

PIMCO Floating Rate Strategy Fund  
Form N-CSR  
November 08, 2005

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 10105  
(Address of principal executive offices) (Zip code)

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

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

Date of fiscal year end: August 31, 2005

Date of reporting period: August 31, 2005

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.

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# PIMCO Floating Rate Strategy Fund

Annual Report  
August 31, 2005

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**PIMCO Floating Rate Strategy Fund Letter to Shareholders**

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October 17, 2005

Dear Shareholder:

We are pleased to provide you with the initial annual report of the PIMCO Floating Rate Strategy Fund (the "Fund") for the period October 29, 2004 (commencement of operations) through August 31, 2005.

Please refer to the following page for specific Fund information. If you have any questions regarding the information provided, we encourage you to contact your financial advisor or call the Fund's transfer agent at (800) 331-1710. Also, note that a wide range of information and resources can be accessed through our Web site, [www.allianzinvestors.com](http://www.allianzinvestors.com).

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

We remain dedicated to serving your investment needs.

Sincerely,

Robert E. Connor

*Chairman*

Brian S. Shlissel

*President & Chief Executive Officer*

**PIMCO Floating Rate Strategy Fund Performance & Statistics**

August 31, 2005 (unaudited)

**Symbol:**

PFN

**Primary Investments:**

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

**Inception Date:**

October 29, 2004

**Objective:**

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

**Total Net Assets<sup>(1)</sup> :**

\$1.269 billion

**Portfolio Manager:**

Raymond G. Kennedy

**Total Return<sup>(2)</sup>:**

Six months ended 8/31/05

Commencement of Operations (10/29/04) to 8/31/05

**Market Price**

(3.56)%

(4.39)%

**Net Asset Value (NAV)**

2.53%

4.27%

**Common Share Market Price/NAV Performance:**

Commencement of Operations (10/29/04) to 8/31/05

**Market Price/NAV:**

Market Price \$18.21

NAV \$18.98

Discount to NAV (4.06)%

Market Price Yield<sup>(3)</sup> 7.13%

**Portfolio Composition as a % of Total Investments**

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

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

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

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(3) Market Price Yield is determined by dividing the annualized current monthly per share dividend to common shareholders by the market price per common share at August 31, 2005.

**2** PIMCO Floating Rate Strategy Fund Annual Report | 8.31.05

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**PIMCO Floating Rate Strategy Fund Schedule of Investments**

August 31, 2005

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Principal  
Amount  
(000)

Value

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