (NAV) and (0.93)% on market price.
- * A focus on the cable sector over the period detracted from returns, as these issues underperformed.
- * Utility loans outperformed during the period and a minimal weighting in the sector adversely affected Fund performance.
- * A relatively small weighting in BB-rated issues detracted from returns, as higher-rated issues outperformed during the period; particularly in July as a flight-to-quality became evident.
- * A smaller-than-market weighting in the retail sector added to returns, as these loans underperformed the overall market by approximately 70 basis points.
- * Security selection in the consumer cyclical sector was positive for performance, as captive finance auto loans outperformed the overall sector.
- * A strong emphasis on telecommunications contributed positively to performance, as these issues outperformed the leveraged loan market by approximately 100 basis points.
- * Within media, a relatively small weighting in broadcasting issues, which underperformed, added to security selection within the broader sector.
- * The Fund used interest-rate swaps to adjust duration and target specific areas of yield-curve exposure during the period. Credit-default swaps were used either as a substitute for purchasing corporate bonds or as a means of hedging corporate bond exposure.

Total Return⁽¹⁾	Market Price	Net Asset Value (NAV)
1 Year	(0.93)%	0.83%
Commencement of Operations (8/29/03) to 7/31/07	4.86%	5.00%

Common Share Market Price/NAV Performance:	Market Price/NAV:	
Commencement of Operations (8/29/03) to 7/31/07	Market Price	\$17.88
Market Price	NAV	\$17.38
NAV	Premium to NAV	2.88%
	Market Price Yield ⁽²⁾	10.25%

(1) **Past performance is no guarantee of future results.** Total return is calculated by subtracting the value of an investment in the Fund at the beginning of the 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 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 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 typically a one-time public offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. Net asset value is equal to the total assets attributable to common shareholders less total liabilities divided by the number of common shares outstanding. Holdings are subject to change daily.

(2) Market Price Yield is determined by dividing the annualized current monthly per share dividend to common shareholders by the market price per common share at July 31, 2007.

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PIMCO Floating Rate Strategy Fund Performance & Statistics

July 31, 2007 (unaudited)

* For the fiscal year ended July 31, 2007, PIMCO Floating Rate Strategy Fund returned 0.23% on net asset value (NAV) and 2.73% on market price.

* A strong emphasis on telecommunications contributed positively to returns, as these issues outperformed the leveraged loan market by approximately 100 basis points.

* Security selection in the consumer cyclical sector was positive for performance, as captive finance auto loans outperformed the overall sector.

* A relatively large weighting and security selection in the healthcare sector boosted performance, as hospital and facility operators helped drive overall sector performance higher.

* A minimal weighting in the retail sector added to returns, as these loans underperformed the overall market by approximately 70 basis points.

* A focus on the cable sector during the period detracted from returns, as these issues underperformed.

* As paper and packaging companies underperformed during the period, a larger-than-market weighting in this sector adversely affected Fund performance.

* A relatively small weighting in BB-rated issues detracted from returns, as higher-rated issues outperformed during the period; particularly in July as a flight-to-quality became evident.

* The Fund used interest-rate swaps to adjust duration and target specific areas of yield-curve exposure during the period. Credit-default swaps were used either as a substitute for purchasing corporate bonds or as a means of hedging corporate bond exposure.

Total Return⁽¹⁾	Market Price	Net Asset Value (NAV)
1 Year	2.73%	0.23%
Commencement of Operations (10/29/04) to 7/31/07	3.45%	3.98%

Common Share Market Price/NAV Performance:	Market Price/NAV:	
Commencement of Operations (10/29/04) to 7/31/07	Market Price	\$17.28
Market Price	NAV	\$16.76
NAV	Premium to NAV	3.10%
	Market Price Yield ⁽²⁾	10.31%

(1) **Past performance is no guarantee of future results.** Total return is calculated by subtracting the value of an investment in the Fund at the beginning of the 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 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 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 typically a one-time public offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. Net asset value is equal to the total assets attributable to common shareholders less total liabilities divided by the number of common shares outstanding. Holdings are subject to change daily.

(2) Market Price Yield is determined by dividing the annualized current monthly per share dividend to common shareholders by the market price per common share at July 31, 2007.

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PIMCO Floating Rate Income Fund Schedule of Investments

July 31, 2007

Principal Amount (000)		Value
SENIOR LOANS (a)(c) 62.0%		
Advertising 0.5%		
\$	2,326	West Corp., 7.735%, 10/23/13 (e) \$ 2,242,328
	46	7.735%, 10/23/13 (b) 43,927
	621	7.763%, 10/23/13 (b) 598,189
		2,884,444
Aerospace 0.1%		
	750	TransDigm Group, Inc., 7.36%, 6/23/13, Term B 743,906
Airlines 0.5%		
	3,000	Northwest Airlines Corp., 7.34%, 8/22/08 (b) 2,988,750
Apparel & Textiles 0.5%		
	1,000	Aearo Technologies, Inc., 7.61%, 5/30/14, Term B (b) 960,000
	870	Simmons Co., Term C (b), 7.375%, 12/19/11 843,790
	888	7.438%, 12/19/11 861,555
		2,665,345
Automotive 1.8%		
	5,985	Ford Motor Corp., 8.36%, 11/29/13, Term B 5,656,238
	1,500	General Motors Corp., 7.735%, 11/29/13 1,446,095
	223	Hertz Corp., Term B, 5.36%, 12/21/12 216,336
	761	7.08%, 12/21/12 739,349
	113	7.09%, 12/21/12 110,115
	1,064	7.11%, 12/21/12 1,070,811
	694	Lear Corp., 7.84%, 3/23/12 677,226
	300	7.86%, 3/23/12 292,749
		10,208,919
Automotive Products 2.3%		
	1,350	Cooper Standard Automotive, Inc., 7.875%, 12/31/11, Term B 1,316,189
	3,374	7.875%, 12/31/11, Term C 3,290,254
	2,500	Delphi Corp., 8.125%, 12/31/07, Term C 2,448,958
	2,000	Goodyear Tire & Rubber Co., 6.85%, 4/20/14, Term B 1,922,500
	1,000	8.82%, 4/1/11 996,094
	3,000	Polypore, Inc., 7.58%, 5/15/14 (b) 2,850,000
		12,823,995
Banking 0.4%		
	1,092	Aster Co., Ltd. (b), 7.824%, 9/19/13, Term B1 1,076,057
	1,132	8.324%, 9/19/14, Term C1 1,118,915
		2,194,972
Building/Construction 1.5%		
	4,000	Building Materials Corp., 11.125%, 9/14/14 3,720,000
	1,901	Masonite International Corp., 7.36%, 4/6/13, Term B 1,773,282
	525	7.36%, 4/6/13, Term B (b) 489,745
	2,334	Nortek, Inc., 7.61%, 8/27/11 2,249,258

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PIMCO Floating Rate Income Fund Schedule of Investments

July 31, 2007 (continued)

Principal Amount (000)		Value
Chemicals 1.3%		
\$	3,903	INEOS Group Ltd., 7.580%, 10/7/12, Term A4 (b) \$ 3,803,160
	742	7.580%, 10/7/13, Term B1 727,196
	233	7.591%, 10/7/12, Term A4 (b) 226,592
	742	8.080%, 10/7/14, Term C1 730,537
	1,970	KRATON Polymers Group LLC, 7.375%, 5/11/13 (b) 1,932,348
		7,419,833
Commercial Products 0.9%		
	194	iPayment, Inc. (b), 7.32%, 12/27/12 186,893
	793	7.36%, 12/27/12 763,576
	924	Sigmakalon, 6.164%, 6/30/12, Term A (b) 1,262,258
	635	6.664%, 9/19/12, Term B 862,834
	365	6.664%, 9/19/12, Term B1 495,969
	940	7.414%, 9/19/13, Term C1 1,278,878
		4,850,408
Computer Services 1.1%		
\$	2,779	PanAmSat Corp., 7.36%, 6/30/11, Term A 2,704,485
	3,430	SunGard Data Systems, Inc., 7.356%, 2/11/13 3,301,984
		6,006,469
Computer Software 2.9%		
	1,957	Infor Global Solutions (b), 9.11%, 8/1/12 1,922,401
	1,021	9.11%, 8/1/12, Term DD 1,002,992
	1,652	Riverdeep Interactive, 12.06%, 12/21/07 (b) 1,669,350
	6,000	Thomson Learning, Inc., 8.07%, 6/27/14, Term B 5,652,000
	2,000	Trilogy International, Inc., 8.86%, 6/22/12 (b) 1,940,000
		Worldspan L.P., Term B,
	2,000	8.606%, 12/7/13 1,980,000
	1,980	8.61%, 12/7/13 1,960,200
		16,126,943
Consumer Products 1.5%		
	1,980	Education Management Corp., 7.125%, 2/13/14, Term B 1,883,750
	2,954	Jarden Corp., 7.11%, 1/24/12, Term B1 2,896,856
		National Mentor, Inc. (b),
	56	5.32%, 6/30/13 55,703
	319	7.32%, 6/30/13, Term B 317,566
	615	7.36%, 6/30/13, Term B 612,029
	1,000	7.533%, 6/30/12 994,688
	2,000	Pinnacle Foods, 8.11%, 3/30/14, Term B (b) 1,943,334
		8,703,926
Containers & Packaging 3.2%		
	5,485	Graham Packaging Holdings Co., 7.625%, 10/18/11, Term B (b) 5,234,799
		Graphic Packaging International Corp. (b),
	1,734	7.32%, 5/3/14 1,696,877
	1,251	7.36%, 5/3/14 1,193,839
	3,107	Horizon Lines LLC, 7.57%, 7/7/11 (b) 3,091,866

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PIMCO Floating Rate Income Fund Schedule of Investments

July 31, 2007 (continued)

Principal Amount (000)		Value
Containers & Packaging (continued)		
\$	970	Intertape Polymer Group, Inc., Term B (b), 8.07%, 7/28/11
	368	8.08%, 7/28/11
	4	10.00%, 7/28/11
	742	Smurfit-Stone Container, 5.215%, 11/1/10
	406	7.375%, 11/1/10, Term C
	2,934	7.375%, 11/1/11, Term B
	1,217	7.375%, 11/1/11, Term C
	494	7.375%, 11/1/11, Term C1
		18,191,854
Diversified Manufacturing 1.2%		
	3,574	Grant Forest Products, 11.375%, 9/16/13 (b)
	479	Invensys PLC (b), 7.356%, 7/17/13
	521	7.36%, 7/17/13
	1,250	KION Group GmbH (b), 7.58%, 12/20/14, Term B
	1,250	7.83%, 12/20/15, Term C
		6,902,417
Drugs & Medical Products 1.5%		
	2,000	Nycomed Holdings (b), 6.664%, 12/29/16, Term B
	2,000	7.164%, 12/20/15, Term C
		Warner Chilcott PLC, 7.36%, 1/18/12, Term B
\$	2,303	7.36%, 1/18/12, Term C
	634	
		8,236,183
Energy 1.1%		
	40	Alon USA Energy, Inc. (b), 7.57%, 6/8/13
	162	7.57%, 6/8/13, Term DD
	1,720	7.608%, 6/8/13
	58	7.608%, 6/8/13, Term DD
	3,040	Headwaters, Inc., 7.36%, 4/30/11, Term B (b)
	290	Targa Resources, Inc., 5.225%, 10/31/11
	823	7.32%, 10/31/12, Term B
	366	7.36%, 10/31/12, Term B
		6,422,482
Entertainment 3.1%		
	10,715	MGM Studios, 8.61%, 4/8/12, Term B
	811	Revolution Studios LLC, 7.82%, 12/25/12, Term A
	189	7.82%, 12/25/12, Term A (b)
	1,935	9.07%, 12/25/14, Term B (b)
	4,337	Warner Music Group, Inc., 7.36%, 2/28/11, Term B
		17,223,348
Financial Services 2.7%		

