

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

PIMCO Floating Rate Strategy Fund  
Form N-Q  
December 29, 2008

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

OMB APPROVAL  
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**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, 2009

Date of reporting period: October 31, 2008

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

October 31, 2008 (unaudited)

| Principal<br>Amount<br>(000)       |                                               | Value*      |
|------------------------------------|-----------------------------------------------|-------------|
| <b>SENIOR LOANS (a)(c) 68.0%</b>   |                                               |             |
| <b>Advertising 1.0%</b>            |                                               |             |
|                                    | PagesJaunes Groupe S.A.,                      |             |
| 2,000                              | 6.876%, 1/11/14, Term A                       | \$1,421,624 |
| 2,180                              | 7.376%, 1/11/15, Term B (b)                   | 1,166,703   |
| 2,180                              | 7.876%, 1/11/16, Term C (b)                   | 1,170,158   |
|                                    | West Corp.,                                   |             |
| \$2,340                            | 4.733%, 10/23/13                              | 1,514,879   |
| 249                                | 5.375%, 10/24/13 (b)                          | 161,428     |
| 299                                | 5.594%, 10/23/13                              | 193,714     |
| 1,496                              | 5.594%, 10/23/13 (b)                          | 968,570     |
| 1,496                              | 5.65%, 10/24/13                               | 968,570     |
|                                    |                                               | 7,565,646   |
| <b>Aerospace 0.4%</b>              |                                               |             |
|                                    | Firth Rixson PLC (b),                         |             |
| 1,400                              | 5.803%, 11/20/15, Term B                      | 1,197,000   |
| 1,400                              | 6.303%, 11/20/16, Term C                      | 1,197,000   |
| 1,250                              | TransDigm Group, Inc., 5.21%, 6/23/13, Term B | 957,813     |
|                                    |                                               | 3,351,813   |
| <b>Airlines 0.2%</b>               |                                               |             |
| 2,147                              | Northwest Airlines Corp., 5.00%, 12/31/10 (b) | 1,747,427   |
| <b>Apparel &amp; Textiles 0.3%</b> |                                               |             |
|                                    | Hanesbrands, Inc., Term B,                    |             |
| 571                                | 5.266%, 10/15/13                              | 488,333     |
| 126                                | 5.454%, 10/15/13                              | 107,586     |
|                                    | Simmons Co., Term C (b),                      |             |
| 810                                | 4.875%, 12/19/11                              | 574,998     |
| 234                                | 4.938%, 12/19/11                              | 166,195     |
| 135                                | 5.00%, 12/19/11                               | 95,515      |
| 468                                | 5.25%, 12/19/11                               | 332,391     |
| 108                                | 5.75%, 12/19/11                               | 76,412      |
| 538                                | 6.375%, 12/19/11                              | 382,058     |
| 156                                | 6.50%, 12/19/11                               | 110,797     |
| 54                                 | 6.938%, 12/19/11                              | 38,206      |
|                                    |                                               | 2,372,491   |
| <b>Automotive 0.2%</b>             |                                               |             |
| 793                                | Ford Motor Corp., 7.59%, 12/16/13, Term B     | 440,424     |
| 2,447                              | General Motors Corp., 5.795%, 11/29/13        | 1,353,311   |
|                                    |                                               | 1,793,735   |
| <b>Automotive Products 2.5%</b>    |                                               |             |
| 8,302                              | Affinia Group, 6.42%, 11/30/11, Term B (b)    | 5,936,243   |
|                                    | Allison Transmission, Inc.,                   |             |
| 5                                  | 4.38%, 8/7/14                                 | 3,142       |

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|       |                                   |           |
|-------|-----------------------------------|-----------|
| 26    | 4.71%, 8/7/14                     | 17,834    |
| 20    | 5.24%, 8/7/14                     | 13,825    |
| 5     | 5.75%, 8/7/14                     | 3,142     |
|       | Cooper Standard Automotive, Inc., |           |
| 2,321 | 6.313%, 12/31/11, Term B          | 1,619,035 |
| 5,800 | 6.313%, 12/31/11, Term C          | 4,045,313 |

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| Principal Amount (000)                 |                                                           | Value*     |
|----------------------------------------|-----------------------------------------------------------|------------|
| <b>Automotive Products (continued)</b> |                                                           |            |
|                                        | Delphi Corp. (b),                                         |            |
| \$500                                  | 7.25%, 12/31/08                                           | \$430,000  |
| 8,000                                  | 8.50%, 12/31/08                                           | 5,080,000  |
| 3,000                                  | Goodyear Tire & Rubber Co., 4.78%, 4/30/14, Term B        | 2,135,001  |
|                                        |                                                           | 19,283,535 |
| <b>Banking 0.7%</b>                    |                                                           |            |
|                                        | Aster Co., Ltd. (b),                                      |            |
| 3,637                                  | 6.126%, 9/19/13, Term B                                   | 2,282,461  |
| 2,214                                  | 6.126%, 9/19/14, Term C                                   | 1,389,340  |
| 1,800                                  | 7.542%, 9/19/13, Term B                                   | 1,455,088  |
|                                        |                                                           | 5,126,889  |
| <b>Chemicals 2.3%</b>                  |                                                           |            |
|                                        | Brenntag AG,                                              |            |
| 102                                    | 7.136%, 12/23/13 (b)                                      | 101,199    |
| 1,529                                  | 7.136%, 12/23/13                                          | 1,515,741  |
| 1,000                                  | 7.163%, 12/23/13 (b)                                      | 951,038    |
| 1,000                                  | 7.163%, 12/23/13, Term B (b)                              | 951,038    |
|                                        | Chart Industries,                                         |            |
| \$2,667                                | 5.25%, 10/14/12, Term B (b)                               | 2,226,667  |
| 1,317                                  | Georgia Gulf Corp., 9.045%, 10/3/13                       | 1,055,055  |
|                                        | INEOS Group Ltd.,                                         |            |
| 308                                    | 5.727%, 10/7/12, Term A                                   | 173,105    |
| 3,077                                  | 5.952%, 10/7/12, Term A                                   | 1,731,046  |
| 1,883                                  | 5.952%, 10/7/13, Term B                                   | 1,016,098  |
| 1,883                                  | 6.452%, 10/7/14, Term C                                   | 1,031,078  |
| 2,309                                  | Innophos, Inc., 6.762%, 8/13/10, Term B (b)               | 1,985,818  |
| 4,656                                  | KRATON Polymers Group LLC, 5.313%, 5/12/13 (b)            | 3,600,494  |
| 1,608                                  | MacDermid, Inc., 7.389%, 4/12/14 (b)                      | 1,534,036  |
|                                        |                                                           | 17,872,413 |
| <b>Commercial Products 0.5%</b>        |                                                           |            |
| \$2,598                                | Alliance Laundry Holdings LLC, 5.30%, 1/27/12, Term B (b) | 2,052,641  |
|                                        | iPayment, Inc. (b),                                       |            |
| 531                                    | 5.118%, 12/27/12                                          | 411,465    |
| 1,012                                  | 5.762%, 12/27/12                                          | 784,669    |
| 383                                    | 6.359%, 12/27/12                                          | 296,456    |
|                                        |                                                           | 3,545,231  |
| <b>Commercial Services 0.6%</b>        |                                                           |            |
|                                        | ARAMARK Corp.,                                            |            |
| 738                                    | 2.29%, 1/26/14, Term LC                                   | 619,465    |
| 4,616                                  | 5.637%, 1/26/14, Term B                                   | 3,876,021  |
|                                        |                                                           | 4,495,486  |
| <b>Computer Services 0.5%</b>          |                                                           |            |
| 4,613                                  | SunGard Data Systems, Inc., 4.138%, 2/11/13 (b)           | 3,555,420  |

