

PIMCO Floating Rate Strategy Fund
Form N-CSR
October 06, 2006

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

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

Investment Company Act file number 811-21601

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

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

10105
(Zip code)

Brian S. Shlissel - 1345 Avenue of the Americas, New York, New York 10105
(Name and address of agent for service)

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

Date of fiscal year July 31, 2006
end:

Date of reporting period: July 31, 2006

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

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

ITEM 1. REPORT TO SHAREHOLDERS

ITEM 1. REPORT TO SHAREHOLDERS

PIMCO Floating Rate Income Fund
PIMCO Floating Rate Strategy Fund

Annual Report
July 31, 2006

Contents

Letter to Shareholders	1
Performance & Statistics	2-3
Schedules of Investments	4-30
Statements of Assets and Liabilities	31
Statements of Operations	32
Statements of Changes in Net Assets	33
Statements of Cash Flows	34
Notes to Financial Statements	35-47
Financial Highlights	48-49
Report of Independent Registered Public Accounting Firm	50
Matters Relating to the Trustees Consideration of the Investment Management & Portfolio Management Agreements	51-53
Tax Information	54
Privacy Policy/Proxy Voting Policies & Procedures	55
Dividend Reinvestment Plan	56
Board of Trustees	57-58
Principal Officers	59

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

September 14, 2006

Dear Shareholder:

We are pleased to provide you with the annual report for PIMCO Floating Rate Income Fund and PIMCO Floating Rate Strategy Fund (collectively the Funds) for the fiscal periods ended July 31, 2006. In December 2005, PIMCO Floating Rate Strategy Fund changed its fiscal year-end from August 31 to July 31. Accordingly, the financial statements for this fund cover the 11-month period from September 1, 2005 through July 31, 2006.

During the period, the Federal Reserve raised short-term interest rates eight times for a total increase of 2.00%. Within this rising interest rate environment, the three-month London Interbank Offered Rate (LIBOR) increased by more than 1.75%, ending the reporting period at 5.47%. The trend was positive for floating-rate securities, which typically pay interest at a spread over LIBOR. As a result, the Funds increased their dividends to shareholders during the period.

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

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

We remain dedicated to serving your investment needs.

Sincerely,

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Robert E. Connor

Chairman

Brian S. Shlissel

President & Chief Executive Officer

7.31.06 | PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Annual Report **1**

PIMCO Floating Rate Income Fund Performance & Statistics

July 31, 2006 (unaudited)

* PIMCO Floating Rate Income Fund returned 6.92% and 16.53% based on net asset value and market price, respectively during the fiscal twelve months ended July, 31, 2006. This performance outpaced the 6.29% return of the average Lipper Loan Participation fund, according to Lipper's monthly Closed-End Fund Analysis.

* Security selection and specific industry weightings were key contributors to the Fund's positive performance during the reporting period.

* Of particular note were weightings in the automotive and telecom sectors, which outpaced the leveraged loan market during the reporting period and, as a result, were positive contributors to performance.

* Allocation to the cable/pay TV sector, as well as more modest allocations to the technology and financial sectors, boosted performance toward the end of the period.

* The Fund's bias toward the middle to upper credit quality tiers of the below-investment grade universe proved a drag on performance as investors, in search of higher yields, turned to the lower tier of below-investment-grade bonds. A relatively large weighting in the chemical sector also proved a drag on performance toward the end of the reporting period.

* A modest tactical allocation to the non-traditional emerging markets sector, while positive for the earlier part of the reporting period, later proved a drag on performance as emerging markets did not keep pace with the leveraged loan market.

Total Return⁽¹⁾:	Market Price	Net Asset Value (NAV)
1 Year	16.53%	6.92%
Commencement of Operations (8/29/03) to 7/31/06	6.92%	6.47%

Common Share Market Price/NAV Performance:	Market Price/NAV:	
Commencement of Operations (8/29/03) to 7/31/06	Market Price	\$20.02
Market Price	NAV	\$19.14
NAV	Premium to NAV	4.60%
	Market Price Yield ⁽²⁾	8.67%

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

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

(2) Market Price Yield is determined by dividing the annualized current monthly per share dividend to common shareholders by the market price per common share at July 31, 2006.

2 PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Annual Report | 7.31.06

PIMCO Floating Rate Strategy Fund Performance & Statistics

July 31, 2006 (unaudited)

* PIMCO Floating Rate Strategy Fund returned 6.54% at net asset value (NAV) and 11.77% at market price for the 11 months ended July 31, 2006. This performance outpaced the 5.63% return of the average Lipper Loan Participation fund, according to Lipper's monthly Closed-End Fund Analysis.

* Floating rate security selection and specific industry weightings were key contributors to the Fund's positive performance over the reporting period.

* Of particular note were the Fund's weightings in the automotive and telecom sectors, which outpaced the leveraged loan market during the reporting period and, as a result, were positive contributors to Fund performance.

* An allocation to the cable/pay TV sector, as well as more modest allocations to the technology and financial sectors, also boosted returns toward the end of the period.

* The Fund's bias toward the middle to upper credit quality tiers of the below-investment grade universe proved a drag on performance as investors, in search of higher yields, turned to the lower tier of below-investment-grade bonds.

* A modest tactical allocation to the non-traditional emerging markets sector, while positive for the earlier part of the reporting period, later proved a drag on performance as emerging markets did not keep pace with the leverage loan market.

Total Return⁽¹⁾:	Market Price	Net Asset Value (NAV)
11 months	11.77%	6.54%
Commencement of Operations (10/29/04) to 7/31/06	3.86%	6.18%

Common Share Market Price/NAV Performance:	Market Price/NAV:	
Commencement of Operations (10/29/04) to 7/31/06	Market Price	\$18.87
Market Price	NAV	\$18.76
NAV	Premium to NAV	0.59%
	Market Price Yield ⁽²⁾	8.93%

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

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

(2) Market Price Yield is determined by dividing the annualized current monthly per share dividend to common shareholders by the market price per common share at July 31, 2006.

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PIMCO Floating Rate Income Fund Schedule of Investments

July 31, 2006

	Principal Amount (000)		Value
SENIOR LOANS (a) (b) (c)		70.5%	
Aerospace 0.6%			
\$	1,788	K & F Industries, Inc., 7.40%, 11/18/12, Term C	\$ 1,790,573
	1,500	Transdigm Group, Inc., 7.449%, 6/23/13, Term B	1,505,391
			3,295,964
Airlines 0.5%			
	2,625	United Airlines, Inc., 8.625%, 2/1/12, Term B (g)	2,671,972
	375	9.188%, 1/9/11, Term DD	379,727
			3,051,699
Apparel & Textiles 0.3%			
	945	Simmons Co., Term D, 7.125%, 12/19/11	949,106
	147	7.688%, 12/19/11	147,148
	110	7.75%, 12/19/11	110,661
	136	7.812%, 12/19/11	135,812
	366	7.875%, 12/19/11	367,871
	55	9.50%, 12/19/11	55,181
			1,765,779
Automotive 1.0%			
	292	Hayes Lemmerz International, Inc., Term B, 8.46%, 6/3/09	296,512
	449	8.57%, 6/3/09	455,006
	476	8.64%, 6/3/09	482,149
	174	9.01%, 6/3/09	175,936
	299	9.05%, 6/3/09	303,337
	286	9.06%, 6/3/09	289,687
	223	Hertz Corp., 5.324%, 12/21/12	224,004
	825	7.41%, 12/21/12, Term B	830,069
	812	7.58%, 12/21/12, Term B	817,324
	1,010	7.60%, 12/21/12, Term B	1,016,501
	123	7.69%, 12/21/12, Term B	123,901
	300	Lear Corp., 7.93%, 3/23/12	298,344
	700	7.999%, 3/23/12	696,135
			6,008,905
Automotive Products 3.9%			
	2,269	Cooper Standard Automotive, Inc., 8.00%, 12/23/11, Term B	2,280,632
	3,651	8.00%, 12/23/11, Term C	3,668,842
	2,408	Delphi Corp., 13.75%, 6/14/11, Term B2	2,501,674
	4,000	Goodyear Tire & Rubber Co., 7.954%, 4/30/10	4,022,916
	1,000	8.704%, 4/30/10	1,002,054
	2,674	Polypore, Inc., 8.40%, 11/12/11, Term B	2,700,786
		Tenneco Automotive, Inc.,	

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1,796	7.19%, 12/12/10, Term B	1,809,218
789	7.346%, 12/12/10, Term B1	794,757
3,447	TRW Automotive, Inc., 7.188%, 6/30/12, Term B	3,445,825
		22,226,704

4 PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Annual Report | 7.31.06

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PIMCO Floating Rate Income Fund Schedule of Investments

July 31, 2006 (continued)

	Principal Amount (000)		Value
Banking 0.4%			
\$	1,092	Aster Co., Ltd. (g), 7.999%, 9/19/13, Term B1	\$ 1,101,710
	1,132	8.499%, 9/19/14, Term C1	1,146,095
			2,247,805
Building/Construction 2.0%			
	3,426	Masonite International Corp., Term B, 7.49%, 4/6/13	3,364,667
	31	7.499%, 4/6/13	30,172
	4,871	Nortek, Inc., 7.35%, 8/27/11	4,863,799
	2,976	UGS Corp., 7.485%, 3/31/12, Term B	2,978,912
			11,237,550
Chemicals 5.8%			
	255	Basell NV, 5.324%, 9/15/13, Term B	329,242
	113	5.324%, 9/15/13, Term B6	145,443
	371	5.419%, 9/15/13, Term B	479,653
	476	5.419%, 9/15/13, Term B1	614,673
	432	5.419%, 9/15/13, Term B5	557,542
	255	5.824%, 9/15/14, Term C4	330,665
	113	5.824%, 9/15/14, Term C6	146,071
	319	5.919%, 9/15/14, Term C	413,372
	528	5.919%, 9/15/14, Term C4	683,684
	432	5.919%, 9/15/14, Term C5	559,952
\$	2,782	Celanese AG, 7.499%, 4/6/11, Term B	2,789,968
	1,149	Cognis B.V., 8.17%, 5/12/12, Term B1	1,157,045
	1,992	8.67%, 5/12/13, Term C1	2,012,599
	1,597	Cognis Deutschland GMBH, 5.346%, 5/12/11, Term A	2,040,426
\$	80	Hercules, Inc., Term B, 6.999%, 10/8/10	80,220
	1,875	7.01%, 10/8/10	1,880,156
	1,021	Huntsman International LLC, 7.15%, 8/16/12	1,017,075
	5,000	INEOS Group Ltd., 7.339%, 10/7/12, Term A4	5,025,000
	750	7.339%, 10/7/13, Term B2	754,939
	750	7.839%, 10/7/14, Term C2	758,326
	2,992	KRATON Polymers Group LLC, 7.438%, 5/11/13	2,992,500
	1,271	Nalco Co., Term B, 6.48%, 11/1/10	1,270,942
	1,440	7.10%, 11/1/10	1,440,400
	1,825	7.23%, 11/4/10	1,825,687
	3,906	VWR International, Inc., 7.77%, 4/7/11, Term B	3,920,219
			33,225,799
Commercial Products 1.2%			
	194	iPayment, Inc., 7.61%, 12/27/12	194,175
	803	7.75%, 12/27/12	803,325

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1,000	Rexel S.A., 7.75%, 3/16/13, Term B1	1,013,344
1,000	8.25%, 3/16/14, Term C1	1,017,844

7.31.06 | PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Annual Report 5

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PIMCO Floating Rate Income Fund Schedule of Investments

July 31, 2006 (continued)

	Principal Amount (000)		Value
Commercial Products (continued)			
	985	Sigmakalon, 5.491%, 6/30/12, Term A	\$ 1,257,075
	365	5.991%, 9/19/12, Term B1	470,161
	635	5.991%, 9/19/12, Term B2	817,953
	940	6.491%, 9/19/13, Term C1	1,216,092
	60	6.491%, 9/19/13, Term C2	77,623
			6,867,592
Computer Services 1.1%			
\$	3,004	PanAmSat Corp., 5.00%, 6/30/11, Term A (e)	3,000,117
	3,465	Sunguard Data Systems, Inc., 7.66%, 2/11/13	3,484,490
			6,484,607
Computer Software 0.7%			
	3,000	Infor Global Solutions, 5.00%, 8/1/12 (e)	3,004,218
	458	Spectrum Brands Corp., Term B, 8.17%, 2/6/12	458,588
	136	8.24%, 2/7/12	136,381
	116	8.27%, 2/6/12	115,921
	115	8.44%, 2/7/12	114,647
			3,829,755
Consumer Products 1.9%			
	167	Eastman Kodak Co., Term B, 7.18%, 10/18/12	166,762
	462	7.439%, 10/18/12	461,931
	333	7.699%, 10/18/12	333,524
	1,021	7.75%, 10/18/12	1,021,873
	1,000	Education Management Corp., 8.063%, 5/23/13, Term B	1,006,406
	3,656	Jarden Corp., 7.499%, 1/24/12, Term B1	3,658,360
		National Mentor, Inc., Term B, 7.84%, 6/30/13	56,175
	944	7.85%, 6/30/13	946,950
		Rayovac Corp., Term B, 7.61%, 2/6/12	199,972
	166	8.08%, 2/7/12	166,026
	321	8.17%, 2/7/12	321,012
	1,260	8.51%, 2/7/12	1,261,116
		Sealy Mattress Co., Term D, 6.981%, 4/14/13	531,886
	531	7.083%, 4/1/13	709,182
	708	7.144%, 4/1/13	177,295
	177	7.19%, 4/14/13	106,377
	106	9.00%, 4/14/13	35,459
	35		11,160,306
Containers & Packaging 4.8%			
	1,517	Graham Packaging Co., Term B, 7.563%, 10/7/11	1,523,246
	1,734	7.75%, 10/7/11	1,741,261
	2,166	7.876%, 10/7/11	2,174,435

