

PIMCO CORPORATE OPPORTUNITY FUND  
Form N-CSRS  
August 03, 2006

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

**FORM N-CSRS**

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

Investment Company Act file number 811-21238

PIMCO Corporate Opportunity Fund.  
(Exact name of registrant as specified in charter)

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

New York 10105  
(Zip code)

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

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

Date of fiscal year November 30, 2006  
end:

Date of reporting period: May 31, 2006

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

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

ITEM 1. REPORT TO SHAREHOLDERS

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# PIMCO Corporate Opportunity Fund

Semi-Annual Report  
May 31, 2006

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**PIMCO Corporate Opportunity Fund Letter to Shareholders**

July 11, 2006

Dear Shareholder:

We are pleased to provide you with the semi-annual report for PIMCO Corporate Opportunity Fund (the Fund) for the six months ended May 31, 2006.

During the six-month reporting period, the Federal Reserve raised short-term interest rates four times, a total increase of 1%, causing many sectors of the bond market to struggle. For instance, the overall bond market (as measured by the Lehman Brothers Aggregate Bond Index) was essentially flat for the six months, while the general corporate bond market (Merrill Lynch U.S. Corporate Index) declined 0.57%. High yield bonds, however, still managed to post solid returns, as the Merrill Lynch High Yield Master II Index gained 4.40%. Within this sector, lower quality bonds outperformed higher quality issues as the yield spread (the difference in interest rates offered on high yield bonds and benchmark U.S. Treasuries) continued to narrow and default rates remained low by historical standards.

In this environment, the Fund returned 2.47% on net asset value and 4.63% on market price for the six months ended May 31, 2006.

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

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

We remain dedicated to serving your investment needs.

Sincerely,

Robert E. Connor

Brian S. Shlissel

*Chairman*

*President & Chief Executive Officer*

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**PIMCO Corporate Opportunity Fund Performance & Statistics**

May 31, 2006 (unaudited)

**Symbol:**

PTY

**Objective:**

Seeks maximum total return through a combination of current income and capital appreciation.

**Primary Investments:**

U.S. dollar-denominated corporate debt obligations of varying maturities and other corporate income-producing securities.

**Inception Date:**

December 27, 2002

**Net Assets(1):**

\$1,549.7 million

**Portfolio Manager:**

Mark Kiesel

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

Six months

1 Year

Commencement of Operations (12/27/02) to 5/31/06.

**Market Price**

4.63%

12.76%

16.49%

**Net Asset Value ( NAV )**

2.47%

3.89%

14.12%

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

Commencement of Operations (12/27/02) to 5/31/06.

**Market Price/NAV:**

|                                   |         |
|-----------------------------------|---------|
| Market Price                      | \$17.06 |
| NAV                               | \$15.09 |
| Premium to NAV                    | 13.06%  |
| Market Price Yield <sup>(3)</sup> | 9.67%   |

**Moody's Ratings**

(as a % of total investments)



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(1) Inclusive of net assets attributable to market value of Preferred Shares outstanding of \$565 million.

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

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

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

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**PIMCO Corporate Opportunity Fund Schedule of Investments**

May 31, 2006 (unaudited)