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| Principal Amount (000)                 |                                                     | Value*     |
|----------------------------------------|-----------------------------------------------------|------------|
| <b>Computer Software 1.8%</b>          |                                                     |            |
|                                        | Infor Global Solutions (b),                         |            |
| \$1,481                                | 6.52%, 7/28/12                                      | \$936,891  |
| 1,030                                  | 7.52%, 7/28/12                                      | 651,712    |
| 230                                    | 7.52%, 8/1/12                                       | 145,595    |
| 660                                    | 7.52%, 8/1/12, Term DD                              | 417,348    |
| 3,074                                  | 8.139%, 8/1/12, Term EU                             | 2,436,027  |
| \$6,590                                | Thomson Learning, Inc., 5.62%, 7/5/14, Term B       | 4,946,164  |
| 7,000                                  | Trilogy International, Inc., 7.262%, 6/22/12 (b)    | 4,200,000  |
|                                        |                                                     | 13,733,737 |
| <b>Consumer Products 2.3%</b>          |                                                     |            |
| 6,478                                  | Education Management Corp., 5.563%, 2/13/14, Term B | 4,566,947  |
|                                        | Jarden Corp., Term B,                               |            |
| 5,936                                  | 5.512%, 1/24/12                                     | 4,860,135  |
| 2,963                                  | 6.262%, 1/24/12                                     | 2,479,245  |
|                                        | National Mentor, Inc. (b),                          |            |
| 40                                     | 5.32%, 6/29/13                                      | 33,634     |
| 2,612                                  | 5.77%, 6/29/13, Term B                              | 2,206,803  |
| 3,000                                  | 6.98%, 6/29/12                                      | 2,535,000  |
|                                        | Pinnacle Foods, Term B (b),                         |            |
| 1,722                                  | 5.60%, 3/30/14                                      | 1,250,392  |
| 14                                     | 6.803%, 3/30/14                                     | 10,019     |
| 215                                    | 6.803%, 4/2/14                                      | 156,160    |
|                                        |                                                     | 18,098,335 |
| <b>Consumer Staples 0.1%</b>           |                                                     |            |
| 1,000                                  | Wm. Wrigley Jr. Co., 7.75%, 10/6/14                 | 950,250    |
| <b>Containers &amp; Packaging 1.7%</b> |                                                     |            |
|                                        | Graham Packaging Holdings Co., Term B,              |            |
| 1,773                                  | 4.813%, 10/7/11                                     | 1,451,750  |
| 657                                    | 5.50%, 10/7/11                                      | 537,685    |
| 25                                     | 6.063%, 10/7/11 (b)                                 | 20,163     |
| 2,396                                  | 6.313%, 10/7/11                                     | 1,962,551  |
|                                        | Graphic Packaging International Corp.,              |            |
| 284                                    | 5.259%, 5/3/14 (b)                                  | 232,534    |
| 626                                    | 5.259%, 5/3/14                                      | 512,986    |
| 284                                    | 5.535%, 5/3/14 (b)                                  | 233,175    |
| 1,224                                  | 5.883%, 5/3/14                                      | 1,003,374  |
| 400                                    | 6.635%, 5/3/14                                      | 327,807    |
|                                        | JSG Packaging Ltd.,                                 |            |
| 45                                     | 6.273%, 11/29/12, Term A (b)                        | 41,053     |
| 91                                     | 6.374%, 1/12/14, Term C (b)                         | 75,822     |
| 11                                     | 6.491%, 11/29/12 (b)                                | 10,169     |
| 211                                    | 6.491%, 11/29/12, Term A (b)                        | 193,525    |
| 294                                    | 6.524%, 11/29/12, Term A (b)                        | 270,331    |
| 101                                    | 6.604%, 1/12/14, Term C                             | 84,249     |
| 332                                    | 6.621%, 11/29/12, Term A (b)                        | 305,069    |
| 91                                     | 6.648%, 1/12/13, Term B                             | 73,636     |
| 31                                     | 6.648%, 11/29/13, Term B (b)                        | 25,214     |
| 207                                    | 6.839%, 1/12/13, Term B                             | 167,824    |
| 413                                    | 6.848%, 1/12/13, Term B                             | 334,001    |
| 13                                     | 6.898%, 1/12/14, Term C (b)                         | 11,153     |

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| Principal Amount (000)                        |                                                | Value*     |
|-----------------------------------------------|------------------------------------------------|------------|
| <b>Containers &amp; Packaging (continued)</b> |                                                |            |
| 120                                           | 6.898%, 1/12/14, Term C                        | \$100,296  |
| 461                                           | 6.898%, 2/18/15, Term C                        | 384,604    |
| 152                                           | 6.899%, 1/12/13, Term B                        | 122,901    |
| 715                                           | 6.996%, 2/18/14, Term B                        | 578,735    |
| 445                                           | 7.098%, 1/12/14, Term C                        | 371,693    |
| 281                                           | 7.22%, 1/12/13, Term B                         | 227,408    |
| 109                                           | 7.22%, 11/29/13, Term B                        | 88,314     |
| 182                                           | 7.243%, 1/12/14, Term C                        | 152,343    |
| 121                                           | 7.246%, 11/29/14, Term C (b)                   | 101,093    |
| 141                                           | 7.267%, 11/29/14, Term C (b)                   | 117,942    |
| 188                                           | 7.443%, 1/12/14, Term C                        | 157,102    |
| 136                                           | 7.47%, 11/29/14, Term C                        | 113,904    |
|                                               | Smurfit-Stone Container,                       |            |
| \$911                                         | 3.826%, 11/1/10                                | 724,533    |
| 526                                           | 4.813%, 11/1/11, Term B                        | 417,853    |
| 1,341                                         | 4.813%, 11/1/11, Term C                        | 1,066,432  |
| 392                                           | 5.125%, 11/1/10, Term C                        | 311,792    |
| 193                                           | 5.125%, 11/1/11, Term B                        | 153,674    |
| 416                                           | 5.125%, 11/1/11, Term C                        | 330,802    |
|                                               |                                                | 13,395,492 |
| <b>Diversified Manufacturing 1.5%</b>         |                                                |            |
| 3,239                                         | Bombardier, Inc., 7.01%, 6/26/13, Term B (b)   | 2,242,930  |
| 9,056                                         | Grant Forest Products, 11.25%, 9/16/13 (b)     | 4,188,368  |
|                                               | KION Group GmbH (b),                           |            |
| 3,000                                         | 5.118%, 12/20/14, Term B                       | 1,863,000  |
| 3,000                                         | 5.618%, 12/20/15, Term C                       | 1,863,000  |
|                                               | Linpac Mouldings Ltd. (b),                     |            |
| 1,016                                         | 6.262%, 4/16/12, Term B                        | 705,914    |
| 1,277                                         | 6.762%, 4/16/12, Term C                        | 887,616    |
|                                               |                                                | 11,750,828 |
| <b>Drugs &amp; Medical Products 2.4%</b>      |                                                |            |
|                                               | Bausch & Lomb, Inc.,                           |            |
| 130                                           | 7.012%, 4/26/15                                | 105,517    |
| 3,010                                         | 7.012%, 4/26/15, Term B                        | 2,443,461  |
|                                               | Mylan Laboratories, Inc., Term B,              |            |
| 21                                            | 6.625%, 10/2/14 (b)                            | 18,347     |
| 2,201                                         | 6.625%, 10/2/14                                | 1,900,748  |
| 1,225                                         | 6.75%, 10/2/14 (b)                             | 1,057,873  |
| 4,988                                         | 7.063%, 10/2/14                                | 4,306,831  |
|                                               | Nycomed Holdings (b),                          |            |
| 2,236                                         | 7.423%, 12/20/15, Term B                       | 1,467,591  |
| 1,704                                         | 7.423%, 12/29/16, Term B                       | 1,118,008  |
| 1,704                                         | 8.173%, 12/20/15, Term C                       | 1,156,409  |
| 2,236                                         | 8.173%, 12/29/16, Term C                       | 1,517,480  |
| \$950                                         | Stiefel Laboratories, Inc., 7.00%, 1/10/14 (b) | 774,517    |
|                                               | Warner Chilcott PLC,                           |            |
| 2,271                                         | 5.762%, 1/18/12, Term B                        | 1,876,882  |
| 852                                           | 5.762%, 1/18/12, Term C                        | 704,225    |
|                                               |                                                | 18,447,889 |