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	Graphic Packaging Corp., Term C,	
693	7.62%, 8/9/10	699,870
284	7.75%, 8/9/10	286,310
79	7.88%, 8/9/10	79,531

6 PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Annual Report | 7.31.06

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PIMCO Floating Rate Income Fund Schedule of Investments

July 31, 2006 (continued)

	Principal Amount (000)		Value
Containers & Packaging (continued)			
\$	2,080	8.01%, 8/8/10	\$ 2,099,610
	359	8.14%, 8/9/10	362,660
	3,950	Horizon Lines LLC, 7.75%, 7/7/11	3,976,776
	1,286	Intertape Polymer Group, Inc., Term B, 7.55%, 7/28/11	1,295,361
	187	7.76%, 7/28/11	188,828
	1,000	JSG Packaging, 7.882%, 1/12/13, Term B	1,005,764
	1,000	8.382%, 1/12/14, Term C	1,005,764
	742	Smurfit-Stone Container, 5.291%, 11/1/10	746,584
	1,825	7.50%, 11/1/11, Term B	1,835,861
	1,217	7.50%, 11/1/11, Term C	1,223,908
	581	7.625%, 11/1/11, Term C	584,416
	547	7.625%, 11/1/11, Term C-1	550,397
	588	7.625%, 11/1/11, Term B	591,531
	1,430	7.688%, 11/1/11, Term B	1,438,091
	1,578	Solo Cup Co., Term B, 7.61%, 2/27/11	1,586,219
	10	7.93%, 2/27/11	10,093
	2,339	7.999%, 2/27/11	2,350,213
			27,356,729
Diversified Manufacturing 0.2%			
	479	Invensys PLC (e), 5.00%, 7/17/13, Term Y1	480,651
	521	5.00%, 7/17/13, Term Z1	521,849
			1,002,500
Drugs & Medical Products 0.9%			
	7	Warner Chilcott PLC, 4.729%, 1/18/12, Term B	6,718
	3	7.479%, 1/18/12, Term C	2,707
	1	7.479%, 1/18/12, Term D	1,251
	308	7.53%, 1/18/12	309,008
	307	7.61%, 1/4/12	307,527
	1,271	7.61%, 1/18/12, Term B	1,274,306
	1,064	7.61%, 1/18/12, Term C	1,066,560
	492	7.61%, 1/18/12, Term D	492,721
	123	7.63%, 1/18/12 (g)	123,874
	1,369	7.63%, 1/18/12, Term B	1,372,566
			4,957,238
Energy 3.3%			
	1,782	Alon USA Energy, Inc., 5.00%, 6/8/13 (e)	1,788,887
	780	Covanta Energy Corp., 5.14%, 6/24/12	784,878
	61	7.644%, 6/30/12, Term B	61,318
	498	7.71%, 6/30/12, Term B	501,126
	975	10.96%, 5/12/13, Term DHC	993,141

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1,074	Edison Midwest, Term B, 7.24%, 4/27/11	1,076,483
1,477	7.25%, 4/27/11	1,479,831
1,173	7.31%, 4/27/11	1,175,766
4,810	Headwaters, Inc., Term B, 7.50%, 4/30/11	4,819,391

7.31.06 | PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Annual Report 7

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PIMCO Floating Rate Income Fund Schedule of Investments

July 31, 2006 (continued)

Principal Amount (000)		Value
Energy (continued)		
\$ 557	NRG Energy, Inc., 6.979%, 2/1/13	\$ 559,223
2,437	7.231%, 2/1/13, Term B	2,446,675
290	Targa Resources, Inc., 4.854%, 10/31/11	291,178
629	7.23%, 10/31/12, Term B	630,885
375	7.47%, 10/31/12, Term B	376,105
1,500	7.477%, 10/31/07	1,504,419
3	7.749%, 10/31/12, Term B	3,033
194	7.75%, 10/31/12, Term B	194,119
		18,686,458
Entertainment 2.0%		
1,990	AMC Entertainment, Inc., 7.525%, 1/5/13	1,998,593
5,287	MGM Studios, 7.749%, 4/8/12, Term B	5,301,897
194	Warner Music Group, Inc., Term B, 7.205%, 2/28/11	194,299
1,872	7.227%, 2/28/11	1,878,389
196	7.309%, 2/28/11	196,261
1,208	7.32%, 2/28/11	1,212,572
920	7.511%, 2/28/11	923,308
		11,705,319
Financial Services 0.6%		
3,248	Global Cash Access LLC, 7.15%, 3/10/10, Term B	3,265,748
Food Services 2.0%		
2,768	Arby's Restaurant Group, Inc., Term B, 7.735%, 7/25/12	2,769,522
911	7.749%, 7/25/12	911,652
1,492	Bolthouse Farms, Inc., 7.813%, 11/17/12, Term B	1,504,627
441	Dominos, Inc., Term B, 6.875%, 6/25/10	442,135
2,075	7.00%, 6/25/10	2,078,098
296	Michael Foods, Inc., Term B, 7.032%, 11/21/10	297,222
10	7.370%, 11/21/10	10,031
10	7.511%, 11/21/10	10,031
3,684	7.553%, 11/21/10	3,695,215
		11,718,533
Funeral Services 0.1%		
119	Alderwoods Group, Inc., Term B, 7.37%, 8/21/06	118,909
145	7.394%, 8/25/06	145,655
148	7.40%, 8/23/06	148,219
		412,783

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PIMCO Floating Rate Income Fund Schedule of Investments

July 31, 2006 (continued)

Principal Amount (000)		Value
Healthcare & Hospitals 3.6%		
\$ 3,950	Community Health Systems, Inc., 6.97%, 8/19/11, Term B	\$ 3,955,302
	DaVita, Inc.,	
305	7.11%, 5/16/12	305,501
965	7.125%, 5/16/12	968,437
365	7.19%, 5/16/12	366,601
228	7.21%, 5/16/12	229,125
4,172	7.51%, 5/16/12	4,185,357
667	7.69%, 5/16/12	668,664
305	7.69%, 10/5/12	305,500
6,000	HealthSouth Corp., 8.52%, 2/2/13	5,996,664
	Psychiatric Solutions, Inc.,	
2,000	6.91%, 7/7/12, Term B	2,001,250
1,985	Renal Advantage, Inc., 7.84%, 10/6/12, Term B	2,002,369
		20,984,770
Hotels/Gaming 2.7%		
2,286	Aladdin Gaming, Inc.,	
	8.508%, 8/31/10, Term A	2,213,485
52	9.508%, 8/31/10, Term B	50,636
	MotorCity Casino, Term B,	
770	7.214%, 7/13/12	768,502
308	7.236%, 7/13/12	307,401
2,888	7.49%, 7/13/12	2,881,883
	Penn National Gaming, Inc., Term B,	
364	6.91%, 10/3/12	364,954
413	7.02%, 10/3/12	414,223
1,164	7.24%, 10/3/12	1,167,855
45	7.25%, 10/3/12	45,163
1,980	Resorts International, Inc., 9.50%, 4/26/12, Term B	1,995,856
1,000	Venetian Casino, 7.25%, 2/22/12, Term B	1,000,078
4,000	Wynn Resorts Ltd., 7.545%, 12/14/11, Term B	4,007,500
		15,217,536
Household Products 0.7%		
	Springer S.A. (g),	
1,000	7.994%, 9/16/11, Term B2	1,014,210
2,800	8.071%, 9/16/12, Term C2	2,839,787
		3,853,997
Leasing 0.3%		
	United Rentals, Inc.,	
333	5.010%, 2/14/11, Term LC	333,588
1,626	7.35%, 2/14/11, Term B	1,630,410
		1,963,998
Machinery 0.5%		
2,258	Agco Corp., 7.249%, 6/15/09, Term B	2,264,973
	Mueller Industries, Inc., Term B,	
119	7.36%, 9/28/12	119,792
126	7.477%, 9/28/12	126,500

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381	7.735%, 9/28/12	383,333
65	7.749%, 9/28/12	65,881
67	7.868%, 9/28/12	67,083
		3,027,562

7.31.06 | PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Annual Report 9

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PIMCO Floating Rate Income Fund Schedule of Investments

July 31, 2006 (continued)

Principal Amount (000)		Value
Manufacturing 1.2%		
\$ 1,942	Berry Plastics Corp., 7.15%, 12/2/11	\$ 1,942,023
3,000	Bombardier, Inc., 8.24%, 6/28/13, Term B	2,998,125
1,259	Lucite International, 5.00%, 5/26/13, Term B (e)	1,269,793
		6,209,941
Measuring Instruments 0.9%		
308	Dresser Rand, 6.778%, 10/29/11, Term B	310,197
330	6.964%, 10/29/11, Term B	332,524
256	7.11%, 10/29/11, Term B	258,498
256	7.618%, 10/29/11, Term B	258,498
4,000	Dresser Unsecured Term Loan 8.65%, 3/1/10, Term C3	4,055,832
		5,215,549
Metals & Mining 0.3%		
673	Novelis, Inc., 6.88%, 1/7/12, Term B2	677,442
1,169	7.38%, 1/7/12, Term B	1,176,610
		1,854,052
Multi-Media 7.2%		
2,000	American Media Operations, Inc., 8.12%, 1/30/13	2,018,250
997	Atlantic Broadband, Inc., 7.99%, 8/4/12, Term B	1,006,228
1,278	Cablevision, 6.988%, 3/29/13, Term B	1,272,099
	Cablevision Systems Corp., Term B, 6.88%, 3/29/13	853,042
857	7.258%, 3/29/13	853,042
5,500	Cebridge Connections, Inc., 7.739%, 11/6/13	5,471,026
10,500	Charter Communications Holdings LLC, 8.125%, 4/25/13, Term B	10,528,182
2,992	DirectTV Holdings LLC, 6.90%, 4/13/13, Term B	2,993,482
2,876	Insight Midwest Holdings LLC, 7.438%, 12/31/09, Term C	2,881,925
3,000	NTL Investment, 1/6/13, Term B (e)	3,014,532
2,970	Primedia, 7.875%, 9/30/13, Term B	2,932,504
3,950	Telcordia Technologies, Inc., 7.727%, 9/9/12, Term B	3,816,688
	Young Broadcasting, Inc., Term B, 7.688%, 5/2/12	997,968
1,001	7.75%, 11/3/12	2,953,985
2,963		41,592,953
Oil & Gas 1.6%		
6,000	El Paso Corp., 6/15/09 (f)	5,974,998
1,500	Kinetic Concepts, Inc., 7.25%, 8/11/10, Term B	1,508,912
	Vetco International, 8.25%, 1/16/12, Term B	755,234
750	8.75%, 1/16/13, Term C	757,344
750		8,996,488
Paper/Paper Products 2.7%		

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1,011	Appleton Papers, Inc., 7.44%, 6/11/10	1,015,579
1,085	7.68%, 8/31/10	1,089,409
1,286	Boise Cascade Holdings LLC, Term D, 7.125%, 10/28/11	1,289,220
1,071	7.25%, 10/28/11	1,074,350

10 PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Annual Report | 7.31.06

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PIMCO Floating Rate Income Fund Schedule of Investments

July 31, 2006 (continued)

	Principal Amount (000)			Value
Paper/Paper Products (continued)				
\$	411	Buckeye Technologies, Inc., Term B, 6.89%, 11/4/10	\$	411,402
	136	7.01%, 11/4/10		136,215
	144	7.04%, 4/15/10		143,991
	162	7.07%, 11/4/10		161,990
	411	7.17%, 11/4/10		411,402
	350	7.26%, 11/4/10		349,692
	87	7.50%, 11/4/10		87,423
	41	9.25%, 4/15/10		41,140
	2,476	Georgia-Pacific Corp., 7.30%, 12/20/12, Term B		2,476,282
	155	7.485%, 12/23/12, Term B		154,768
	603	7.499%, 12/23/12, Term B		605,702
	5,750	8.30%, 12/23/13, Term C		5,806,729
				15,255,294
Printing/Publishing 1.9%				
	568	Dex Media East LLC, Term B, 6.66%, 5/8/09		564,988
	243	6.69%, 5/8/09		241,878
	1,157	6.80%, 5/8/09		1,151,579
	223	7.00%, 5/8/09		221,820
	182	Dex Media West LLC, Term B-2, 6.67%, 3/9/10		181,461
	989	6.72%, 3/9/10		984,419
	500	6.80%, 3/9/10		497,756
	333	6.88%, 3/9/10		331,910
	490	6.90%, 3/9/10		487,986
	167	6.95%, 3/9/10		166,314
	54	7.00%, 3/9/10		54,248
	404	RH Donnelly Corp., Term D (g), 6.72%, 6/30/11		405,264
	538	6.74%, 6/30/11		540,352
	673	6.83%, 6/30/11		675,440
	135	6.88%, 6/30/11		134,792
	404	6.90%, 6/30/11		405,264
	269	6.92%, 6/30/11		270,176
	404	6.95%, 6/30/11		405,264
	846	7.00%, 6/30/11		849,428
	135	7.01%, 6/30/11		135,088
	1,000	Seat Pagine Gialle SpA, 3.001%, 5/25/12, Term A (e)		1,279,194
	693	3.001%, 6/8/13, Term B		893,020
				10,877,641
Recreation 2.4%				
	1,000	Amadeus Global Travel, 5.813%, 4/8/13, Term B		1,293,304
	1,000	6.313%, 4/8/14, Term C		1,298,269
\$	1,573	8.249%, 4/8/13, Term B		1,589,013