| Principal Amount (000)                   |                                                                             | Credit Rating (Moody s/S&P) | Value        |
|------------------------------------------|-----------------------------------------------------------------------------|-----------------------------|--------------|
| <b>CORPORATE BONDS &amp; NOTES 75.1%</b> |                                                                             |                             |              |
| <b>Airlines 3.9%</b>                     |                                                                             |                             |              |
| \$ 7,000                                 | American Airlines, Inc., pass thru certificates, 7.858%, 4/1/13, Ser. 01-2  | Baa2/A-                     | \$ 7,412,677 |
| 1,606                                    | Continental Airlines, Inc., pass thru certificates, 6.545%, 8/2/20          | Baa3/A-                     | 1,594,961    |
| 3,720                                    | 6.703%, 6/15/21, Ser. 01-1                                                  | Baa3/BBB+                   | 3,696,344    |
| 1,695                                    | 7.056%, 9/15/09, Ser. 99-2                                                  | Baa3/A-                     | 1,736,222    |
| 2,408                                    | 7.373%, 6/15/17, Ser. 01-1                                                  | Ba1/BB+                     | 2,287,784    |
| 9,296                                    | 7.707%, 10/2/22, Ser. 00-2                                                  | Baa3/BBB                    | 9,734,595    |
| 1,952                                    | 9.798%, 4/1/21                                                              | Ba2/BBB-                    | 2,044,991    |
| 8,000                                    | Delta Air Lines, Inc., pass thru certificates, 7.57%, 5/18/12, Ser. 00-1    | Ba2/BB                      | 8,025,000    |
| 8,000                                    | 7.92%, 11/18/10, Ser. 00-1                                                  | Caa1/CCC+                   | 7,325,000    |
| 1,566                                    | Northwest Airlines, Inc., pass thru certificates, 6.81%, 2/1/20, Ser. 99-1A | B1/B+                       | 1,566,200    |
| 15,500                                   | 6.841%, 4/1/11, Ser. 1A-2                                                   | Ba3/BB                      | 15,587,187   |
|                                          |                                                                             |                             | 61,010,961   |
| <b>Apparel &amp; Textiles 0.3%</b>       |                                                                             |                             |              |
| 1,000                                    | Quiksilver, Inc., 6.875%, 4/15/15                                           | B1/BB-                      | 950,000      |
| 3,000                                    | Russell Corp., 9.25%, 5/1/10                                                | B2/B                        | 3,135,000    |
|                                          |                                                                             |                             | 4,085,000    |
| <b>Automotive 0.5%</b>                   |                                                                             |                             |              |
| 4,000                                    | Auburn Hills Trust, 12.375%, 5/1/20                                         | A3/BBB                      | 5,711,692    |
| 2,500                                    | Ford Motor Co., 9.98%, 2/15/47                                              | Ba3/BB-                     | 2,018,750    |
|                                          |                                                                             |                             | 7,730,442    |
| <b>Banking 3.5%</b>                      |                                                                             |                             |              |
| 625                                      | Bank of America, 9.375%, 9/15/09                                            | Aa3/A+                      | 693,097      |
| 8,000                                    | HSBC Capital Funding L.P., VRN, 4.61%, 6/27/13 (d)                          | A1/A-                       | 7,292,616    |
| 2,000                                    | 10.176%, 6/30/30                                                            | A1/A-                       | 2,785,104    |
| 15,000                                   | Republic New York Corp., 9.70%, 2/1/09                                      | A1/A                        | 16,501,665   |
| 9,706                                    | Riggs Capital Trust, 8.875%, 3/15/27, Ser. C                                | A3/BBB+                     | 10,338,608   |
| 3,500                                    | Royal Bank of Canada, 5.66%, 11/8/11, Ser. N, FRN                           | Aa3/A+                      | 3,506,989    |
| 2,000                                    | Royal Bank of Scotland Group PLC, 7.648%, 9/30/31, VRN                      | A1/A                        | 2,243,600    |
| 8,000                                    | Sumitomo Mitsui Banking Corp., 8.15%, 8/1/08                                | A2/NR                       | 8,343,376    |
| 3,000                                    | VTB Capital S.A. for Vneshtorgbank, 5.68%, 9/21/07, FRN (d)                 | A2/BBB                      | 3,002,250    |
|                                          |                                                                             |                             | 54,707,305   |
| <b>Chemicals 0.6%</b>                    |                                                                             |                             |              |
| 8,445                                    | Equistar Chemicals L.P., 10.125%, 9/1/08                                    | B2/BB-                      | 9,036,150    |
| <b>Computer Services 0.7%</b>            |                                                                             |                             |              |
| 4,000                                    | Electronic Data Systems Corp., 6.50%, 8/1/13, Ser. B                        | Ba1/BBB-                    | 3,974,372    |
| 3,500                                    | 7.125%, 10/15/09                                                            | Ba1/BBB-                    | 3,642,138    |
| 3,000                                    | Sungard Data Systems, Inc., 9.125%, 8/15/13 (d)                             | B3/B-                       | 3,161,250    |
|                                          |                                                                             |                             | 10,777,760   |