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| Principal Amount (000)         |                                              | Value*     |
|--------------------------------|----------------------------------------------|------------|
| <b>Electronics 0.1%</b>        |                                              |            |
|                                | Sensata Technologies, Inc. (b),              |            |
| 992                            | 4.912%, 4/27/13                              | \$994,120  |
| 3                              | 6.738%, 4/27/13                              | 2,547      |
|                                |                                              | 996,667    |
| <b>Energy 1.9%</b>             |                                              |            |
|                                | Alon USA Energy, Inc. (b),                   |            |
| \$1,189                        | 5.06%, 6/8/13                                | 986,753    |
| 649                            | 5.06%, 6/8/13, Term DD                       | 538,344    |
| 4,000                          | 5.469%, 6/8/13                               | 3,320,000  |
| 4,896                          | Headwaters, Inc., 8.27%, 4/30/11, Term B (b) | 4,455,747  |
|                                | Longview Power (b),                          |            |
| 267                            | 3.663%, 2/28/13, Term LC                     | 192,889    |
| 800                            | 5.125%, 2/28/14, Term B                      | 578,666    |
| 933                            | 5.75%, 2/28/14, Term DD                      | 675,111    |
| 2,500                          | NRG Energy Holding, 3.762%, 2/1/13           | 2,177,082  |
|                                | Targa Resources, Inc.,                       |            |
| 774                            | 3.762%, 10/31/11                             | 591,407    |
| 32                             | 5.762%, 10/31/12, Term B                     | 24,642     |
| 1,323                          | 5.975%, 10/31/12, Term B                     | 1,010,911  |
|                                |                                              | 14,551,552 |
| <b>Entertainment 2.1%</b>      |                                              |            |
| 12,592                         | MGM Studios, 7.012%, 4/8/12, Term B          | 6,366,748  |
|                                | Revolution Studios LLC (b),                  |            |
| 553                            | 5.62%, 12/21/12, Term A                      | 458,637    |
| 4,078                          | 6.87%, 12/21/14, Term B                      | 3,384,865  |
|                                | Warner Music Group, Inc., Term B,            |            |
| 1,979                          | 3.768%, 2/28/11                              | 1,602,746  |
| 1,666                          | 4.81%, 2/28/11 (b)                           | 1,349,545  |
| 1,666                          | 4.81%, 2/28/11                               | 1,349,545  |
| 698                            | 5.188%, 2/28/11 (b)                          | 565,151    |
| 1,094                          | 5.541%, 2/28/11                              | 886,201    |
| 555                            | 5.834%, 2/28/11                              | 449,849    |
|                                |                                              | 16,413,287 |
| <b>Financial Services 4.6%</b> |                                              |            |
| 3,500                          | Bearingpoint, Inc., 7.842%, 5/18/12 (b)      | 1,575,000  |
| 3,358                          | Chrysler Financial Corp., 6.82%, 8/3/12      | 2,302,740  |
|                                | FCI S.A., Term B (b),                        |            |
| 484                            | 4.331%, 3/9/13                               | 391,870    |
| 3,305                          | 4.331%, 3/8/14                               | 2,676,663  |
|                                | First Data Corp.,                            |            |
| 618                            | 5.948%, 9/24/14, Term B                      | 457,575    |
| 462                            | 6.025%, 9/24/14                              | 342,288    |
| 4,925                          | 6.025%, 9/24/14, Term B                      | 3,637,785  |
| 397                            | 6.512%, 9/24/14, Term B                      | 293,104    |
|                                | Fresenius SE (b),                            |            |
| 1,751                          | 7.00%, 8/20/13                               | 1,636,743  |
| 3,249                          | 7.00%, 8/22/14                               | 3,038,256  |

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| Principal Amount (000)                 |                                                       | Value*      |
|----------------------------------------|-------------------------------------------------------|-------------|
| <b>Financial Services (continued)</b>  |                                                       |             |
| \$1,995                                | Lender Processing Services, Inc., 5.618%, 6/18/14 (b) | \$1,835,400 |
| 1,260                                  | Nielson Finance, 4.388%, 8/9/13, Term B               | 918,604     |
|                                        | Nuveen Investments,                                   |             |
| 5,184                                  | 6.118%, 11/13/14, Term B                              | 2,989,203   |
| 1,296                                  | 6.259%, 11/1/14 (b)                                   | 747,301     |
| 231                                    | 6.274%, 11/1/14 (b)                                   | 133,082     |
| 3,240                                  | 6.769%, 11/1/14, Term B                               | 1,868,252   |
|                                        | One (b),                                              |             |
| 3,250                                  | 7.254%, 2/4/16, Term B                                | 3,317,538   |
| 3,250                                  | 7.754%, 2/4/17, Term C                                | 3,317,537   |
|                                        | Universal City,                                       |             |
| \$196                                  | 6.00%, 6/9/11 (b)                                     | 168,959     |
| 411                                    | 6.00%, 6/9/11                                         | 353,124     |
| 147                                    | 7.59%, 6/9/11, Term B (b)                             | 126,719     |
| 246                                    | 7.82%, 6/9/11, Term B                                 | 211,198     |
| 3,000                                  | Yell Finance BV, 6.118%, 2/10/13                      | 2,070,000   |
| 1,500                                  | YellowBrix, Inc., 9.007%, 6/4/17 (b)                  | 1,512,160   |
|                                        |                                                       | 35,921,101  |
| <b>Food Services 1.5%</b>              |                                                       |             |
|                                        | Arby's Restaurant Group, Inc., Term B,                |             |
| \$491                                  | 4.93%, 7/25/12                                        | 368,542     |
| 506                                    | 5.25%, 7/25/12                                        | 379,778     |
| 1,948                                  | 5.715%, 7/25/12                                       | 1,460,686   |
| 4,344                                  | 5.758%, 7/25/12                                       | 3,258,024   |
| 1,850                                  | 6.012%, 7/25/12                                       | 1,387,293   |
|                                        | Michael Foods, Inc., Term B (b),                      |             |
| 2,864                                  | 4.845%, 11/21/10                                      | 2,534,227   |
| 195                                    | 5.194%, 11/21/10                                      | 172,961     |
| 3,448                                  | Sturm Foods, Inc., 6.00%, 1/30/14 (b)                 | 2,180,544   |
|                                        |                                                       | 11,742,055  |
| <b>Healthcare &amp; Hospitals 5.3%</b> |                                                       |             |
| 7,870                                  | Biomet, Inc., 6.762%, 3/25/15, Term B                 | 6,868,542   |
|                                        | Capio AB (b),                                         |             |
| 266                                    | 7.165%, 3/8/15, Term B                                | 260,527     |
| 904                                    | 7.165%, 3/8/16, Term C                                | 885,284     |
| 674                                    | 7.290%, 3/8/15, Term B                                | 664,102     |
| 266                                    | 7.290%, 3/8/16, Term C                                | 262,046     |
|                                        | Community Health Systems, Inc.,                       |             |
| \$1,531                                | 4.018%, 7/25/14                                       | 1,230,637   |
| 2,901                                  | 5.06%, 7/25/14, Term B                                | 2,331,756   |
| 603                                    | 5.973%, 7/25/14, Term B (b)                           | 484,567     |
|                                        | DaVita, Inc., Term B,                                 |             |
| 1,786                                  | 4.20%, 10/5/12                                        | 1,556,698   |
| 105                                    | 4.32%, 10/5/12                                        | 91,692      |
| 35                                     | 5.22%, 10/5/12                                        | 30,564      |
| 210                                    | 5.27%, 10/5/12                                        | 183,384     |
| 259                                    | 5.27%, 10/5/12 (b)                                    | 225,745     |
| 1,088                                  | 5.39%, 10/5/12                                        | 948,521     |
| 105                                    | 6.32%, 10/5/12                                        | 91,692      |

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| Principal Amount (000)                        |                                                    | Value*      |
|-----------------------------------------------|----------------------------------------------------|-------------|
| <b>Healthcare &amp; Hospitals (continued)</b> |                                                    |             |
| \$10,812                                      | HCA, Inc., 6.012%, 11/18/13, Term B                | \$8,950,047 |
|                                               | HealthSouth Corp.,                                 |             |
| 80                                            | 4.27%, 3/10/13 (b)                                 | 66,321      |
| 4,136                                         | 4.27%, 3/10/13                                     | 3,436,804   |
| 3,000                                         | ISTA, 8.872%, 6/15/16                              | 1,708,064   |
| \$2,449                                       | MultiPlan, Inc., 5.625%, 4/12/13, Term B (b)       | 1,928,719   |
|                                               | Psychiatric Solutions, Inc., Term B (b),           |             |
| 2,511                                         | 3.928%, 7/7/12                                     | 2,062,275   |
| 1,640                                         | 4.868%, 7/7/12                                     | 1,346,669   |
| 5,192                                         | Renal Advantage, Inc., 5.319%, 10/6/12, Term B (b) | 3,868,322   |
|                                               | United Surgical (b),                               |             |
| 95                                            | 4.941%, 4/18/14, Term DD                           | 65,185      |
| 5                                             | 5.53%, 4/19/14, Term B                             | 3,315       |
| 780                                           | 5.55%, 4/19/14, Term B                             | 534,434     |
| 45                                            | 5.93%, 4/18/14, Term DD                            | 30,935      |
| 872                                           | 6.19%, 4/18/14                                     | 597,363     |
| 166                                           | 6.19%, 4/19/14, Term DD                            | 113,798     |
|                                               |                                                    | 40,828,008  |
| <b>Hotels/Gaming 1.6%</b>                     |                                                    |             |
| 693                                           | CCM Merger, Inc., 4.815%, 7/21/12, Term B (b)      | 426,139     |
|                                               | Harrah's Entertainment, Inc.,                      |             |
| 6,368                                         | 6.535%, 1/28/15                                    | 4,383,368   |
| 97                                            | 6.762%, 1/28/15                                    | 67,092      |
| 487                                           | Las Vegas Sands Corp., 5.52%, 5/23/14              | 279,968     |
|                                               | MotorCity Casino, Term B (b),                      |             |
| 5,973                                         | 4.808%, 7/21/12                                    | 3,673,116   |
| 1,732                                         | 4.811%, 7/21/12                                    | 1,065,346   |
| 4,851                                         | Wimar OPCO LLC, 8.25%, 1/3/12, Term B              | 2,251,569   |
|                                               |                                                    | 12,146,598  |
| <b>Household Products 0.3%</b>                |                                                    |             |
|                                               | Springer S.A. (b),                                 |             |
| 1,962                                         | 6.138%, 9/16/11, Term B                            | 1,378,423   |
| 840                                           | 6.513%, 7/22/12                                    | 590,266     |
| 840                                           | 6.513%, 9/16/12, Term C                            | 590,265     |
|                                               |                                                    | 2,558,954   |
| <b>Leasing 0.3%</b>                           |                                                    |             |
|                                               | Rental Service Corp.,                              |             |
| 444                                           | 7.61%, 11/21/13 (b)                                | 273,944     |
| 1,328                                         | 7.71%, 11/21/13 (b)                                | 819,915     |
| 2,218                                         | 7.71%, 11/30/13                                    | 1,369,720   |
|                                               |                                                    | 2,463,579   |
| <b>Manufacturing 2.5%</b>                     |                                                    |             |
| 1,000                                         | Boc Group, Inc., 8.56%, 11/30/14 (b)               | 495,000     |
| 4,141                                         | Bombardier, Inc., 5.35%, 6/26/13, Term B (b)       | 2,867,544   |
|                                               | Dresser-Rand Group, Inc., Term T,                  |             |
| 5,570                                         | 5.057%, 5/4/14                                     | 4,053,638   |
| 254                                           | 5.368%, 5/4/14                                     | 184,753     |