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177	8.249%, 4/8/13, Term B2	179,308
1,573	8.749%, 4/8/14, Term C	1,595,893
177	8.749%, 4/8/14, Term C2	180,084
4,000	Cedar Fair L.P., 5.00%, 6/13/12 (e)	4,015,832

7.31.06 | PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Annual Report 11

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PIMCO Floating Rate Income Fund Schedule of Investments

July 31, 2006 (continued)

	Principal Amount (000)		Value
Recreation (continued)			
\$	669	Six Flags Theme Parks, Inc., Term B, 8.16%, 6/30/09	\$ 675,173
	1,106	8.48%, 6/30/09	1,116,450
	1,604	Worldspan L.P., Term B, 7.938%, 2/11/10	1,596,380
	77	8.00%, 2/11/10	76,739
	62	8.063%, 2/11/10	61,391
	116	8.188%, 2/11/10	115,108
	270	8.25%, 2/11/10	267,485
			14,060,429
Retail 0.9%			
	1,804	Jean Coutu Group, Inc. 8.00%, 7/30/11	1,809,014
	2,000	8.00%, 7/30/11 (e)	2,005,796
	1,500	Neiman Marcus Group, Inc., 7.77%, 4/6/13	1,513,938
			5,328,748
Semi-Conductors 0.5%			
	2,955	On Semiconductor Corp., 7.75%, 12/3/11, Term G	2,955,608
Telecommunications 3.8%			
	3,668	Centennial Cellular Communications Corp., 7.749%, 2/9/11	3,684,017
	1,150	Consolidated Communications, Inc., Term B, 7.40%, 9/18/11	1,146,553
	3,294	7.45%, 10/14/11	3,283,310
	2,000	Crown Castle International, 7.65%, 6/1/14, Term B	2,011,250
	500	Hawaiian Telcom Communications, Inc., 7.75%, 4/30/12, Term A	499,687
	1,996	7.75%, 10/31/12, Term B	2,006,958
	1,818	Mediacom Broadband LLC, Term D, 6.90%, 2/28/14	1,810,653
	1,364	7.002%, 2/28/14	1,357,990
	1,818	7.37%, 2/28/14	1,810,653
	1,700	Nordic Telephone Co. Holdings ApS (e), 5.536%, 11/30/14, Term B	2,193,048
	1,700	6.036%, 11/30/14, Term C	2,201,183
		Valor Telecommunications Enterprises LLC, 7.249%, 2/15/12, Term B	26,507
\$	26		22,031,809
Transportation 0.5%			
	3,000	Fleetpride Corp., 8.586%, 6/6/13, Term B	3,005,625
Utilities 1.1%			
	786	AES Corp., Term B, 6.75%, 4/30/08	788,783
	786	7.50%, 8/10/11	788,783
		Reliant Energy, Inc.,	

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2,968	7.655%, 4/30/10, Term B	2,972,806
1,625	7.775%, 4/30/10	1,626,713
		6,177,085

12 PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Annual Report | 7.31.06

PIMCO Floating Rate Income Fund Schedule of Investments

July 31, 2006 (continued)

Principal Amount (000)		Value
Waste Disposal 1.2%		
\$ 1,983	Allied Waste North America, Inc., 5.042%, 1/15/12	\$ 1,975,331
841	6.72%, 1/15/12	837,910
2,463	7.20%, 1/15/12	2,454,252
1,802	7.27%, 1/15/12	1,795,794
		7,063,287
Wholesale 0.7%		
2,000	Roundys, Inc., Term B, 8.17%, 10/27/11	2,020,834
1,980	8.29%, 10/27/11	2,000,626
		4,021,460
Wire & Cable Products 2.5%		
1,000	Pirelli Cable S.A., 5.566%, 7/28/13, Term B	1,281,574
1,000	6.066%, 6/23/14, Term C	1,295,292
1,500	9.888%, 6/23/12, Term 2	1,942,938
2,250	UPC Broadband Holding B.V., 5.507%, 3/31/13, Term J1	2,867,119
2,250	5.509%, 12/31/13, Term K1	2,870,404
\$ 2,000	7.64%, 3/31/13, Term J2	1,998,142
2,000	7.64%, 12/31/13, Term K2	1,998,142
		14,253,611
		404,455,216
Total Senior Loans (cost-\$402,724,619)		

CORPORATE BONDS & NOTES 21.4%

		Credit Rating (Moody's/S&P)*	
Airlines 0.5%			
939	Delta Air Lines, Inc., 7.379%, 5/18/10, Ser. 00-1	Ba2/BB	943,635
1,425	JetBlue Airways Corp., FRN, 8.27%, 5/15/10, Ser. 04-2	Ba3/BB	1,425,816
495	9.579%, 9/15/09, Ser. 04-1	Ba3/BB	498,152
			2,867,603
Computer Services 0.4%			
2,000	Sungard Data Systems, Inc., 9.431%, 8/15/13, FRN	B-/B3	2,090,000
Financial Services 5.7%			
1,500	Chukchansi Economic Dev. Auth., 8.78%, 11/15/12, FRN (d)	B2/BB-	1,533,750
1,400	Corsair Netherlands B.V., 11.359%, 3/3/16, FRN (g)	NR/NR	1,410,801
10,000	Ford Motor Credit Co., 8.149%, 11/2/07, FRN	Ba2/BB-	10,016,270
7,000		Ba1/BB	6,893,810

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	General Motors Acceptance Corp., 7.431%, 12/1/14, FRN		
3,000	Hellas Telecommunications Luxembourg V, 6.59%, 10/15/12, FRN	NR/NR	3,938,518
\$ 4,000	Hexion US Finance Corp., 10.257%, 7/15/10, FRN	B3/B	4,100,000
2,000	Universal City Florida Holding Co., 8.375%, 5/1/10	B3/B-	2,030,000
2,500	9.899%, 5/1/10, FRN	B3/B-	2,581,250
			32,504,399

7.31.06 | PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Annual Report **13**

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PIMCO Floating Rate Income Fund Schedule of Investments

July 31, 2006 (continued)

Principal Amount (000)		Credit Rating (Moody s/S&P)*	Value
Healthcare & Hospitals 0.4%			
\$ 2,000	HCA, Inc., 5.50%, 12/1/09	Ba2/BB+	\$ 1,970,000
1,500	Rotech Healthcare, Inc., 9.50%, 4/1/12	B3/CCC	1,192,500
			3,162,500
Hotels/Gaming 0.3%			
2,000	Mandalay Resort Group, 7.625%, 7/15/13	Ba3/B+	1,980,000
Insurance 0.3%			
1,500	Parametric Re Ltd., 9.57%, 5/19/08, FRN (d)	Ba2/NR	1,518,195
Multi-Media 4.4%			
2,000	Cablevision Systems Corp., Ser. B, 8.00%, 4/15/12	B3/B+	1,990,000
5,000	9.62%, 4/1/09, FRN	B3/B+	5,350,000
1,000	CCO Holdings LLC, 8.75%, 11/15/13	B3/CCC-	997,500
4,000	9.454%, 12/15/10, FRN	B3/CCC-	4,150,000
4,000	Charter Communications Holdings II LLC, 10.25%, 9/15/10	Caa1/CCC-	4,060,000
1,800	DirecTV Holdings LLC, 8.375%, 3/15/13	Ba2/BB-	1,894,500
5,665	EchoStar DBS Corp., 8.758%, 10/1/08, FRN	Ba3/BB-	5,757,056
1,000	Paxson Communications Corp., 11.757%, 1/15/13, FRN (d)	B3/CCC-	1,017,500
			25,216,556
Paper/Paper Products 1.5%			
2,000	Abitibi-Consolidated, Inc., 5.25%, 6/20/08	B1/B+	1,900,000
1,000	8.829%, 6/15/11, FRN	B1/B+	977,500
3,000	Boise Cascade LLC, 8.382%, 10/15/12, FRN	B1/B+	3,015,000
1,000	Bowater, Inc., 8.329%, 3/15/10, FRN	B1/B+	1,012,500
1,500	Verso Paper Holdings LLC, 8/1/14, FRN (b)(d)(e)(f)	B1/B+	1,516,875
			8,421,875
Telecommunications 7.7%			
4,000	Cincinnati Bell, Inc., 8.375%, 1/15/14	B3/B-	3,940,000
2,500	Hawaiian Telcom Communications Inc., 10.789%, 5/1/13, Ser. B, FRN	CCC+/B3	2,543,750
2,500	Intelsat Subsidiary Holding Co., Ltd., FRN, 10.484%, 1/15/12	B2/B+	2,550,000
3,000	11.64%, 6/15/13 (d)	B/CAA1	3,078,750
2,500	New Skies Satellites NV, 10.414%, 11/1/11, FRN	B1/B-	2,593,750
2,950	Nordic Telephone Co. Holdings ApS, 8.352%, 5/1/16, FRN (d)	NR/NR	3,934,051
\$ 2,700	Nortel Networks Ltd., 9.73%, 7/15/11, FRN (d)	B-/B3	2,727,000
2,000	Qwest Capital Funding, Inc., 7.90%, 8/15/10	B3/B	2,025,000
12,000		B2/B	12,285,000

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	Qwest Communications International, Inc., 8.67%, 2/15/09, FRN		
3,500	Rogers Wireless, Inc., 8.454%, 12/15/10, FRN	Ba2/BB	3,605,000
2,000	Rural Cellular Corp., 8.25%, 3/15/12	B2/B	2,075,000
3,000	Time Warner Telecom Holdings, Inc., 9.17%, 2/15/11, FRN	B2/CCC+	3,052,500
			44,409,801
Wire & Cable Products	0.2%		
1,000	Superior Essex Communications Group, 9.00%, 4/15/12	B3/B	1,020,000
Total Corporate Bonds & Notes (cost-\$120,922,591)			123,190,929
MORTGAGE-BACKED SECURITIES 0.4%			
2,317	Mellon Residential Funding Corp., 5.719%, 11/15/31, CMO, FRN (cost-\$2,316,970)	Aaa/AAA	2,320,738

PIMCO Floating Rate Income Fund Schedule of Investments

July 31, 2006 (continued)

Principal Amount (000)		Credit Rating (Moody s/S&P)*	Value
ASSET-BACKED SECURITIES 0.4%			
	Credit Suisse First Boston Mortgage Securities Corp., FRN,		
\$ 474	5.735%, 7/25/32	Aaa/AAA	\$ 474,427
539	5.755%, 8/25/32	Aaa/AAA	539,907
1,026	GSAMP Trust, 5.675%, 3/25/34, FRN	Aaa/AAA	1,028,791
222	Jade CBO Ltd., 7.67%, 10/24/11 (d)(g)	B2/NR	169,102
Total Asset-Backed Securities (cost-\$2,208,054)			2,212,227
PREFERRED STOCK (b) (d) 0.5%			
<u>Shares</u>			
Financial Services 0.5%			
30	Richmond Cnty. Capital Corp., 8.70%, FRN (cost-\$3,068,307)	NR/NR	3,018,750
SHORT-TERM INVESTMENTS 6.8%			
<u>Principal Amount (000)</u>			
Commercial Paper (g) 2.3%			
Banking 0.4%			
\$ 2,600	Barclays U.S. Funding, 5.385%, 10/26/06	NR/NR	2,566,564
Financial Services 1.9%			
2,000	General Electric Capital Corp., 5.35%, 10/26/06	NR/NR	1,974,280
8,900	UBS Finance, Inc., 5.355%, 10/24/06	NR/NR	8,788,216
Total Commercial Paper (cost-\$13,329,787)			13,329,060
Corporate Notes 1.1%			
Financial Services 0.7%			
4,000	General Motors Acceptance Corp., 6.457%, 7/16/07, FRN	Ba1/BB	3,975,756
Forestry 0.3%			
2,000	GP Canada Finance Co., 7.20%, 12/15/06 (d)	B2/B	2,030,000
Telecommunications 0.1%			
500	Qwest Capital Funding, Inc., 7.75%, 8/15/06	B3/B	500,000
Total Corporate Notes (cost-\$6,372,370)			6,505,756
U.S. Treasury Bills (i) 0.4%			
2,180	4.69%-4.82%, 8/31/06-9/14/06 (cost-\$2,168,176)		2,168,176
Repurchase Agreements 3.0%			
5,000	Lehman Brothers Holdings, dated 7/31/06, 5.23%, due 8/1/06, proceeds \$5,000,726; collateralized by		

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U.S. Treasury Note, 5.125%, 6/30/08, valued at
\$5,105,356 including accrued interest

5,000,000

7.31.06 | PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Annual Report 15

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PIMCO Floating Rate Income Fund Schedule of Investments

July 31, 2006 (continued)