| <b>Containers 0.5%</b>                   |                                                                             |                             |              |

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|       |                                            |         |           |
|-------|--------------------------------------------|---------|-----------|
| 4,000 | Smurfit-Stone Container,<br>8.375%, 7/1/12 | B2/CCC+ | 3,800,000 |
| 4,000 | 9.75%, 2/1/11                              | B2/CCC+ | 4,120,000 |
|       |                                            |         | 7,920,000 |

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**PIMCO Corporate Opportunity Fund Schedule of Investments**

May 31, 2006 (unaudited) (continued)

| Principal Amount (000)                 |                                                           | Credit Rating (Moody s/S&P) | Value        |
|----------------------------------------|-----------------------------------------------------------|-----------------------------|--------------|
| <b>Diversified Manufacturing 0.8%</b>  |                                                           |                             |              |
| \$ 5,000                               | Hutchison Whampoa International Ltd., 7.45%, 11/24/33 (d) | A3/A-                       | \$ 5,303,820 |
| £ 3,340                                | Tyco International Group S.A., 6.50%, 11/21/31            | Baa3/BBB+                   | 6,797,028    |
|                                        |                                                           |                             | 12,100,848   |
| <b>Electronics 0.1%</b>                |                                                           |                             |              |
| \$ 1,000                               | Arrow Electronics, Inc., 6.875%, 6/1/18                   | Baa3/BBB-                   | 1,008,108    |
| <b>Energy 1.0%</b>                     |                                                           |                             |              |
| 2,377                                  | Salton SEA Funding, Inc., 8.30%, 5/30/11, Ser. E          | Ba1/BB+                     | 2,514,304    |
| 12,000                                 | Sithe Independence Funding Corp., 9.00%, 12/30/13, Ser. A | Ba2/B                       | 12,910,104   |
|                                        |                                                           |                             | 15,424,408   |
| <b>Financial Services 7.1%</b>         |                                                           |                             |              |
| 5,000                                  | AES Red Oak LLC, 9.20%, 11/30/29, Ser. B                  | B2/B+                       | 5,525,000    |
| 2,000                                  | American General Finance Corp., 8.45%, 10/15/09           | A1/A+                       | 2,162,370    |
| 686                                    | Beaver Valley II Funding, 8.625%, 6/1/07                  | Baa3/BBB-                   | 702,472      |
| 13,500                                 | BNP Paribas, 5.186%, 6/29/15, VRN (d)                     | A1/A+                       | 12,437,455   |
| 2,500                                  | Canadian Oil Sands Ltd., 4.80%, 8/10/09 (d)               | Baa2/BBB+                   | 2,427,640    |
| 5,946                                  | Cedar Brakes II LLC, 9.875%, 9/1/13 (b)(d)                | Baa2/BBB-                   | 6,669,578    |
| 4,000                                  | CIT Group, Inc., 6.875%, 11/1/09                          | A2/A                        | 4,142,996    |
| 10,000                                 | Ford Motor Credit Co., 7.875%, 6/15/10                    | Ba2/BB-                     | 9,233,950    |
|                                        | General Electric Capital Corp., 8.50%, 7/24/08            | Aaa/AAA                     | 1,163,648    |
| 1,100                                  | 9.83%, 12/15/08 (f)                                       | NR/NR                       | 5,890,355    |
| 4,990                                  | Goldman Sachs Group, Inc., 7.35%, 10/1/09                 | Aa3/A+                      | 10,521,780   |
| 10,000                                 | HBOS Capital Funding L.P., 6.071%, 6/30/14, VRN (d)       | A1/A                        | 6,394,544    |
| 6,500                                  | MBNA Capital, 5.949%, 2/1/27, Ser. B, FRN                 | Aa3/A                       | 4,159,970    |
| 4,200                                  | Mizuho JGB Investment LLC, 9.87%, 6/30/08, VRN (d)        | Baa1/BBB+                   | 10,545,780   |
| 9,800                                  | Mizuho Preferred Capital Co. LLC, 8.79%, 6/30/08, VRN (d) | Baa1/BBB+                   | 1,593,598    |
| 1,510                                  | Morgan Stanley, 5.348%, 1/15/10, FRN                      | Aa3/A+                      | 2,514,628    |
| 2,500                                  | Pemex Project Funding Master Trust, 8.625%, 2/1/22        | Baa1/BBB                    | 8,456,250    |
| 7,500                                  | RBS Capital Trust I, 5.512%, 9/30/14, VRN                 | A1/A                        | 12,902,044   |
| 13,500                                 | Universal City Development Partners Ltd., 11.75%, 4/1/10  | B2/B-                       | 3,292,500    |
| 3,000                                  |                                                           |                             | 110,736,558  |
| <b>Food &amp; Beverage 0.3%</b>        |                                                           |                             |              |
| 5,000                                  | Delhaize America, Inc., 8.125%, 4/15/11                   | Ba1/BB+                     | 5,348,580    |
| <b>Healthcare &amp; Hospitals 1.0%</b> |                                                           |                             |              |
| 1,000                                  | HCA, Inc., 8.36%, 4/15/24                                 | Ba2/BB+                     | 1,015,858    |
| 800                                    | 9.00%, 12/15/14                                           | Ba2/BB+                     | 889,989      |
|                                        | Tenet Healthcare Corp., 7.375%, 2/1/13                    | B3/B                        | 5,208,000    |
| 5,600                                  | 9.50%, 2/1/15 (d)                                         | B3/B                        | 9,494,000    |
| 9,400                                  |                                                           |                             | 16,607,847   |
| <b>Hotels/Gaming 3.6%</b>              |                                                           |                             |              |