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| Principal Amount (000)           |                                                        | Value*      |
|----------------------------------|--------------------------------------------------------|-------------|
| <b>Manufacturing (continued)</b> |                                                        |             |
|                                  | Lucite International Ltd., (b),                        |             |
| \$2,171                          | 5.37%, 5/26/13, Term B                                 | \$1,970,539 |
| 769                              | 5.37%, 5/26/13, Term DD                                | 612,552     |
| 5,925                            | Polypore, Inc., 5.39%, 5/15/14 (b)                     | 4,621,500   |
| 313                              | TPF Generation, 3.662%, 12/15/13 (b)                   | 264,039     |
| 6,078                            | Xerium Technologies, Inc., 9.262%, 5/18/12, Term B (b) | 4,497,916   |
|                                  |                                                        | 19,567,481  |
| <b>Multi-Media 8.5%</b>          |                                                        |             |
| 7,298                            | American Media Operations, Inc., 7.56%, 1/30/13 (b)    | 4,907,709   |
| 1,222                            | Atlantic Broadband, Inc., 6.02%, 8/9/12, Term B (b)    | 1,118,146   |
| 25                               | Cablevision Systems Corp., 4.569%, 3/30/13, Term B     | 21,685      |
|                                  | Casema NV (b),                                         |             |
| 531                              | 7.004%, 9/12/14                                        | 550,525     |
| 819                              | 7.004%, 9/12/14, Term B                                | 856,716     |
| 1,350                            | 7.504%, 9/12/14, Term C                                | 1,405,551   |
| \$7,000                          | Charter Communications, 5.301%, 9/6/14                 | 5,270,783   |
|                                  | CMP Susquhanna Corp., Term B (b),                      |             |
| 949                              | 3.986%, 5/5/13                                         | 426,897     |
| 1,897                            | 5.249%, 5/5/13                                         | 853,794     |
|                                  | CSC Holdings, Inc.,                                    |             |
| 4,704                            | 4.569%, 3/30/13, Term B                                | 4,088,959   |
| 3,000                            | 9.75%, 7/8/13 (b)                                      | 2,520,000   |
| 4,489                            | Insight Communications, 7.77%, 4/21/15 (b)             | 3,710,701   |
| 2,700                            | Kabel, 8.227%, 3/22/14, Term C (b)                     | 2,696,193   |
| \$1,091                          | Macrovision, 7.48%, 5/2/13 (b)                         | 992,727     |
|                                  | Macrovision Solutions Corp. (b),                       |             |
| 545                              | 7.25%, 4/30/13                                         | 496,364     |
| 359                              | 7.48%, 4/30/13                                         | 326,359     |
| 4,925                            | MGM Studios, 7.012%, 4/8/12, Term B                    | 2,490,203   |
| 3,687                            | NTL Investment, 5.834%, 1/6/13, Term B                 | 2,553,074   |
| 5,200                            | ProSieben Sat.1 Media AG, 6.845%, 5/9/15 (b)           | 3,646,010   |
|                                  | Seven Media Group, Term T,                             |             |
| AUD7,150                         | 9.485%, 2/7/13                                         | 3,125,153   |
| AUD1,733                         | 10.51%, 2/7/13                                         | 757,613     |
| \$1,995                          | Source Media, Inc., 8.77%, 11/8/11, Term B (b)         | 1,346,652   |
| 4,300                            | Telediffusion De France, 7.00%, 1/19/14 (b)            | 4,498,410   |
| \$1,391                          | Thomas Media, 8.77%, 11/8/11, Term B (b)               | 939,022     |
| 1,963                            | Time Warner Cable, Inc., 5.12%, 1/7/13, Term B (b)     | 1,609,515   |
|                                  | Univision Communications, Inc.,                        |             |
| 9,750                            | 4.608%, 9/15/14, Term B                                | 5,299,125   |
| 1,541                            | 4.858%, 3/15/09                                        | 1,352,227   |
| 2,500                            | Weather Channel, 7.25%, 7/25/15 (b)                    | 2,327,082   |
|                                  | Young Broadcasting, Inc. (b),                          |             |
| 2,250                            | 5.25%, 5/2/12, Term B                                  | 1,488,079   |
| 6,878                            | 5.25%, 11/3/12, Term B                                 | 4,548,073   |
| 71                               | 6.313%, 11/3/12                                        | 47,157      |
|                                  |                                                        | 66,270,504  |

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| Principal Amount (000)           |                                                          | Value*     |
|----------------------------------|----------------------------------------------------------|------------|
| <b>Oil &amp; Gas 1.1%</b>        |                                                          |            |
|                                  | Big West Oil LLC (b),                                    |            |
| \$1,375                          | 5.25%, 5/2/14                                            | \$928,125  |
| 1,094                            | 5.25%, 5/2/14, Term B                                    | 738,281    |
|                                  | Oxbow Carbon & Minerals LLC (b),                         |            |
| 202                              | 5.762%, 5/4/14                                           | 146,764    |
| 3,427                            | 5.762%, 5/4/14, Term B                                   | 2,484,295  |
| 326                              | 5.762%, 5/4/14, Term DD                                  | 236,170    |
| 1,995                            | Quicksilver Resources, Inc., 7.75%, 8/5/13 (b)           | 1,640,888  |
| 2,500                            | Vulcan Energy, 6.25%, 8/12/11 (b)                        | 2,187,500  |
|                                  |                                                          | 8,362,023  |
| <b>Paper/Paper Products 0.8%</b> |                                                          |            |
|                                  | Georgia-Pacific Corp., Term B,                           |            |
| 6,516                            | 4.567%, 12/20/12                                         | 5,428,210  |
| 506                              | 4.868%, 12/20/12                                         | 421,527    |
| 669                              | 5.512%, 12/20/12                                         | 557,354    |
|                                  |                                                          | 6,407,091  |
| <b>Printing/Publishing 1.3%</b>  |                                                          |            |
| 212                              | Idearc, Inc., 5.12%, 11/17/14                            | 91,703     |
|                                  | RH Donnelley Corp.,                                      |            |
| 36                               | 6.75%, 6/30/11                                           | 23,499     |
| 2,446                            | 6.75%, 6/30/11, Term D                                   | 1,599,140  |
| 179                              | 7.17%, 6/30/11, Term D                                   | 117,196    |
| 261                              | 7.52%, 6/30/11, Term D                                   | 170,484    |
| 3,395                            | Seat Pagine Gialle SpA, 4.607%, 6/8/12, Term A (b)       | 3,053,870  |
|                                  | Tribune Co.,                                             |            |
| \$4,975                          | 6.50%, 6/4/14, Term B (b)                                | 1,840,703  |
| 4,151                            | 7.084%, 6/4/09, Term X                                   | 3,266,946  |
|                                  |                                                          | 10,163,541 |
| <b>Recreation 2.1%</b>           |                                                          |            |
|                                  | Amadeus Global Travel,                                   |            |
| 1,695                            | 4.85%, 4/8/13, Term B (b)                                | 940,591    |
| 3,336                            | 4.85%, 4/8/13, Term B                                    | 1,920,299  |
| 1,695                            | 5.35%, 4/8/14, Term C (b)                                | 975,546    |
| 3,336                            | 5.35%, 4/8/14, Term C                                    | 1,851,312  |
| 6,833                            | Cedar Fair L.P., 5.118%, 8/30/12                         | 5,021,980  |
|                                  | Travelport,                                              |            |
| 5,925                            | 5.368%, 8/23/13, Term DD                                 | 3,614,250  |
| 3,559                            | 6.012%, 8/23/13                                          | 2,211,813  |
|                                  |                                                          | 16,535,791 |
| <b>Telecommunications 9.8%</b>   |                                                          |            |
|                                  | Alltel Corp.,                                            |            |
| 2,487                            | 4.997%, 5/15/15                                          | 2,373,948  |
| 2,712                            | 4.997%, 5/15/15, Term B                                  | 2,595,851  |
| 3,723                            | 5.316%, 5/15/15, Term B                                  | 3,553,647  |
| 4,000                            | Brocade Communications Systems, Inc., 5.75%, 9/22/13 (b) | 3,715,000  |