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1,500	Bearingpoint, Inc., 9.29%, 5/18/12 (b)	1,477,500
5,500	Chrysler Financial Corp., 5.00%, 8/3/14 (b)	5,225,000

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PIMCO Floating Rate Income Fund Schedule of Investments

July 31, 2007 (continued)

Principal Amount (000)		Value
Financial Services (continued)		
\$	5,955	Nielson Finance, 7.607%, 8/9/13, Term B
	2,800	SLM Corp., 6/30/08 (b)(e)(f)(h)
		\$ 5,809,615
		2,787,308
		15,299,423
Food Services 1.8%		
	1,207	Arby's Restaurant Group, Inc., Term B, 7.608%, 7/25/12
	2,243	7.61%, 7/25/12
	150	7.61%, 7/25/12 (b)
	1,478	Bolthouse Farms, Inc., 7.625%, 11/17/12, Term B (b)
	3,536	Michael Foods, Inc., 7.361%, 11/21/10, Term B (b)
		Sturm Foods, Inc., Term B (b), 7.875%, 1/30/14
	4	
	1,492	7.938%, 1/30/14
		1,175,711
		2,185,398
		145,861
		1,455,645
		3,470,738
		3,619
		1,440,262
		9,877,234
Healthcare & Hospitals 6.7%		
	2,000	Biomet, Inc. (e), 6.00%, 3/8/08 (b)
	4,500	7.00%, 3/15/15, Term B
		Capio AB (b), 6.356%, 3/8/15, Term B1
	650	
	650	6.481%, 3/8/16, Term C1
		Community Health Systems, Inc. (e), 4.00%, 7/2/14
\$	124	
	1,876	5.00%, 7/2/14, Term B
	3,000	7.00%, 4/10/08 (b)
		Davita, Inc., Term B1, 6.86%, 10/5/12
	1,143	
	357	6.88%, 10/5/12
	10,945	HCA, Inc., 7.61%, 11/16/13, Term B
		HealthSouth Corp., 7.85%, 2/2/13
	3,353	
	86	7.86%, 2/2/13
	1,000	ISTA, 8.00%, 6/15/16 (b)(e)
\$	919	MultiPlan, Inc., 7.82%, 4/12/13, Term B
		Psychiatric Solutions, Inc., Term B (b), 7.11%, 7/7/12
	1,143	
	855	7.125%, 7/7/12
	4,322	Renal Advantage, Inc., 7.86%, 10/6/12, Term B (b)
		United Surgical (b), 7.367%, 4/18/14, Term DD
	48	
	837	7.381%, 4/18/14, Term B
		1,084,937
		338,620
		10,585,643
		3,271,949
		83,696
		1,344,896
		887,876
		1,141,429
		853,931
		4,235,455
		46,867
		790,599
		37,638,015
Hotels/Gaming 1.2%		
	308	CCM Merger, Inc., 7.36%, 7/21/12, Term D (b)
	3,000	Harrah's Entertainment, Inc., 7.50%, 3/9/08 (b)(e)
	3,618	MotorCity Casino, 7.36%, 7/21/12, Term B (b)
		297,273
		3,000,000
		3,491,478
		6,788,751
Household Products 0.7%		
		Springer S.A. (b),

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1,000	7.696%, 9/16/11, Term B2	986,719
2,800	8.071%, 9/16/12, Term C2	2,775,500
		3,762,219

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PIMCO Floating Rate Income Fund Schedule of Investments

July 31, 2007 (continued)

Principal Amount (000)		Value
Leasing 0.4%		
\$	1,194	Rental Service Corp., 8.86%, 11/21/13 \$ 1,187,793
	333	United Rentals, Inc. (b), 5.32%, 2/14/11, Term LC 327,024
	729	7.32%, 2/14/11, Term B 716,623
		2,231,440
Manufacturing 1.3%		
	38	Bombardier, Inc., Term B (b), 7.82%, 6/26/13 37,192
	2,696	7.86%, 6/26/13 2,640,593
	3,000	Dresser-Rand Group, Inc., 7.86%, 5/4/14, Term T1 (b) 2,903,250
	1,246	Lucite International Ltd. (b), 7.61%, 5/26/13, Term B 1,196,343
	441	7.61%, 5/26/13, Term DD 423,573
		7,200,951
Multi-Media 6.0%		
	2,000	American Media Operations, Inc., 8.59%, 1/30/13 (b) 1,880,000
	990	Atlantic Broadband, Inc., 7.61%, 8/9/12, Term B (b) 972,082
	1,000	Cequel Communications LLC, 5.00%, 10/15/13, Term B (b) 950,000
	943	Charter Communications, 7.85%, 9/5/14 898,543
	2,057	7.86%, 9/5/14 1,960,457
	4,970	CSC Holdings, Inc., 7.07%, 2/24/13, Term B 4,786,289
	6,000	NTL Investment, 7.36%, 1/6/13, Term B 5,930,628
	2,955	Primedia, 7.57%, 9/30/13, Term B 2,938,839
		Seven Media Group, Term T1 (b), 8.835%, 2/7/13 357,245
AUD	419	8.878%, 2/7/13 2,572,161
AUD	3,017	Univision Communications, Inc., 7.61%, 9/15/14, Term B 5,658,111
\$	6,107	7.82%, 3/15/09 977,000
	1,000	Young Broadcasting, Inc., Term B, 7.875%, 5/2/12 905,509
	948	7.875%, 11/3/12 2,844,062
	2,976	
		33,630,926
Oil & Gas 1.6%		
	675	Big West Oil LLC, 7.61%, 5/2/14, Term B (b) 652,219
	6,000	El Paso Corp., 5.273%, 6/15/09 5,700,000
	1,916	Newpark Resources, Inc., 8.36%, 8/17/11 (b) 1,887,142
	917	Oxbow Carbon & Minerals LLC, 7.36%, 5/4/14, Term C (b) 875,892
		9,115,253
Paper/Paper Products 0.7%		
	3,201	Georgia-Pacific Corp., 7.11%, 12/20/12, Term B 3,032,611
	1,000	Verso Paper Holdings LLC, 11.606%, 2/1/13 (b) 997,500
		4,030,111
Printing/Publishing 1.3%		
	918	Seat Pagine Gialle SpA (b), 4.023%, 5/25/12, Term A 1,240,447

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	626	4.023%, 6/8/13, Term B	849,794
		Tribune Co.,	
\$	1,867	7.86%, 5/30/09, Term X (b)	1,833,334
	4,000	8.36%, 5/30/14, Term B	3,645,716
			7,569,291

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PIMCO Floating Rate Income Fund Schedule of Investments

July 31, 2007 (continued)

Principal Amount (000)		Value
Recreation 2.3%		
\$	2,573	Amadeus Global Travel (b), 7.636%, 4/8/13, Term B \$ 2,468,933
	177	7.636%, 4/8/13, Term B2 170,303
	2,573	7.886%, 4/8/14, Term C 2,454,184
	177	7.886%, 4/8/14, Term C2 171,264
	3,960	Cedar Fair L.P., 7.32%, 6/13/12 3,830,199
	2,500	Six Flags Theme Parks, Inc., 7.86%, 4/30/15, Term B (b)(e) 2,354,168
		TDS Investor Corp., 7.86%, 8/1/13 291,226
	297	Travelport, 7.82%, 8/22/13 1,009,102
	1,031	
		12,749,379
Retail 0.7%		
	20	Neiman Marcus Group, Inc., 7.09%, 4/6/13 19,196
	1,280	7.36%, 4/6/13 1,228,554
	3,000	Rite Aid Corp., 9.00%, 11/8/13 (b)(e) 2,985,000
		4,232,750
Telecommunications 5.3%		
	1,200	BCM Luxembourg (b), 6.403%, 8/15/14, Term B 1,576,916
	1,200	6.778%, 8/15/15, Term C 1,576,916
\$	335	Centennial Cellular Communications Corp., Term B (b), 7.36%, 1/20/11 326,563
	4,332	7.36%, 2/9/11 4,220,520
		Consolidated Communications, Inc., Term B, 7.07%, 9/18/11 1,037,673
	1,053	7.11%, 10/14/11 3,339,421
	3,390	
	2,500	Dobson Communications Corp., 7.36%, 3/14/14 2,480,462
	4,500	Hawaiian Telcom Communications, Inc., 7.61%, 6/1/14, Term C 4,291,875
		Intelsat Ltd., 7.859%, 2/15/14 2,442,635
	2,500	Nordic Telephone Co. Holdings ApS, 5.953%, 11/30/14, Term B 2,380,585
	1,782	6.203%, 11/30/14, Term C 2,955,006
\$	2,200	Telesat Canada, Inc., 2.500%, 2/14/08 (b)(e)(h) 3,002,816
	3,000	
		29,631,388
Transportation 0.5%		
	2,719	Fleetpride Corp., 7.84%, 6/6/13, Term B (b) 2,687,316
Utilities 0.6%		
		AES Corp., Term B, 7.19%, 4/30/08 771,473
	786	7.25%, 8/10/11 771,473
	786	
	1,600	Sandridge Energy, Inc., 8.985%, 4/1/14 (b) 1,568,000
		3,110,946
Waste Disposal 1.1%		
		Allied Waste North America, Inc., 5.32%, 3/28/14 1,613,913
	1,680	7.06%, 3/28/14, Term B 1,464,077
	1,520	

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1,318	7.11%, 3/28/14, Term B	1,268,867
107	7.13%, 3/28/14, Term B	103,062
101	7.14%, 3/28/14, Term B	97,605
1,000	AVR Bedrijven NV, 6.164%, 3/1/14 (b)	1,350,029
		5,897,553

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PIMCO Floating Rate Income Fund Schedule of Investments

July 31, 2007 (continued)