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|       |                                                                     |           |           |
|-------|---------------------------------------------------------------------|-----------|-----------|
| 2,000 | Caesars Entertainment, Inc.,<br>7.00%, 4/15/13                      | Baa3/BBB- | 2,063,206 |
| 1,000 | 8.875%, 9/15/08                                                     | Ba1/BB+   | 1,060,000 |
| 2,000 | Choctaw Resort Development Enterprise, Inc.,<br>7.25%, 11/15/19 (d) | B1/BB-    | 1,995,000 |
| 2,000 | Gaylord Entertainment Co., 8.00%, 11/15/13                          | B3/B-     | 2,050,000 |
| 4,000 | Harrah's Operating Co., Inc.,<br>5.50%, 7/1/10                      | Baa3/BBB- | 3,930,600 |
| 3,730 | 8.00%, 2/1/11                                                       | Baa3/BBB- | 4,007,568 |

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**PIMCO Corporate Opportunity Fund Schedule of Investments**

May 31, 2006 (unaudited) (continued)

| Principal Amount (000)           |                                                                                  | Credit Rating (Moody s/S&P) | Value        |
|----------------------------------|----------------------------------------------------------------------------------|-----------------------------|--------------|
| <b>Hotels/Gaming (continued)</b> |                                                                                  |                             |              |
| \$ 3,000                         | Hilton Hotels Corp., 7.625%, 5/15/08                                             | Ba2/BB                      | \$ 3,097,425 |
| 4,950                            | ITT Corp., 7.375%, 11/15/15                                                      | Ba1/BB+                     | 5,110,875    |
| 3,750                            | 7.75%, 11/15/25                                                                  | Ba1/BB+                     | 3,890,625    |
| 1,200                            | Mandalay Resort Group, 9.375%, 2/15/10                                           | Ba3/B+                      | 1,287,000    |
| 3,750                            | MGM Mirage, Inc., 8.375%, 2/1/11                                                 | Ba3/B+                      | 3,937,500    |
| 8,684                            | Times Square Hotel Trust, 8.528%, 8/1/26 (d)(f)                                  | Baa3/BB+                    | 9,567,319    |
| 14,950                           | Wynn Las Vegas LLC, 6.625%, 12/1/14                                              | B2/B+                       | 14,258,563   |
|                                  |                                                                                  |                             | 56,255,681   |
| <b>Manufacturing 0.0%</b>        |                                                                                  |                             |              |
| 1,000                            | Bombardier, Inc., 6.75%, 5/1/12 (d)                                              | Ba2/BB                      | 947,500      |
| <b>Metals &amp; Mining 0.8%</b>  |                                                                                  |                             |              |
| 9,537                            | Phelps Dodge Corp., 9.50%, 6/1/31                                                | Baa2/BBB                    | 12,109,653   |
| <b>Multi-Media 9.0%</b>          |                                                                                  |                             |              |
| 2,000                            | Cablevision Systems Corp., 8.00%, 4/15/12, Ser. B                                | B3/B+                       | 1,990,000    |
| 2,000                            | Charter Communications Operating LLC, 8.375%, 4/30/14 (d)                        | B2/B-                       | 2,005,000    |
| 12,300                           | Comcast Cable Communications Holdings, Inc., 8.375%, 3/15/13                     | Baa2/BBB+                   | 13,731,560   |
| 15,640                           | CSC Holdings, Inc., 7.625%, 7/15/18                                              | B2/B+                       | 15,640,000   |
| 10,535                           | 7.875%, 2/15/18                                                                  | B2/B+                       | 10,666,688   |
| 4,500                            | 8.125%, 8/15/09, Ser. B                                                          | B2/B+                       | 4,635,000    |
| 2,000                            | DirecTV Holdings LLC, 6.375%, 6/15/15                                            | Ba2/BB-                     | 1,890,000    |
| 7,250                            | Historic TW, Inc., 8.18%, 8/15/07                                                | Baa2/BBB+                   | 7,462,099    |
| 4,000                            | Mediacom Broadband LLC, 11.00%, 7/15/13                                          | B2/B                        | 4,230,000    |
| 16,050                           | News America Holdings, Inc., 7.43%, 10/1/26                                      | Baa2/BBB                    | 16,570,437   |
| 15,000                           | Rogers Cable, Inc., 8.75%, 5/1/32                                                | Ba2/BB+                     | 16,800,000   |
| 5,000                            | Shaw Communications, Inc., 7.20%, 12/15/11                                       | Ba2/BB+                     | 5,075,000    |
| 8,000                            | 8.25%, 4/11/10                                                                   | Ba2/BB+                     | 8,400,000    |
| 18,000                           | Time Warner Entertainment Co. L.P., 8.375%, 7/15/33                              | Baa2/BBB+                   | 20,348,190   |
| 11,000                           | Time Warner, Inc., 7.70%, 5/1/32                                                 | Baa2/BBB+                   | 11,850,080   |
|                                  |                                                                                  |                             | 141,294,054  |
| <b>Office Equipment 0.3%</b>     |                                                                                  |                             |              |
| 5,000                            | Xerox Capital Trust I, 8.00%, 2/1/27                                             | Ba3/B+                      | 5,131,250    |
| <b>Oil &amp; Gas 7.2%</b>        |                                                                                  |                             |              |
| 23,000                           | CenterPoint Energy Res. Corp., 7.75%, 2/15/11                                    | Baa3/BBB                    | 24,761,593   |
| 5,000                            | 7.875%, 4/1/13, Ser. B                                                           | Baa3/BBB                    | 5,500,320    |
| 300                              | Chesapeake Energy Corp., 7.50%, 6/15/14                                          | Ba2/BB                      | 307,875      |
| 3,000                            | 7.75%, 1/15/15                                                                   | Ba2/BB                      | 3,082,500    |
| 1,500                            | Dynergy-Roseton Danskammer, Inc., pass thru certificates, 7.67%, 11/8/16, Ser. B | B2/B                        | 1,536,961    |
| 23,200                           | El Paso Corp. (d), 7.42%, 2/15/37                                                | B2/B                        | 21,692,000   |

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|        |                                                                    |          |            |
|--------|--------------------------------------------------------------------|----------|------------|
| 5,000  | 7.625%, 9/1/08                                                     | B2/B     | 5,106,250  |
| 12,000 | Gaz Capital S.A., 8.625%, 4/28/34                                  | Baa1/BB+ | 14,085,000 |
| 1,030  | Hanover Compressor Co., 9.00%, 6/1/14                              | B3/B     | 1,099,525  |
| 1,800  | OAO Gazprom, 9.625%, 3/1/13 (d)                                    | NR/BB+   | 2,083,500  |
| 2,632  | Ras Laffan Liquefied Natural Gas Co., Ltd.,<br>3.437%, 9/15/09 (b) | A1/A     | 2,553,203  |
| 2,500  | Reliant Energy, Inc., 6.75%, 12/15/14                              | B2/B     | 2,275,000  |

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**PIMCO Corporate Opportunity Fund Schedule of Investments**

May 31, 2006 (unaudited) (continued)