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| Principal Amount (000)                |                                                              | Value*     |
|---------------------------------------|--------------------------------------------------------------|------------|
| <b>Telecommunications (continued)</b> |                                                              |            |
|                                       | Centennial Cellular Communications Corp.,                    |            |
| \$898                                 | 5.118%, 2/9/11                                               | \$772,363  |
| 3,370                                 | 5.762%, 2/9/11                                               | 2,898,493  |
|                                       | eircom Group PLC (b),                                        |            |
| 3,700                                 | 6.379%, 8/15/14, Term B                                      | 2,973,420  |
| 3,700                                 | 6.629%, 8/15/15, Term C                                      | 3,005,677  |
| 2,000                                 | 8.754%, 2/15/16                                              | 1,293,412  |
| \$1,000                               | FairPoint Communications, Inc., 6.563%, 3/8/15 (b)           | 706,250    |
| 5,631                                 | Hawaiian Telcom Communications, Inc., 6.262%, 6/1/14, Term C | 3,069,066  |
|                                       | Integra Telecom, Inc., Term T (b),                           |            |
| 2,515                                 | 7.06%, 8/31/13                                               | 1,691,224  |
| 1,886                                 | 7.219%, 8/31/13                                              | 1,268,418  |
| 3,006                                 | 8.012%, 8/31/13                                              | 2,021,436  |
|                                       | Intelsat Ltd.,                                               |            |
| 4,342                                 | 6.65%, 7/3/12                                                | 3,734,345  |
| 2,977                                 | 6.65%, 1/3/14                                                | 2,560,405  |
| 5,500                                 | 6.834%, 2/1/14                                               | 4,317,500  |
|                                       | Nordic Telephone Co. Holdings ApS,                           |            |
| 4,284                                 | 6.354%, 11/30/13, Term B                                     | 4,420,019  |
| 5,130                                 | 6.604%, 11/30/14, Term C                                     | 5,317,435  |
| \$7,500                               | Qwest Corp., 6.95%, 6/30/10, Term B                          | 7,087,500  |
| 4,100                                 | Telenet Bidco NV, 7.892%, 8/1/15, Term C (b)                 | 4,276,184  |
|                                       | Telesat Canada, Inc.,                                        |            |
| \$85                                  | 5.58%, 10/22/14, Term DD                                     | 85,039     |
| 1,186                                 | 5.81%, 10/22/14 (b)                                          | 908,145    |
| 45                                    | 5.81%, 10/22/14, Term DD                                     | 34,734     |
| 142                                   | 5.89%, 10/31/14 (b)                                          | 108,543    |
| 452                                   | 6.28%, 10/22/14, Term B                                      | 346,407    |
| 4,942                                 | 6.42%, 10/22/14, Term B                                      | 3,784,885  |
| 1,649                                 | 6.52%, 10/31/14, Term B                                      | 1,262,720  |
| 435                                   | 6.77%, 10/22/14, Term DD                                     | 332,866    |
| 745                                   | Verizon IDEARC, Inc., 5.77%, 11/17/14, Term B                | 321,455    |
| 5,300                                 | Weather Investments, 11.473%, 11/26/14 (b)                   | 5,463,904  |
|                                       |                                                              | 76,300,291 |
| <b>Transportation 0.5%</b>            |                                                              |            |
| \$5,438                               | Fleetpride Corp., 6.262%, 6/6/13, Term B (b)                 | 3,507,188  |
| <b>Utilities 1.8%</b>                 |                                                              |            |
|                                       | AES Corp., Term B (b),                                       |            |
| 3,720                                 | 5.063%, 8/10/11                                              | 3,143,159  |
| 3,720                                 | 5.10%, 8/10/11                                               | 3,143,159  |
| 2,138                                 | Midwest Generation LLC, 4.538%, 12/31/11, Term B (b)         | 1,823,007  |
|                                       | Texas Competitive Electric Holdings Co. LLC,                 |            |
| 5,330                                 | 5.268%, 10/10/14, Term B                                     | 4,161,397  |
| 840                                   | 5.888%, 10/10/14                                             | 659,052    |
| 565                                   | 7.64%, 10/10/14                                              | 441,124    |
|                                       | TXU Tech,                                                    |            |
| 749                                   | 5.268%, 10/10/14, Term B1                                    | 589,345    |
| 110                                   | 7.262%, 10/10/14                                             | 86,037     |
| 241                                   | 7.64%, 10/10/14                                              | 189,931    |
|                                       |                                                              | 14,236,211 |

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| Principal Amount (000)                   |                                                     | Credit Rating (Moody's/S&P) | Value*      |
|------------------------------------------|-----------------------------------------------------|-----------------------------|-------------|
| <b>Waste Disposal 1.0%</b>               |                                                     |                             |             |
|                                          | Allied Waste North America, Inc.,                   |                             |             |
| \$1,279                                  | 2.363%, 3/28/14                                     |                             | \$1,223,308 |
| 82                                       | 2.69%, 3/28/14, Term B                              |                             | 78,532      |
| 1,088                                    | 2.83%, 3/28/14, Term B                              |                             | 1,041,244   |
| 570                                      | 3.56%, 3/28/14, Term B                              |                             | 545,413     |
|                                          | AVR-Bedrijven NV (b),                               |                             |             |
| 467                                      | 6.754%, 3/1/14, Term B                              |                             | 458,895     |
| 4,148                                    | 7.392%, 3/1/14                                      |                             | 4,076,447   |
|                                          |                                                     |                             | 7,423,839   |
| <b>Wholesale 0.9%</b>                    |                                                     |                             |             |
|                                          | Roundy's, Inc., Term B,                             |                             |             |
| \$4,338                                  | 4.93%, 10/27/11                                     |                             | 3,524,806   |
| 124                                      | 5.75%, 10/27/11 (b)                                 |                             | 100,547     |
| 4,338                                    | 5.97%, 10/27/11 (b)                                 |                             | 3,524,806   |
|                                          |                                                     |                             | 7,150,159   |
| <b>Wire &amp; Cable Products 1.0%</b>    |                                                     |                             |             |
|                                          | UPC Broadband Holding BV,                           |                             |             |
| 5,000                                    | 6.481%, 12/31/14                                    |                             | 4,357,339   |
| 4,345                                    | 6.481%, 12/31/14, Term M                            |                             | 3,786,436   |
|                                          |                                                     |                             | 8,143,775   |
|                                          | Total Senior Loans (cost \$731,463,246)             |                             | 528,776,312 |
| <b>CORPORATE BONDS &amp; NOTES 15.2%</b> |                                                     |                             |             |
| <b>Airlines 0.1%</b>                     |                                                     |                             |             |
| \$884                                    | JetBlue Airways Corp., 5.904%, 5/15/10, FRN         | B3/B+                       | 882,405     |
| <b>Apparel &amp; Textiles 0.8%</b>       |                                                     |                             |             |
| 8,600                                    | Hanesbrands, Inc., 6.508%, 12/15/14, FRN            | B2/B                        | 5,880,250   |
| <b>Automotive Products 1.1%</b>          |                                                     |                             |             |
| 9,000                                    | Goodyear Tire & Rubber Co., 6.678%, 12/1/09, FRN    | Ba3/BB-                     | 8,291,250   |
| <b>Banking 1.5%</b>                      |                                                     |                             |             |
|                                          | Bank of America Corp., (g),                         |                             |             |
| 5,000                                    | 8.00%, 1/30/18                                      | A1/A                        | 3,752,815   |
| 500                                      | 8.125%, 5/15/18                                     | A1/A                        | 388,090     |
| 1,400                                    | HBOS PLC, 6.75%, 5/21/18 (a)(d)                     | Aa3/A                       | 1,052,222   |
| £3,911                                   | Royal Bank of Scotland PLC, 9.370%, 4/6/11, FRN (f) | NR/NR                       | 5,679,397   |
| \$700                                    | UBS AG, 4.833%, 7/1/10                              | NR/NR                       | 700,695     |
|                                          |                                                     |                             | 11,573,219  |
| <b>Building/Construction 0.6%</b>        |                                                     |                             |             |
| 7,000                                    | Grohe Holding GmbH, 8.193%, 1/15/14, FRN            | B2/B                        | 4,926,377   |
| <b>Chemicals 0.2%</b>                    |                                                     |                             |             |
| 2,000                                    | Rhodia S.A., 8.068%, 10/15/13, FRN (a)(d)           | B1/BB                       | 1,635,785   |
| <b>Commercial Services 0.4%</b>          |                                                     |                             |             |
| \$4,500                                  | ARAMARK Corp., 6.301%, 2/1/15, FRN                  | B3/B                        | 3,240,000   |

