

Edgar Filing: PIMCO Floating Rate Strategy Fund - Form N-Q

PIMCO Floating Rate Strategy Fund  
Form N-Q  
December 18, 2009

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL  
OMB Number: 3235-0578  
Expires: April 30, 2010  
Estimated average burden  
hours per response.....10.5

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-21601

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

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

10105  
(Zip code)

Lawrence G. Altadonna

1345 Avenue of the Americas,  
New York, NY 10105  
(Name and address of agent for service)

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

Date of fiscal year end: July 31, 2010

Date of reporting period: October 31, 2009

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (§§ 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to the collection of information contained in Form N-Q 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 the Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-2001. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

Edgar Filing: PIMCO Floating Rate Strategy Fund - Form N-Q

Item 1. Schedule of Investments

PIMCO Floating Rate Strategy Fund Schedule of Investments

October 31, 2009 (unaudited)

| Principal Amount (000)                   |   | Credit Rating (Moody s/S&P) | Value*      |
|--|---|-----------------------------|-------------|
| <b>CORPORATE BONDS &amp; NOTES 56.1%</b> |   |                             |             |
| <b>Automotive Products 0.0%</b>          |   |                             |             |
| \$102                                    | Delphi Automotive LLP, 12.00%, 10/6/14                                | NR/NR                       | \$101,834   |
| <b>Banking 23.4%</b>                     |   |                             |             |
| £2,100                                   | BAC Capital Trust VII, 5.25%, 8/10/35                                 | Baa3/B                      | 2,301,887   |
| \$2,600                                  | Barclays Bank PLC (h), 7.375%, 12/15/11 (a)(d)                        | Baa2/BBB+                   | 2,379,000   |
| 3,000                                    | 7.434%, 12/15/17 (a)(d)   | Baa2/BBB+                   | 2,805,000   |
| £8,600                                   | 14.00%, 6/15/19   | Baa2/BBB+                   | 18,641,199  |
| \$2,000                                  | Den Norske Bank ASA, 7.729%, 6/29/11 (a)(d)(h)                        | A2/BBB+                     | 1,860,698   |
| 1,400                                    | HBOS PLC, 6.75%, 5/21/18 (a)(d)                                       | Baa2/BBB-                   | 1,294,439   |
| 4,900                                    | Keycorp, 1.051%, 11/22/10, FRN  | Baa1/BBB+                   | 6,704,832   |
| \$3,400                                  | M&I Marshall & Ilsley Bank, 0.471%, 6/1/11, FRN                       | A2/BBB                      | 3,032,208   |
| 22,600                                   | National City Preferred Capital Trust I, 12.00%, 12/10/12 (h)(k)      | Baa2/BBB                    | 25,928,234  |
| 3,500                                    | NB Capital Trust II, 7.83%, 12/15/26                                  | Baa3/B                      | 3,377,500   |
| 15,000                                   | Rabobank Nederland NV, 11.00%, 6/30/19 (a)(d)(h)(k)                   | Aa2/AA-                     | 18,878,835  |
| 14,900                                   | Regions Financial Corp., 0.453%, 6/26/12, FRN                         | Baa3/BBB+                   | 12,841,744  |
| 10,000                                   | Royal Bank of Scotland PLC, FRN, 0.564%, 10/14/16                     | Baa3/BBB                    | 8,309,060   |
| £3,911                                   | 5.049%, 4/6/11  | NR/NR                       | 5,302,191   |
| \$12,000                                 | Wachovia Bank N.A., 0.629%, 3/15/16, FRN                              | Aa3/AA-                     | 10,752,660  |
| 6,750                                    | Wells Fargo & Co., 7.98%, 3/15/18 (h)                                 | Ba3/A-                      | 6,353,437   |
| 9,900                                    | Wells Fargo Capital XIII, 7.70%, 3/26/13 (h)                          | Ba3/A-                      | 9,256,500   |
|  |   |                             | 140,019,424 |
| <b>Financial Services 23.7%</b>          |   |                             |             |
| 8,415                                    | AIG SunAmerica Global Financing VI, 6.30%, 5/10/11 (a)(d)             | A1/A+                       | 8,277,213   |
| 8,450                                    | American General Finance Corp., FRN, 0.549%, 12/15/11                 | Baa3/BB+                    | 6,269,004   |
| 1,625                                    | 0.72%, 8/17/11  | Baa3/BB+                    | 1,261,026   |
| 10,100                                   | Bank of America Corp., 8.125%, 5/15/18 (h)                            | B3/B                        | 9,095,353   |
| 3,500                                    | Chukchansi Economic Dev. Auth., 4.913%, 11/15/12, FRN (a)(d)          | B3/B+                       | 2,187,500   |
| 4,000                                    | CIT Group, Inc. (l), 0.512%, 4/27/11, FRN                             | WR/NR                       | 2,553,868   |
| 275                                      | 5.60%, 4/27/11  | WR/NR                       | 179,110     |
| 200                                      | Citigroup Capital XXI, 8.30%, 12/21/77, (converts to FRN on 12/21/37) | Baa3/B+                     | 187,000     |
| 15,000                                   | Citigroup, Inc., 0.579%, 6/9/16, FRN                                  | Baa1/A-                     | 12,519,510  |
| 100                                      | 6.50%, 8/19/13  | A3/A                        | 107,271     |
|  | Ford Motor Credit Co. LLC,  |                             |             |