|                                  | Principal<br>Amount<br>(000) |                                                              | Credit Rating<br>(Moody s/S&P) | Value         |
|----------------------------------|------------------------------|--------------------------------------------------------------|--------------------------------|---------------|
| <b>Oil &amp; Gas (continued)</b> |                              |                                                              |                                |               |
| \$                               | 10,000                       | Southern Natural Gas Co., 8.875%, 3/15/10                    | Ba2/B+                         | \$ 10,635,900 |
|                                  | 17,400                       | Williams Cos., Inc., 7.875%, 9/1/21                          | B1/BB-                         | 18,139,500    |
|                                  |                              |                                                              |                                | 112,859,127   |
| <b>Paper/Paper Products 3.7%</b> |                              |                                                              |                                |               |
|                                  | 23,500                       | Abitibi-Consolidated, Inc.,<br>7.50%, 4/1/28                 | B1/B+                          | 19,035,000    |
|                                  | 5,000                        | 8.375%, 4/1/15 (j)                                           | B1/B+                          | 4,800,000     |
|                                  | 10,000                       | 8.50%, 8/1/29                                                | B1/B+                          | 8,500,000     |
|                                  | 2,000                        | Bowater Canada Finance, 7.95%, 11/15/11                      | B1/B+                          | 1,960,000     |
|                                  | 3,000                        | Bowater, Inc., 9.50%, 10/15/12                               | B1/B+                          | 3,075,000     |
|                                  | 5,000                        | Georgia-Pacific Corp.,<br>7.25%, 6/1/28                      | B2/B                           | 4,550,000     |
|                                  | 14,119                       | 8.00%, 1/15/24                                               | B2/B                           | 13,695,430    |
|                                  | 2,000                        | Smurfit Capital Funding PLC, 7.50%, 11/20/25                 | B1/B+                          | 1,860,000     |
|                                  |                              |                                                              |                                | 57,475,430    |
| <b>Retail 1.8%</b>               |                              |                                                              |                                |               |
|                                  | 16,000                       | Albertson's, Inc., 8.00%, 5/1/31                             | B2/B                           | 14,661,312    |
|                                  | 13,000                       | JC Penney Co., Inc., 8.125%, 4/1/27                          | Baa3/BBB-                      | 13,477,438    |
|                                  |                              |                                                              |                                | 28,138,750    |
| <b>Telecommunications 16.3%</b>  |                              |                                                              |                                |               |
|                                  | 35,000                       | AT&T Corp., 8.00%, 11/15/31, VRN                             | A2/A                           | 40,443,060    |
|                                  | 10,000                       | Bellsouth Capital Funding, 7.875%, 2/15/30                   | A2/A                           | 11,008,480    |
|                                  | 5,000                        | Cincinnati Bell, Inc., 8.375%, 1/15/14                       | B3/B-                          | 5,075,000     |
|                                  | 7,500                        | Citizens Communications Co.,<br>9.00%, 8/15/31               | Ba3/BB+                        | 7,912,500     |
|                                  | 4,000                        | 9.25%, 5/15/11                                               | Ba3/BB+                        | 4,365,000     |
|                                  | 8,000                        | Deutsche Telekom International Finance BV, 8.25%,<br>6/15/30 | A3/A-                          | 9,272,864     |
|                                  | 10,000                       | Embarq Corp.,<br>7.082%, 6/1/16                              | Baa3/BBB-                      | 10,029,640    |
|                                  | 10,000                       | 7.995%, 6/1/36                                               | Baa3/BBB-                      | 10,078,430    |
|                                  | 11,000                       | France Telecom S.A., 8.50%, 3/1/31                           | A3/A-                          | 13,319,339    |
|                                  | 2,000                        | Intelsat Subsidiary Holding Co., Ltd., 8.625%,<br>1/15/15    | B2/B+                          | 2,035,000     |
|                                  | 5,000                        | Nextel Communications, Inc.,<br>6.875%, 10/31/13, Ser. E     | Baa2/A-                        | 5,099,790     |
|                                  | 10,000                       | 7.375%, 8/1/15, Ser. D                                       | Baa2/A-                        | 10,314,600    |
|                                  | 21,650                       | PanAmSat Corp., 6.875%, 1/15/28                              | Ba3/BB+                        | 19,539,125    |
|                                  | 8,070                        | Qwest Capital Funding, Inc.,<br>7.00%, 8/3/09                | B3/B                           | 8,029,650     |
|                                  | 15,600                       | 7.90%, 8/15/10                                               | B3/B                           | 15,736,500    |
|                                  | 2,000                        | Qwest Communications International, Inc., 7.50%,<br>2/15/14  | B2/B                           | 2,000,000     |
|                                  | 3,000                        | Qwest Corp.,<br>7.25%, 9/15/25                               | Ba3/BB                         | 2,887,500     |
|                                  | 4,400                        | 8.16%, 6/15/13, FRN                                          | Ba3/BB                         | 4,768,500     |
|                                  | 6,150                        | 8.875%, 3/15/12                                              | Ba3/BB                         | 6,626,625     |
|                                  |                              | Rogers Wireless, Inc.,<br>7.625%, 12/15/11 (d)               | Ba2/BB                         | 962,805       |
| CAD                              | 1,000                        |                                                              |                                |               |



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|    |        |                                                            |         |            |
|----|--------|------------------------------------------------------------|---------|------------|
| \$ | 12,340 | 9.75%, 6/1/16<br>Sprint Capital Corp.,                     | Ba2/BB  | 14,437,800 |
|    | 25,000 | 6.90%, 5/1/19                                              | Baa2/A- | 26,017,850 |
|    | 2,900  | 8.375%, 3/15/12                                            | Baa2/A- | 3,237,688  |
|    | 1,350  | Sprint Nextel Corp., 9.25%, 4/15/22                        | Baa2/A- | 1,662,915  |
|    | 1,400  | Time Warner Telecom Holdings, Inc., 9.17%,<br>2/15/11, FRN | B2/CCC+ | 1,428,000  |

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**PIMCO Corporate Opportunity Fund Schedule of Investments**

May 31, 2006 (unaudited) (continued)