Principal Amount (000)		Value
Repurchase Agreements (continued)		
\$ 12,020	State Street Bank & Trust Co., dated 7/31/06, 4.90%, due 8/1/06, proceeds \$12,021,636; collateralized by Fannie Mae, 5.00%, 1/15/07, valued at \$12,263,504 including accrued interest	\$ 12,020,000
Total Repurchase Agreements (cost-\$17,020,000)		17,020,000
Total Short-Term Investments (cost-\$38,890,333)		39,022,992

OPTIONS PURCHASED (j) 0.0%

Contracts

Call Options 0.0%

930	U.S. Treasury Notes 10 yr. Futures, Chicago Board of Trade, strike price \$112, expires 8/25/06	14,531
1,472	strike price \$113, expires 8/25/06	23,000
250	U.S. Treasury Notes 5 yr. Futures, Chicago Board of Trade, strike price \$108, expires 8/25/06	3,906
		41,437

Put Options 0.0%

324	Eurodollar Futures, Chicago Mercantile Exchange, strike price \$90.50, expires 9/17/07	2,025
60	strike price \$91.50, expires 6/18/07	375
335	strike price \$91.75, expires 3/19/07	2,094
53	strike price \$92.50, expires 12/18/06	331
136	strike price \$92.75, expires 12/18/06	850
613	strike price \$93, expires 12/18/06	3,831
420	U.S. Treasury Notes 10 yr. Futures, Chicago Board of Trade, strike price \$98, expires 8/25/06	6,563
		16,069

Total Options Purchased (cost-\$76,265)

57,506

Total Investments before options written (cost-\$570,207,139) 100.0%

574,278,358

OPTIONS WRITTEN (j) (0.0)%

Call Options (0.0)%

630	U.S. Treasury Notes 10 yr. Futures, Chicago Board of Trade, strike price \$107, expires 8/25/06	(68,906)
1,258	strike price \$108, expires 8/25/06	(39,313)
		(108,219)

Put Options (0.0)%

U.S. Treasury Notes 10 yr. Futures, Chicago Board of
Trade,

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420	strike price \$103, expires 8/25/06	(6,562)
Total Options Written (premiums received-\$692,100)		(114,781)
Total Investments net of options written (cost-\$569,515,039)	100.0%	\$ 574,163,577

16 PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Annual Report | 7.31.06

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PIMCO Floating Rate Strategy Fund Schedule of Investments

July 31, 2006

	Principal Amount (000)		Value
SENIOR LOANS (a)(b)(c) 71.9%			
Aerospace 1.1%			
\$	6,357	K & F Industries, Inc., 7.40%, 11/18/12, Term C	\$ 6,367,548
	525	Standard Aero Holdings, Inc., Term B, 7.60%, 8/24/12	525,019
	1,574	7.60%, 8/30/12	1,575,058
	3,148	7.682%, 8/24/12	3,150,115
	3,000	Transdigm, Inc., 7.449%, 6/23/13, Term B	3,010,782
			14,628,522
Airlines 0.5%			
	5,250	United Airlines, Inc., 8.625%, 2/1/12, Term B (g)	5,343,945
	750	9.188%, 1/9/11, Term DD	759,453
			6,103,398
Apparel & Textiles 0.2%			
	1,388	Simmons Co., Term D, 7.125%, 12/19/11	1,394,399
	215	7.688%, 12/19/11	216,186
	161	7.75%, 12/19/11	161,495
	199	7.812%, 12/19/11	200,616
	538	7.875%, 12/19/11	540,465
	81	9.50%, 12/19/11	81,070
			2,594,231
Automotive 0.9%			
	2,000	Dura Operating Corp., 9.109%, 4/28/11	2,015,000
	556	Hertz Corp., 5.324%, 12/21/12	558,948
	1,901	7.41%, 12/21/12, Term B	1,912,637
	1,872	7.58%, 12/21/12, Term B	1,883,270
	2,363	7.60%, 12/21/12, Term B	2,377,833
	284	7.69%, 12/21/12, Term B	285,490
	900	Lear Corp., 7.93%, 3/23/12	895,031
	2,100	7.999%, 3/23/12	2,088,406
			12,016,615
Automotive Products 4.7%			
	8,722	Affinia Group, 8.50%, 11/30/11, Term B	8,752,634
	3,952	Cooper Standard Automotive, Inc., 8.00%, 12/23/11, Term B	3,971,755
	6,358	8.00%, 12/23/11, Term C	6,389,345
	1,500	Delphi Corp., 8.188%, 10/8/07	1,516,875
	6,743	13.75%, 6/14/11, Term B2	7,004,688
	6,000	Fed Mogul Corp., 7.50%, 11/23/06, Term B	6,022,500
	10,500	Goodyear Tire & Rubber Co., 7.954%, 4/30/10	10,560,155

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2,000	8.704%, 4/30/10	2,004,108
6,175	Polypore, Inc., 8.40%, 11/12/11, Term B	6,236,503
	Tenneco Automotive, Inc.,	
2,610	7.19%, 12/12/10, Term B	2,629,966
1,141	7.346%, 12/12/10, Term B1	1,149,837
5,910	TRW Automotive, Inc., 6.75%, 10/31/10, Term E	5,901,135
		62,139,501

7.31.06 | PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Annual Report 17

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PIMCO Floating Rate Strategy Fund Schedule of Investments

July 31, 2006 (continued)

	Principal Amount (000)		Value
Banking 0.6%			
	2,800	Aster Co., Ltd. (g), 5.563%, 9/19/13, Term B	\$ 3,599,400
\$	2,137	7.999%, 9/19/13, Term B1	2,155,518
	2,214	8.499%, 9/19/14, Term C1	2,242,357
			7,997,275
Building/Construction 1.9%			
	9,787	Masonite International Corp., Term B, 7.49%, 4/6/13	9,613,334
	88	7.499%, 4/6/13	86,207
	9,334	Nortek, Inc., 7.35%, 8/27/11	9,320,627
	6,171	UGS Corp., 7.485%, 3/31/12, Term B	6,177,296
			25,197,464
Chemicals 6.3%			
	364	Basell NV, 5.324%, 9/15/13, Term B	470,345
	937	5.324%, 9/15/13, Term B4	1,210,174
	355	5.324%, 9/15/13, Term B6	458,483
	556	5.419%, 9/15/13, Term B	718,096
	951	5.419%, 9/15/13, Term B1	1,228,166
	186	5.419%, 9/15/13, Term B4	240,633
	807	5.419%, 9/15/13, Term B5	1,042,957
	1,819	5.824%, 9/15/14, Term C4	2,360,619
	161	5.824%, 9/15/14, Term C6	208,674
	1,174	5.919%, 9/15/14, Term C	1,522,918
	672	5.919%, 9/15/14, Term C4	870,938
	831	5.919%, 9/15/14, Term C5	1,077,845
	2,000	Brenntag AG, 12/23/13, Term B5 (e)	2,565,061
\$	9,630	Celanese AG, 7.499%, 4/6/11, Term B	9,659,180
	4,833	Chart Industries, 7.188%, 10/14/12, Term B	4,840,888
		Cognis B.V., Term B1	
	1,000	8.17%, 5/12/12	978,002
	3,000	8.17%, 5/12/12 (e)	3,048,750
	2,794	Cognis Deutschland GMBH, 5.346%, 5/12/11, Term A	3,570,745
\$	56	Hercules, Inc., Term B, 6.999%, 10/8/10	56,094
	1,311	7.01%, 10/8/10	1,314,696
	4,825	Huntsman International LLC, 7.15%, 8/16/12	4,807,989
		INEOS Holdings Ltd.,	
	5,000	7.339%, 10/7/12, Term A4	5,025,000
	2,000	7.339%, 10/7/13, Term B2	2,013,172
	2,000	7.839%, 10/7/14, Term C2	2,022,204
		Innophos, Inc., Term B,	
	1,616	7.60%, 8/13/10	1,620,405
	1,818	7.75%, 8/13/10	1,822,727
	5,486	KRATON Polymers Group LLC, 7.438%, 5/11/13	5,486,250
	7,865	Lyondell-CITGO Refining L.P., 7.499%, 5/21/07, Term B	7,884,247
		Nalco Co., Term B,	
	2,442	6.48%, 11/1/10	2,443,072

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2,768	7.10%, 11/1/10	2,768,815
3,508	7.23%, 11/4/10	3,509,432
2,963	PQ Corp. Holdings, Inc., 7.50%, 2/11/12, Term B	2,968,671
2,520	VWR International, Inc., 7.77%, 4/7/11, Term B	2,529,174
		82,344,422

18 PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Annual Report | 7.31.06

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PIMCO Floating Rate Strategy Fund Schedule of Investments

July 31, 2006 (continued)

	Principal Amount (000)		Value
Commercial Products	1.5%		
\$	1,978	Alliance Laundry Holdings LLC, Term B, 7.40%, 1/27/12	\$ 1,991,765
	1,511	7.40%, 1/27/12 (e)	1,511,530
	388	iPayment, Inc., 7.61%, 12/27/12	388,349
	1,607	7.75%, 12/27/12	1,606,650
	3,500	Rexel S.A., 7.75%, 3/16/13, Term B1	3,546,704
	3,500	8.25%, 3/16/14, Term C1	3,562,454
	985	Sigmakalon, 5.491%, 6/30/12, Term A	1,257,076
	913	5.991%, 9/19/12, Term B1	1,175,418
	1,587	5.991%, 9/19/12, Term B2	2,044,867
	2,349	6.491%, 9/19/13, Term C1	3,038,796
	151	6.491%, 9/19/13, Term C2	195,491
			20,319,100
Computer Services	1.3%		
\$	5,603	PamAmSat Corp., 5.00%, 6/30/11, Term A (e)	5,595,915
	11,880	Sunguard Data Systems, Inc., 7.66%, 2/11/13	11,946,825
			17,542,740
Computer Software	0.6%		
	6,000	Infor Global Solutions, 5.00%, 8/1/12 (e)	6,008,436
	1,298	Spectrum Brands Corp., Term B, 8.17%, 2/6/12	1,300,098
	386	8.24%, 2/7/12	386,642
	328	8.27%, 2/6/12	328,636
	325	8.44%, 2/7/12	325,024
			8,348,836
Consumer Products	2.0%		
	690	Eastman Kodak Co., Term B, 7.18%, 10/18/12	690,376
	1,911	7.439%, 10/18/12	1,912,340
	1,380	7.699%, 10/18/12	1,380,751
	4,228	7.75%, 10/18/12	4,230,431
	3,000	Education Management Corp., 8.063%, 5/23/13, Term B	3,019,218
	9,486	Jarden Corp., 7.499%, 1/24/12, Term B1	9,492,292
	566	Rayovac Corp., Term B, 7.61%, 2/6/12	566,921
	470	8.08%, 2/7/12	470,684
	909	8.17%, 2/7/12	910,069
	3,571	8.51%, 2/7/12	3,575,270
			26,248,352
Containers & Packaging	3.7%		
	2,760	Graham Packaging Co., Term B, 7.563%, 10/7/11	2,770,581
	3,155	7.75%, 10/7/11	3,167,120

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3,939	7.875%, 10/7/11	3,955,004
7,322	Horizon Lines LLC, 7.75%, 7/7/11	7,371,961
2,993	Intertape Polymer Group, Inc., Term B,	
	7.55%, 7/28/11	3,013,834
436	7.76%, 7/28/11	439,334

7.31.06 | PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Annual Report 19

PIMCO Floating Rate Strategy Fund Schedule of Investments

July 31, 2006 (continued)

Principal Amount (000)		Value
Containers & Packaging (continued)		
	JSG Packaging,	
75	5.413%, 1/12/13, Term B	\$ 96,341
154	5.463%, 1/12/13, Term B (g)	198,725
89	5.466%, 1/12/13, Term B	114,049
113	5.562%, 1/12/13, Term B	144,512
295	5.562%, 11/29/13, Term B	378,817
274	5.741%, 11/29/13, Term B (g)	352,684
154	5.963%, 1/12/14, Term C (g)	198,725
89	5.966%, 1/12/14, Term C	114,049
113	6.062%, 1/12/14, Term C	144,512
295	6.062%, 11/29/14, Term C	378,817
75	6.09%, 1/12/14, Term C	96,341
274	6.241%, 11/29/14, Term C (g)	352,684
\$ 2,250	7.882%, 1/12/13, Term B	2,262,969
2,250	8.382%, 1/12/13, Term C	2,262,969
	Smurfit-Stone Container,	
1,528	5.291%, 11/1/10	1,536,833
2,792	7.50%, 11/1/11, Term B	2,807,820
2,505	7.50%, 11/1/11, Term C	2,519,849
1,196	7.625%, 11/1/11, Term C	1,203,227
846	7.625%, 11/1/11, Term C-1	850,614
900	7.625%, 11/1/11, Term B	904,686
2,187	7.688%, 11/1/11, Term B	2,199,416
	Solo Cup Co., Term B,	
3	5.42%, 2/27/11	2,538
3,653	7.61%, 2/27/11	3,670,903
23	7.93%, 2/27/11	23,359
5,412	7.999%, 2/27/11	5,438,974
		48,972,247
Diversified Manufacturing 0.3%		
	Invensys PLC (e),	
958	5.00%, 7/17/13, Term Y1	961,301
1,041	5.00%, 7/17/13, Term Z1	1,043,699
	Linpac Mouldings Ltd.,	
1,277	8.749%, 4/16/12, Term C1	1,298,697
1,016	8.249%, 4/16/12, Term B1	1,027,764
		4,331,461
Drugs & Medical Products 0.6%		
	Warner Chilcott PLC,	
11	4.729%, 1/18/12, Term B	10,703
4	7.479%, 1/18/12, Term C	4,313
2	7.479%, 1/18/12, Term D	1,992
704	7.53%, 1/18/12	705,934
701	7.61%, 1/4/12	702,550
2,025	7.61%, 1/18/12, Term B	2,030,151
1,695	7.61%, 1/18/12, Term C	1,699,183
783	7.61%, 1/18/12, Term D	784,975
281	7.63%, 1/18/12 (g)	282,992