Edgar Filing: PIMCO Floating Rate Strategy Fund - Form N-Q

|       |  |           |           |
|-------|--|-----------|-----------|
| 8,400 | 3.034%, 1/13/12, FRN                                 | Caa1/CCC+ | 7,486,500 |
| 7,000 | 7.25%, 10/25/11                                      | Caa1/CCC+ | 6,868,708 |
| 3,300 | 7.80%, 6/1/12  | Caa1/CCC+ | 3,233,106 |
| 1,400 | General Electric Capital Corp., 0.474%, 10/6/15, FRN | Aa2/AA+   | 1,240,054 |
| 4,800 | Genworth Global Funding Trusts, 0.58%, 5/15/12, FRN  | A2/A      | 4,399,526 |
|       | GMAC, Inc.,  |           |           |
| 3,000 | 2.561%, 12/1/14, FRN                                 | Ca/CCC    | 2,223,750 |
| 5,500 | 6.00%, 12/15/11                                      | Ca/CCC    | 5,161,887 |
| 3,000 | 6.75%, 12/1/14                                       | Ca/CCC    | 2,722,662 |
| 3,575 | 6.875%, 9/15/11                                      | Ca/CCC    | 3,431,499 |
| 3,375 | 6.875%, 8/28/12                                      | Ca/CCC    | 3,186,027 |

---

Edgar Filing: PIMCO Floating Rate Strategy Fund - Form N-Q

| Principal Amount (000)                  |   | Credit Rating (Moody s/S&P) | Value*      |
|---|---|-----------------------------|-------------|
| <b>Financial Services (continued)</b>   |   |                             |             |
| \$11,000                                | ILFC E-Capital Trust II, 6.25%, 12/21/65, (converts to FRN on 12/21/15) (a)(b)(d) | Ba2/BBB-                    | \$5,280,000 |
|   | International Lease Finance Corp.,  |                             |             |
| 1,400                                   | 4.15%, 1/20/15  | Baa3/BBB+                   | 1,315,125   |
| 1,350                                   | 4.75%, 1/13/12  | Baa3/BBB+                   | 1,106,849   |
| 1,350                                   | 5.125%, 11/1/10   | Baa3/BBB+                   | 1,267,915   |
| 1,350                                   | 5.30%, 5/1/12   | Baa3/BBB+                   | 1,120,266   |
| 1,350                                   | 5.35%, 3/1/12   | Baa3/BBB+                   | 1,107,412   |
| 1,350                                   | 5.45%, 3/24/11  | Baa3/BBB+                   | 1,202,650   |
| 4,950                                   | 5.625%, 9/20/13   | Baa3/BBB+                   | 3,762,916   |
| 5,950                                   | 6.625%, 11/15/13  | Baa3/BBB+                   | 4,594,888   |
| 15,900                                  | JPMorgan Chase & Co., 7.90%, 4/30/18 (h)  | A2/BBB+                     | 16,038,934  |
| 2,500                                   | Lehman Brothers Holdings, Inc., 7.50%, 5/11/38 (f)                                | WR/NR                       | 250         |
|   | SLM Corp., FRN,   |                             |             |
| 10,000                                  | 0.053%, 9/15/15   | Ba1/BBB-                    | 5,164,400   |
| 19,350                                  | 0.512%, 10/25/11  | Ba1/BBB-                    | 16,782,642  |
|   |   |                             | 141,334,821 |
| <b>Insurance 8.2%</b>                   |   |                             |             |
|   | American International Group, Inc.,   |                             |             |
| 3,400                                   | 0.392%, 3/20/12, FRN  | A3/NR                       | 2,876,954   |
| 12,600                                  | 0.394%, 10/18/11, FRN (k)   | A3/A-                       | 11,069,289  |
| 2,800                                   | 0.883%, 4/26/11, FRN  | A3/A-                       | 3,699,372   |
| \$3,200                                 | 4.95%, 3/20/12  | A3/NR                       | 2,981,398   |
| 13,600                                  | 5.45%, 5/18/17  | A3/A-                       | 10,320,700  |
| 1,450                                   | 8.175%, 5/15/68, (converts to FRN on 5/15/38)                                     | Ba2/BBB                     | 880,875     |
| £2,400                                  | 8.625%, 5/22/68, (converts to FRN on 5/22/18)                                     | Ba2/BBB                     | 2,235,164   |
| \$15,000                                | Metlife Capital Trust IV, 7.875%, 12/15/67 (converts to FRN on 12/15/37) (a)(d)   | Baa1/BBB                    | 14,737,500  |
|   |   |                             | 48,801,252  |
| <b>Paper/Paper Products 0.8%</b>        |   |                             |             |
| 7,500                                   | Verso Paper Holdings LLC, 4.233%, 8/1/14, FRN                                     | B2/B-                       | 4,950,000   |
| <b>Telecommunications 0.0%</b>          |   |                             |             |
| 8,750                                   | Hawaiian Telcom Communications, Inc., 8.486%, 5/1/13, FRN (b)(f)                  | WR/NR                       | 153,125     |
|   | Total Corporate Bonds & Notes (cost \$321,000,170)                                |                             | 335,360,456 |
| <b>MORTGAGE-BACKED SECURITIES 11.7%</b> |   |                             |             |
| 147                                     | Banc of America Funding Corp., 6.084%, 1/20/47, CMO, VRN                          | NR/CCC                      | 102,745     |
| 1,450                                   | Bear Stearns Commercial Mortgage Securities, 5.70%, 6/11/50, CMO                  | NR/AA-                      | 1,342,992   |
| 8,226                                   | Citigroup Commercial Mortgage Trust, 5.700%, 12/10/49, CMO, VRN                   | Aaa/AA                      | 7,525,783   |
| 2,900                                   | Citigroup/Deutsche Bank Commercial Mortgage Trust, 5.322%, 12/11/49, CMO          | Aaa/A-                      | 2,609,926   |
|   | Commercial Mortgage Pass Through Certificates, CMO,                               |                             |             |
| 4,000                                   | 5.306%, 12/10/46  | Aaa/NR                      | 3,644,156   |
| 11,900                                  | 5.816%, 12/10/49, VRN   | Aaa/AAA                     | 11,042,187  |
| 3,239                                   | Countrywide Alternative Loan Trust, 5.75%, 12/25/36, CMO                          | NR/CC                       | 2,257,833   |
| 1,900                                   | Credit Suisse Mortgage Capital Certificates, 6.216%, 2/15/41, CMO, VRN            | NR/AA                       | 1,626,186   |
| 4,865                                   | GS Mortgage Securities Corp. II, 5.56%, 11/10/39, CMO                             | Aaa/NR                      | 4,470,460   |
| 12,712                                  | GSR Mortgage Loan Trust, 4.555%, 11/25/35, CMO, FRN                               | NR/BBB+                     | 11,041,518  |