| Principal Amount (000)                               |                                                                       | Credit Rating (Moody s/S&P) | Value         |
|------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------|---------------|
| <b>Telecommunications (continued)</b>                |                                                                       |                             |               |
| \$ 15,000                                            | Verizon Global Funding Corp., 7.25%, 12/1/10                          | A3/A                        | \$ 15,802,170 |
| 3,500                                                | Verizon New York, Inc., 7.375%, 4/1/32, Ser. B                        | Baa3/A                      | 3,459,281     |
|                                                      |                                                                       |                             | 255,550,112   |
| <b>Tobacco 0.1%</b>                                  |                                                                       |                             |               |
| 2,000                                                | RJ Reynolds Tobacco Holdings, Inc., 7.25%, 6/1/12                     | Ba2/BB                      | 1,995,000     |
| <b>Utilities 10.7%</b>                               |                                                                       |                             |               |
| 2,000                                                | CMS Energy Corp., 8.90%, 7/15/08                                      | B1/B+                       | 2,095,000     |
| 4,485                                                | East Coast Power LLC, Ser. B, 6.737%, 3/31/08                         | Baa3/BBB-                   | 4,510,643     |
| 5,643                                                | 7.066%, 3/31/12                                                       | Baa3/BBB-                   | 5,801,701     |
| 5,900                                                | Entergy Gulf States, Inc., 5.61%, 12/8/08, FRN (d)                    | Baa3/BBB+                   | 5,910,337     |
| 4,600                                                | Homer City Funding LLC, 8.137%, 10/1/19                               | Ba2/BB                      | 4,956,500     |
| 2,950                                                | Indianapolis Power & Light, 7.375%, 8/1/07                            | Baa2/BBB-                   | 3,002,135     |
|                                                      | IPALCO Enterprises, Inc., 8.375%, 11/14/08                            | Ba1/BB-                     | 22,990,000    |
| 22,000                                               | 8.625%, 11/14/11                                                      | Ba1/BB-                     | 7,499,400     |
| 6,960                                                | Midwest Generation LLC, pass thru certificates, 8.30%, 7/2/09, Ser. A | B1/B+                       | 30,830,288    |
| 30,060                                               | 8.56%, 1/2/16, Ser. B                                                 | B1/B+                       | 16,565,541    |
| 15,437                                               | 8.75%, 5/1/34                                                         | Ba3/B                       | 5,375,000     |
| 5,000                                                | Ohio Edison Co., 5.647%, 6/15/09 (d)                                  | Baa2/BBB-                   | 996,234       |
| 1,000                                                | PSE&G Energy Holdings LLC, 8.50%, 6/15/11                             | Ba3/BB-                     | 45,368,750    |
| 42,500                                               | 10.00%, 10/1/09                                                       | Ba3/BB-                     | 2,195,000     |
| 2,000                                                | South Point Energy Center LLC, 8.40%, 5/30/12 (d)                     | Caa2/D                      | 9,830,885     |
| 9,981                                                |                                                                       |                             | 167,927,414   |
| <b>Waste Disposal 1.3%</b>                           |                                                                       |                             |               |
|                                                      | Allied Waste North America, Inc., 7.25%, 3/15/15                      | B2/BB-                      | 5,902,500     |
| 6,000                                                | 7.875%, 4/15/13                                                       | B2/BB-                      | 11,503,125    |
| 11,250                                               | 8.50%, 12/1/08, Ser. B                                                | B2/BB-                      | 3,161,250     |
| 3,000                                                |                                                                       |                             | 20,566,875    |
|                                                      |                                                                       |                             | 1,176,744,813 |
| Total Corporate Bonds & Notes (cost-\$1,124,130,290) |                                                                       |                             |               |
| <b>U.S. GOVERNMENT AGENCY SECURITIES 4.1%</b>        |                                                                       |                             |               |
|                                                      | Fannie Mae, 7.00%, 2/1/30, MBS (e)                                    | Aaa/AAA                     | 275,969       |
| 270                                                  | 7.00%, 3/1/31, MBS (e)                                                | Aaa/AAA                     | 258,664       |
| 253                                                  | 7.00%, 10/1/31, MBS (e)                                               | Aaa/AAA                     | 37,082        |
| 36                                                   | 7.00%, 11/1/31, MBS (e)                                               | Aaa/AAA                     | 179,223       |
| 175                                                  | 7.00%, 6/1/32, MBS (e)                                                | Aaa/AAA                     | 2,082,627     |
| 2,031                                                | 7.00%, 9/1/32, MBS (e)                                                | Aaa/AAA                     | 414,998       |
| 406                                                  | 7.00%, 11/1/32, MBS (e)                                               | Aaa/AAA                     | 64,274        |
| 63                                                   | 7.00%, 1/1/33, MBS (e)                                                | Aaa/AAA                     | 322,179       |
| 314                                                  | 7.00%, 2/1/33, MBS (e)                                                | Aaa/AAA                     | 194,723       |
| 190                                                  | 7.00%, 4/1/33, MBS (e)                                                | Aaa/AAA                     | 543,934       |
| 531                                                  | 7.00%, 6/1/33, MBS (e)                                                | Aaa/AAA                     | 1,584,704     |
| 1,546                                                |                                                                       |                             |               |

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|       |                        |         |           |
|-------|------------------------|---------|-----------|
| 639   | 7.00%, 9/1/33, MBS (e) | Aaa/AAA | 655,124   |
| 354   | 7.00%, 2/1/34, MBS (e) | Aaa/AAA | 362,688   |
| 9,324 | 7.00%, 6/1/35, MBS (e) | Aaa/AAA | 9,570,301 |
| 1,765 | 7.00%, 7/1/35, MBS (e) | Aaa/AAA | 1,813,923 |

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**PIMCO Corporate Opportunity Fund Schedule of Investments**

May 31, 2006 (unaudited) (continued)