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| Principal Amount (000)                   |                                                                 |  | Credit Rating (Moody's/S&P) | Value*      |
|------------------------------------------|-----------------------------------------------------------------|--|-----------------------------|-------------|
| <b>Containers &amp; Packaging 0.2%</b>   |                                                                 |  |                             |             |
| \$3,000                                  | Berry Plastics Holding Corp., 6.694%, 9/15/14, FRN              |  | Caa1/CCC+                   | \$1,635,000 |
| <b>Diversified Manufacturing 0.6%</b>    |                                                                 |  |                             |             |
| 4,500                                    | Bombardier, Inc., 8.09%, 11/15/13, FRN (a)(d)                   |  | Ba2/BB+                     | 4,479,389   |
| <b>Drugs &amp; Medical Products 0.3%</b> |                                                                 |  |                             |             |
| \$3,500                                  | Universal Hospital Services, Inc., 6.303%, 6/1/15, FRN          |  | B3/B+                       | 2,397,500   |
| <b>Electronics 0.1%</b>                  |                                                                 |  |                             |             |
| 3,300                                    | Spansion LLC, 5.935%, 6/1/13, FRN (a)(d)                        |  | B2/B                        | 726,000     |
| <b>Financial Services 3.3%</b>           |                                                                 |  |                             |             |
| 3,500                                    | Chukchansi Economic Dev. Auth., 6.328%, 11/15/12, FRN (a)(b)(d) |  | B2/B+                       | 1,872,500   |
| 5,500                                    | Citigroup, Inc., 8.40%, 4/30/18 (g)                             |  | A2/A                        | 3,829,925   |
| 5,500                                    | JPMorgan Chase & Co., 7.90%, 4/30/18 (g)                        |  | A1/A                        | 4,468,893   |
| 2,500                                    | Lehman Brothers Holdings, Inc., 7.50%, 5/11/38 (j)              |  | Caa2/NR                     | 9,375       |
| 1,400                                    | Merrill Lynch & Co., Inc., 6.875%, 4/25/18                      |  | A2/A                        | 1,246,368   |
| 2,000                                    | Morgan Stanley, 4.904%, 5/14/10, FRN                            |  | A1/A+                       | 1,841,176   |
|                                          | Universal City Florida Holding Co., 7.551%, 5/1/10, FRN         |  | B3/B-                       | 6,705,000   |
| 9,000                                    | 8.375%, 5/1/10                                                  |  | B3/B-                       | 1,490,000   |
| 2,000                                    | Wells Fargo Capital XIII, 7.70%, 3/26/13 (g)                    |  | Aa2/AA-                     | 4,501,976   |
| 5,500                                    |                                                                 |  |                             | 25,965,213  |
| <b>Hotels/Gaming 0.2%</b>                |                                                                 |  |                             |             |
| 4,672                                    | Harrah's Operating Co., Inc., 10.75%, 2/1/16 (a)(d)             |  | Caa1/B+                     | 1,541,760   |
| <b>Insurance 0.7%</b>                    |                                                                 |  |                             |             |
| 3,450                                    | American International Group, Inc., 8.25%, 8/15/18 (a)(d)       |  | A3/AA-                      | 1,423,291   |
|                                          | Residential Reins Ltd., FRN (a)(b)(d), 10.061%, 6/7/10          |  | NR/BB                       | 2,967,900   |
| 3,000                                    |                                                                 |  | NR/BB+                      | 1,179,120   |
| 1,200                                    |                                                                 |  |                             | 5,570,311   |
| <b>Metals &amp; Mining 0.3%</b>          |                                                                 |  |                             |             |
| 3,150                                    | Freeport-McMoRan Copper & Gold, Inc., 7.084%, 4/1/15, FRN       |  | Ba2/BBB-                    | 2,459,930   |
| <b>Multi-Media 0.4%</b>                  |                                                                 |  |                             |             |
| 3,200                                    | DirecTV Holdings LLC, 8.375%, 3/15/13                           |  | Ba3/BB                      | 3,016,000   |
| <b>Oil &amp; Gas 0.6%</b>                |                                                                 |  |                             |             |
|                                          | SandRidge Energy, Inc., 7.508%, 4/1/14, FRN                     |  | B3/B-                       | 2,899,909   |
| 3,625                                    | 8.00%, 6/1/18 (a)(d)                                            |  | B3/B-                       | 1,842,500   |
| 2,750                                    |                                                                 |  |                             | 4,742,409   |
| <b>Paper/Paper Products 0.8%</b>         |                                                                 |  |                             |             |
| 10,500                                   | Verso Paper Holdings LLC, 6.551%, 8/1/14, FRN                   |  | B2/B+                       | 6,142,500   |

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| Principal Amount (000)              |                                                                      |  | Credit Rating (Moody's/S&P) | Value*      |
|-------------------------------------|----------------------------------------------------------------------|--|-----------------------------|-------------|
| <b>Telecommunications 3.0%</b>      |                                                                      |  |                             |             |
| \$8,750                             | Hawaiian Telcom Communications, Inc., 8.486%, 5/1/13, FRN            |  | Caa3/CCC-                   | \$831,250   |
| 6,000                               | Hellas Telecommunications Luxembourg V, 8.818%, 10/15/12, FRN        |  | B1/B                        | 3,994,360   |
| 3,000                               | Nordic Telephone Co. Holdings ApS, 10.463%, 5/1/16, FRN (b)(d)       |  | B2/B+                       | 2,553,537   |
| \$9,150                             | Nortel Networks Ltd., 9.003%, 7/15/11, FRN                           |  | B3/B-                       | 5,009,625   |
| 4,000                               | Qwest Corp., 6.069%, 6/15/13, FRN                                    |  | Ba1/BBB-                    | 2,920,000   |
| 6,500                               | TelCordia Technologies, Inc., 8.503%, 7/15/12, FRN (a)(b)(d)         |  | B2/B                        | 4,257,500   |
| 3,955                               | Telesat Canada (a)(b)(d), 11.00%, 11/1/15                            |  | Caa1/B-                     | 2,385,266   |
| 2,565                               | 12.50%, 11/1/17                                                      |  | Caa1/B-                     | 1,542,134   |
|                                     |                                                                      |  |                             | 23,493,672  |
|                                     | Total Corporate Bonds & Notes (cost \$184,536,137)                   |  |                             | 118,598,970 |
| <b>ASSET-BACKED SECURITIES 0.1%</b> |                                                                      |  |                             |             |
| 493                                 | CIT Group Home Equity Loan Trust, 3.529%, 6/25/33, FRN               |  | Aaa/AAA                     | 425,869     |
| 490                                 | Salomon Brothers Mortgage Securities VII, Inc., 3.559%, 3/25/32, FRN |  | NR/AAA                      | 470,012     |
|                                     | Total Asset-Backed Securities (cost \$983,416)                       |  |                             | 895,881     |
| <b>Shares</b>                       |                                                                      |  |                             |             |
| <b>PREFERRED STOCK 0.1%</b>         |                                                                      |  |                             |             |
| <b>Automotive Products 0.1%</b>     |                                                                      |  |                             |             |
| 20,275                              | Dura Automotive Systems, Inc., 7.50% (e)(f)(i) (cost \$2,000,000)    |  | NR/NR                       | 669,075     |
| <b>COMMON STOCK 0.0%</b>            |                                                                      |  |                             |             |
| <b>Automotive Products 0.0%</b>     |                                                                      |  |                             |             |
| 81,383                              | Dura Automotive Systems, Inc. (f)(i) (cost \$1,317,433)              |  |                             | 223,803     |
| <b>Principal Amount (000)</b>       |                                                                      |  |                             |             |
| <b>SHORT-TERM INVESTMENTS 16.6%</b> |                                                                      |  |                             |             |
| <b>U.S. Treasury Bills (h) 7.6%</b> |                                                                      |  |                             |             |
| \$58,700                            | 0.10%-1.70%, 11/28/08-12/11/08 (cost \$58,658,986)                   |  |                             | 58,658,986  |
| <b>Commercial Paper 2.2%</b>        |                                                                      |  |                             |             |
|                                     | Citigroup Funding, Inc.,                                             |  |                             |             |
| 12,800                              | 3.35%, 1/26/09                                                       |  | P-1/A-1+                    | 12,693,504  |
| 4,700                               | 3.60%, 1/22/09                                                       |  | P-1/A-1+                    | 4,663,246   |
|                                     | Total Commercial Paper (cost \$17,362,347)                           |  |                             | 17,356,750  |
| <b>Corporate Notes 1.7%</b>         |                                                                      |  |                             |             |
| <b>Multi-Media 0.6%</b>             |                                                                      |  |                             |             |
| 5,000                               | Cablevision Systems Corp., 8.334%, 4/1/09, FRN                       |  | B2/B+                       | 4,875,000   |
| <b>Paper/Paper Products 0.0%</b>    |                                                                      |  |                             |             |
| 350                                 | Weyerhaeuser Co., 4.198%, 9/24/09, FRN                               |  | Baa2/BBB                    | 334,495     |