Edgar Filing: PIMCO Floating Rate Strategy Fund - Form N-Q

| Principal Amount (000)                |  | Credit Rating (Moody's/S&P) | Value*      |
|---------------------------------------|--|-----------------------------|-------------|
| \$6,001                               | JPMorgan Alternative Loan Trust, 5.902%, 5/25/36, CMO, VRN               | NR/CCC                      | \$3,800,859 |
| 3,155                                 | JPMorgan Chase Commercial Mortgage Securities Corp., 5.44%, 6/12/47, CMO | Aaa/A+                      | 2,877,122   |
|                                       | Morgan Stanley Capital I, CMO, VRN,                                      |                             |             |
| 3,360                                 | 5.447%, 2/12/44  | Aaa/A                       | 3,014,293   |
| 2,800                                 | 5.880%, 6/11/49  | NR/BBB+                     | 2,582,152   |
| 93                                    | Nomura Asset Acceptance Corp., 4.976%, 5/25/35, CMO                      | Baa3/B+                     | 60,746      |
| 1,613                                 | Sequoia Mortgage Trust, 0.929%, 5/20/34, CMO, FRN                        | A1/AAA                      | 1,252,032   |
| 6,817                                 | Thornburg Mortgage Securities Trust, 0.366%, 7/25/36, CMO, FRN           | Baa1/A                      | 6,496,855   |
| 5,180                                 | Wells Fargo Mortgage Backed Securities Trust, 5.591%, 7/25/36, CMO, FRN  | NR/CCC                      | 3,988,616   |
|                                       | Total Mortgage-Backed Securities (cost \$61,400,415)                     |                             | 69,736,461  |
| <b>SENIOR LOANS (a)(c) 9.5%</b>       |  |                             |             |
| <b>Automotive 0.1%</b>                |  |                             |             |
|                                       | Ford Motor Corp., Term B,  |                             |             |
| 48                                    | 3.25%, 12/16/13  |                             | 42,980      |
| 734                                   | 3.29%, 12/16/13  |                             | 656,400     |
|                                       |  |                             | 699,380     |
| <b>Banking 1.2%</b>                   |  |                             |             |
|                                       | Aster Co., Ltd. (b),   |                             |             |
| 2,137                                 | 2.889%, 9/19/13, Term B  |                             | 1,855,253   |
| 1,500                                 | 2.889%, 9/19/14, Term B  |                             | 1,302,000   |
| 2,214                                 | 2.889%, 9/19/14, Term C  |                             | 1,921,828   |
| 1,800                                 | 3.270%, 9/19/13, Term B  |                             | 2,303,916   |
|                                       |  |                             | 7,382,997   |
| <b>Chemicals 0.4%</b>                 |  |                             |             |
| 287                                   | Brenntag AG, 3.214%, 12/23/13, Term B                                    |                             | 410,464     |
| 1,451                                 | MacDermid, Inc., 2.638%, 4/12/14 (b)                                     |                             | 1,734,247   |
|                                       |  |                             | 2,144,711   |
| <b>Consumer Products 0.4%</b>         |  |                             |             |
| \$3,000                               | National Mentor, Inc., 2.512%, 6/29/12 (b)                               |                             | 2,701,875   |
| <b>Diversified Manufacturing 1.0%</b> |  |                             |             |
| 9,946                                 | Grant Forest Products, 10.25%, 9/16/13 (b)                               |                             | 460,023     |
|                                       | KION Group GmbH (b),   |                             |             |
| 3,000                                 | 2.493%, 12/20/14, Term B   |                             | 2,066,250   |
| 3,000                                 | 2.743%, 12/20/15, Term C   |                             | 2,066,250   |
|                                       | Linpac Mouldings Ltd. (b),   |                             |             |
| 1,016                                 | 2.751%, 4/16/12, Term B  |                             | 487,537     |
| 1,277                                 | 3.251%, 4/16/12, Term C  |                             | 613,030     |
| 28                                    | 3.751%, 4/16/12, Term B  |                             | 13,309      |
| 39                                    | 4.251%, 4/16/12, Term C  |                             | 18,909      |
|                                       |  |                             | 5,725,308   |