|                                                             | Principal<br>Amount<br>(000) |                                                                               | Credit Rating<br>(Moody s/S&P) | Value        |
|-------------------------------------------------------------|------------------------------|-------------------------------------------------------------------------------|--------------------------------|--------------|
|                                                             |                              | Fannie Mae (continued)                                                        |                                |              |
| \$                                                          | 6,000                        | 7.00%, 2/1/36, MBS                                                            | Aaa/AAA                        | \$ 6,169,314 |
|                                                             | 2,971                        | 7.00%, 12/25/41, CMO                                                          | Aaa/AAA                        | 3,035,578    |
|                                                             | 77                           | 7.50%, 12/25/19, CMO                                                          | Aaa/AAA                        | 80,283       |
|                                                             | 35                           | 7.50%, 6/25/30, CMO                                                           | Aaa/AAA                        | 35,838       |
|                                                             | 762                          | 7.50%, 12/1/33, MBS (e)                                                       | Aaa/AAA                        | 790,844      |
|                                                             | 282                          | 7.50%, 5/25/42, CMO                                                           | Aaa/AAA                        | 289,938      |
|                                                             | 77                           | 7.50%, 7/25/42, CMO                                                           | Aaa/AAA                        | 79,018       |
|                                                             | 15,298                       | 7.50%, 12/25/45, CMO                                                          | Aaa/AAA                        | 15,944,018   |
|                                                             | 62                           | 8.00%, 9/25/23, CMO                                                           | Aaa/AAA                        | 62,152       |
|                                                             | 55                           | 8.00%, 7/18/27, CMO                                                           | Aaa/AAA                        | 58,263       |
|                                                             | 15,400                       | 8.00%, 12/25/45, CMO                                                          | Aaa/AAA                        | 16,142,726   |
|                                                             | 448                          | 9.99%, 9/25/17, CMO                                                           | Aaa/AAA                        | 488,423      |
|                                                             |                              | Freddie Mac,                                                                  |                                |              |
|                                                             | 143                          | 7.00%, 5/15/23, CMO                                                           | Aaa/AAA                        | 145,983      |
|                                                             | 2,143                        | 7.00%, 1/15/24, CMO                                                           | Aaa/AAA                        | 2,194,164    |
|                                                             | 64                           | 8.00%, 9/15/26, CMO                                                           | Aaa/AAA                        | 66,417       |
|                                                             | 16                           | 9.50%, 5/15/21, CMO                                                           | Aaa/AAA                        | 16,450       |
|                                                             | 181                          | Small Business Administration Participation<br>Certificates,<br>7.50%, 4/1/17 | NR/NR                          | 188,866      |
| Total U.S. Government Agency Securities (cost-\$64,398,705) |                              |                                                                               |                                | 64,148,688   |
| <b>SOVEREIGN DEBT OBLIGATIONS 2.6%</b>                      |                              |                                                                               |                                |              |
| <b>Brazil 1.5%</b>                                          |                              |                                                                               |                                |              |
|                                                             |                              | Federal Republic of Brazil,                                                   |                                |              |
|                                                             | 14,249                       | 8.00%, 1/15/18                                                                | Ba3/BB                         | 14,890,205   |
|                                                             | 1,250                        | 10.125%, 5/15/27                                                              | Ba3/BB                         | 1,503,125    |
|                                                             | 4,750                        | 11.00%, 1/11/12                                                               | Ba3/BB                         | 5,664,375    |
|                                                             | 1,050                        | 12.75%, 1/15/20                                                               | Ba3/BB                         | 1,467,375    |
|                                                             |                              |                                                                               |                                | 23,525,080   |
| <b>Mexico 0.6%</b>                                          |                              |                                                                               |                                |              |
|                                                             |                              | United Mexican States,                                                        |                                |              |
|                                                             | 800                          | 8.375%, 1/14/11                                                               | Baa1/BBB                       | 875,600      |
|                                                             | 7,000                        | 11.375%, 9/15/16                                                              | Baa1/BBB                       | 9,527,000    |
|                                                             |                              |                                                                               |                                | 10,402,600   |
| <b>Panama 0.4%</b>                                          |                              |                                                                               |                                |              |
|                                                             | 6,000                        | Republic of Panama, 9.375%, 7/23/12                                           | Ba1/BB                         | 6,870,000    |
| <b>Ukraine 0.1%</b>                                         |                              |                                                                               |                                |              |
|                                                             | 1,000                        | Republic of Ukraine, 7.65%, 6/11/13                                           | B1/BB-                         | 1,012,700    |
| Total Sovereign Debt Obligations (cost-\$35,399,056)        |                              |                                                                               |                                | 41,810,380   |
| <b>MUNICIPAL BONDS (d)(k) 1.5%</b>                          |                              |                                                                               |                                |              |
| <b>New Jersey 1.5%</b>                                      |                              |                                                                               |                                |              |
|                                                             |                              | Tobacco Settlement Financing Corp. Rev., VRN,                                 |                                |              |
|                                                             | 7,741                        | 6.874%, 6/1/32                                                                | NR/AA                          | 8,327,304    |
|                                                             | 5,000                        | 7.624%, 6/1/24                                                                | NR/AA                          | 5,717,500    |
|                                                             | 8,334                        | 8.124%, 6/1/32                                                                | NR/AA                          | 9,774,115    |

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Total Municipal Bonds (cost-\$19,605,492)

23,818,919

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**PIMCO Corporate Opportunity Fund Schedule of Investments**

May 31, 2006 (unaudited) (continued)