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| Principal Amount (000)            |                                                                                                                                                   | Credit Rating (Moody s/S&P) | Value*               |
|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------------|
| <b>Telecommunications 1.1%</b>    |                                                                                                                                                   |                             |                      |
| \$2,000                           | Qwest Capital Funding, Inc., 7.00%, 8/3/09                                                                                                        | B1/B+                       | \$1,910,000          |
| 6,550                             | Qwest Communications International, Inc., 6.304%, 2/15/09, FRN                                                                                    | Ba3/B+                      | 6,353,500            |
|                                   |                                                                                                                                                   |                             | 8,263,500            |
|                                   | Total Corporate Notes (cost \$13,941,448)                                                                                                         |                             | 13,472,995           |
| <b>Repurchase Agreements 5.1%</b> |                                                                                                                                                   |                             |                      |
| 39,300                            | Deutsche Bank, dated 10/31/08, 0.15% due 11/3/08. proceeds \$39,300,491; collateralized by Fannie Mae, 4.15%, due 1/13/12, valued at \$40,075,238 |                             |                      |
|                                   | including accrued interest (cost \$39,300,000)                                                                                                    |                             | 39,300,000           |
|                                   | Total Short-Term Investments (cost \$129,262,781)                                                                                                 |                             | 128,788,731          |
| <b>Contracts</b>                  |                                                                                                                                                   |                             |                      |
| <b>OPTIONS PURCHASED (i) 0.0%</b> |                                                                                                                                                   |                             |                      |
|                                   | <b>Put Options 0.0%</b>                                                                                                                           |                             |                      |
| 1,120                             | Financial Future Euro 90 day (CME), strike price \$93, expires 3/16/09                                                                            |                             | 7,000                |
| 43                                | strike price \$94, expires 3/16/09                                                                                                                |                             | 269                  |
| 540                               | United Kingdom 90 day (LIFFE), strike price \$91.25, expires 12/17/08                                                                             |                             | 1                    |
| 500                               | strike price \$91.375 expires 12/17/08                                                                                                            |                             | 1                    |
|                                   | Total Options Purchased (cost \$23,385)                                                                                                           |                             | 7,271                |
|                                   | <b>Total Investments (cost \$1,049,586,398) 100.0%</b>                                                                                            |                             | <b>\$777,960,043</b> |

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**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, based on quotes obtained from a quotation reporting system, established market makers, or pricing services.

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 procedures established by the Board of Trustees, or persons acting at their discretion pursuant to procedures 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 Fund's investments, including over-the-counter options, are valued using prices supplied by an independent pricing service or dealer quotations, or by using the last sale price on the exchange that is the primary market for such securities, or the last quoted mean price for those securities for which the over-the-counter market is the primary market or for listed securities in which there were no sales. Prices obtained from 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 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. Investments initially valued in currencies other than the 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 determined weekly on the last business day of the week that the NYSE is open for trading, generally as of close of regular trading (normally, 4:00 p.m. Eastern time) on the NYSE that day.

(a) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$555,681,679, representing 71.42% of total investments.

(b) Illiquid security.

(c) These securities generally pay interest at rates which are periodically pre-determined by reference to a base lending rate plus a premium. These base lending rates are generally either the lending rate offered by one or more major European banks, such as the LIBOR or the prime rate offered by one or more major United States banks, or the certificate of deposit rate. These securities are generally considered to be restricted as the Fund is ordinarily contractually obligated to receive approval from the Agent bank and/or borrower prior to disposition. Remaining maturities of senior loans may be less than the stated maturities shown as a result of contractual or optional payments by the borrower. Such prepayments cannot be predicted with certainty. The interest rate disclosed reflects the rate in effect on October 31, 2008.

(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.

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- (e) Security in default.
- (f) Fair valued Securities with an aggregate value of \$6,572,275, representing 0.84% of total investments.
- (g) Perpetual maturity security. Maturity date shown is the first call date. Interest rate is fixed until the first call date and variable thereafter.
- (h) All or partial amount segregated as collateral for swaps.
- (i) Non-income producing.
- (j) Issuer in default.

### **Glossary:**

AUD Australian Dollar

£ British Pound

CME Chicago Mercantile Exchange

CMO Collateralized Mortgage Obligation

Euro

FRN Floating Rate Note. The interest rate disclosed reflects the rate in effect on October 31, 2008.

LIBOR London Inter-Bank Offered Rate

LIFFE London International Financial Futures and Options Exchange

NR Not Rated

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**Other Investments:**

(1) Credit default swap contracts outstanding at October 31, 2008:

| Swap Counterparty/<br>Referenced Debt Issuer | Notional Amount<br>Payable on Default<br>(000) | Termination<br>Date | Payments<br>Received<br>(Paid) by Fund | Unrealized<br>Appreciation<br>(Depreciation) |
|----------------------------------------------|------------------------------------------------|---------------------|----------------------------------------|----------------------------------------------|
| Bank of America:                             |                                                |                     |                                        |                                              |
| Bombardier                                   | \$3,500                                        | 6/20/10             | 3.80%                                  | \$28,738                                     |
| Dynegy Holdings                              | 6,000                                          | 3/20/13             | 4.30%                                  | (735,207)                                    |
| HCA                                          | 5,000                                          | 9/20/13             | 4.65%                                  | (649,065)                                    |
| Las Vegas Sands                              | 3,500                                          | 12/20/12            | 2.55%                                  | (1,079,317)                                  |
| LCDX 10 Index                                | 6,300                                          | 6/20/13             | 3.25%                                  | (541,130)                                    |
| Williams Cos.                                | 5,000                                          | 12/20/09            | 1.65%                                  | (22,541)                                     |
| Barclays Bank:                               |                                                |                     |                                        |                                              |
| Sprint Nextel                                | 5,500                                          | 6/20/09             | 7.15%                                  | 117,514                                      |
| Citigroup:                                   |                                                |                     |                                        |                                              |
| Chrysler Financial                           | 1,000                                          | 6/20/13             | 5.00%                                  | (168,087)                                    |
| Freescale Semiconductor                      | 3,500                                          | 9/20/13             | 5.00%                                  | (689,019)                                    |
| Host Marriott                                | 5,000                                          | 12/20/09            | 1.70%                                  | (200,258)                                    |
| Las Vegas Sands                              | 2,000                                          | 12/20/12            | 2.55%                                  | (616,752)                                    |
| Qwest Capital Funding                        | 18,000                                         | 3/20/13             | 3.40%                                  | (2,950,236)                                  |
| R.H. Donnelley                               | 6,000                                          | 3/20/13             | 5.20%                                  | (3,389,466)                                  |
| Reliant Energy                               | 5,000                                          | 12/20/09            | 3.20%                                  | (292,747)                                    |
| Univision Communications                     | 4,000                                          | 3/20/12             | 0.97%                                  | (1,827,400)                                  |
| Credit Suisse First Boston:                  |                                                |                     |                                        |                                              |
| Dow Jones CDX SP FBF                         | 7,400                                          | 6/20/11             | 2.90%                                  | (935,050)                                    |
| Equistar Chemicals                           | \$5,000                                        | 12/20/09            | 2.25%                                  | (574,266)                                    |
| Intelsat Bermuda                             | 7,000                                          | 3/20/10             | 3.21%                                  | (275,743)                                    |
| Samis                                        | 1,400                                          | 12/20/09            | 2.15%                                  | (35,978)                                     |
| Deutsche Bank:                               |                                                |                     |                                        |                                              |
| Ford Motor                                   | 1,000                                          | 6/20/12             | 2.17%                                  | (450,680)                                    |
| Goldman Sachs:                               |                                                |                     |                                        |                                              |
| ARAMARK                                      | 800                                            | 9/20/13             | 4.50%                                  | (47,494)                                     |
| Dow Jones CDX HY-9 5 Year Index 25-35%       | 10,000                                         | 12/20/12            | 3.01%                                  | (1,763,177)                                  |
| HCA                                          | 3,500                                          | 9/20/13             | 3.00%                                  | (458,291)                                    |
| NRG Energy                                   | 6,000                                          | 9/20/13             | 4.20%                                  | (285,055)                                    |
| Royal Caribbean Cruises                      | 6,500                                          | 3/20/13             | 3.94%                                  | (1,043,639)                                  |
| JPMorgan Chase:                              |                                                |                     |                                        |                                              |
| NRG Energy                                   | 5,000                                          | 12/20/09            | 2.20%                                  | (21,036)                                     |
| Owens Brockway                               | 5,000                                          | 12/20/11            | 2.09%                                  | 84,594                                       |
| Roundy s, Inc.                               | 1,000                                          | 9/20/11             | 4.00%                                  | (40,663)                                     |
| SLM                                          | 7,000                                          | 3/20/09             | 4.40%                                  | (325,238)                                    |
| Merrill Lynch & Co.:                         |                                                |                     |                                        |                                              |
| AES                                          | 3,000                                          | 12/20/09            | 2.60%                                  | (133,136)                                    |
| Aramark                                      | 1,000                                          | 9/20/12             | 2.60%                                  | (69,107)                                     |
| ArvinMeritor                                 | 4,500                                          | 12/20/09            | 2.25%                                  | (527,560)                                    |
| Chesapeake Energy                            | 5,000                                          | 12/20/09            | 1.30%                                  | (386,228)                                    |
| CMS Energy                                   | 1,500                                          | 12/20/09            | 1.85%                                  | (5,205)                                      |
| Delhaize America                             | 5,000                                          | 12/20/09            | 1.07%                                  | 27,653                                       |
| Dow Jones CDX HY-9 Index 25-35%              | 11,800                                         | 12/20/12            | 3.23%                                  | (1,987,351)                                  |
| Dow Jones CDX HY-9 Index 25-35%              | 29,000                                         | 12/20/12            | 3.51%                                  | (4,592,655)                                  |
| Dow Jones CDX HY-9 25-35%                    | 24,000                                         | 12/20/12            | 3.81%                                  | (3,542,334)                                  |
| Dow Jones CDX HY-9 5 Year Index 25-35%       | 10,000                                         | 12/20/12            | 3.13%                                  | (1,720,096)                                  |