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2,181

7.63%, 1/18/12, Term B

2,186,694

8,409,487

20 PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Annual Report | 7.31.06

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PIMCO Floating Rate Strategy Fund Schedule of Investments

July 31, 2006 (continued)

	Principal Amount (000)		Value
Electronics 0.1%			
\$	11	Sensata Technologies, Inc., 7.148%, 4/27/13	\$ 10,482
	2	7.198%, 4/27/13	2,490
	987	7.24%, 4/27/13	982,832
			995,804
Energy 3.1%			
	5,356	Alon USA Energy, Inc. 5.00%, 6/8/13 (e)	5,366,665
	1,000	Covanta Energy Corp., 4.75%, 6/30/12	1,005,625
	1,041	5.14%, 6/24/12	1,046,504
	81	7.644%, 6/30/12, Term B	81,758
	664	7.71%, 6/30/12, Term B	668,169
	1,950	10.96%, 5/12/13, Term DHC	1,986,281
	1,747	Edison Midwest, Term B, 7.24%, 4/27/11	1,751,078
	2,376	7.25%, 4/27/11	2,381,398
	1,908	7.31%, 4/27/11	1,912,578
	11,096	Headwaters, Inc., Term B, 7.33%, 4/30/11	11,116,567
	557	NRG Energy, Inc., 6.979%, 2/1/13	559,223
	2,437	7.231%, 2/1/13, Term B	2,446,675
	581	Targa Resources, Inc., 4.854%, 10/31/11	582,356
	1,258	7.23%, 10/31/12, Term B	1,261,771
	750	7.47%, 10/31/12, Term B	752,209
	3,000	7.477%, 10/31/07	3,008,838
	6	7.749%, 10/31/12, Term B	6,066
	387	7.75%, 10/31/12, Term B	388,237
	1,000	Weather Investments SARL, 4.955%, 6/17/12, Term A (e)(g)	1,280,773
	1,000	Wind Acquisition Finance S.A. (e), 5.634%, 6/17/13, Term B	1,277,745
	1,000	6.134%, 6/17/14, Term C	1,284,126
			40,164,642
Entertainment 1.8%			
\$	2,487	AMC Entertainment, Inc., 7.525%, 1/5/13	2,498,241
	12,967	MGM Studios, 7.749%, 4/8/12, Term B	13,004,652
	347	Warner Music Group, Inc., Term B, 7.205%, 2/28/11	348,307
	3,356	7.227%, 2/28/11	3,367,268
	351	7.309%, 2/28/11	351,826
	2,166	7.32%, 2/28/11	2,173,702
	1,649	7.511%, 2/28/11	1,655,156
			23,399,152
Financial Services 0.4%			
	5,199	Global Cash Access LLC, 7.15%, 3/10/10, Term B	5,226,757

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Food Services 1.7%

7,938	Arby's Restaurant Group, Inc., Term B, 7.735%, 7/25/12	7,943,204
2,613	7.749%, 7/25/12	2,613,713

7.31.06 | PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Annual Report 21

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PIMCO Floating Rate Strategy Fund Schedule of Investments

July 31, 2006 (continued)

	Principal Amount (000)		Value
Food Services (continued)			
\$	1,294	Dominos, Inc., Term B, 6.875%, 6/25/10	\$ 1,295,886
	6,081	7.00%, 6/25/10	6,090,848
	286	Michael Foods, Inc., Term B, 7.032%, 11/21/10	287,248
	10	7.370%, 11/21/10	9,694
	10	7.511%, 11/21/10	9,695
	3,560	7.553%, 11/21/10	3,571,213
			21,821,501
Funeral Services 0.4%			
	1,497	Alderwoods Group, Inc., Term B, 7.37%, 8/21/06	1,499,085
	1,834	7.394%, 8/25/06	1,836,286
	1,866	7.40%, 8/23/06	1,868,605
			5,203,976
Healthcare & Hospitals 3.3%			
	739	DaVita, Inc. 7.11%, 5/16/12	741,070
	2,342	7.125%, 5/16/12	2,349,191
	886	7.19%, 5/16/12	889,283
	554	7.21%, 5/16/12	555,802
	10,120	7.51%, 5/16/12	10,152,654
	1,617	7.69%, 5/16/12	1,622,016
	739	7.69%, 10/5/12	741,070
	11,000	HealthSouth Corp., 8.52%, 2/2/13	10,993,884
	5,462	Psychiatric Solutions, Inc., 6.91%, 7/7/12, Term B	5,464,952
	9,925	Renal Advantage, Inc., 7.84%, 10/6/12, Term B	10,011,844
			43,521,766
Hotels/Gaming 3.5%			
	4,572	Aladdin Gaming, Inc., 8.508%, 8/31/10, Term A	4,426,970
	105	9.508%, 8/31/10, Term B	101,272
	8,401	Choctaw Resort Development Enterprise, Inc., 7.749%, 11/4/11, Term B	8,459,063
	1,732	MotorCity Casino, Term B, 7.214%, 7/13/12	1,728,589
	693	7.236%, 7/13/12	691,436
	6,496	7.49%, 7/13/12	6,482,209
	1,091	Penn National Gaming, Inc., Term B, 6.91%, 10/3/12	1,094,864
	1,238	7.02%, 10/3/12	1,242,670
	3,491	7.24%, 10/3/12	3,503,564
	135	7.25%, 10/3/12	135,489
	4,277	Resorts International, Inc., 9.50%, 4/26/12, Term B	4,310,735
	3,393	Venetian Casino, 7.25%, 2/22/12, Term B	3,393,427
	10,000	Wynn Resorts Ltd., 7.545%, 12/14/11, Term B	10,018,750
			45,589,038

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Machinery 0.7%

5,570

Agco Corp., 7.249%, 6/15/09, Term B

5,587,092

22 PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Annual Report | 7.31.06

PIMCO Floating Rate Strategy Fund Schedule of Investments

July 31, 2006 (continued)

Principal Amount (000)		Value
Machinery (continued)		
\$ 476	Mueller Industries, Inc., Term B, 7.36%, 9/28/12	\$ 479,167
503	7.477%, 9/28/12	506,000
1,524	7.735%, 9/28/12	1,533,333
262	7.749%, 9/28/12	263,525
267	7.868%, 9/28/12	268,333
		8,637,450
Manufacturing 1.8%		
4,342	Berry Plastics Corp., 7.15%, 12/2/11	4,342,695
7,000	Bombardier, Inc., 8.24%, 6/28/13, Term B	6,995,625
2,221	Lucite International, 5.00%, 5/26/13, Term B (e)	2,240,811
	NACCO Materials Handling Group, Inc., Term B, 7.17%, 3/24/13	1,152,667
1,156	7.28%, 3/24/13	620,667
622	7.349%, 3/24/13	221,667
222		7,766,750
7,791	Xerium Technologies, Inc., 7.749%, 5/18/12, Term B	23,340,882
Measuring Instruments 0.2%		
814	Dresser Rand, Term B, 6.778%, 10/29/11	820,373
872	6.964%, 10/29/11	879,421
678	7.11%, 10/29/11	683,644
678	7.618%, 10/29/11	683,644
		3,067,082
Metals & Mining 0.5%		
2,411	Novelis, Inc., 6.88%, 1/7/12, Term B2	2,427,501
4,187	7.38%, 1/7/12, Term B	4,216,185
		6,643,686
Multi-Media 7.6%		
6,470	American Media Operations, Inc., 8.12%, 1/30/13 (e)	6,529,039
1,247	Atlantic Broadband, Inc., 7.99%, 8/4/12, Term B	1,257,785
2,982	Cablevision, 6.988%, 3/29/13, Term B	2,968,232
	Cablevision Systems Corp., Term B 6.88%, 3/29/13	1,990,432
2,000	7.258%, 3/29/13	1,990,432
2,000	Cebridge Connections, Inc., 7.739%, 11/6/13	12,434,150
12,500	Charter Communications Holdings LLC, 8.125%, 4/25/13, Term B	25,067,104
25,000	Cumulus Media, Inc., Term B, 7.25%, 5/5/13	971,884
971	7.375%, 5/5/13	1,000,469
1,000	Insight Midwest Holdings LLC, 7.438%, 12/31/09, Term C	6,836,423
6,821	NTL Investment, 1/6/13, Term B (e)	6,029,064
6,000	Primedia, 7.875%, 9/30/13, Term B	9,286,262
9,405	Source Media, Inc., 7.68%, 11/8/11, Term B	3,918,064
3,911		

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10,867	Telcordia Technologies, Inc., 7.727%, 9/9/12, Term B	10,500,674
	Young Broadcasting, Inc., Term B,	
2,377	7.688%, 5/2/12	2,370,129
7,036	7.75%, 11/3/12	7,015,581
		100,165,724

7.31.06 | PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Annual Report 23

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PIMCO Floating Rate Strategy Fund Schedule of Investments

July 31, 2006 (continued)

	Principal Amount (000)		Value
Oil & Gas	1.6%		
\$	12,000	El Paso Corp., 6/15/09 (f)	\$ 11,949,996
	5,865	6.375%, 2/1/09 (d)	5,806,350
	2,660	Kinetic Concepts, Inc., 7.25%, 8/11/10, Term B	2,676,179
	625	Vetco International, 8.25%, 1/16/12, Term B	629,362
	625	8.75%, 1/16/13, Term C	631,120
			21,693,007
Paper/Paper Products	1.6%		
	813	Appleton Papers, Inc., 7.44%, 6/11/10	816,544
	872	7.68%, 6/9/10	875,907
	431	Boise Cascade Holdings LLC, Term D, 7.125%, 10/28/11	431,705
	359	7.25%, 10/28/11	359,754
	4,839	Georgia-Pacific Corp., 7.30%, 12/20/12, Term B	4,839,229
	302	7.485%, 12/23/12, Term B	302,452
	1,178	7.499%, 12/23/12, Term B	1,183,683
	11,650	8.30%, 12/23/13, Term C	11,764,939
			20,574,213
Printing/Publishing	1.4%		
	1,271	RH Donnelly Corp., Term D (g), 6.72%, 6/30/11	1,276,017
	1,695	6.74%, 6/30/11	1,701,355
	2,119	6.83%, 6/30/11	2,126,694
	424	6.88%, 6/30/11	424,407
	1,271	6.90%, 6/30/11	1,276,017
	848	6.92%, 6/30/11	850,678
	1,271	6.95%, 6/30/11	1,276,017
	2,665	7.00%, 6/30/11	2,674,714
	424	7.01%, 6/30/11	425,339
	4,474	Seat Pagine Gialle SpA, 3.001%, 6/8/12, Term A	5,723,487
			17,754,725
Real Estate	0.1%		
\$	839	Gables Residential Trust, 7.10%, 9/30/06	840,426
Recreation	2.4%		
	3,450	Amadeus Global Travel, 5.813%, 4/8/13, Term B	4,461,898
	3,450	6.313%, 4/8/14, Term C	4,479,029
\$	1,336	8.249%, 4/8/13, Term B	1,349,936
	414	8.249%, 4/8/13, Term B2	418,385
	1,336	8.749%, 4/8/14, Term C	1,355,781
	414	8.749%, 4/8/14, Term C2	420,196
	8,000	Cedar Fair L.P., 5.00%, 6/13/12 (e)	8,031,664
		Six Flags Theme Parks, Inc., Term B,	

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1,483	8.16%, 6/30/09	1,496,982
2,452	8.48%, 6/30/09	2,475,373

24 PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Annual Report | 7.31.06

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PIMCO Floating Rate Strategy Fund Schedule of Investments

July 31, 2006 (continued)

	Principal Amount (000)		Value
Recreation (continued)			
\$	5,463	Worldspan L.P., Term B, 7.938%, 2/11/10	\$ 5,435,429
	263	8.00%, 2/11/10	261,349
	210	8.063%, 2/11/10	209,079
	394	8.188%, 2/11/10	392,024
	919	8.25%, 2/11/10	915,357
			31,702,482
Retail 0.9%			
	8,131	Jean Coutu Group, Inc., 8.00%, 7/30/11	8,154,166
	3,133	Neiman Marcus Group, Inc., 7.77%, 4/6/13	3,162,022
			11,316,188
Semi-Conductors 0.4%			
	4,925	On Semiconductor Corp., 7.75%, 12/3/11, Term G	4,926,013
Telecommunications 4.7%			
	2,295	Alliance Atlantis Communications, Inc., 6.999%, 10/19/11	2,293,907
	8,269	Centennial Cellular Communications Corp., 7.749%, 2/9/11	8,307,564
	1,753	Consolidated Communications, Inc., Term B, 7.40%, 9/18/11	1,747,200
	5,019	7.45%, 10/14/11	5,003,347
	5,000	Crown Castle International, 7.65%, 6/1/14, Term B	5,028,125
	500	Hawaiian Telcom Communications, Inc., 7.75%, 4/30/12, Term A	499,688
	2,993	7.75%, 10/31/12, Term B	3,010,437
	1,635	Mediacom Broadband LLC, 6.62%, 3/31/10, Term A	1,618,368
	2,909	6.90%, 2/28/14, Term D	2,897,044
	2,182	7.002%, 2/28/14, Term D	2,172,783
	2,909	7.37%, 2/28/14, Term D	2,897,044
	2,550	Nordic Telephone Co. Holdings ApS, 5.536%, 11/30/14, Term B	3,281,675
	1,500	5.536%, 11/30/14, Term B (e)	1,942,938
	2,550	6.036%, 11/30/14, Term C	3,301,057
	1,500	6.036%, 11/30/14, Term C (e)	1,942,938
		Qwest Corp., 6.95%, 6/30/10, Term B	8,455,732
\$	8,500	12.00%, 6/30/07, Term A	7,532,275
	7,400		61,932,122
Transportation 0.5%			
	6,000	Fleetpride Corp., 8.586%, 6/6/13, Term B	6,011,250
Utilities 2.3%			
	3,720	AES Corp., Term B, 5.69%, 8/10/11	3,734,244
	3,720	7.50%, 8/10/11	3,734,244
	5,940	Midwest Generation LLC, 7.748%, 12/31/11, Term B	5,971,927