Edgar Filing: PIMCO Floating Rate Strategy Fund - Form N-Q

| Principal Amount (000)                 |   | Value*      |
|--|---|-------------|
| <b>Electronics 0.2%</b>                |   |             |
| 985                                    | Sensata Technologies, Inc., 2.728%, 4/27/13 (b)   | \$1,220,474 |
| <b>Financial Services 1.1%</b>         |   |             |
| \$1,814                                | Chrysler Financial Corp., 4.25%, 8/3/12, Term B   | 1,742,422   |
| 2,000                                  | One (b),<br>3.176%, 2/4/16, Term B                | 2,511,955   |
| 2,000                                  | 3.676%, 2/4/17, Term C                            | 2,526,710   |
|  |   | 6,781,087   |
| <b>Food &amp; Beverage 0.2%</b>        |   |             |
| \$108                                  | Dole Foods Co.,<br>7.495%, 4/12/13                | 109,003     |
| 188                                    | 8.00%, 4/12/13, Term B                            | 190,055     |
| 674                                    | 8.00%, 4/12/13, Term C                            | 682,618     |
|  |   | 981,676     |
| <b>Healthcare &amp; Hospitals 0.6%</b> |   |             |
| 3,000                                  | ISTA, 5.085%, 6/15/16, Term D (b)                 | 3,320,694   |
| <b>Hotels/Gaming 0.8%</b>              |   |             |
| \$591                                  | MotorCity Casino, Term B (b),<br>8.50%, 7/21/12   | 563,753     |
| 4,548                                  | 8.50%, 7/21/12 (e)                                | 4,335,610   |
|  |   | 4,899,363   |
| <b>Manufacturing 0.4%</b>              |   |             |
| 3,614                                  | Bombardier, Inc., 3.00%, 6/26/13, Term B (b)      | 2,538,782   |
| <b>Multi-Media 1.7%</b>                |   |             |
| 4,328                                  | Local Insight, 7.75%, 4/23/15, Term B (b)         | 3,397,395   |
| AUD 1,712                              | Seven Media Group, Term T (b),<br>5.73%, 12/28/12 | 1,304,586   |
| AUD 7,150                              | 6.058%, 12/28/12                                  | 5,448,570   |
|  |   | 10,150,551  |
| <b>Printing/Publishing 0.7%</b>        |   |             |
| \$4,151                                | Tribune Co. (b)(f),<br>5.00%, 6/4/24, Term X      | 1,933,737   |
| 4,975                                  | 5.25%, 6/4/24, Term B                             | 2,247,579   |
|  |   | 4,181,316   |
| <b>Recreation 0.0%</b>                 |   |             |
| 1                                      | Cedar Fair L.P.,<br>2.243%, 8/30/12               | 723         |
| 3                                      | 4.243%, 8/30/14                                   | 2,639       |
|  |   | 3,362       |

Edgar Filing: PIMCO Floating Rate Strategy Fund - Form N-Q

| Principal Amount (000)         |  | Credit Rating (Moody s/S&P) | Value*      |
|--------------------------------|--|-----------------------------|-------------|
| <b>Telecommunications 0.7%</b> |  |                             |             |
| \$5,709                        | Hawaiian Telcom Communications, Inc., 4.75%, 6/1/14, Term C (b)(f) |                             | \$4,110,358 |
|                                | Total Senior Loans (cost \$79,307,295)                             |                             | 56,841,934  |

| Shares                          |   |       |            |
|---------------------------------|---|-------|------------|
| <b>PREFERRED STOCK 1.9%</b>     |   |       |            |
| <b>Automotive Products 0.0%</b> |   |       |            |
| 20,275                          | Dura Automotive Systems, Inc., 20.00% (b)(g)(j)   | NR/NR | 10,137     |
| <b>Insurance 1.9%</b>           |   |       |            |
| 21,655                          | ABN AMRO North America Capital Funding Trust I, 6.968%, (converts to FRN on 9/15/10) (a)(d) | B3/B  | 11,423,013 |
|                                 | Total Preferred Stock (cost \$11,257,513)   |       | 11,433,150 |

| Principal Amount (000)              |  |         |            |
|-------------------------------------|--|---------|------------|
| <b>ASSET-BACKED SECURITIES 1.8%</b> |  |         |            |
| \$4,238                             | Asset Backed Funding Certificates, 0.464%, 5/25/37, FRN (a)(d) | Ba1/B-  | 3,295,129  |
| 410                                 | CIT Group Home Equity Loan Trust, 0.514%, 6/25/33, FRN         | Aaa/AAA | 293,240    |
| 3,852                               | Lake Country Mortgage Loan Trust, 0.704%, 12/25/32, FRN (a)(d) | Aaa/AAA | 3,396,398  |
| 6,235                               | Popular ABS Mortgage Pass-Through Trust, 0.524%, 7/25/35, FRN  | Aaa/AAA | 3,839,459  |
|                                     | Total Asset-Backed Securities (cost \$10,908,112)              |         | 10,824,226 |

| Shares                          |                                       |  |           |
|---------------------------------|---------------------------------------|--|-----------|
| <b>COMMON STOCK 0.8%</b>        |                                       |  |           |
| <b>Automotive Products 0.8%</b> |                                       |  |           |
| 664                             | Delphi Automotive LLP (j)             |  | 4,878,107 |
| 81,383                          | Dura Automotive Systems, Inc. (g)(j)  |  | 81,383    |
|                                 | Total Common Stock (cost \$6,195,542) |  | 4,959,490 |

| <b>CONVERTIBLE PREFERRED STOCK 0.5%</b> |   |        |           |
|---|---|--------|-----------|
| <b>Banking 0.5%</b>                     |   |        |           |
| 3,000                                   | Wells Fargo & Co., 7.50%, 12/31/49, Ser. L (cost \$2,077,650) | Ba3/A- | 2,700,000 |

| Principal Amount (000)                            |   |         |         |
|---|---|---------|---------|
| <b>U.S. GOVERNMENT AGENCY SECURITIES (i) 0.1%</b> |   |         |         |
| \$274   | Freddie Mac, 0.141%, 2/1/11, FRN (cost \$273,867) | Aaa/AAA | 273,828 |

| <b>SHORT-TERM INVESTMENTS 17.6%</b> |   |         |            |
|-------------------------------------|---|---------|------------|
| <b>Corporate Notes 14.0%</b>        |   |         |            |
| <b>Financial Services 10.5%</b>     |   |         |            |
| 14,200                              | American General Finance Corp., 0.398%, 3/2/10, FRN | Baa3/NR | 13,545,068 |