Principal Amount (000)		Credit Rating (Moody's/S&P)*	Value
Wholesale 0.7%			
\$ 3,940	Roundys, Inc., 8.11%, 10/27/11, Term B		\$ 3,846,620
Wire & Cable Products 1.0%			
2,062	UPC Broadband Holding BV, 6.302%, 12/31/14, Term M1		2,731,498
1,080	6.302%, 12/31/14, Term M2		1,430,707
1,000	7.042%, 12/31/14 (b)		1,324,363
			5,486,568
Total Senior Loans (cost-\$356,157,190)			347,612,613
CORPORATE BONDS & NOTES 25.0%			
Airlines 0.2%			
\$ 992	JetBlue Airways Corp., pass thru certificates, 8.46%, 5/15/10, Ser. 04-2, FRN	Ba3/BB-	980,980
Apparel & Textiles 0.6%			
3,500	Hanesbrands, Inc., 8.784%, 12/15/14, FRN	B2/B-	3,447,500
Automotive Products 0.7%			
4,000	Goodyear Tire & Rubber Co., 9.135%, 12/1/09, FRN (a)(d)	B2/B-	4,000,000
Banking 0.9%			
£ 2,464	Royal Bank of Scotland PLC, 9.370%, 4/6/11, VRN (b)(h)	NR/NR	5,046,700
Building/Construction 0.7%			
3,000	Grohe Holding GmbH, 6.843%, 1/15/14, FRN (b)	B2/B	3,959,565
Containers & Packaging 0.2%			
\$ 1,000	Berry Plastics Holding Corp., 9.235%, 9/15/14, FRN	B3/B	965,000
Electronics 0.8%			
3,000	Sanmina-SCI Corp., 8.11%, 6/15/10, FRN (a)(d)	Ba3/B+	2,970,000
1,400	Spansion LLC, 8.485%, 6/1/13, FRN (a)(d)	B1/B+	1,309,000
			4,279,000
Financial Services 5.1%			
2,500	Chukchansi Economic Dev. Auth., 8.859%, 11/15/12, FRN (a)(d)	B2/BB-	2,525,000
8,150	Ford Motor Credit Co., 8.11%, 1/13/12, FRN	B1/B	7,789,110
7,000	General Motors Acceptance Corp., 7.56%, 12/1/14, FRN	Ba1/BB+	6,523,055
3,000	Hellas Telecommunications Luxembourg V, 7.468%, 10/15/12, FRN	B1/B	4,080,885
\$ 2,000	Hexion U.S. Finance Corp., 9.86%, 11/15/14, FRN	B3/B	2,070,000
	Universal City Florida Holding Co., 8.375%, 5/1/10	B3/B-	2,040,000
2,000	10.106%, 5/1/10, FRN	B3/B-	3,535,000
3,500			28,563,050
Food Services 0.7%			
4,500	Aramark Corp., 8.856%, 2/1/15, FRN (a)(d)	B3/B-	4,207,500
Healthcare & Hospitals 0.5%			
1,500	Rotech Healthcare, Inc., 9.50%, 4/1/12	Caa3/CCC	1,177,500
1,500		B3/B+	1,406,250

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Universal Hospital Services, Inc., 8.759%, 6/1/15,
FRN (a)(d)

2,583,750

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PIMCO Floating Rate Income Fund Schedule of Investments

July 31, 2007 (continued)

Principal Amount (000)		Credit Rating (Moody s/S&P)*	Value
Hotels/Gaming 0.8%			
\$ 2,000	Circus Circus Enterprises, 7.625%, 7/15/13	B1/B+	\$ 1,805,000
3,000	Seminole Hard Rock Entertainment, Inc., 7.86%, 3/15/14, FRN (a)(d)	B1/BB	2,955,000
			4,760,000
Insurance 0.3%			
1,800	Residential Reins Ltd., 13.11%, 6/7/10, FRN (a)(b)(d)(h)	NR/BB	1,799,600
Manufacturing 0.8%			
3,250	Bombardier, Inc., 7.186%, 11/15/13, FRN (a)(d)	Ba2/BB	4,471,008
Metals & Mining 0.6%			
\$ 3,150	Freeport-McMoRan Copper & Gold, Inc., 8.564%, 4/1/15, FRN	Ba3/BB	3,252,375
Multi-Media 2.6%			
2,000	Cablevision Systems Corp., Ser. B, 8.00%, 4/15/12	B3/B+	1,875,000
5,000	9.82%, 4/1/09, FRN	B3/B+	5,050,000
1,000	CCO Holdings LLC, 8.75%, 11/15/13	Caa1/CCC	995,000
4,000	Charter Communications Holdings II LLC, 10.25%, 9/15/10	Caa2/CCC	4,090,000
1,800	DirectTV Holdings LLC, 8.375%, 3/15/13	Ba3/BB-	1,831,500
1,000	Paxson Communications Corp., 11.61%, 1/15/13, FRN (a)(d)	Caa2/CCC-	1,012,500
			14,854,000
Paper/Paper Products 1.7%			
1,000	Abitibi-Consolidated, Inc., 8.86%, 6/15/11, FRN	B3/B+	895,000
3,000	Boise Cascade LLC, 8.235%, 10/15/12, FRN	B1/B+	2,955,000
1,000	Bowater, Inc., 8.36%, 3/15/10, FRN	B3/B+	950,000
4,500	Verso Paper Holdings LLC, 9.106%, 8/1/14, FRN (a)	B2/B+	4,432,500
			9,232,500
Semi-Conductors 1.0%			
6,000	Freescal Semiconductor, Inc., 9.235%, 12/15/14, FRN (a)(d)	B1/B	5,535,000
Telecommunications 6.6%			
4,000	Cincinnati Bell, Inc., 8.375%, 1/15/14	B2/B-	3,820,000
2,500	Hawaiian Telcom Communications, Inc., 10.86%, 5/1/13, Ser. B, FRN	Caa1/CCC	2,462,500
4,500	Intelsat Bermuda Ltd., FRN, 8.886%, 1/15/15	Caa1/B	4,545,000
3,000	11.409%, 6/15/13	NR/B	3,135,000
2,950	Nordic Telephone Co. Holdings ApS, 9.513%, 5/1/16, FRN (a)(d)	B2/B	4,043,156
\$ 4,700	Nortel Networks Ltd., 9.61%, 7/15/11, FRN (a)(d)	B3/B-	4,782,250
1,500	Qwest Capital Funding, Inc., 7.90%, 8/15/10	B1/B+	1,488,750
8,000	Qwest Communications International, Inc., 8.86%, 2/15/09, FRN	Ba3/B+	8,060,000
2,000	Rural Cellular Corp., 8.25%, 3/15/12	Ba3/B	2,060,000
3,000		B2/B	2,685,000

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		TelCordia Technologies, Inc., 9.11%, 7/15/12, FRN (a)(d)		37,081,656
Wire & Cable Products	0.2%			
	1,000	Superior Essex Communications LLC, 9.00%, 4/15/12	B3/B+	995,000
Total Corporate Bonds & Notes (cost-\$141,496,132)				140,014,184
MORTGAGE-BACKED SECURITIES	0.3%			
	1,691	Mellon Residential Funding Corp., 5.67%, 11/15/31, CMO, FRN (cost-\$1,691,052)	Aaa/AAA	1,692,749

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PIMCO Floating Rate Income Fund Schedule of Investments

July 31, 2007 (continued)

Principal Amount (000)		Credit Rating (Moody s/S&P)*	Value
ASSET-BACKED SECURITIES 0.2%			
		Credit Suisse First Boston Mortgage Securities Corp., FRN,	
\$	12	6.02%, 7/25/32	\$ 11,722
	442	6.06%, 8/25/32	442,208
	588	GSAMP Trust, 5.61%, 3/25/34, FRN	588,624
	69	Jade CBO Ltd., 7.67%, 10/24/11 (a)(d)(h)	53,385
Total Asset-Backed Securities (cost-\$1,096,937)			1,095,939
PREFERRED STOCK (a)(b)(d) 0.5%			
Shares			
Financial Services 0.5%			
	30	Richmond Cnty. Capital Corp., 8.61% (cost-\$3,068,307)	3,010,312
SHORT-TERM INVESTMENTS 12.0%			
Commercial Paper 5.6%			
Principal Amount (000)			
Banking 1.7%			
\$	800	Societe Generale North America, Inc., 5.225%, 8/7/07	799,303
	8,900	Total Capital, 5.35%, 8/1/07 (a)	8,900,000
			9,699,303
Financial Services 3.9%			
	21,800	UBS Finance Delaware LLC, 5.225%, 11/14/07 (h)	21,465,152
Total Commercial Paper (cost-\$31,167,080)			31,164,455
Corporate Notes 3.0%			
Airlines 0.1%			
	347	JetBlue Airways Corp., 9.61%, 3/15/08, Ser. 04-1, FRN	349,795
Financial Services 2.3%			
	13,000	Ford Motor Credit Co., 8.355%, 11/2/07, FRN	13,046,527
Insurance 0.3%			
	1,500	Parametric Re Ltd., 9.661%, 5/19/08, FRN (a)(d)	1,507,380
Paper/Paper Products 0.3%			
	2,000	Abitibi-Consolidated, Inc., 5.25%, 6/20/08	1,935,000
Total Corporate Notes (cost-\$16,818,066)			16,838,702
U.S. Treasury Bills (i) 2.8%			
	16,000	4.43%-4.80%, 8/30/07-9/13/07 (cost-\$15,921,331)	15,921,331

PIMCO Floating Rate Income Fund Schedule of Investments

July 31, 2007 (continued)

Principal Amount (000)			Value
Repurchase Agreement 0.6%			
\$	3,495	State Street Bank & Trust Co., dated 7/31/07, 4.90%, due 8/1/07, proceeds \$3,495,476; collateralized by Freddie Mac, 5.26%, due 1/25/08, valued at \$3,565,502 including accrued interest (cost-\$3,495,000)	\$ 3,495,000
Total Short-Term Investments (cost-\$67,401,477)			67,419,488
OPTIONS PURCHASED (j) 0.0%			
<u>Contracts</u>			
Put Options 0.0%			
	324	Financial Future Euro 90 day (CME), strike price \$90.50, expires 9/17/07	1
	600	strike price \$91.75, expires 3/17/08	1
	216	strike price \$92.25, expires 6/16/08	1
Total Options Purchased (cost-\$10,830)			3
Total Investments (cost-\$570,921,925) 100.0%			\$ 560,845,288

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PIMCO Floating Rate Strategy Fund Schedule of Investments

July 31, 2007

Principal Amount (000)		Value
SENIOR LOANS (a)(c) 63.7%		
Advertising 0.9%		
	PagesJaunes Groupe S.A. (b), 6.39%, 1/11/15, Term B	\$ 2,981,741
2,250	6.89%, 1/11/16, Term C	2,964,417
	West Corp., 7.735%, 10/23/13	1,363,492
\$ 1,415	7.735%, 10/23/13 (b)	87,854
91	7.735%, 10/23/13 (e)	1,927,778
2,000	7.763%, 10/23/13 (b)	2,389,764
2,479		11,715,046
Aerospace 0.1%		
1,250	TransDigm Group, Inc., 7.36%, 6/23/13, Term B	1,239,844
Airlines 0.5%		
7,000	Northwest Airlines Corp., 7.34%, 8/22/08 (b)	6,973,750
Apparel & Textiles 0.3%		
1,000	Aearo Technologies, Inc., 7.61%, 5/30/14, Term B (b), Hanesbrands, Inc., Term B,	960,000
69	7.07%, 10/15/13	66,839
71	7.07%, 10/15/13 (b)	69,264
786	7.11%, 10/15/13 Simmons Co., Term C (b),	761,898
1,278	7.375%, 12/19/11	1,239,672
1,305	7.438%, 12/19/11	1,265,770
		4,363,443
Automotive 1.8%		
2,000	Dura Operating Corp., 10.07%, 4/28/11 (b)	1,946,666
11,940	Ford Motor Corp., 8.36%, 11/29/13, Term B	11,284,124
2,494	General Motors Corp., 7.735%, 11/29/13 Hertz Corp.,	2,404,117
555	5.36%, 12/21/12	539,815
1,763	7.08%, 12/21/12, Term B	1,713,049
263	7.09%, 12/21/12, Term B	255,133
2,466	7.11%, 12/21/12, Term B Lear Corp.,	2,481,035
2,082	7.84%, 3/23/12	2,031,678
900	7.86%, 3/23/12	878,247
		23,533,864
Automotive Products 3.2%		
8,302	Affinia Group, 8.358%, 11/30/11, Term B (b) Cooper Standard Automotive, Inc.,	8,203,847
2,350	7.875%, 12/31/11, Term B	2,292,163
5,876	7.875%, 12/31/11, Term C Delphi Corp.,	5,730,028
500	7.625%, 12/31/07, Term B (b)	502,817
8,000	8.125%, 12/31/07, Term C	7,836,664
6,000	Fed Mogul Corp., 6.82%, 12/31/07, Term B (b) Goodyear Tire & Rubber Co.,	5,917,530
3,000	6.85%, 4/20/14, Term B	2,883,750
2,000	8.82%, 4/1/11	1,992,188