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12,902	Reliant Energy, Inc.,	12,925,350
3,701	7.655%, 4/30/10, Term B	3,705,290
	7.775%, 4/30/10	30,071,055

7.31.06 | PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Annual Report 25

PIMCO Floating Rate Strategy Fund Schedule of Investments

July 31, 2006 (continued)

	Principal Amount (000)		Value
Waste Disposal	1.2%		
\$	4,545	Allied Waste North America, Inc., 5.042%, 1/15/12	\$ 4,528,657
	1,928	6.72%, 1/15/12	1,921,018
	5,647	7.20%, 1/15/12	5,626,690
	4,132	7.27%, 1/15/12	4,117,090
			16,193,455
Wholesale	0.8%		
	5,000	Roundy s, Inc., Term B, 8.17%, 10/27/11	5,052,085
	4,950	8.29%, 10/27/11	5,001,564
			10,053,649
Wire & Cable Products	2.7%		
	2,500	Pirelli Cable S.A., 5.566%, 7/28/13, Term B	3,203,934
	2,500	6.066%, 6/23/14, Term C	3,238,230
	1,500	9.888%, 6/23/12	1,942,938
	4,000	UPC Broadband Holding B.V., 5.507%, 3/31/13, Term J1	5,097,412
	4,000	5.509%, 12/31/13, Term K1	5,102,941
\$	8,500	7.64%, 3/31/13, Term J2	8,492,103
	8,500	7.64%, 12/31/13, Term K2	8,492,104
			35,569,662
Total Senior Loans (cost-\$942,322,899)			943,609,358

CORPORATE BONDS & NOTES 18.1%

			Credit Rating (Moody s/S&P)*	
Airlines	0.4%			
	3,257	JetBlue Airways Corp., FRN, 8.27%, 5/15/10, Ser. 04-2	Ba3/BB	3,259,008
	1,627	9.579%, 9/15/09, Ser. 04-1	Ba3/BB	1,636,784
				4,895,792
Chemicals	0.4%			
	5,750	Hexion US Finance Corp., 10.257%, 7/15/10, FRN	B3/B	5,893,750
Computer Services	0.5%			
	2,000	SunGard Data Systems, Inc., 9.125%, 8/15/13	B-/B3	2,052,500
	4,000	9.431%, 8/15/13, FRN	B-/B3	4,180,000
				6,232,500
Energy	0.0%			
	250	Transcontinental Gas Pipe Line Corp., 6.787%, 4/15/08, FRN (d)	Ba2/BB-	251,562

PIMCO Floating Rate Strategy Fund Schedule of Investments

July 31, 2006 (continued)

	Principal Amount (000)		Credit Rating (Moody s/S&P)*	Value
Financial Services	3.4%			
\$	3,500	Chukchansi Economic Dev. Auth., 8.78%, 11/15/12, FRN (d)	B2/BB-	\$ 3,578,750
	3,200	Corsair Netherlands B.V., 11.359%, 3/3/16, FRN (g)	NR/NR	3,224,689
	10,000	Ford Motor Credit Co., FRN, 7.077%, 1/15/10	Ba2/BB-	9,188,640
	14,000	8.149%, 11/2/07	Ba2/BB-	14,022,778
	5,000	General Motors Acceptance Corp., 7.431%, 12/1/14, FRN	Ba1/BB	4,924,150
	6,000	Hellas Telecommunications Luxembourg V, 6.59%, 10/15/12, FRN	NR/NR	7,877,035
\$	295	Simsbury CLO Ltd., 5.669%, 9/24/11, FRN (d)(g)	Aaa/AAA	294,998
	2,000	Universal City Florida Holding Co., 8.375%, 5/1/10	B3/B-	2,030,000
				45,141,040
Healthcare & Hospitals	0.2%			
	4,000	Rotech Healthcare, Inc., 9.50%, 4/1/12	B3/CCC	3,180,000
Multi-Media	3.0%			
	16,000	Cablevision Systems Corp., 9.62%, 4/1/09, Ser. B, FRN	B3/B+	17,120,000
	2,000	CCO Holdings LLC, 8.75%, 11/15/13	B3/CCC-	1,995,000
	6,000	9.454%, 12/15/10, FRN	B3/CCC-	6,225,000
	8,000	Charter Communications Holdings II LLC, 10.25%, 9/15/10	Caa1/CCC-	8,120,000
	3,200	DirecTV Holdings LLC, 8.375%, 3/15/13	Ba2/BB-	3,368,000
	2,000	Paxson Communications Corp., 11.757%, 1/15/13, FRN (d)	B3/CCC-	2,035,000
				38,863,000
Oil & Gas	0.7%			
	9,500	El Paso Corp., 7.375%, 12/15/12	Caa1/B-	9,523,750
Paper/Paper Products	1.5%			
	5,000	Abitibi-Consolidated Finance L.P., 7.875%, 8/1/09	B1/B+	4,850,000
	8,000	Abitibi-Consolidated, Inc., 8.829%, 6/15/11, FRN	B1/B+	7,820,000
	4,000	Bowater, Inc., 8.329%, 3/15/10, FRN	B1/B+	4,050,000
	3,500	Verso Paper Holdings LLC, 8/1/14, FRN (b)(d)(e)(f)	B+/B1	3,539,375
				20,259,375
Special Purpose Entity	0.4%			
	100	Dow Jones CDX US High Yield, 8.625%, 6/29/11, Ser. 6-T1 (d)(h)	B3/NR	98,688
	4,500	Universal City Florida Holding Co., 9.899%, 5/1/10, FRN	B3/B-	4,646,250
				4,744,938

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Telecommunications 7.6%			
2,000	Cincinnati Bell, Inc., 8.375%, 1/15/14	B3/B-	1,970,000
8,499	Echostar DBS Corp., 8.758%, 10/1/08, FRN	Ba3/BB-	8,637,109
8,750	Hawaiian Telecom Communications, Inc., 10.789%, 5/1/13, Ser. B, FRN	CCC+/B3	8,903,125
5,425	Intelsat Subsidiary Holding Co., Ltd., FRN, 10.484%, 1/15/12	B2/B+	5,533,500
6,000	11.64%, 6/15/13 (d)	B/CAA1	6,157,500
2,000	New Skies Satellites NV, 10.414%, 11/1/11, FRN	B1/B-	2,075,000
6,350	Nordic Telephone Co. Holdings ApS, 8.352%, 5/1/16, FRN (d)	NR/NR	8,468,212
\$ 6,150	Nortel Networks Ltd., 9.73%, 7/15/11, FRN (d)	B-/B3	6,211,500
5,000	Qwest Capital Funding, Inc., 7.90%, 8/15/10	B3/B	5,062,500
25,650	Qwest Communications International, Inc., 8.67%, 2/15/09, FRN	B2/B	26,259,187
6,000	Qwest Corp., 8.579%, 6/15/13, FRN	Ba3/BB	6,450,000
7,750	Rogers Wireless, Inc., 8.454%, 12/15/10, FRN	Ba2/BB	7,982,500

7.31.06 | PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Annual Report 27

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PIMCO Floating Rate Strategy Fund Schedule of Investments

July 31, 2006 (continued)

Principal Amount (000)		Credit Rating (Moody s/S&P)*	Value
Telecommunications (continued)			
\$ 5,820	Time Warner Telecom Holdings, Inc., 9.17%, 2/15/11, FRN	B2/CCC+	\$ 5,921,850
			99,631,983
Total Corporate Bonds & Notes (cost-\$235,954,771)			238,617,690
ASSET-BACKED SECURITIES 0.5%			
1,658	Bear Stearns Asset Backed Securities, Inc., 5.555%, 12/25/42, FRN	Aaa/AAA	1,659,713
2,496	CIT Group Home Equity Loan Trust, 5.655%, 6/25/33, FRN	Aaa/AAA	2,503,367
1,888	Salomon Brothers Mortgage Securities VII, 5.685%, 3/25/32, FRN	NR/AAA	1,894,333
Total Asset-Backed Securities (cost-\$6,039,211)			6,057,413
MORTGAGE-BACKED SECURITIES 0.1%			
854	Master Adjustable Rate Mortgage Trust, 3.786%, 11/21/34, CMO, FRN (cost-\$855,093)	Aaa/AAA	850,683
SHORT-TERM INVESTMENTS 9.4%			
Corporate Notes 2.8%			
Financial Services 2.1%			
8,000	Ford Motor Credit Co., 6.374%, 3/21/07, FRN	Ba2/BB-	7,983,832
4,000	General Motors Acceptance Corp., 6.125%, 9/15/06	Ba1/BB	3,998,468
16,000	6.457%, 7/16/07, FRN	Ba1/BB	15,903,024
			27,885,324
Oil & Gas 0.2%			
2,500	Gazprom AG, 9.125%, 4/25/07	NR/BB+	2,564,000
Telecommunications 0.1%			
1,214	Calpoint Receivable Structured Trust, 7.44%, 12/10/06 (d)	B3/NR	1,223,426
Utilities 0.4%			
5,000	NorthWestern Corp., 7.30%, 12/1/06 (d)	Ba1/BBB-	5,043,750
Total Corporate Notes (cost-\$36,187,837)			36,716,500
Commercial Paper 2.1%			
Banking 0.5%			
3,900	Societe Generale North America, Inc., 5.375%, 10/11/06 (g)	NR/NR	3,858,504
3,000	Total Finance, 5.29%, 8/1/06	NR/NR	3,000,000
			6,858,504
Financial Services 1.6%			

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20,500	UBS Finance LLC, 5.375%, 10/26/06 (g)	NR/NR	20,236,370
Total Commercial Paper (cost-\$27,095,432)			27,094,874
U.S. Treasury Bills (i) 0.7%			
9,865	4.70%-4.85%, 8/31/06-9/14/06 (cost-\$9,811,934)		9,811,934

28 PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Annual Report | 7.31.06

PIMCO Floating Rate Strategy Fund Schedule of Investments

July 31, 2006 (continued)

	Principal Amount (000)		Value
Repurchase Agreements	3.8%		
\$	14,000	Lehman Brothers Holdings, dated 7/31/06, 5.23%, due 8/1/06, proceeds \$14,002,034; collateralized by U.S. Treasury Note, 5.125%, 6/30/08, valued at \$14,294,113 including accrued interest	\$ 14,000,000
	36,293	State Street Bank & Trust Co., dated 7/31/06, 4.90%, due 8/1/06, proceeds \$36,297,940; collateralized by Fannie Mae, 2.625%, 11/15/06, valued at \$37,022,472 including accrued interest	36,293,000
Total Repurchase Agreements (cost-\$50,293,000)			50,293,000
Total Short-Term Investments (cost-\$123,388,203)			123,916,308

OPTIONS PURCHASED (j) 0.0%Contracts**Call Options 0.0%**

	2,055	U.S. Treasury Notes 10 yr. Futures, Chicago Board of Trade, strike price \$112, expires 8/25/06	32,109
	3,049	strike price \$113, expires 8/25/06	47,641
	550	U.S. Treasury Notes 5 yr. Futures, Chicago Board of Trade, strike price \$108, expires 8/25/06	8,594
			88,344

Put Options 0.0%

	460	Eurodollar Futures, Chicago Mercantile Exchange, strike price \$91.75, expires 3/19/07	2,875
	508	strike price \$92.50, expires 12/18/06	3,175
	1,063	strike price \$92.75, expires 12/18/06	6,644
	1,472	strike price \$93, expires 12/18/06	9,200
	956	U.S. Treasury Notes 10 yr. Futures, Chicago Board of Trade, strike price \$98, expires 8/25/06	14,937
			36,831

Total Options Purchased (cost-\$173,886)

125,175

Total Investments before options written (cost-\$1,308,734,063) 100.0%

1,313,176,627

OPTIONS WRITTEN (j) (0.0)%**Call Options (0.0)%**

	8,600,000	Swap Option 3 month LIBOR, Over the Counter, fixed rate 4.60%, expires 1/2/07 (g)	(1,187)
	1,370	U.S. Treasury Notes 10 yr. Futures, Chicago Board of Trade, strike price \$107, expires 8/25/06	(149,844)
	2,673	strike price \$108, expires 8/25/06	(83,531)
			(234,562)