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|                         |       |         |       |                |
|-------------------------|-------|---------|-------|----------------|
| Georgia-Pacific         | 6,500 | 3/20/13 | 3.75% | (805,801)      |
| Wm. Wrigley Jr. Company | 1,500 | 9/20/13 | 2.80% | (16,103)       |
| Morgan Stanley:         |       |         |       |                |
| Biomet                  | 3,000 | 9/20/12 | 3.05% | (205,624)      |
| Hanes Brands            | 2,000 | 3/20/12 | 0.90% | (276,608)      |
| UBS:                    |       |         |       |                |
| LCDX 10 Index           | 7,800 | 6/20/13 | 3.25% | (666,070)      |
|                         |       |         |       | \$(34,092,914) |

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(2) Interest rate swap agreements outstanding at October 31, 2008:

| Swap Counterparty      | Notional Amount<br>(000) | Termination<br>Date | Rate Type<br>Payments Made<br>by Fund | Payments Received<br>by Fund | Unrealized<br>Appreciation<br>(Depreciation) |
|------------------------|--------------------------|---------------------|---------------------------------------|------------------------------|----------------------------------------------|
| Barclays Bank          | \$61,300                 | 12/17/13            | 3-Month USD-LIBOR                     | 4.00%                        | \$560,945                                    |
| Barclays Bank          | 114,700                  | 12/17/15            | 3-Month USD-LIBOR                     | 5.00%                        | 5,318,769                                    |
| Barclays Bank          | 14,000                   | 12/17/38            | 5.00%                                 | 3-Month USD-LIBOR            | (1,300,695)                                  |
| Citigroup              | 161,900                  | 12/17/15            | 3-Month USD-LIBOR                     | 5.00%                        | 2,648,057                                    |
| Citigroup              | 15,500                   | 12/17/18            | 5.00%                                 | 3-Month USD-LIBOR            | (420,517)                                    |
| Deutsche Bank          | 204,800                  | 6/17/10             | 3-Month USD-LIBOR                     | 4.00%                        | 1,601,531                                    |
| JPMorgan Chase         | 24,600                   | 12/17/13            | 3-Month USD-LIBOR                     | 4.00%                        | 422,940                                      |
| Merrill Lynch & Co.    | 78,400                   | 6/17/10             | 3-Month USD-LIBOR                     | 4.00%                        | 1,283,945                                    |
| Morgan Stanley         | 103,900                  | 12/17/13            | 3-Month USD-LIBOR                     | 4.00%                        | 2,455,532                                    |
| Morgan Stanley         | 36,200                   | 12/17/18            | 5.00%                                 | 3-Month USD-LIBOR            | (1,073,653)                                  |
| Royal Bank of Scotland | 291,900                  | 6/17/10             | 3-Month USD-LIBOR                     | 4.00%                        | 4,832,215                                    |
| Royal Bank of Scotland | 200                      | 12/17/13            | 3-Month USD-LIBOR                     | 4.00%                        | 4,885                                        |
| Royal Bank of Scotland | 61,400                   | 12/17/15            | 3-Month USD-LIBOR                     | 5.00%                        | 1,375,429                                    |
| Royal Bank of Scotland | 374,300                  | 12/17/18            | 5.00%                                 | 3-Month USD-LIBOR            | (8,886,643)                                  |
|                        |                          |                     |                                       |                              | \$8,822,740                                  |

Euro

LIBOR London Inter-Bank Offered Rate

(3) Forward foreign currency contracts outstanding at October 31, 2008:

|                                              | U.S.\$ Value<br>Origination Date | U.S.\$ Value<br>October 31, 2008 | Unrealized<br>Appreciation<br>(Depreciation) |
|----------------------------------------------|----------------------------------|----------------------------------|----------------------------------------------|
| <u>Purchased:</u>                            |                                  |                                  |                                              |
| 3,870,000 Euro settling 11/5/08              | \$4,929,993                      | \$4,907,137                      | \$(22,856)                                   |
| 3,600,000 Euro settling 12/4/08              | 4,662,720                        | 4,558,862                        | (103,858)                                    |
| <u>Sold:</u>                                 |                                  |                                  |                                              |
| 8,193,250 Australian Dollar settling 11/6/08 | 5,569,608                        | 5,404,411                        | 165,197                                      |
| 120,833,000 Euro settling 12/4/08            | 151,931,101                      | 153,016,955                      | (1,085,854)                                  |
| 5,341,000 British Pound settling 11/3/08     | 9,702,995                        | 8,629,716                        | 1,073,279                                    |
| 5,341,000 British Pound settling 12/9/08     | 8,715,444                        | 8,611,063                        | 104,381                                      |
|                                              |                                  |                                  | \$130,289                                    |

The Fund received \$4,200,000 principal value in U.S. Treasury Bills and \$11,000,000 in cash as collateral for derivative transactions.

(4) At October 31, 2008, the Fund had the following unfunded loan commitments which could be extended at the option of the borrower:

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| <b>Borrower</b>                | <b>Principal<br/>Amount</b> |
|--------------------------------|-----------------------------|
| Bausch & Lomb, Inc.            | \$520,000                   |
| Bausch & Lomb, Inc.            | (653,924)                   |
| Community Health Systems, Inc. | 452,092                     |
| Community Health Systems, Inc. | (194,620)                   |
| Eastman Kodak                  | 5,000,000                   |
| United Surgical                | 11,290                      |
|                                | \$5,134,838                 |

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**Fair Value Measurements** Effective August 1, 2008, the Fund adopted Financial Accounting Standards Board

Statement of Financial Accounting Standards No. 157, Fair Value Measurements ( SFAS 157 ). This standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value and requires additional disclosures about the use of the fair value measurements. The three levels of the fair value hierarchy under SFAS 157 are described below:

- Level 1 quoted prices in active markets for identical investments
- Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The valuation techniques used by the Fund to measure fair value during the three months ended October 31, 2008 maximized the use of observable inputs and minimized the use of unobservable inputs. The Fund utilized the following fair value techniques: multi-dimensional relational pricing model and option adjusted spread pricing.

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

The following is a summary of the inputs used at October 31, 2008 in valuing the Fund's investments carried at value:

| Valuation Inputs                              | Investments in<br>Securities | Other<br>Financial<br>Instruments |
|-----------------------------------------------|------------------------------|-----------------------------------|
| Level 1 - Quoted Prices                       | \$                           | \$                                |
| Level 2 - Other Significant Observable Inputs | 771,387,768                  | (24,919,717)                      |
| Level 3 - Significant Unobservable Inputs     | 6,572,275                    | (220,168)                         |
| Total                                         | \$777,960,043                | \$(25,139,885)                    |

A roll forward of fair value measurements using significant unobservable inputs (Level 3) at October 31, 2008, were as follows:

|                                           | Investments in<br>Securities | Other<br>Financial<br>Instruments |
|-------------------------------------------|------------------------------|-----------------------------------|
| Beginning balance, 7/31/08                | \$9,640,720                  | \$(1,103,417)                     |
| Net purchases (sales) and settlements     | (1,856,863)                  | 1,024,263                         |
| Accrued discounts (premiums)              | (376)                        |                                   |
| Total realized and unrealized gain (loss) | (1,211,206)                  | (141,014)                         |
| Transfers in and/or out of Level 3        |                              |                                   |
| Ending balance, 10/31/08                  | \$6,572,275                  | \$(220,168)                       |



**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

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**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 29, 2008

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

Date: December 29, 2008

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 29, 2008

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

Date: December 29, 2008

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