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6,000

Polypore, Inc., 7.58%, 5/15/14 (b)

5,700,000
41,058,987

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PIMCO Floating Rate Strategy Fund Schedule of Investments

July 31, 2007 (continued)

Principal Amount (000)		Value
Banking 0.6%		
	Aster Co., Ltd. (b),	
	6.530%, 9/19/13, Term B	\$ 3,775,290
\$	2,137	7.824%, 9/19/13, Term B1
	2,214	8.324%, 9/19/14, Term C1
		2,189,179
		8,069,796
Building/Construction 1.4%		
	8,500	Building Materials Corp., 11.125%, 9/14/14
		Masonite International Corp.,
	5,107	7.36%, 4/6/13, Term B
	1,411	7.36%, 4/6/13, Term B (b)
	4,762	Nortek, Inc., 7.61%, 8/27/11
		7,905,000
		4,763,564
		1,315,604
		4,589,154
		18,573,322
Chemicals 2.0%		
	2,000	Brenntag AG, 6.367%, 12/23/13, Term B5 (b)
\$	2,667	Chart Industries, 7.375%, 10/14/12, Term B
	1,864	Georgia Gulf Corp., 7.82%, 11/30/13
		INEOS Group Ltd.,
	3,903	7.580%, 10/7/12, Term A4 (b)
	1,980	7.580%, 10/7/13, Term B1
	233	7.591%, 10/7/12, Term A4 (b)
	1,980	8.080%, 10/7/14, Term C1
	2,555	Innophos, Inc., 7.57%, 8/13/10, Term B (b)
	5,431	KRATON Polymers Group LLC, 7.375%, 5/11/13 (b)
		2,680,387
		2,620,000
		1,821,342
		3,803,160
		1,939,188
		226,592
		1,948,098
		2,503,455
		5,272,406
		22,814,628
Commercial Products 1.0%		
	3,266	Alliance Laundry Holdings LLC, 7.61%, 1/27/12, Term B (b)
		iPayment, Inc. (b),
	388	7.32%, 12/27/12
	1,587	7.36%, 12/27/12
		Sigmakalon,
	924	6.164%, 6/30/12, Term A (b)
	1,587	6.664%, 9/19/12, Term B
	913	6.664%, 9/19/12, Term B1
	2,349	7.414%, 9/19/13, Term C1
		3,225,579
		373,786
		1,527,151
		1,262,259
		2,157,085
		1,239,923
		3,197,195
		12,982,978
Computer Services 1.3%		
\$	5,183	PanAmSat Corp., 7.36%, 6/30/11, Term A
	11,761	SunGard Data Systems, Inc., 7.356%, 2/11/13
		5,044,492
		11,321,090
		16,365,582
Computer Software 2.9%		
	1,500	Infor Global Solutions (b),
	3,913	8.11%, 7/28/12
	2,042	9.11%, 8/1/12
	3,304	9.11%, 8/1/12, Term DD
		Riverdeep Interactive, 12.06%, 12/21/07 (b)
		Riverdeep Interactive Learning Ltd., 8.11%, 11/28/13,
	997	Term B (b)
	13,000	Thomson Learning, Inc., 8.07%, 6/27/14, Term B
		1,473,750
		3,844,804
		2,005,984
		3,338,699
		967,569
		12,246,000

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5,000

Trilogy International, Inc., 8.86%, 6/22/12 (b)

4,850,000

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PIMCO Floating Rate Strategy Fund Schedule of Investments

July 31, 2007 (continued)

Principal Amount (000)		Value
Computer Software (continued)		
\$ 4,500	Worldspan L.P., Term B, 8.606%, 12/7/13	\$ 4,455,000
4,455	8.61%, 12/7/13	4,410,450
		37,592,256
Consumer Products 1.6%		
6,692	Education Management Corp., 7.125%, 2/13/14, Term B	6,366,185
6,013	Jarden Corp., 7.11%, 1/24/12, Term B1	5,896,609
678	National Mentor, Inc. (b), 7.32%, 6/30/13, Term B	674,496
1,307	7.36%, 6/30/13, Term B	1,299,922
3,000	7.533%, 6/30/12	2,984,064
3,500	Pinnacle Foods, 8.11%, 3/30/14, Term B (b)	3,400,834
		20,622,110
Containers & Packaging 2.5%		
1,467	Graham Packaging Holdings Co. (b), 7.625%, 10/18/11, Term B	1,399,445
75	7.625%, 10/18/11, Term BA1	71,563
700	7.625%, 10/18/11, Term BC	667,917
2,133	7.625%, 10/18/11, Term BD2	2,035,556
2,133	7.625%, 10/18/11, Term BE	2,035,556
2,133	7.625%, 10/18/11, Term BF5	2,035,556
1,333	7.625%, 10/18/11, Term BG	1,272,223
540	Graphic Packaging International Corp. (b), 7.32%, 5/3/14	525,427
1,194	7.32%, 5/3/14, Term B	1,171,451
1,251	7.36%, 5/3/14	1,193,839
5,760	Horizon Lines LLC, 7.57%, 7/7/11 (b)	5,731,556
2,258	Intertape Polymer Group, Inc., Term B (b), 8.07%, 7/28/11	2,201,551
855	8.08%, 7/28/11	833,663
9	10.00%, 7/28/11	8,507
403	JSG Packaging Ltd., Term A, 6.112%, 11/29/12	536,436
263	6.148%, 11/29/12	350,171
332	6.30%, 11/29/12	441,742
\$ 1,528	Smurfit-Stone Container, 5.215%, 11/1/10	1,494,495
836	7.375%, 11/1/10, Term C	817,649
4,487	7.375%, 11/1/11, Term B	4,389,010
2,506	7.375%, 11/1/11, Term C	2,450,429
764	7.375%, 11/1/11, Term C1	746,716
		32,410,458
Diversified Manufacturing 1.4%		
7,658	Grant Forest Products, 11.375%, 9/16/13 (b)	7,390,411
959	Invensys PLC (b), 7.356%, 7/17/13, Term Y1	951,113
1,041	7.36%, 7/17/13, Term Z1	1,032,637
3,000	KION Group GmbH (b), 7.58%, 12/20/14, Term B	2,946,750

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3,000

7.83%, 12/20/15, Term C

2,961,750

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PIMCO Floating Rate Strategy Fund Schedule of Investments

July 31, 2007 (continued)

Principal Amount (000)		Value
Diversified Manufacturing (continued)		
\$	1,016	\$ 1,003,007
	1,277	1,267,566
		17,553,234
Drugs & Medical Products 1.2%		
	4,000	5,372,738
	4,000	5,400,115
\$	121	117,618
	3,546	3,441,850
	1,011	980,601
		15,312,922
Energy 1.5%		
	120	117,000
	487	474,500
	5,160	5,031,000
	173	169,000
	6,426	6,445,287
	800	752,000
	267	250,667
	868	852,890
	868	857,231
	774	767,803
	2,193	2,175,442
	976	967,752
		18,860,572
Entertainment 2.4%		
	17,817	16,877,917
	811	786,907
	189	183,093
	5,418	5,201,065
	7,775	7,611,425
		30,660,407
Financial Services 2.6%		
	3,500	3,447,500
	12,500	11,875,000
	11,910	11,619,229
	6,400	6,370,991
		33,312,720
Food Services 1.6%		
	4,211	3,974,503
	329	310,689

PIMCO Floating Rate Strategy Fund Schedule of Investments

July 31, 2007 (continued)

Principal Amount (000)		Value
Food Services (continued)		
\$	3,461	Arby's Restaurant Group, Inc., Term B, 7.608%, 7/25/12
	6,434	7.61%, 7/25/12
	429	7.61%, 7/25/12 (b)
	3,417	Michael Foods, Inc., 7.361%, 11/21/10, Term B (b)
	9	Sturm Foods, Inc., Term B (b), 7.875%, 1/30/14
	3,483	7.938%, 1/30/14
		8,444
		3,371,718
		6,267,311
		418,303
		3,354,269
		21,065,849
Healthcare & Hospitals 6.7%		
	7,000	Biomet, Inc., 6.00%, 3/8/08 (b)(e)
	2,500	7.00%, 3/15/15, Term B
	6,500	7.00%, 3/15/15, Term B (e)
	356	Capio AB (b), 6.356%, 3/8/15, Term B
	1,209	6.356%, 3/8/16, Term C
	1,209	6.481%, 3/8/15, Term B
	356	6.481%, 3/8/16, Term C
	278	Community Health Systems, Inc. (e), 4.00%, 7/2/14
\$	4,222	5.00%, 7/2/14, Term B
	6,000	7.00%, 4/10/08 (b)
	3,590	DaVita, Inc., 6.86%, 10/5/12, Term B1
	24,875	HCA, Inc., 7.61%, 11/16/13, Term B
	6,147	HealthSouth Corp., 7.85%, 2/2/13
	157	7.86%, 2/2/13
	3,000	ISTA, 8.00%, 6/15/16 (b)(e)
\$	2,741	MultiPlan, Inc., 7.82%, 4/12/13, Term B (b)
	2,396	Psychiatric Solutions, Inc., Term B (b), 7.11%, 7/7/12
	1,790	7.125%, 7/7/12
	9,828	Renal Advantage, Inc., 7.86%, 10/6/12, Term B (b)
	95	United Surgical (b), 7.367%, 4/18/14, Term DD
	1,673	7.381%, 4/18/14, Term B
		93,734
		1,581,198
		85,982,469
Hotels/Gaming 1.3%		
	693	CCM Merger, Inc., 7.36%, 7/21/12, Term D (b)
	6,000	Harrah's Entertainment, Inc., 7.50%, 3/9/08 (b)(e)
	8,138	MotorCity Casino, 7.36%, 7/21/12, Term B (b)
	1,906	Penn National Gaming, Inc., 7.11%, 5/26/12, Term B
		668,656
		6,000,000
		7,853,368
		1,876,635
		16,398,659
Leasing 0.2%		
	1,990	Rental Service Corp., 8.86%, 11/21/13
		1,979,654
Manufacturing 1.7%		
	1,000	Boc Group, Inc., 11.11%, 11/30/14 (b)
		Bombardier, Inc., Term B (b),
		900,000

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89
6,291

7.82%, 6/26/13
7.86%, 6/26/13

86,780
6,161,384

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PIMCO Floating Rate Strategy Fund Schedule of Investments

July 31, 2007 (continued)