Put Options (0.0)%

	8,600,000	Swap Option 3 month LIBOR, Over the Counter, fixed rate 5.90%, expires 1/2/07 (g)	(42,957)
	956	U.S. Treasury Notes 10 yr. Futures, Chicago Board of Trade, strike price \$103, expires 8/25/06	(14,937)
			(57,894)

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Total Options Written (premiums received-\$1,637,161)		(292,456)
Total Investments net of options written (cost-\$1,307,096,902)	100.0%	\$ 1,313,884,171

7.31.06 | PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Annual Report 29

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

July 31, 2006 (continued)

Notes to the Schedules of Investments:

- (a) Private Placement. Restricted as to resale and may not have a readily available market.
- (b) Illiquid security. Securities with an aggregate value of \$409,928,670, which represent 71.38% of total investments, are deemed illiquid in the PIMCO Floating Rate Income Fund. Securities with an aggregate value of \$949,618,046, which represent 72.31% of total investments, are deemed illiquid in the PIMCO Floating Rate Strategy Fund.
- (c) These securities generally pay interest at rates which are periodically pre-determined by reference to a base lending rate plus a premium. These base lending rates are generally either the lending rate offered by one or more major European banks, such as the LIBOR or the prime rate offered by one or more major United States banks, or the certificate of deposit rate. These securities are generally considered to be restricted as the Fund is ordinarily contractually obligated to receive approval from the Agent bank and/or borrower prior to disposition. Remaining maturities of senior loans may be less than the stated maturities shown as a result of contractual or optional payments by the borrower. Such prepayments cannot be predicted with certainty.
- (d) 144A Security Security exempt from registration, under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, typically only to qualified institutional buyers. Unless otherwise indicated, these securities are not considered to be illiquid.
- (e) When-issued or delayed-delivery security. To be settled/delivered after July 31, 2006.
- (f) Unsettled security, coupon rate undetermined at July 31, 2006.
- (g) Fair-valued security. Securities with an aggregate value of \$27,627,679, which represent 4.81% of total investments, have been fair valued in the PIMCO Floating Rate Income Fund. Securities with an aggregate value of \$55,609,458, which represent 4.23% of total investments, have been fair valued in the PIMCO Floating Rate Strategy Fund.
- (h) Credit-linked trust certificate.
- (i) All or partial amount segregated as collateral for futures contracts and transactions in options written.
- (j) Non-income producing.

Glossary

*	-	Unaudited
	-	Euros
CMO	-	Collateralized Mortgage Obligation
FRN	-	Floating Rate Note. The interest rate disclosed reflects the rate in effect on July 31, 2006.
LIBOR	-	London Inter-Bank Offered Rate
NR	-	Not Rated
UNIT	-	More than one class of securities traded together.

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

July 31, 2006

	Floating Rate Income	Floating Rate Strategy
Assets:		
Investments, at value (cost-\$570,207,139 and \$1,308,734,063, respectively)	\$574,278,358	\$1,313,176,627
Cash (including foreign currency of \$5,800,518 and \$10,672,333 with a cost of \$5,798,549 and \$10,649,623, respectively)	8,580,408	10,935,829
Interest receivable	5,127,887	10,868,839
Premium for swaps purchased	4,079,375	8,058,834
Unrealized appreciation on swaps	3,280,875	9,027,260
Receivable for investments sold	2,965,554	11,538,343
Unrealized appreciation on unfunded loan commitments	219,167	386,707
Unrealized appreciation on forward foreign currency contracts	41,436	65,330
Receivable for terminated swaps		132,776
Prepaid expenses	17,783	30,000
Total Assets	598,590,843	1,364,220,545
Liabilities:		
Payable for investments purchased	32,228,765	70,532,495
Unrealized depreciation on swaps	4,372,772	19,670,749
Dividends payable to common and preferred shareholders	2,756,902	6,167,126
Premium for swaps sold	1,745,154	1,883,091
Unrealized depreciation on forward foreign currency contracts	699,096	1,736,637
Investment management fees payable	353,580	803,772
Deferred facility fees	334,323	471,368
Options written, at value (premiums received-\$692,100 and \$1,637,161, respectively)	114,781	292,456
Payable for variation margin on futures contracts	27,781	58,938
Accrued expenses	208,062	232,982
Total Liabilities	42,841,216	101,849,614
Preferred shares (\$0.00001 par value, \$25,000 net asset and liquidation value per share applicable to an aggregate of 8,400 and 19,200 shares issued and outstanding, respectively)	210,000,000	480,000,000
Net Assets Applicable to Common Shareholders	\$345,749,627	\$782,370,931
Composition of Net Assets Applicable to Common Shareholders:		
Common Stock:		
Par value (\$0.00001 per share)	\$181	\$417
Paid-in-capital in excess of par	346,380,558	789,945,378
Dividends in excess of net investment income	(1,265,004)	(4,989,691)
Accumulated net realized gain (loss)	(1,289,232)	7,511,100
Net unrealized appreciation (depreciation) of investments, futures contracts, options written, swaps, unfunded loan commitments and foreign currency transactions	1,923,124	(10,096,273)
Net Assets Applicable to Common Shareholders	\$345,749,627	\$782,370,931
Common Shares Issued and Outstanding	18,066,771	41,713,152
Net Asset Value Per Common Share	\$19.14	\$18.76

See accompanying Notes to Financial Statements. | 7.31.06 | PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Annual Report 31

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

	Floating Rate Income	Floating Rate Strategy	
	For the year ended July 31, 2006	For the period September 1, 2005 through July 31, 2006**	For the period October 29, 2004* through August 31, 2005
Investment Income:			
Interest	\$37,792,560	\$76,764,161	\$44,936,441
Facility and other fee income	1,744,035	1,855,438	63,542
Dividends	245,872	27,650	38,536
Total Investment Income	39,782,467	78,647,249	45,038,519
Expenses:			
Investment management fees	4,188,622	8,673,491	7,337,506
Auction agent fees and commissions	539,498	1,123,024	823,888
Custodian and accounting agent fees	201,482	247,333	290,036
Audit and tax services	180,930	187,119	126,034
Shareholder communications	75,640	130,133	73,261
Transfer agent fees	36,880	31,847	20,512
Trustees fees and expenses	33,350	55,929	30,183
New York Stock Exchange listing fees	21,618	35,805	34,801
Insurance expense	15,533	29,399	2,992
Investor relations	11,550	14,855	8,804
Legal fees	11,255	24,312	20,112
Organizational expenses			25,000
Miscellaneous	23,505	9,019	4,085
Total expenses	5,339,863	10,562,266	8,797,214
Less: custody credits earned on cash balances	(94,762)	(143,550)	(106,382)
Net expenses	5,245,101	10,418,716	8,690,832
Net Investment Income	34,537,366	68,228,533	36,347,687
Realized and Change in Unrealized Gain (Loss):			
Net realized gain (loss) on:			
Investments	1,139,713	(1,796,351)	3,001,896
Futures contracts	(1,590,303)	(1,004,777)	171,838
Options written	1,822,393)	3,509,268	106,997
Swaps	8,673,561	27,977,882	(8,330,935)
Foreign currency transactions	(2,072,835)	(900,434)	560,222
Net change in unrealized appreciation/depreciation of:			
Investments	(2,094,070)	(1,376,430)	5,818,994
Futures contracts	(696,939)	(3,981,995)	
Options written	177,469	623,282	721,423
Swaps	(7,409,088)	(21,689,710)	11,046,221
Unfunded loan commitments	78,691	251,045	135,662
Foreign currency transactions	(673,734)	(1,281,797)	(362,968)
Net realized and change in unrealized gain (loss) on investments, futures contracts, options written, swaps, unfunded loan commitments and foreign currency transactions			
	(2,645,142)	329,983	12,869,350
Net Increase in Net Assets Resulting from Investment Operations	31,892,224	68,558,516	49,217,037
Dividends on Preferred Shares from Net Investment Income	(8,739,121)	(18,962,668)	(9,877,326)

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Net Increase in Net Assets Applicable to Common Shareholders Resulting from Investment Operations	\$23,153,103	\$49,595,848	\$39,339,711
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* Commencement of operations

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

32 PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Annual Report | 7.31.06 | See accompanying Notes to Financial Statements.

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

	Floating Rate Income		Floating Rate Strategy	
	Year ended July 31, 2006	Year ended July 31, 2005	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	\$ 34,537,366	\$ 24,363,961	\$ 68,228,533	\$ 36,347,687
Net realized gain (loss) on investments, futures contracts, options written, swaps and foreign currency transactions	7,972,529	(3,293,145)	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	(10,617,671)	10,337,612	(27,455,605)	17,359,332
Net increase in net assets resulting from investment operations	31,892,224	31,408,428	68,558,516	49,217,037
Dividends on Preferred Shares from Net Investment Income	(8,739,121)	(5,230,747)	(18,962,668)	(9,877,326)
Net increase in net assets applicable to common shareholders resulting from investment operations	23,153,103	26,177,681	49,595,848	39,339,711
Dividends and Distributions to Common Shareholders from:				
Net investment income	(29,409,709)	(21,339,798)	(58,781,100)	(37,754,323)
Net realized gains	(528,103)	(2,486,478)		
Total dividends and distributions to common shareholders	(29,937,812)	(23,826,276)	(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	826,247	2,607,725	2,462,222	5,291,463
Net increase from capital transactions	826,247	2,607,725	2,462,222	787,408,565
Total increase (decrease) in net assets applicable to common shareholders	(5,958,462)	4,959,130	(6,723,030)	788,993,953
Net Assets Applicable to Common Shareholders:				
Beginning of period	351,708,089	346,748,959	789,093,961	100,008
End of period (including undistributed (dividends in excess of) investment income \$(1,265,004) and \$1,217,139; \$(4,989,691) and \$(4,497,636); respectively)	\$345,749,627	\$351,708,089	\$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	42,759	130,238	130,268	277,648
Net Increase	42,759	130,238	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. | 7.31.06 | PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Annual Report 33

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

	Floating Rate Income	Floating Rate Strategy	
	For the year ended July 31, 2006	For the period September 1, 2005 through July 31, 2006**	For the period October 29, 2004* through August 31, 2005
Cash Flows provided by Operating Activities:			
Purchases of long-term investments	\$(359,683,350)	\$(810,972,174)	\$(1,573,151,878)
Proceeds from sales of long-term investments	355,873,084	762,351,376	473,591,817
Interest, dividends and facility and other fee income received	38,033,808	76,518,349	33,949,727
Net cash provided by options written	2,683,283	4,493,617	6,838,956
Net cash provided by (used for) swap transactions	167,477	(3,247,997)	16,586,425
Increase (decrease) in prepaid expenses	(2,954)	24,805	
Operating expenses paid	(5,220,242)	(10,414,951)	(7,712,648)
Net cash provided by (used for) futures transactions	(2,350,461)	(4,927,834)	171,838
Net realized gain (loss) on foreign currency transactions	(2,070,867)	(877,727)	560,222
Net decrease (increase) in short-term investments	18,283,091	74,145,786	(177,754,384)
Net cash provided by (used for) operating activities	45,712,869	87,093,250	(1,226,919,925)
Cash Flows from Financing Activities:			
Cash dividends paid (excluding reinvestment of dividends and distributions of \$826,247, \$2,462,222 and \$5,291,463, respectively)	(37,850,686)	(75,281,546)	(37,670,269)
Increase in dividends payable	659,925	1,497,209	
Proceeds from common shares sold			788,830,000
Issuance of preferred shares			480,000,000
Common and preferred shares offering costs and underwriting discount paid			(6,712,898)
Net cash provided by (used for) financing activities	(37,190,761)	(73,784,337)	1,224,446,833
Net increase (decrease) in cash	8,522,108	13,308,913	(2,473,092)
Cash at beginning of period	58,300	(2,373,084)	100,008
Cash at end of period	8,580,408	10,935,829	(2,373,084)
Reconciliation of Net Increase (Decrease) in Net Assets from Investment Operations to Net Cash provided by Operating Activities:			
Net increase in net assets resulting from investment operations	31,892,224	68,558,516	49,217,037
Increase (decrease) in receivable for investments sold	1,242,113	1,453,663	(12,992,006)
Increase in interest receivable	(969,404)	(1,053,971)	(9,814,868)
Increase in premium for swaps purchased	(4,054,875)	(7,894,355)	(297,255)
Increase (decrease) in premium for swaps sold	(4,451,209)	(23,331,524)	25,214,615
Increase in premium for options written	892	224,239	1,412,922
Decrease in receivable for premium on options written	204,061		
Increase (decrease) in prepaid expenses	(2,954)	24,805	(54,805)
Increase (decrease) in Investment Manager fees payable	(3,003)	(5,376)	809,148
Increase in net unrealized appreciation (depreciation) on swaps	7,409,088	21,689,710	(11,046,221)
Increase in net unrealized depreciation on forward foreign currency contracts	639,877	1,496,198	175,109
Increase in net unrealized appreciation on unfunded loan commitments	(78,691)	(251,045)	(135,662)
Increase (decrease) in variation margin on futures contracts	(63,219)	58,938	
Decrease in net unrealized appreciation on options written	(177,469)	(623,282)	(721,423)
Increase in accrued expenses	27,862	9,141	223,841

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Increase in deferred facility fees	35,842	235,667	235,701
Increase (decrease) in payable for investments purchased	5,041,792	(2,049,369)	72,581,864
Net increase (decrease) in investments	9,019,942	28,551,295	(1,341,727,922)
Net cash provided by (used for) operating activities	\$45,712,869	\$87,093,250	\$(1,226,919,925)

* Commencement of operations

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

34 PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Annual Report | 7.31.06 | **See accompanying Notes to Financial Statements.**

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

July 31, 2006

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.