Edgar Filing: PIMCO Floating Rate Strategy Fund - Form N-Q

| International Lease Finance Corp., |                      |           |            |
|------------------------------------|----------------------|-----------|------------|
| 3,000                              | 0.627%, 5/24/10, FRN | Baa3/BBB+ | 2,850,549  |
| 9,900                              | 0.684%, 1/15/10, FRN | Baa3/BBB+ | 9,727,700  |
| 2,785                              | 4.875%, 9/1/10       | Baa3/BBB+ | 2,664,223  |
| 5,550                              | 5.00%, 4/15/10       | Baa3/BBB+ | 5,476,096  |
| 17,560                             | 5.625%, 9/15/10 (k)  | Baa3/AA   | 16,622,542 |

---

Edgar Filing: PIMCO Floating Rate Strategy Fund - Form N-Q

| Principal Amount (000)                |   | Credit Rating (Moody s/S&P) | Value*               |
|---------------------------------------|---|-----------------------------|----------------------|
| <b>Financial Services (continued)</b> |   |                             |                      |
| \$500                                 | Residential Capital LLC, 8.50%, 5/15/10   | C/CC                        | \$442,500            |
| 1,400                                 | SLM Corp., 0.33%, 3/15/10, FRN  | Ba1/BBB-                    | 1,369,939            |
| 9,000                                 | Universal City Florida Holding Co.,<br>5.233%, 5/1/10, FRN  | Caa2/CCC+                   | 9,045,000            |
| 1,000                                 | 8.375%, 5/1/10  | Caa2/CCC+                   | 1,005,000            |
|                                       |   |                             | 62,748,617           |
| <b>Insurance 3.5%</b>                 |   |                             |                      |
| 5,000                                 | AIG Life Holdings U.S., Inc., 7.50%, 8/11/10  | A3/A-                       | 5,038,115            |
| 10,000                                | American International Group, Inc.,<br>0.353%, 9/27/10, FRN   | A3/A-                       | 9,091,450            |
| 2,500                                 | 4.70%, 10/1/10  | A3/A-                       | 2,446,683            |
| 3,000                                 | Residential Reinsurance Ltd., FRN (a)(b)(d),<br>7.611%, 6/7/10  | NR/BB                       | 3,043,950            |
| 1,200                                 | 8.111%, 6/7/10  | NR/BB-                      | 1,221,420            |
|                                       |   |                             | 20,841,618           |
|                                       | Total Corporate Notes (cost \$79,386,598)   |                             | 83,590,235           |
| <b>U.S. Treasury Bills (i) 1.0%</b>   |   |                             |                      |
| 6,172                                 | 0.05%-0.31%, 11/5/09-12/10/09 (cost \$6,171,839)  |                             | 6,171,839            |
| <b>Repurchase Agreements 2.6%</b>     |   |                             |                      |
| 2,000                                 | Barclays Capital, Inc., dated 10/30/09, 0.06%, due 11/2/09,<br>proceeds \$2,000,010; collateralized by U.S. Treasury<br>Inflation Index Notes, 1.25%, due 04/15/14, valued at<br>\$2,068,469 including accrued interest |                             | 2,000,000            |
| 11,600                                | Deutsche Bank, dated 10/30/09, 0.07%, due 11/2/09,<br>proceeds \$11,600,068; collateralized by Freddie Mac<br>Discount Notes, zero coupon, due 03/08/10, valued at<br>\$11,832,857                                      |                             | 11,600,000           |
| 1,897                                 | State Street Bank & Trust Co., dated 10/30/09, 0.01%, due<br>11/2/09, proceeds \$1,897,002; collateralized by U.S.<br>Treasury Bills, zero coupon, due 11/27/09, valued at<br>\$1,935,000                               |                             | 1,897,000            |
|                                       | Total Repurchase Agreements (cost \$15,497,000)   |                             | 15,497,000           |
|                                       | Total Short-Term Investments (cost \$101,055,437)   |                             | 105,259,074          |
|                                       | <b>Total Investments (cost \$593,476,001) 100.0%</b>  |                             | <b>\$597,388,619</b> |

---

**Notes to Schedule of Investments:**

\* Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. Market value is generally determined on the basis of last reported sales prices, or if no sales are reported, on the basis of quotes obtained from a quotation reporting system, established market makers, or independent pricing services.

Portfolio securities and other financial instruments for which market quotations are not readily available or for which a development/event occurs that may significantly impact the value of a security, are fair-valued, in good faith, pursuant to procedures established by the Board of Trustees, or persons acting at their discretion pursuant to procedures established by the Board of Trustees. The Fund's investments are valued daily using prices supplied by an independent pricing service or dealer quotations, or by using the last sale price on the exchange that is the primary market for such securities, or the mean between the last quoted bid and ask price for those securities for which the over-the-counter market is the primary market or for listed securities in which there were no sales. Independent pricing services use information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics. Exchange-traded 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. Investments initially valued in currencies other than U.S. dollar are converted to the U.S. dollar using exchange rates obtained from pricing services. As a result, the net asset value ( NAV ) of the Fund's shares may be affected by changes in the value of currencies in relation to the U.S. dollar. The value of securities traded in markets outside the United States or denominated in currencies other than the U.S. dollar may be affected significantly on a day that the New York Stock Exchange ( NYSE ) is closed and the NAV may change on days when an investor is not able to purchase or sell shares.

The prices used by the Fund to value securities may differ from the value that would be realized if the securities were sold and these differences could be material. The Fund's NAV is normally determined, as of the close of regular trading (normally, 4:00 p.m. Eastern time) on the NYSE on each day the NYSE is open for business.