Principal Amount (000)		Value
Manufacturing (continued)		
\$	6,000	Dresser-Rand Group, Inc., 7.86%, 5/4/14, Term T (b) \$ 5,806,500
	2,199	Lucite International Ltd. (b), 7.61%, 5/26/13, Term B 2,111,194
	779	7.61%, 5/26/13, Term DD 747,481
	6,168	Xerium Technologies, Inc., 8.11%, 5/18/12, Term B (b) 5,890,843
		21,704,182
Multi-Media 6.6%		
	6,470	American Media Operations, Inc., 8.59%, 1/30/13 (b) 6,081,800
	1,238	Atlantic Broadband, Inc., 7.61%, 8/9/12, Term B (b) 1,215,102
		Cequel Communications LLC, 5.00%, 10/15/13, Term B (b) 950,000
	1,000	Charter Communications, 7.85%, 9/5/14 2,096,600
	2,200	7.86%, 9/5/14 4,574,400
	4,800	CMP Susquhanna Corp., Term B (b), 7.35%, 5/5/13 1,853,861
	1,912	7.387%, 5/5/13 941,577
	971	CSC Holdings, Inc., 7.07%, 2/24/13, Term B 9,546,094
	9,912	Metro-Goldwyn Mayer, Inc., 8.61%, 4/8/12, Term B1 (b) 4,724,524
	4,988	NTL Investment, 7.36%, 1/6/13, Term B 8,401,723
	8,500	Primedia, 7.57%, 9/30/13, Term B 9,306,324
	9,358	Seven Media Group, Term T1 (b), 8.835%, 2/7/13 923,559
AUD	1,083	8.878%, 2/7/13 6,649,622
AUD	7,800	Thomas Media, Term B (b), 7.60%, 11/8/11 2,030,966
\$	2,023	7.61%, 11/8/11 1,587,226
	1,581	Univision Communications, Inc., 7.61%, 9/15/14, Term B 13,492,419
	14,564	7.82%, 3/15/09 1,954,000
	2,000	Young Broadcasting, Inc., Term B, 7.875%, 5/2/12 2,150,542
	2,250	7.875%, 11/3/12 6,754,519
	7,068	
		85,234,858
Oil & Gas 1.5%		
	1,125	Big West Oil LLC, 7.61%, 5/2/14, Term B (b) 1,087,031
	12,000	El Paso Corp., 5.273%, 6/15/09 11,400,000
	2,874	Newpark Resources, Inc., 8.36%, 8/17/11 (b) 2,830,713
		Oxbow Carbon & Minerals LLC, 7.36%, 5/4/14, Term B (b) 3,941,514
	4,127	
		19,259,258
Paper/Paper Products 0.5%		
	6,256	Georgia-Pacific Corp., 7.11%, 12/20/12, Term B 5,926,425
Printing/Publishing 1.4%		
	3,917	Seat Pagine Gialle SpA, 4.023%, 5/25/12, Term A (b) 5,292,868
\$	5,133	Tribune Co., 7.86%, 5/30/09, Term X (b) 5,041,668
	9,000	8.36%, 5/30/14, Term B 8,202,860
		18,537,396

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PIMCO Floating Rate Strategy Fund Schedule of Investments

July 31, 2007 (continued)

Principal Amount (000)		Value
Recreation 2.0%		
\$	4,786	Amadeus Global Travel (b), 7.636%, 4/8/13, Term B \$ 4,593,182
	414	7.636%, 4/8/13, Term B2 397,373
	4,786	7.886%, 4/8/14, Term C 4,566,049
	414	7.886%, 4/8/14, Term C2 399,616
	6,920	Cedar Fair L.P., 7.32%, 6/13/12 6,693,176
	6,000	Six Flags Theme Parks, Inc., 7.86%, 4/30/15, Term B (b)(e) 5,650,002
		TDS Investor Corp., 7.86%, 8/1/13 582,452
	595	Travelport, 7.82%, 8/22/13, Term CD 2,902,819
	2,964	
		25,784,669
Retail 0.7%		
	42	Neiman Marcus Group, Inc., 7.09%, 4/6/13 40,093
	2,673	7.36%, 4/6/13 2,565,968
	6,000	Rite Aid Corp., 9.00%, 11/8/13 (b)(e) 5,970,000
		8,576,061
Technology 0.1%		
	1,000	HCP Acquisition, 9.61%, 2/22/15 (b) 1,005,000
Telecommunications 6.1%		
	3,700	BCM Luxembourg (b), 6.403%, 8/15/14, Term B 4,862,157
	3,700	6.778%, 8/15/15, Term C 4,862,157
	2,000	8.278%, 1/17/16 (e) 2,698,921
\$	666	Centennial Cellular Communications Corp., Term B (b), 7.36%, 1/20/11 648,585
	8,603	7.36%, 2/9/11 8,382,348
		Consolidated Communications, Inc., Term B, 7.07%, 9/18/11 1,581,282
	1,605	7.11%, 10/14/11 5,088,852
	5,166	Dobson Communications Corp., 7.36%, 3/14/14 6,449,202
	6,500	Hawaiian Telcom Communications, Inc., 7.61%, 6/1/14, Term C 9,529,492
	9,992	Intelsat Ltd., 7.859%, 2/15/14 5,373,797
	5,500	Nordic Telephone Co. Holdings ApS, 5.953%, 11/30/14, Term B 6,546,609
	4,901	6.203%, 11/30/14, Term C 8,126,266
\$	7,500	Qwest Corp., 6.95%, 6/30/10, Term B 7,476,562
	7,000	Telesat Canada, Inc., 2.500%, 2/14/08 (b)(e)(h) 7,006,571
		78,632,801
Transportation 0.4%		
	5,438	Fleetpride Corp., 7.84%, 6/6/13, Term B (b) 5,374,632
Utilities 1.2%		
	3,720	AES Corp., Term B, 7.19%, 4/30/08 3,652,295
	3,720	7.25%, 8/10/11 3,652,295
	4,181	Mid Western Air, 7.11%, 12/31/11, Term B 4,201,833
	3,625	Sandbridge Energy, Inc., 8.985%, 4/1/14, Term AB (b) 3,552,500

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PIMCO Floating Rate Strategy Fund Schedule of Investments

July 31, 2007 (continued)

Principal Amount (000)		Credit Rating (Moody s/S&P)*	Value
Waste Disposal 0.8%			
\$	2,443	Allied Waste North America, Inc., 5.32%, 3/28/14, Term A	\$ 2,347,510
	2,211	7.06%, 3/28/14, Term B	2,129,567
	1,916	7.11%, 3/28/14, Term B	1,845,624
	156	7.13%, 3/28/14, Term B	149,908
	147	7.14%, 3/28/14, Term B	141,971
	3,000	Avr Bedrijven, 6.164%, 3/1/14 (b)	4,050,086
			10,664,666
Wholesale 0.7%			
\$	9,850	Roundy s, Inc., 8.11%, 10/27/11, Term B	9,616,551
Wire & Cable Products 1.0%			
	6,345	UPC Broadband Holding BV, 6.302%, 12/31/14, Term M2	8,402,942
	3,000	7.042%, 12/31/14 (b)	3,973,088
			12,376,030
			817,194,002
Total Senior Loans (cost-\$836,502,642)			
CORPORATE BONDS & NOTES 24.1%			
Airlines 0.2%			
\$	2,268	JetBlue Airways Corp., pass thru certificates, 8.46%, 5/15/10, Ser. 04-2, FRN	Ba3/BB- 2,242,239
Apparel & Textiles 0.7%			
	8,600	Hanesbrands, Inc., 8.784%, 12/15/14, FRN	B2/B- 8,471,000
Automotive Products 0.9%			
	4,500	Dura Operating Corp., 8.625%, 4/15/12, Ser. B (g)	NR/NR 2,565,000
	9,000	Goodyear Tire & Rubber Co., 9.135%, 12/1/09, FRN (a)(d)	B2/B- 9,000,000
			11,565,000
Banking 0.8%			
£	4,929	Royal Bank of Scotland PLC, 9.370%, 4/6/11, VRN (b)(h)	NR/NR 10,093,400
Building/Construction 0.7%			
	7,000	Grohe Holding GmbH, 6.843%, 1/15/14, FRN (a)(b)	B2/B 9,238,986
Chemicals 0.2%			
	2,000	Rhodia S.A., 6.959%, 10/15/13, FRN (d)	B1/B 2,696,635
Computer Services 0.2%			
\$	2,000	SunGard Data Systems, Inc., 9.125%, 8/15/13	Caa1/B- 2,020,000
Containers & Packaging 0.5%			
	3,000	Berry Plastics Holding Corp., 9.235%, 9/15/14, FRN	B3/B 2,895,000
	3,000	Graphic Packaging International Corp., 8.50%, 8/15/11	B2/B- 2,992,500
			5,887,500
Electronics 0.7%			
	6,000	Sanmina-SCI Corp., 8.11%, 6/15/10, FRN (a)(d)	Ba3/B+ 5,940,000
	3,300	Spansion LLC, 8.485%, 6/1/13, FRN (a)(d)	B1/B+ 3,085,500
			9,025,500
Energy 0.7%			
	9,500	El Paso Corp., 7.375%, 12/15/12	Ba3/BB- 9,668,815

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PIMCO Floating Rate Strategy Fund Schedule of Investments

July 31, 2007 (continued)

Principal Amount (000)		Credit Rating (Moody s/S&P)*	Value
Financial Services 4.1%			
\$ 3,500	Chukchansi Economic Dev. Auth., 8.859%, 11/15/12, FRN (a)(d)	B2/BB-	\$ 3,535,000
5,715	Ford Motor Credit Co., FRN, 6.93%, 1/15/10	B1/B	5,357,801
12,350	8.11%, 1/13/12	B1/B	11,803,129
10,000	General Motors Acceptance Corp., 7.56%, 12/1/14, FRN	Ba1/BB+	9,318,650
6,000	Hellas Telecommunications Luxembourg V, 7.468%, 10/15/12, FRN	B1/B	8,161,771
\$ 4,000	Hexion U.S. Finance Corp., 9.86%, 11/15/14, FRN	B3/B	4,140,000
2,000	Universal City Florida Holding Co., 8.375%, 5/1/10	B3/B-	2,040,000
7,500	10.106%, 5/1/10, FRN	B3/B-	7,575,000
			51,931,351
Food Services 0.7%			
10,000	Aramark Corp., 8.856%, 2/1/15, FRN (a)(d)	B3/B-	9,350,000
Healthcare & Hospitals 0.5%			
4,000	Rotech Healthcare, Inc., 9.50%, 4/1/12	Caa3/CCC	3,140,000
3,500	Universal Hospital Services, Inc., 8.759%, 6/1/15, FRN (a)(d)	B3/B+	3,281,250
			6,421,250
Hotels/Gaming 0.5%			
7,000	Seminole Hard Rock Entertainment, Inc., 7.86%, 3/15/14, FRN (a)(d)	B1/BB	6,895,000
Insurance 0.3%			
4,200	Residential Reins Ltd., 13.11%, 6/7/10, FRN (a)(b)(d)(h)	NR/BB	4,199,100
Manufacturing 0.7%			
6,500	Bombardier, Inc., 7.186%, 11/15/13, FRN (a)(d)	Ba2/BB	8,942,016
Metals & Mining 0.6%			
\$ 7,050	Freeport-McMoRan Copper & Gold, Inc., 8.564%, 4/1/15, FRN	Ba3/BB	7,279,125
Multi-Media 2.4%			
16,000	Cablevision Systems Corp., 9.82%, 4/1/09, Ser. B, FRN	B3/B+	16,160,000
2,000	CCO Holdings LLC, 8.75%, 11/15/13	Caa1/CCC	1,990,000
8,000	Charter Communications Holdings II LLC, 10.25%, 9/15/10	Caa2/CCC	8,180,000
3,200	DirecTV Holdings LLC, 8.375%, 3/15/13	Ba3/BB-	3,256,000
2,000	Paxson Communications Corp., 11.61%, 1/15/13, FRN (a)(d)	Caa2/CCC-	2,025,000
			31,611,000
Paper/Paper Products 2.0%			
3,000	Abitibi-Consolidated, Inc., 7.75%, 6/15/11	B3/B+	2,655,000
2,000	7.875%, 8/1/09	B3/B+	1,915,000
8,000	8.86%, 6/15/11, FRN	B3/B+	7,160,000
4,000	Bowater, Inc., 8.36%, 3/15/10, FRN	B3/B+	3,800,000
10,500	Verso Paper Holdings LLC, 9.106%, 8/1/14, FRN (a)	B2/B+	10,342,500
			25,872,500
Semi-Conductors 0.9%			
12,000	Freescale Semiconductor, Inc., 9.235%, 12/15/14, FRN (a)(d)	B1/B	11,070,000