In December 2005, PIMCO Floating Rate Strategy Fund changed its fiscal year-end from August 31 to July 31. Accordingly, the financial statements of the Fund included in this report cover the eleven-month period from September 1, 2005 to July 31, 2006.

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

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

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

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

In July 2006, the Financial Accounting Standards Board issued interpretation No. 48, Accounting for Uncertainty in Income Taxes an Interpretation of FASB Statement No. 109 (the Interpretation). The Interpretation establishes for all entities, including pass-through entities such as the 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 Funds management has recently

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begun to evaluate the application of the Interpretation, and is not in a position at this time to estimate the significance of its impact, if any, on the Funds' financial statements.

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

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

(a) Valuation of Investments

Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. Portfolio securities and other financial instruments for which market quotations are not readily available or if a development/event occurs that may significantly impact the value of a security, are fair-valued, in good faith, pursuant to guidelines established by the Board of Trustees, including certain fixed income securities which may be valued with reference to securities whose prices are more readily available. The Funds' investments are valued on the last business day of each week using prices supplied by an independent pricing service or dealer quotations, using the

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

July 31, 2006

1. Organization and Significant Accounting Policies (continued)

last sale price on the exchange that is the primary market for such securities, or the 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. The independent pricing service uses information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics. The Funds' investments in senior floating rate loans (Senior Loans) for which a secondary market exists will be valued at the mean of the last available bid and asked prices in the market for such Senior Loans, as provided by an independent pricing service. Other Senior Loans are valued at fair-value by Pacific Investment Management Company LLC (the Sub-Adviser) under procedures adopted by the Funds Board of Trustees, which include consideration and evaluation of: (1) the creditworthiness of the borrower and any intermediate participants; (2) the term of the Senior Loan; (3) recent prices in the market for similar loans, if any; (4) recent prices in the market for loans of similar quality, coupon rate, and period until next interest rate reset and maturity; and (5) general economic and market conditions affecting the fair-value of the Senior Loan. Exchange traded options, futures and options on futures are valued at the settlement price determined by the relevant exchange. Securities purchased on a when-issued or delayed-delivery basis are marked to market daily until settlement at the forward settlement value. Short-term securities maturing in 60 days or less are valued at amortized cost, if their original term to maturity was 60 days or less, or by amortizing their value on the 61st day prior to maturity, if the original term to maturity exceeded 60 days. The prices used by the Funds to value securities may differ from the value that would be realized if the securities were sold and the differences could be material to the financial statements. The Funds' net asset value is determined weekly on the last business day of the week as of close of regular trading (normally, 4:00 p.m. Eastern time) on the New York Stock Exchange (NYSE) on each day the NYSE is open for business.

(b) Investment Transactions and Investment Income

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

(c) Federal Income Taxes

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

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tax treatment; temporary differences do not require reclassification. For the periods ended July 31, 2006, the Floating Rate Income and Floating Rate Strategy Funds had permanent differences attributable to the differing treatment of foreign currency transactions, swap payments, paydowns, amendments fees and consent fees. The adjustment to Floating Rate Income Fund was to decrease dividends in excess of net investment income and increase accumulated net realized loss by \$1,129,321. The adjustment to Floating Rate Strategy Fund was to decrease dividends in excess of net investment income and decrease accumulated net realized gain by \$9,023,180.

(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

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

July 31, 2006

1. Organization and Significant Accounting Policies (continued)

exchange rate on the respective dates of such transactions. The resulting net foreign currency gain or loss is included in the Statements of Operations.

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

(f) Senior Loans

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

(g) Option Transactions

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

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

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

July 31, 2006

1. Organization and Significant Accounting Policies (continued)

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

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

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

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

(i) Futures Contracts

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

(j) Forward Foreign Currency Contracts

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

(k) Credit-Linked Trust Certificates

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

Similar to an investment in a bond, investments in credit-linked trust certificates represent the right to receive periodic income payments (in the form of distributions) and payment of principal at the end of the term of the certificate.

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

July 31, 2006

1. Organization and Significant Accounting Policies (continued)

However, these payments are conditioned on the trust's receipt of payments from, and the trust's potential obligations to, the counterparties to the derivative instruments and other securities in which the trust invests.

(l) Repurchase Agreements

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

(m) When-Issued/Delayed-Delivery Transactions

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

(n) Custody Credits on Cash Balances

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

2. Investment Manager/Sub-Adviser

The Funds have an Investment Management Agreement (the Agreement) with the Investment Manager. Subject to the supervision of the Funds Board of Trustees, the Investment Manager is responsible for managing, either directly or through others selected by it, the Funds' investment activities, business affairs and administrative matters. Pursuant to the Agreement, the Investment Manager receives an annual fee, payable monthly, at an annual rate of 0.75% of each Funds' average weekly total managed assets. Total managed assets refer to the total assets of each

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

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

July 31, 2006

3. Investments in Securities

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

	Floating Rate Income	Floating Rate Strategy
Purchases	\$363,122,997	\$807,985,160
Sales	348,448,908	730,997,486

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

<u>Floating Rate Income:</u>	Notional Amount (000)	Expiration Date	Unrealized Depreciation
Type			
Long: Financial Future Euro 90 day	\$2,303	12/18/06	\$ (851,788)
Short: U.S. Treasury Notes 5 yr. Futures	250	9/29/06	(66,406)
U.S. Treasury Notes 10 yr. Futures	514	9/20/06	(242,875)
			\$ (1,161,069)

<u>Floating Rate Strategy:</u>	Notional Amount (000)	Expiration Date	Unrealized Depreciation
Type			
Long: Financial Future Euro 90 day	\$6,258	12/18/06	\$ (3,368,877)
Short: U.S. Treasury Notes 5 yr. Futures	550	9/29/06	(146,094)
U.S. Treasury Notes 10 yr. Futures	1,061	9/20/06	(467,024)
			\$ (3,981,995)

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

<u>Floating Rate Income:</u>	Contracts/Notional	Premiums
Options outstanding, July 31, 2005	2,203	\$ 691,208
Options written	3,409,030	2,479,222
Options terminated in closing purchase transactions	(3,408,925)	(2,478,330)
Options outstanding, July 31, 2006	2,308	\$ 692,100

<u>Floating Rate Strategy:</u>	Contracts/Notional	Premiums
Options outstanding, August 31, 2005	9,204,560	\$ 1,412,922

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Options written	24,915,867	4,493,617
Options terminated in closing purchase transactions	(16,915,428)	(4,269,378)
Options outstanding, July 31, 2006	17,204,999	\$ 1,637,161

40 PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Annual Report | 7.31.06

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

July 31, 2006

3. Investments in Securities (continued)

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

Floating Rate Income:

Swap Counterparty/ Referenced Debt Issuer	Notional Amount Payable on Default (000)	Termination Date	Fixed Payments Received (Paid) by Fund	Unrealized Appreciation (Depreciation)
Bank of America				
Abitibi-Consolidated	\$ 2,000	6/20/08	2.95%	\$ 8,227
AES	1,000	12/20/07	1.50%	11,808
Allied Waste North American	600	9/20/09	2.75%	12,614
Bombardier	1,400	6/20/10	3.80%	68,685
Williams Cos.	875	9/20/09	2.05%	29,499
Bear Stearns				
Abitibi-Consolidated	2,500	6/20/07	1.65%	(839)
Georgia-Pacific	700	9/20/09	1.24%	(10,595)
Host Marriott	700	9/20/09	1.95%	23,907
MGM Mirage	1,500	9/20/09	1.92%	27,760
Citigroup				
AES	5,000	6/20/08	1.17%	21,294
Allied Waste North America	1,500	9/20/07	2.18%	28,957
Crown European Holdings	1,500	9/20/07	2.38%	29,761
Host Marriott	900	9/20/07	1.90%	16,295
Owens Brockway Glass Container	3,000	9/20/07	2.05%	23,472
Starwood Hotels & Resorts Worldwide	1,500	9/20/07	1.20%	18,634
Credit Suisse First Boston				
AES	900	9/20/09	3.85%	62,322
Allied Waste North America	875	9/20/09	2.46%	10,940
Delhaize America	875	9/20/09	1.40%	23,176
Intelsat Bermuda	3,000	3/20/10	3.21%	(94,047)
Samis	3,080	9/20/08	2.45%	29,217
Deutsche Bank AG				
Russian Federation	3,000	6/20/07	0.44%	4,382
Goldman Sachs				
Dow Jones CDX High Yield	20,000	6/20/11	3.45%	196,546
HCA	1,000	12/20/07	0.75%	(5,678)
Starwood Hotels & Resorts Worldwide	1,000	12/20/07	1.10%	12,600
TRW Automotive	875	9/20/09	2.15%	33,032
J. P. Morgan Chase				
AES	1,500	9/20/07	2.15%	28,637
Electronic Data System	1,000	12/20/07	1.30%	16,177

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Nortel Network	1,300	9/20/07	1.43%	1,627
Tenet Healthcare	5,000	12/20/07	(3.20)%	(112,831)
Tenet Healthcare	5,000	12/20/09	4.15%	110,601
Lehman Securities				
Abitibi-Consolidated	1,000	9/20/06	1.00%	281
Dow Jones CDX High Yield	25,000	6/20/11	3.45%	89,433
Extendicare Health Services	2,600	9/20/09	2.10%	26,738
L-3 Communications Group	5,000	12/20/08	1.50%	110,505
Six Flags Theme Parks	1,000	3/20/10	2.70%	(76,258)

7.31.06 | PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Annual Report 41

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

July 31, 2006

3. Investments in Securities (continued)

Swap Counterparty/ Referenced Debt Issuer	Notional Amount Payable on Default (000)	Termination Date	Fixed Payments Received (Paid) by Fund	Unrealized Appreciation (Depreciation)
Merrill Lynch				
PSEG Energy	\$ 3,500	12/4/06	2.95%	\$ 48,322
SPX Corp.	900	9/20/09	2.25%	29,264
Williams Cos.	700	9/20/09	1.71%	16,549
Morgan Stanley Dean Witter				
Georgia-Pacific	900	9/20/09	1.63%	(3,327)
GMAC	1,000	9/20/06	1.70%	3,282
				\$ 870,969

Floating Rate Strategy:

Swap Counterparty/ Referenced Debt Issuer	Notional Amount Payable on Default (000)	Termination Date	Fixed Payments Received (Paid) by Fund	Unrealized Appreciation (Depreciation)
Bank of America				
Abitibi-Consolidated	\$ 5,000	6/20/08	2.95%	\$ 20,568
Bombardier	3,500	6/20/10	3.80%	171,712
CMS Energy	5,000	12/20/09	2.15%	166,576
Royal Caribbean Cruises	5,000	12/20/09	1.12%	46,629
Williams Cos.	5,000	12/20/09	1.65%	103,707
Bear Stearns				
Abitibi-Consolidated	2,500	6/20/07	1.65%	(839)
Allied Waste North America	1,500	12/20/07	1.85%	22,342
ArvinMeritor	1,500	12/20/07	1.14%	(8,648)
Dura Automotive Systems	4,500	12/20/09	4.15%	(841,636)
Dynergy Holdings	1,500	12/20/09	2.35%	13,765
MGM Mirage	5,000	12/20/09	1.54%	22,653
Stone Container	1,500	12/20/09	1.76%	(60,985)
Stone Container	5,000	12/20/09	1.87%	(186,416)
Citigroup				
AES	10,000	6/20/08	1.17%	42,588
Host Marriott	5,000	12/20/09	1.70%	134,618
Reliant Energy	5,000	12/20/09	3.20%	92,014
Credit Suisse First Boston				
Equistar Chemicals	5,000	12/20/09	2.25%	59,584
Intelsat Bermuda	7,000	3/20/10	3.21%	(219,443)
ITRAXX Europe Crossover	7,400	6/20/11	2.90%	67,494
Samis	\$ 3,600	12/20/09	2.15%	5,482

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Samis	1,400	9/20/08	2.45%	10,221
Deutsche Bank				
Russian Federation	7,000	6/20/07	0.44%	10,224
Goldman Sachs				
Dow Jones CDX High Yield	80,000	6/20/11	3.45%	736,184
J.P. Morgan Chase				
Nortel Network	3,100	9/20/07	1.43%	3,879
NRG Energy	5,000	12/20/09	2.20%	12,736

42 PIMCO Floating Rate Income & PIMCO Floating Rate Strategy Funds Annual Report | 7.31.06

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

July 31, 2006

3. Investments in Securities (continued)

Floating Rate Strategy (continued):

Swap Counterparty/ Referenced Debt Issuer	Notional Amount Payable on Default (000)	Termination Date	Fixed Payments Received (Paid) by Fund	Unrealized Appreciation (Depreciation)
Lehman Securities				
Boyd Gaming	\$ 5,000	12/20/09	1.65%	\$ 146,607
Hayes Lemmerz International	5,000	12/20/09	2.50%	33,370
HCA	5,000	12/20/09	1.55%	(191,470)
PanAmSat	3,000	12/20/09	3.00%	70,935
Six Flags Theme Parks	4,000	3/20/10	2.70%	