- (a) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$136,922,029, representing 22.9% of total investments.
- (b) Illiquid.
- (c) These securities generally pay interest at rates which are periodically pre-determined by reference to a base lending rate plus a premium. These base lending rates are generally either the lending rate offered by one or more major European banks, such as the LIBOR or the prime rate offered by one or more major United States banks, or the certificate of deposit rate. These securities are generally considered to be restricted as the Fund is ordinarily contractually obligated to receive approval from the Agent bank and/or borrower prior to disposition. Remaining maturities of senior loans may be less than the stated maturities shown as a result of contractual or optional payments by the borrower. Such prepayments cannot be predicted with certainty. The interest rate disclosed reflects the rate in effect on October 31, 2009.
- (d) 144A 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. To be settled/delivered after October 31, 2009.
- (f) In default.
- (g) Fair-Valued Securities with an aggregate value of \$91,520, representing less than 0.1% of total investments.
- (h) Perpetual maturity. Maturity date shown is the first call date. Interest rate is fixed until the first call date and variable thereafter.
- (i) All or partial amount segregated as collateral for futures contracts, forward foreign currency contracts and swaps.
- (j) Non-income producing.

## Edgar Filing: PIMCO Floating Rate Strategy Fund - Form N-Q

- (k) All or partial amount segregated as collateral for reverse repurchase agreements.
- (l) Issuer filed for bankruptcy on November 1, 2009.

### **Glossary:**

AUD Australian Dollar

£ British Pound

CMO Collateralized Mortgage Obligation

Euro

FRN Floating Rate Note. The interest rate disclosed reflects the rate in effect on October 31, 2009.

LIBOR London Inter-Bank Offered Rate

NR Not Rated

VRN Variable Rate Note. Instruments whose interest rates change on specified date (such as a coupon date or interest payment date) and/or whose interest rates vary with changes in a designated base rate (such as the prime interest rate). The interest rate disclosed reflects the rate in effect on October 31, 2009.

WR Withdrawn Rating

---

Edgar Filing: PIMCO Floating Rate Strategy Fund - Form N-Q

**Other Investments:**

(A) Futures contracts outstanding at October 31, 2009:

| Type                    | Contracts | Market Value (000) | Expiration Date | Unrealized Appreciation |
|-------------------------|-----------|--------------------|-----------------|-------------------------|
| Long: Financial Futures |           |                    |                 |                         |
| Euro 90 day             | 1,800     | \$446,423          | 6/14/10         | \$315,000               |

(B) Credit default swap agreements:

Buy protection swap agreements outstanding at October 31, 2009 (1):

| Swap Counterparty/<br>Referenced Debt Issuer | Notional Amount<br>Payable on<br>Default<br>(000) (4) | Credit<br>Spread (3) | Termination<br>Date | Payments<br>Made by Fund | Market<br>Value (5) | Upfront<br>Premiums<br>Paid | Unrealized<br>Appreciation<br>(Depreciation) |
|--|---|----------------------|---------------------|--------------------------|---------------------|-----------------------------|--|
| Bank of America:                             |   |                      |                     |                          |                     |                             |  |
| Dow Jones CDX HY-12 5<br>Year Index          | \$7,708   | 6.63%                | 6/20/14             | (5.00)%                  | \$412,552           | \$357,201                   | \$55,351                                     |
| Dow Jones CDX HY-13 5<br>Year Index          | 1,100   | 7.03%                | 12/20/14            | (5.00)%                  | 80,042              | 81,125                      | (1,083)                                      |
| Barclays Bank:                               |   |                      |                     |                          |                     |                             |  |
| Dow Jones CDX HY-12 5<br>Year Index          | 20,210  | 6.63%                | 6/20/14             | (5.00)%                  | 1,081,690           | 867,267                     | 214,423                                      |
| Dow Jones CDX HY-13 5<br>Year Index          | 3,600   | 7.03%                | 12/20/14            | (5.00)%                  | 261,955             | 264,062                     | (2,107)                                      |
| JPMorgan Chase:                              |   |                      |                     |                          |                     |                             |  |
| Dow Jones CDX HY-12 5<br>Year Index          | 7,990   | 6.63%                | 6/20/14             | (5.00)%                  | 427,645             | 363,545                     | 64,100                                       |
| Morgan Stanley:                              |   |                      |                     |                          |                     |                             |  |
| Dow Jones CDX HY-13 5<br>Year Index          | 1,200   | 7.03%                | 12/20/14            | (5.00)%                  | 87,318              | 88,500                      | (1,182)                                      |
| Royal Bank of Scotland:                      |   |                      |                     |                          |                     |                             |  |
| Dow Jones CDX HY-13 5<br>Year Index          | 3,500   | 7.03%                | 12/20/14            | (5.00)%                  | 254,678             | 262,437                     | (7,759)                                      |
|  |   |                      |                     |                          | \$2,605,880         | \$2,284,137                 | \$321,743                                    |

Sell protection swap agreements outstanding at October 31, 2009 (2):

| Swap Counterparty/<br>Referenced Debt Issuer | Notional Amount<br>Payable on<br>Default<br>(000) (4) | Credit<br>Spread (3) | Termination<br>Date | Payments<br>Received by<br>Fund | Market<br>Value (5) | Upfront<br>Premiums<br>Paid(Received) | Unrealized<br>Appreciation<br>(Depreciation) |
|--|---|----------------------|---------------------|---------------------------------|---------------------|---------------------------------------|--|
| Barclays Bank:                               |   |                      |                     |                                 |                     |                                       |  |
| CIT Group                                    | \$3,300   | 66.68%               | 12/20/13            | 5.00%                           | \$(1,122,759)       | \$(841,500)                           | \$(281,259)                                  |
| Citigroup:                                   |   |                      |                     |                                 |                     |                                       |  |
| Chrysler Financial                           | 1,000   | 5.50%                | 6/20/13             | 5.00%                           | (9,927)             | (120,000)                             | 110,073                                      |