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PIMCO Floating Rate Strategy Fund Schedule of Investments

July 31, 2007 (continued)

Principal Amount (000)		Credit Rating (Moody s/S&P)*	Value
Telecommunications 5.8%			
\$ 2,000	Cincinnati Bell, Inc., 8.375%, 1/15/14	B2/B-	\$ 1,910,000
8,750	Hawaiian Telcom Communications, Inc., 10.86%, 5/1/13, Ser. B, FRN	Caa1/CCC	8,618,750
9,500	Intelsat Bermuda Ltd., FRN, 8.886%, 1/15/15	Caa1/B	9,595,000
6,000	11.409%, 6/15/13	NR/B	6,270,000
6,350	Nordic Telephone Co. Holdings ApS, 9.513%, 5/1/16, FRN (a)(d)	B2/B	8,703,066
\$ 9,150	Nortel Networks Ltd., 9.61%, 7/15/11, FRN (a)(d)	B3/B-	9,310,125
17,100	Qwest Communications International, Inc., 8.86%, 2/15/09, FRN	Ba3/B+	17,228,250
6,000	Qwest Corp., 8.61%, 6/15/13, FRN	Ba1/BBB-	6,240,000
6,500	TelCordia Technologies, Inc., 9.11%, 7/15/12, FRN (a)(d)	B2/B	5,817,500
			73,692,691
	Total Corporate Bonds & Notes (cost-\$310,918,471)		308,173,108
ASSET-BACKED SECURITIES 0.2%			
1,290	CIT Group Home Equity Loan Trust, 5.59%, 6/25/33, FRN	Aaa/AAA	1,287,087
1,059	Salomon Brothers Mortgage Securities VII, 5.62%, 3/25/32, FRN	NR/AAA	1,060,181
	Total Asset-Backed Securities (cost-\$2,346,155)		2,347,268
SHORT-TERM INVESTMENTS 12.0%			
Commercial Paper 6.6%			
Banking 3.2%			
29,900	Societe Generale North America, Inc., 5.225%, 8/7/07	P-1/A-1+	29,873,962
11,100	Total Capital, 5.35%, 8/1/07 (a)	P-1/A-1+	11,100,000
			40,973,962
Financial Services 3.4%			
44,300	UBS Finance Delaware LLC, 5.245%, 9/14/07	P-1/A-1+	44,016,013
	Total Commercial Paper (cost-\$84,989,975)		84,989,975
U.S. Treasury Bills (i) 3.1%			
39,910	4.392%-4.80%, 8/30/07-9/13/07 (cost-\$39,700,400)		39,700,400
Corporate Notes 1.2%			
Airlines 0.1%			
1,141	JetBlue Airways Corp., 9.61%, 3/15/08, Ser. 04-1, FRN	Ba3/BB-	1,149,327
Energy 0.0%			
250	Transcontinental Gas Pipe Line Corp., 6.64%, 4/15/08, FRN (a)(d)	Ba1/BB+	245,937
Financial Services 1.1%			
14,000	Ford Motor Credit Co., 8.355%, 11/2/07, FRN	B1/B	14,050,106
	Total Corporate Notes (cost-\$15,330,222)		15,445,370

PIMCO Floating Rate Strategy Fund Schedule of Investments

July 31, 2007 (continued)

Principal Amount (000)			Value
Repurchase Agreements	1.1%		
\$	2,000	Credit Suisse First Boston, dated 7/31/07, 5.05%, due 8/1/07, proceeds \$2,000,281; collateralized by U.S. Treasury Note, 2.625%, due 3/15/09, valued at \$2,049,654 including accrued interest	\$ 2,000,000
	11,931	State Street Bank & Trust Co., dated 7/31/07, 4.90%, due 8/1/07, proceeds \$11,932,624; collateralized by Freddie Mac, 5.26%, due 1/25/08, valued at \$12,169,647 including accrued interest	11,931,000
Total Repurchase Agreements (cost-\$13,931,000)			13,931,000
Total Short-Term Investments (cost-\$153,951,597)			154,066,745
OPTIONS PURCHASED (j)	0.0%		
<u>Contracts</u>			
Put Options	0.0%		
2,900		Financial Future Euro 90 day (CME), strike price \$91.75, expires 3/17/08	7
390		strike price \$92.25, expires 3/17/08	1
Total Options Purchased (cost-\$31,255)			8
Total Investments (cost-\$1,303,750,120)	100.0%		\$ 1,281,781,131

**PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds
Schedules of Investments**

July 31, 2007 (continued)

Notes to Schedule of Investments:		
*	Unaudited	
(a)	Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$409,217,454, representing 72.96% of total investments in Floating Rate Income. Securities with an aggregate value of \$939,274,982, representing 73.28% of total investments in Floating Rate Strategy.	
(b)	Illiquid security.	
(c)	These securities generally pay interest at rates which are periodically pre-determined by reference to a base lending rate plus a premium. These base lending rates are generally either the lending rate offered by one or more major European banks, such as the LIBOR or the prime rate offered by one or more major United States banks, or the certificate of deposit rate. These securities are generally considered to be restricted as the 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. The interest rate disclosed reflects the rate in effect on July 31, 2007.	
(d)	144A Security - Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration typically only to qualified institutional buyers. Unless otherwise indicated, these securities are not considered to be illiquid.	
(e)	When-issued or delayed-delivery security. To be settled/delivered after July 31, 2007.	
(f)	Unsettled security, coupon rate undetermined at July 31, 2007.	
(g)	Security in default.	
(h)	Fair-valued security Securities with an aggregate value of \$34,154,961, representing 6.09% of total investments, have been fair valued in Floating Rate Income. Securities with an aggregate value of \$27,670,062, representing 2.16% of total investments, have been fair valued in Floating Rate Strategy.	
(i)	All or partial amount segregated as collateral for futures contracts, swaps and/or when-issued or delayed-delivery securities.	
(j)	Non-income producing.	
Glossary:		
£	-	British Pound
	-	Euros
AUD	-	Australian Dollar
CME	-	Chicago Mercantile Exchange
CMO	-	Collateralized Mortgage Obligation
FRN	-	Floating Rate Note. The interest rate disclosed reflects the rate in effect on July 31, 2007.
LIBOR	-	London Inter-bank Offered Rate
NR	-	Not Rated
VRN	-	Variable Rate Note. Instruments whose interest rates change on specified date (such as a coupon date or interest payment date) and/or whose interest rates vary with changes in a designated base rate (such as the prime interest rate). The interest rate disclosed reflects the rate in effect on July 31, 2007.

See accompanying Notes to Financial Statements. | 7.31.07 | PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Annual Report 25

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

July 31, 2007

	Floating Rate Income	Floating Rate Strategy
Assets:		
Investments, at value (cost-\$570,921,925 and \$1,303,750,120, respectively)	\$560,845,288	\$1,281,781,131
Cash (including foreign currency of \$3,367,325 and \$8,061,448 with a cost of \$3,350,789 and \$7,990,046, respectively)	8,923,991	25,902,139
Premium for swaps purchased	20,336,795	18,594,422
Interest receivable	5,748,398	12,417,172
Unrealized appreciation of swaps	1,305,569	7,188,587
Receivable for investments sold	1,001,562	2,966,561
Unrealized appreciation of forward foreign currency contracts	441,149	1,499,368
Receivable for terminated swaps	76,000	160,050
Prepaid expenses	15,731	26,984
Total Assets	598,694,483	1,350,536,414
Liabilities:		
Payable for investments purchased	38,682,568	94,389,623
Unrealized depreciation of swaps	28,960,269	51,156,821
Dividends payable to common and preferred shareholders	2,856,392	6,369,341
Premium for swaps sold	755,912	3,956,078
Investment management fees payable	353,104	793,496
Unrealized depreciation of unfunded loan commitments	188,168	473,652
Unrealized depreciation of forward foreign currency contracts	151,352	509,460
Payable for variation margin on futures contracts	124,256	245,035
Deferred facility fees	116,026	232,051
Accrued expenses	217,210	258,702
Total Liabilities	72,405,257	158,384,259
Preferred shares (\$0.00001 par value and \$25,000 net asset and liquidation value per share applicable to an aggregate of 8,400 and 19,200 shares issued and outstanding, respectively)	210,000,000	480,000,000
Net Assets Applicable to Common Shareholders	\$316,289,226	\$712,152,155
Composition of Net Assets Applicable to Common Shareholders:		
Common Stock:		
Par value (\$0.00001 per share)	\$ 182	\$ 425
Paid-in-capital in excess of par	349,003,437	804,564,396
Dividends in excess of net investment income	(3,433,442)	(9,653,571)
Accumulated net realized gain (loss)	9,776,426	(13,541,143)
Net unrealized appreciation/depreciation of investments, futures contracts, swaps, unfunded loan commitments and foreign currency transactions	(39,057,377)	(69,217,952)
Net Assets Applicable to Common Shareholders	\$316,289,226	\$712,152,155
Common Shares Issued and Outstanding	18,201,455	42,497,148
Net Asset Value Per Common Share	\$17.38	\$16.76

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

For the year ended July 31, 2007

	Floating Rate Income	Floating Rate Strategy
Investment Income:		
Interest	\$42,884,915	\$95,730,892
Facility and other fee income	1,079,515	2,072,272
Dividends	263,086	
Total Investment Income	44,227,516	97,803,164
Expenses:		
Investment management fees	4,228,536	9,475,973
Auction agent fees and commissions	540,027	1,227,057
Interest expense	442,222	
Custodian and accounting agent fees	191,460	334,772
Audit and tax services	134,930	135,725
Shareholder communications	81,140	157,750
Legal fees	52,775	67,075
Trustees' fees and expenses	35,850	75,100
Transfer agent fees	32,080	33,120
New York Stock Exchange listing fees	21,571	34,218
Insurance expense	12,381	26,742
Investor relations	4,950	8,863
Miscellaneous	29,375	20,270
Total expenses	5,807,297	11,596,665
Less: custody credits earned on cash balances	(84,960)	(139,292)
Net expenses	5,722,337	11,457,373
Net Investment Income	38,505,179	86,345,791
Realized and Change in Unrealized Gain (Loss):		
Net realized gain (loss) on:		
Investments	2,731,999	4,924,715
Futures contracts	(1,340,398)	(3,758,605)
Options written	735,751	1,732,141
Swaps	19,774,820	10,978,991
Foreign currency transactions	(4,398,519)	(11,344,130)
Net change in unrealized appreciation/depreciation of:		
Investments	(14,147,856)	(26,411,553)
Futures contracts	(256,701)	246,492
Options written	(577,319)	(1,344,705)
Swaps	(26,562,803)	(33,324,745)
Unfunded loan commitments	(407,335)	(860,359)
Foreign currency transactions	971,513	2,573,191
Net realized and change in unrealized loss on investments, futures contracts, options written, swaps, unfunded loan commitments and foreign currency transactions	(23,476,848)	(56,588,567)
Net Increase in Net Assets Resulting from Investment Operations	15,028,331	29,757,224
Dividends and Distributions on Preferred Shares from:		
Net investment income	(10,623,545)	(24,278,975)
Net realized gains	(14,659)	(133,242)
	\$4,390,127	\$5,345,007