## Edgar Filing: PIMCO Floating Rate Strategy Fund - Form N-Q

|                             |       |        |          |       |               |               |           |
|-----------------------------|-------|--------|----------|-------|---------------|---------------|-----------|
| SLM                         | 6,550 | 7.99%  | 12/20/13 | 5.00% | (573,611)     | (807,000)     | 233,389   |
| Credit Suisse First Boston: |       |        |          |       |               |               |           |
| Samis                       | 1,400 | 0.23%  | 12/20/09 | 2.15% | 3,649         | 17,500        | (13,851)  |
| Deutsche Bank:              |       |        |          |       |               |               |           |
| CIT Group                   | 2,550 | 66.68% | 12/20/13 | 5.00% | (867,586)     | (675,750)     | (191,836) |
| Ford Motor                  | 1,000 | 7.71%  | 6/20/12  | 2.17% | (102,408)     |               | (102,408) |
| SLM                         | 5,400 | 7.99%  | 12/20/13 | 5.00% | (472,901)     | (756,000)     | 283,099   |
| Merrill Lynch & Co.:        |       |        |          |       |               |               |           |
| SLM                         | 3,350 | 7.99%  | 12/20/13 | 5.00% | (293,374)     | (469,000)     | 175,626   |
| Morgan Stanley:             |       |        |          |       |               |               |           |
| SLM                         | 3,400 | 7.96%  | 3/20/14  | 5.00% | (307,683)     | (374,000)     | 66,317    |
|                             |       |        |          |       | \$(3,746,600) | \$(4,025,750) | \$279,150 |

(1) If the Fund is a buyer of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) receive from the seller of protection an amount equal to the notional amount of the swap and deliver the referenced obligation or underlying securities compromising the referenced index or (ii) receive a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities compromising the referenced index.

(2) If the Fund is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation or underlying securities compromising the referenced index or (ii) pay a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities compromising the referenced index.

(3) Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements as of period end serve as an indicator of the current status of the payment/performance risk and represent the likelihood or risk of default for the credit derivative. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to be made to enter into the agreement. Wider credit spreads represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

(4) The maximum potential amount the Fund could be required to make as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.

(5) The quoted market prices and resulting values for credit default swap agreements serve as an indicator of the status at October 31, 2009 of the payment/performance risk and represent the likelihood of an expected liability (or profit) for the credit derivative should the notional amount of the swap agreement been closed/sold as of the period end. Increasing market values, in absolute terms when compared to the notional amount of the swap, represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

Issuer filed for bankruptcy on November 1, 2009.

Edgar Filing: PIMCO Floating Rate Strategy Fund - Form N-Q

(C) Forward foreign currency contracts outstanding at October 31, 2009:

|   | Counterparty                  | U.S.\$ Value on<br>Origination Date | U.S.\$ Value<br>October 31, 2009 | Unrealized<br>Appreciation<br>(Depreciation) |
|---|-------------------------------|-------------------------------------|----------------------------------|--|
| <b>Purchased:</b>                               |                               |                                     |                                  |  |
| 300,000 Australian Dollar<br>settling 11/5/09   | JPMorgan Chase & Co.          | \$266,345                           | \$271,030                        | \$4,685                                      |
| <b>Sold:</b>                                    |                               |                                     |                                  |  |
| 5,634,000 Australian Dollar<br>settling 11/5/09 | Royal Bank of Scotland<br>PLC | 4,896,904                           | 5,089,932                        | (193,028)                                    |
| 13,536,000 British Pound<br>settling 11/24/09   | JPMorgan Chase & Co.          | 22,111,462                          | 22,309,233                       | (197,771)                                    |
| 9,263,000 Euro settling<br>12/8/09              | Morgan Stanley                | 13,533,243                          | 13,665,791                       | (132,548)                                    |
|   |                               |                                     |                                  | \$(518,662)                                  |

(D) Open reverse repurchase agreements at October 31, 2009:

| Counterparty               | Rate  | Trade Date | Maturity Date | Principal & Interest | Principal    |
|----------------------------|-------|------------|---------------|----------------------|--------------|
| Barclays Bank              | 0.65% | 10/7/09    | 11/9/09       | \$5,722,685          | \$5,720,000  |
|                            | 0.65% | 10/19/09   | 11/23/09      | 2,252,569            | 2,252,000    |
|                            | 0.65% | 10/20/09   | 11/24/09      | 3,715,872            | 3,715,000    |
|                            | 0.65% | 10/21/09   | 11/23/09      | 1,122,243            | 1,122,000    |
| BNP Paribas                | 0.60% | 10/2/09    | 11/2/09       | 10,018,174           | 10,013,000   |
| Credit Suisse First Boston | 0.65% | 10/8/09    | 11/9/09       | 14,275,441           | 14,269,000   |
|                            |       |            |               |                      | \$37,091,000 |

The weighted average daily balance of reverse repurchase agreements outstanding during the three months ended October 31, 2009 was \$23,793,329 at a weighted average interest rate of 0.64%. The total market value of underlying collateral (refer to the Schedule of Investments for positions segregated as collateral for reverse repurchase agreements) for open reverse repurchase agreements at October 31, 2009 was \$41,212,558.