**Net Increase in Net Assets Applicable to Common
Shareholders Resulting from Investment Operations**

See accompanying Notes to Financial Statements. | 7.31.07 | PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Annual Report 27

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

	Floating Rate Income	
	Year ended July 31, 2007	Year ended July 31, 2006
Investment Operations:		
Net investment income	\$ 38,505,179	\$ 34,537,366
Net realized gain on investments, futures contracts, options written, swaps and foreign currency transactions	17,503,653	7,972,529
Net change in unrealized appreciation/depreciation of investments, futures contracts, options written, swaps, unfunded loan commitments and foreign currency transactions	(40,980,501)	(10,617,671)
Net increase in net assets resulting from investment operations	15,028,331	31,892,224
Dividends and Distributions on Preferred Shares from:		
Net investment income	(10,623,545)	(8,739,121)
Net realized gains	(14,659)	
Total dividends and distributions on Preferred Shares	(10,638,204)	(8,739,121)
Net increase in net assets applicable to common shareholders resulting from investment operations	4,390,127	23,153,103
Dividends and Distributions to Common Shareholders from:		
Net investment income	(32,063,817)	(29,409,709)
Net realized gains	(4,410,852)	(528,103)
Total dividends and distributions to common shareholders	(36,474,669)	(29,937,812)
Capital Share Transactions:		
Net proceeds from the sale of common stock		
Preferred shares underwriting discount charged to paid-in capital in excess of par		
Common stock and preferred shares offering costs charged to paid-in capital in excess of par		
Reinvestment of dividends and distributions	2,624,141	826,247
Net increase from capital transactions	2,624,141	826,247
Total increase (decrease) in net assets applicable to common shareholders	(29,460,401)	(5,958,462)
Net Assets Applicable to Common Shareholders:		
Beginning of period	345,749,627	351,708,089
End of period (including dividends in excess of net investment income of \$(3,433,442) and \$(1,265,004), respectively.	\$316,289,226	\$345,749,627

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Common Shares Issued and Reinvested:

Issued		
Issued in reinvestment of dividends and distributions	134,684	42,759
Net Increase	134,684	42,759

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

	Year ended July 31, 2007	Floating Rate Strategy For the period September 1, 2005 through July 31, 2006**	For the period October 29, 2004* through August 31, 2005
Investment Operations:			
Net investment income	\$ 86,345,791	\$ 68,228,533	\$ 36,347,687
Net realized gain on investments, futures contracts, options written, swaps and foreign currency transactions	2,533,112	27,785,588	(4,489,982)
Net change in unrealized appreciation/depreciation of investments, futures contracts, options written, swaps, unfunded loan commitments and foreign currency transactions	(59,121,679)	(27,455,605)	17,359,332
Net increase in net assets resulting from investment operations	29,757,224	68,558,516	49,217,037
Dividends and Distributions on Preferred Shares from:			
Net investment income	(24,278,975)	(18,962,668)	(9,877,326)
Net realized gains	(133,242)		
Total dividends and distributions on Preferred Shares	(24,412,217)	(18,962,668)	(9,877,326)
Net increase in net assets applicable to common shareholders resulting from investment operations	5,345,007	49,595,848	39,339,711
Dividends and Distributions to Common Shareholders from:			
Net investment income	(72,379,805)	(58,781,100)	(37,754,323)
Net realized gains	(17,803,004)		
Total dividends and distributions to common shareholders	(90,182,809)	(58,781,100)	(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	14,619,026	2,462,222	5,291,463
Net increase from capital transactions	14,619,026	2,462,222	787,408,565
Total increase (decrease) in net assets applicable to common shareholders	(70,218,776)	(6,723,030)	788,993,953
Net Assets Applicable to Common Shareholders:			
Beginning of period	782,370,931	789,093,961	100,008
End of period (including dividends in excess of net investment income of \$(13,541,143), \$(4,989,691) and \$(4,497,636), respectively.	\$712,152,155	\$782,370,931	\$789,093,961

Common Shares Issued and Reinvested:

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Issued			41,300,000
Issued in reinvestment of dividends and distributions	783,996	130,268	277,648
Net Increase	783,996	130,268	41,577,648

* Commencement of operations

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

See accompanying Notes to Financial Statements. | 7.31.07 | PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Annual Report 29

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

For the year ended July 31, 2007

	Floating Rate Income	Floating Rate Strategy
Cash Flows provided by Operating Activities:		
Purchases of long-term investments	\$(327,814,872)	\$(756,135,895)
Proceeds from sales of long-term investments	351,892,513	820,545,167
Interest, dividends and facility and other fee income received	42,451,324	93,740,367
Net cash provided by options written	923,760	1,999,700
Net cash provided by swap transactions	2,452,158	2,489,116
Decrease in prepaid expenses	2,052	3,016
Operating expenses paid	(5,713,665)	(11,441,929)
Net cash used for futures transactions	(1,500,746)	(3,326,016)
Net realized loss on foreign currency transactions	(4,383,951)	(11,295,439)
Net increase in short-term investments	(13,575,748)	(21,837,992)
Net cash provided by operating activities	44,732,825	114,740,095
Cash Flows from Financing Activities:		
Cash dividends paid (excluding reinvestment of dividends and distributions of \$2,624,141 and \$14,619,026, respectively)	(44,488,732)	(99,976,000)
Increase in dividends payable	99,490	202,215
Net cash used for financing activities	(44,389,242)	(99,773,785)
Net increase in cash	343,583	14,966,310
Cash at beginning of year	8,580,408	10,935,829
Cash at end of year	8,923,991	25,902,139
Reconciliation of Net Increase in Net Assets from Investment Operations to Net Cash Provided by Operating Activities:		
Net increase in net assets resulting from investment operations	15,028,331	29,757,224
Increase in payable for investments purchased	6,453,803	23,857,128
Decrease in receivable for investments sold	1,963,992	8,571,782
Increase in interest receivable	(620,511)	(1,548,333)
Increase in premium for swaps purchased	(16,333,420)	(10,562,862)
Increase (decrease) in premium for swaps sold	(989,242)	2,072,987
Decrease in premium of options written	(692,100)	(1,637,161)
Decrease in prepaid expenses	2,052	3,016
Decrease in investment management fees payable	(476)	(10,276)
Increase in net unrealized depreciation of swaps	26,562,803	33,324,745
Increase in net unrealized appreciation of forward foreign currency contracts	(947,457)	(2,661,215)
Increase in net unrealized depreciation of unfunded loan commitments	407,335	860,359
Increase in payable for variation margin on futures contracts	96,475	186,097
Increase in net unrealized depreciation of options written	577,319	1,344,705
Increase in accrued expenses	9,148	25,720
Decrease in deferred facility fees	(218,297)	(239,317)
Net decrease in investments	13,433,070	31,395,496

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Net cash provided by operating activities	\$44,732,825	\$114,740,095
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PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds

Notes to Financial Statements

July 31, 2007

1. Organization and Significant Accounting Policies

PIMCO Floating Rate Income Fund (Floating Rate Income) and PIMCO Floating Rate Strategy Fund (Floating Rate Strategy), collectively referred to as the Funds , were organized as Massachusetts business trusts on June 19, 2003 and June 30, 2004, respectively. Prior to commencing operations on August 29, 2003 and October 29, 2004, respectively, Floating Rate Income and Floating Rate Strategy had no operations other than matters relating to their organization and registration as diversified, closed-end management investment companies registered under the Investment Company Act of 1940 and the rules and regulations there under, as amended. Allianz Global Investors Fund Management LLC (the Investment Manager), serves as the Funds Investment Manager and is an indirect, wholly-owned subsidiary of Allianz Global Investors of America L.P. (Allianz Global). Allianz Global is an indirect, majority-owned subsidiary of Allianz SE, a publicly traded European insurance and financial services company. The Funds have an unlimited amount of \$0.00001 par value common stock authorized.

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

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

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

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

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

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

(a) Valuation of Investments

Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. Portfolio securities and other financial instruments for which market quotations are not readily available or if a development/event occurs that may significantly impact the value of a security, are fair-valued, in good faith pursuant to guidelines established by the Board of Trustees or persons acting in their discretion, including certain fixed income securities which may be valued with reference to securities whose prices are more readily available. The Funds' investments are valued on the last business day of each week using prices supplied by an independent pricing service or dealer quotations, or by using the last sale price on the exchange that is the primary market for such securities, or the last quoted mean price for those securities for which the over-the-counter market is the primary market or for listed securities in which there were no sales. Independent pricing services use information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with

PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds

Notes to Financial Statements

July 31, 2007

1. Organization and Significant Accounting Policies (continued)

similar characteristics. The Funds' investments in senior floating rate loans (Senior Loans) for which a secondary market exists will be valued at the mean of the last available bid and asked prices in the market for such Senior Loans, as provided by an independent pricing service. Other Senior Loans are valued at fair-value pursuant to procedures approved by the Funds' Board of Trustees, which include consideration and evaluation of: (1) the creditworthiness of the borrower and any intermediate participants; (2) the term of the Senior Loan; (3) recent prices in the market for similar loans, if any; (4) recent prices in the market for loans of similar quality, coupon rate, and period until next interest rate reset and maturity; and (5) general economic and market conditions affecting the fair-value of the Senior Loan. At July 31, 2007, Floating Rate Income and Floating Rate Strategy held Senior Loans with an aggregate value of \$5,790,124, and \$13,377,562, representing 1.02% and 1.04% of total investments, respectively, that were fair valued. Exchange traded options, futures and options on futures are valued at the settlement price determined by the relevant exchange. Securities purchased on a when-issued or delayed-delivery basis are marked to market daily until settlement at the forward settlement value. Short-term securities maturing in 60 days or less are valued at amortized cost, if their original term to maturity was 60 days or less, or by amortizing their value on the 61st day prior to maturity, if the original term to maturity exceeded 60 days. The prices used by the Funds to value securities may differ from the value that would be realized if the securities were sold and the differences could be material to the financial statements. The Funds' net asset value is determined weekly on the last business day of the week, generally as of close of regular trading (normally, 4:00 p.m. Eastern time) on the New York Stock Exchange (NYSE) on each day the NYSE is open for business.

(b) Investment Transactions and Investment Income

Investment transactions are accounted for on trade date. Securities purchased and sold on a when-issued or delayed-delivery basis may be settled a month or more after the trade date. Realized gains and losses on investments are determined on the identified cost basis. Interest income is recorded on an accrual basis. Discounts or premiums on debt securities purchased are accreted or amortized to interest income over the lives of the respective securities using the effective interest method. Dividend income is recorded on the ex-dividend date. Facility and other fee income (such as origination fees) received by the Funds are amortized as income over the expected term of the loan. Commitment fees received by the Funds relating to unfunded purchase commitments are deferred and amortized to facility fee income over the period of the commitment.

(c) Federal Income Taxes

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

(d) Dividends and Distributions - Common Stock

The Funds declare dividends from net investment income monthly to common shareholders. Distributions of net realized capital gains, if any, are paid at least annually. The Funds record dividends and distributions to 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.

(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.

PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds

Notes to Financial Statements

July 31, 2007

1. Organization and Significant Accounting Policies (continued)

(f) Senior Loans

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

(g) Option Transactions

The Funds may purchase and write (sell) put and call options for hedging purposes, risk management purposes or as a part of 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).

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

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would receive the notional amount or other agreed upon value of a referenced debt obligation from the counterparty in the event of default by a third party, such as a U.S. or foreign corporate issuer on the referenced debt obligation. In return, the Funds would make periodic payments to the counterparty over the term of the contract provided no event of default has occurred. Such periodic payments are accrued daily and recorded as realized gain (loss).

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

Swaps are marked to market daily based upon quotations from brokers or market makers and the change in value, if any, is recorded as unrealized appreciation or depreciation in the Funds' Statements of Operations. For a credit default swap sold by the Funds, payment of the agreed upon amount made by the Funds in the event of default of the

PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds

Notes to Financial Statements

July 31, 2007

1. Organization and Significant Accounting Policies (continued)

referenced debt obligation is recorded as the cost of the referenced debt obligation purchased/received. For a credit default swap purchased by the Funds, the agreed upon amount received by the Funds in the event of default of the referenced debt obligation is recorded as proceeds from sale/delivery of the referenced debt obligation and the resulting gain or loss realized on the referenced debt obligation is recorded as such by the Funds.

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

(i) Futures Contracts

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

(j) Forward Foreign Currency Contracts

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

(k) Repurchase Agreements

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

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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.

(I) Reverse Repurchase Agreements

In a reverse repurchase agreement, the Funds sell securities to a bank or broker-dealer and agree to repurchase the securities at a mutually agreed date and price. Generally, the effect of such a transaction is that the Funds can recover and reinvest all or most of the cash invested in the portfolio securities involved during the term of the reverse repurchase agreement and still be entitled to the returns associated with those portfolio securities. Such transactions are advantageous if the interest cost to the Funds of the reverse repurchase transaction is less than the returns it obtains on investments purchased with the cash. Unless the Funds cover their positions in reverse repurchase agreements (by segregating liquid assets at least equal in amount to the forward purchase commitment), their obligations under the agreements will be subject to the Funds' limitations on borrowings. Reverse repurchase agreements involve leverage risk and also the risk that the market value of the securities that the Funds are obligated to repurchase under the agreement may decline below the repurchase price. In the event the buyer of securities under

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PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds

Notes to Financial Statements

July 31, 2007

1. Organization and Significant Accounting Policies (continued)

a reverse repurchase agreement files for bankruptcy or becomes insolvent, the Funds' use of the proceeds of the agreement may be restricted pending determination by the other party, or its trustee or receiver, whether to enforce the Funds' obligation to repurchase the securities. The weighted average daily balance and weighted average interest rate of reverse repurchase agreements outstanding during the year ended July 31, 2007 was \$9,100,000 and \$1,633,892, and 5.45% and 0.00%, for Floating Rate Income and Floating Rate Strategy, respectively.

(m) When-Issued/Delayed-Delivery Transactions

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

(n) Custody Credits on Cash Balances

The Funds benefit from an expense offset arrangement with their custodian bank whereby uninvested cash balances earn credits which reduce monthly custodian and accounting agent expenses. Had these cash balances been invested in income producing securities, they would have generated income for the Funds.

2. Investment Manager/Sub-Adviser

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

The Investment Manager has retained its affiliate, Pacific Investment Management Company LLC (the "Sub-Adviser"), to manage the Funds' investments. Subject to the supervision of the Investment Manager, the Sub-Adviser is responsible for making all of the Funds' investment decisions. The Investment Manager, and not the Funds, pays a portion of the fees it receives to the Sub-Adviser in return for its services.

3. Investments in Securities

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

	Floating Rate Income	Floating Rate Strategy
Purchases	\$334,538,652	\$784,440,456
Sales	345,692,889	800,310,947

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PIMCO Floating Rate Income/PIMCO Floating Rate Strategy Funds

Notes to Financial Statements

July 31, 2007

3. Investments in Securities (continued)

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

<u>Floating Rate Income:</u>				Market Value	Expiration Date	Unrealized Depreciation
Type		Contracts		(000)		
Long:	Financial Future British Pound 90 day	416		\$ 99,126	3/19/08	\$ (562,108)
	Financial Future Euro 90 day	456		108,368	3/17/08	(157,174)
	United Kingdom 90 day	399		5	3/19/08	(253)
Short:	U.S. Treasury Notes 10 yr. Futures	(514)		(55,215)	9/19/07	(473,844)
	U.S. Treasury Notes 5 yr. Futures	(250)		(26,367)	9/28/07	(224,391)
						\$(1,417,770)
<u>Floating Rate Strategy:</u>						
Type		Contracts		Market Value	Expiration Date	Unrealized Depreciation
Long:	Financial Future British Pound 90 day	1,061		\$ 230,603	3/19/08	\$(1,433,546)
	Financial Future Euro 90 day	1,163		276,387	3/17/08	(400,863)
	United Kingdom 90 day	1,751		22,238	3/19/08	(1,110)
Short:	U.S. Treasury Notes 10 yr. Futures	(1,011)		(108,604)	9/19/07	(1,152,328)
	U.S. Treasury Notes 5 yr. Futures	(550)		(58,008)	9/28/07	(747,656)
						\$(3,735,503)

(b) Transactions in options written for the year ended July 31, 2007:

<u>Floating Rate Income:</u>	Contracts/Notional	Premiums
Options outstanding, July 31, 2006	2,308	\$ 692,100
Options written	4,338	923,760
Options terminated in closing transactions	(6,646)	(1,615,860)
Options outstanding, July 31, 2007		\$
<u>Floating Rate Strategy:</u>		
	Contracts/Notional	Premiums
Options outstanding, July 31, 2006	17,204,999	\$ 1,637,161
Options written	9,400	1,999,700
Options terminated in closing transactions	(17,214,399)	(3,636,861)
Options outstanding, July 31, 2007		\$

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

Floating Rate Income:

Swap Counterparty/ Referenced Debt Issuer	Notional Amount Payable on Default (000)	Termination Date	Payments Received (Paid) by Fund	Unrealized Appreciation (Depreciation)
Bank of America				
Abitibi-Consolidated	\$ 2,000	6/20/08	2.95%	\$ (47,273)
AES	1,000	12/20/07	1.50%	4,116
Allied Waste North America	600	9/20/09	2.75%	2,761
Bombardier	1,400	6/20/10	3.80%	63,494
Georgia-Pacific	3,500	3/20/14	1.78%	(466,976)
Dow Jones CDX	1,500	6/20/12	1.20%	(72,866)
Williams Cos.	875	9/20/09	2.05%	22,921

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

July 31, 2007

3. Investments in Securities (continued)

Floating Rate Income (continued):

Swap Counterparty/ Referenced Debt Issuer	Notional Amount Payable on Default (000)	Termination Date	Payments Received (Paid) by Fund	Unrealized Appreciation (Depreciation)
Bear Stearns				
Dow Jones CDX High Yield	\$ 10,000	6/20/12	2.75%	\$ (759,774)
Georgia-Pacific	700	9/20/09	1.24%	(9,604)
Host Marriott	700	9/20/09	1.95%	(2,000)
MGM	1,500	9/20/09	1.92%	(5,307)
Citigroup				
AES	5,000	6/20/08	1.17%	3,038
Allied Waste North America	1,500	9/20/07	2.18%	6,916
Crown European Holdings	1,500	9/20/07	2.38%	8,959
Dow Jones CDX	1,500	6/20/12	1.20%	(38,642)
Host Marriott	900	9/20/07	1.90%	2,311
Owens-Brockway	3,000	9/20/07	2.05%	9,542
Starwood Hotels & Resorts Worldwide	1,500	9/20/07	1.20%	3,444
Univision Communications	2,000	3/20/12	0.97%	(180,302)
Credit Suisse First Boston				
AES	900	9/20/09	3.85%	32,934
Allied Waste North America	875	9/20/09	2.46%	(1,329)
Delhaize America	875	9/20/09	1.40%	19,272
Intelsat Bermuda	3,000	3/20/10	3.21%	(196,794)
Samis	2,200	9/20/08	2.45%	34,927
Deutsche Bank				
Dow Jones CDX	4,500	6/20/12	1.20%	(220,979)
Softbank	¥ 392,000	9/20/07	2.30%	16,776
Goldman Sachs				
Dow Jones CDX High Yield	\$ 3,100	6/20/12	0.99%	(335,340)
HCA	1,000	12/20/07	0.75%	(6,934)
Royal Caribbean	3,500	12/20/13	1.33%	(214,361)
Starwood Hotels & Resorts Worldwide	1,000	12/20/07	1.10%	3,321
TRW Automotive	875	9/20/09	2.15%	2,393
JPMorgan Chase				
AES	1,500	9/20/07	2.15%	6,862
Electronic Data Systems	1,000	12/20/07	1.30%	4,838
Nortel Networks	1,300	9/20/07	1.43%	2,903
Tenet Healthcare	5,000	12/20/07	(3.20)%	3,356
Tenet Healthcare	5,000	12/20/09	4.15%	(126,320)
Lehman Brothers				
Dow Jones CDX High Yield	80,000	6/20/12	2.75%	(6,228,197)
Dow Jones CDX	2,000	6/20/12	1.20%	(66,155)
Six Flags	2,000	6/20/12	1.75%	(47,795)
Merrill Lynch				
Dow Jones CDX High Yield	2,100	6/20/12	2.368%	(107,563)

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SPX	900	9/20/09	2.25%	27,895
Williams Cos.	700	9/20/09	1.71%	13,261
Morgan Stanley				
Biomet	1,000	9/20/12	3.05%	(34,062)
Georgia-Pacific	900	9/20/09	1.63%	(4,926)
Russian Federation	300	6/20/08	0.245%	(219)
				\$(8,877,478)

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

July 31, 2007

3. Investments in Securities (continued)Floating Rate Strategy:

Swap Counterparty/ Referenced Debt Issuer	Notional Amount Payable on Default (000)	Termination Date	Payments Received by Fund	Unrealized Appreciation (Depreciation)
Bank of America	\$ 5,000	6/20/08	2.95%	\$ (118,184)
Abitibi-Consolidated	3,500	6/20/10	3.80%	158,734
Bombardier	6,500	3/20/14	1.78%	(867,241)
Georgia-Pacific	3,500	6/20/12	1.20%	(170,021)
Dow Jones CDX	5,000	12/20/09	1.12%	(78,317)
Royal Caribbean	5,000	12/20/09	1.65%	86,785
Williams Cos.				
Barclays Bank				
Dynegy Holdings	6,000	3/20/12	2.15%	(470,306)
Qwest Capital Funding	5,000	3/20/12	1.50%	(433,678)
Solectron	5,000	3/20/12	2.85%	43,307
Bear Stearns				
Allied Waste North America	1,500	12/20/07	1.85%	9,541
ArvinMeritor	1,500	12/20/07	1.14%	(13,112)
Dow Jones CDX High Yield	110,000	6/20/12	2.75%	(8,357,521)
Dynegy Holdings	1,500	12/20/09	2.35%	60,320
MGM	5,000	12/20/09	1.54%	(99,003)
Roundy s Supermarket	2,000	3/20/12	1.10%	119,123
Smurfit-Stone Container	1,500	12/20/09	1.76%	(49,162)
Smurfit-Stone Container	5,000	12/20/09	1.87%	(122,178)
Citigroup				
AES	10,000			