(E) At October 31, 2009, the Fund had the following unfunded loan commitments which could be extended at the option of the borrower:

| Borrower           | Principal<br>Amount |
|--------------------|---------------------|
| Eastman Kodak      | \$2,500,000         |
| DPH Holdings Corp. | 1,248,121           |
|                    | \$3,748,121         |

## Edgar Filing: PIMCO Floating Rate Strategy Fund - Form N-Q

**Fair Value Measurements** Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (*i.e.* the exit price) in an orderly transaction between market participants. The three levels of the fair value hierarchy are described below:

- Level 1 quoted prices in active markets for identical investments that the Fund has the ability to access
- Level 2 valuations based on other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.) or quotes from inactive exchanges
- Level 3 valuations based on significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

An investment asset's or liability's level within the fair value hierarchy is based on the lowest level input, individually or in the aggregate, that is significant to fair value measurement. The objective of fair value measurement remains the same even when there is a significant decrease in the volume and level of activity for an asset or liability and regardless of the valuation technique used.

The valuation techniques used by the Fund to measure fair value during the three months ended October 31, 2009 maximized the use of observable inputs and minimized the use of unobservable inputs. When fair-valuing securities, the Fund utilized the multi-dimensional relational pricing model techniques.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

A summary of the inputs used at October 31, 2009 in valuing the Fund's assets and liabilities is listed below:

|   | Level 1 -<br>Quoted Prices | Level 2 -<br>Other Significant<br>Observable<br>Inputs | Level 3 -<br>Significant<br>Unobservable<br>Inputs | Value at<br>10/31/09 |
|---|----------------------------|--|--|----------------------|
| <b>Investments in Securities -<br/>Assets</b>       |                            |  |  |                      |
| Corporate Bonds & Notes                             |                            | \$335,360,456  |  | \$335,360,456        |
| Mortgaged-Backed Securities                         |                            | 69,736,461   |  | 69,736,461           |
| Senior Loans  |                            | 56,841,934   |  | 56,841,934           |
| <b>Preferred Stock:</b>                             |                            |  |  |                      |
| Automotive Products                                 |                            |  | \$10,137   | 10,137               |
| Insurance   | \$11,423,013               |  |  | 11,423,013           |
| Asset-Backed Securities                             |                            | 10,824,226   |  | 10,824,226           |
| Common Stock  |                            | 4,878,107  | 81,383   | 4,959,490            |
| Convertible Preferred Stock                         |                            | 2,700,000  |  | 2,700,000            |
| U.S. Government Agency<br>Securities                |                            | 273,828  |  | 273,828              |
| Short-Term Investments                              |                            | 105,259,074  |  | 105,259,074          |
| <b>Total Investments in Securities<br/>- Assets</b> | <b>\$11,423,013</b>        | <b>\$585,874,086</b>                                   | <b>\$91,520</b>                                    | <b>\$597,388,619</b> |
| <b>Other Financial Instruments*</b>                 | <b>\$315,000</b>           | <b>\$(13,991)</b>                                      | <b>\$96,222</b>                                    | <b>\$397,231</b>     |
| <b>Total Investments in Securities</b>              | <b>\$11,738,013</b>        | <b>\$585,860,095</b>                                   | <b>\$187,742</b>                                   | <b>\$597,785,850</b> |



## Edgar Filing: PIMCO Floating Rate Strategy Fund - Form N-Q

A roll forward of fair value measurements using significant unobservable inputs (Level 3) for the three months ended October 31, 2009, was as follows:

|  | Beginning<br>Balance<br>7/31/09 | Net<br>Purchases(Sales)<br>and Settlements | Accrued<br>Discounts | Total Realized<br>Gain(Loss) | Total Change<br>in Unrealized<br>Appreciation/<br>Depreciation | Transfers in<br>and/or out<br>of Level 3 | Ending Balance<br>10/31/09 |
|--|---------------------------------|--|----------------------|------------------------------|--|--|----------------------------|
| <b>Investments in Securities -</b>     |                                 |  |                      |                              |  |  |                            |
| <b>Assets</b>                          |                                 |  |                      |                              |  |  |                            |
| Short-Term Investments:                |                                 |  |                      |                              |  |  |                            |
| Corporate Notes                        |                                 |  |                      |                              |  |  |                            |
| Insurance                              | \$10,841,297                    |  | \$543,774            |                              | \$1,971,749  | \$(13,356,820)                           |                            |
| Preferred Stock:                       |                                 |  |                      |                              |  |  |                            |
| Automotive Products                    | 10,137                          |  |                      |                              |  |  | \$10,137                   |
| Common Stock                           | 81,383                          |  |                      |                              |  |  | 81,383                     |
| <b>Total Investments in Securities</b> |                                 |  |                      |                              |  |  |                            |
| - Assets                               | \$10,932,817                    |  | \$543,774            |                              | \$1,971,749  | \$(13,356,820)                           | \$91,520                   |
| <b>Other Financial Instruments*</b>    | \$48,716                        |  |                      |                              | \$47,506   |  | \$96,222                   |
| <b>Total Investments in Securities</b> | \$10,981,533                    |  | \$543,774            |                              | \$2,019,255  | \$(13,356,820)                           | \$187,742                  |

\*Other Financial Instruments are derivative instruments not reflected in the Schedule of Investments, such as futures contracts, swap agreements and forward foreign currency contracts, which are valued at the unrealized appreciation (depreciation) of the instrument.

The net change in unrealized appreciation/depreciation of other financial instruments, which the Fund held at October 31, 2009 was \$47,506.

**Item 2. Controls and Procedures**

(a) The registrant's President & Chief Executive Officer and Treasurer, Principal Financial & Accounting Officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Act (17 CFR 270.30a-3(c))), are effective based on their evaluation of these controls and procedures as of a date within 90 days of the filing date of this document.

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

**Item 3. Exhibits**

(a) Exhibit 99.302 Cert. Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

---

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Registrant: PIMCO Floating Rate Strategy Fund

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

Date: December 18, 2009

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

Date: December 18, 2009

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

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

Date: December 18, 2009

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

Date: December 18, 2009

---