| Principal Amount (000)                               |                                                              | Credit Rating (Moody s/S&P) | Value        |
|------------------------------------------------------|--------------------------------------------------------------|-----------------------------|--------------|
| <b>SENIOR LOANS (a)(b)(c) 1.0%</b>                   |                                                              |                             |              |
| <b>Entertainment 0.1%</b>                            |                                                              |                             |              |
| \$ 1,000                                             | MGM Studios, 7.229%, 4/8/12, Term B                          |                             | \$ 1,007,375 |
| <b>Hotels/Gaming 0.2%</b>                            |                                                              |                             |              |
| 2,938                                                | Aladdin Gaming, Inc., 7.99%, 8/31/10, Term A                 |                             | 2,865,687    |
| 66                                                   | 8.99%, 8/31/10, Term B                                       |                             | 64,117       |
|                                                      |                                                              |                             | 2,929,804    |
| <b>Multi-Media 0.6%</b>                              |                                                              |                             |              |
| 10,000                                               | Charter Communications Holdings LLC, 7.755%, 4/25/13, Term B |                             | 10,058,460   |
| <b>Utilities 0.1%</b>                                |                                                              |                             |              |
| 714                                                  | AES Corp., Term B, 5.69%, 8/10/11                            |                             | 719,494      |
| 714                                                  | 6.75%, 4/30/08                                               |                             | 719,495      |
|                                                      |                                                              |                             | 1,438,989    |
| Total Senior Loans (cost-\$15,349,901)               |                                                              |                             | 15,434,628   |
| <b>MORTGAGE-BACKED SECURITIES 1.0%</b>               |                                                              |                             |              |
| 4,975                                                | GSMPS Mortgage Loan Trust, CMO (d), 7.50%, 12/21/26          | NR/NR                       | 5,055,115    |
| 252                                                  | 7.50%, 6/19/32                                               | NR/NR                       | 259,067      |
| 9,488                                                | 7.50%, 6/25/43                                               | NR/NR                       | 9,577,121    |
| 207                                                  | Washington Mutual, Inc., 7.50%, 4/25/33, CMO                 | Aaa/AAA                     | 208,183      |
| Total Mortgage-Backed Securities (cost-\$15,654,803) |                                                              |                             | 15,099,486   |
| <b>ASSET-BACKED SECURITIES 0.6%</b>                  |                                                              |                             |              |
| 8,300                                                | Greenpoint Manufactured Housing, 8.30%, 10/15/26             | Ca/NR                       | 7,040,229    |
| 486                                                  | GSAMP Trust, 5.509%, 6/25/34, FRN                            | Aaa/AAA                     | 486,734      |
| 2,184                                                | Long Beach Mortgage Loan Trust, 6.609%, 3/25/32, FRN         | Ba3/NR                      | 1,947,747    |
| Total Asset-Backed Securities (cost-\$9,974,549)     |                                                              |                             | 9,474,710    |
| <b>SHORT-TERM INVESTMENTS 14.1%</b>                  |                                                              |                             |              |
| <b>Commercial Paper 7.4%</b>                         |                                                              |                             |              |
| <b>Banking 3.0%</b>                                  |                                                              |                             |              |
| 18,400                                               | Danske Corp., 4.98%, 7/26/06                                 | NR/NR                       | 18,260,007   |
| 28,700                                               | 5.08%, 8/24/06                                               | NR/NR                       | 28,354,739   |
|                                                      |                                                              |                             | 46,614,746   |
| <b>Financial Services 4.4%</b>                       |                                                              |                             |              |
| 7,200                                                | Rabobank U.S.A. Financial Corp., 5.05%, 6/1/06               | NR/NR                       | 7,200,000    |
| 4,500                                                | Societe Generale North America, Inc. 5.05%, 8/16/06          | NR/NR                       | 4,451,040    |
| 42,900                                               | 5.055%, 8/15/06                                              | NR/NR                       | 42,439,254   |
| 4,550                                                | UBS Finance, Inc. 4.985%, 8/18/06                            | NR/NR                       | 4,499,177    |

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|                                             |                |       |             |
|---------------------------------------------|----------------|-------|-------------|
| 11,000                                      | 5.00%, 6/12/06 | NR/NR | 10,983,194  |
|                                             |                |       | 69,572,665  |
| Total Commercial Paper (cost-\$116,204,101) |                |       | 116,187,411 |

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**PIMCO Corporate Opportunity Fund Schedule of Investments**

May 31, 2006 (unaudited) (continued)

| Principal Amount (000)                            |  |                                                                                                                                                                                                                           | Credit Rating (Moody s/S&F) |    | Value      |
|---------------------------------------------------|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----|------------|
| <b>Corporate Notes 3.8%</b>                       |  |                                                                                                                                                                                                                           |                             |    |            |
| <b>Financial Services 2.1%</b>                    |  |                                                                                                                                                                                                                           |                             |    |            |
| \$ 21,240                                         |  | Ford Motor Credit Co., 7.75%, 2/15/07                                                                                                                                                                                     | Ba2/BB-                     | \$ | 21,274,982 |
|                                                   |  | General Motors Acceptance Corp.,                                                                                                                                                                                          |                             |    |            |
| 7,000                                             |  | 5.968%, 1/16/07, FRN                                                                                                                                                                                                      | Ba1/BB                      |    | 6,933,227  |
| 4,470                                             |  | 6.125%, 9/15/06                                                                                                                                                                                                           | Ba1/BB                      |    | 4,454,543  |
| 900                                               |  | 6.125%, 2/1/07                                                                                                                                                                                                            | Ba1/BB                      |    | 891,170    |
|                                                   |  |                                                                                                                                                                                                                           |                             |    | 33,553,922 |
| <b>Holding Companies 0.1%</b>                     |  |                                                                                                                                                                                                                           |                             |    |            |
| 2,000                                             |  | Progress Capital Holdings, 7.17%, 11/1/06 (d)                                                                                                                                                                             | Baa1/BBB-                   |    | 2,013,186  |
| <b>Hotels/Gaming 0.4%</b>                         |  |                                                                                                                                                                                                                           |                             |    |            |
| 900                                               |  | Caesars Entertainment, Inc., 8.50%, 11/15/06                                                                                                                                                                              | Baa3/BBB-                   |    | 911,253    |
| 4,875                                             |  | Park Place Entertainment Corp., 9.375%, 2/15/07                                                                                                                                                                           | Ba1/BB+                     |    | 4,990,781  |
|                                                   |  |                                                                                                                                                                                                                           |                             |    | 5,902,034  |
| <b>Insurance 0.1%</b>                             |  |                                                                                                                                                                                                                           |                             |    |            |
| 1,000                                             |  | Prudential Financial, Inc., 4.104%, 11/15/06                                                                                                                                                                              | A3/A                        |    | 994,852    |
| <b>Miscellaneous 0.9%</b>                         |  |                                                                                                                                                                                                                           |                             |    |            |
| 13,500                                            |  | Morgan Stanley TRACERS, 4.721%, 3/1/07, VRN (b)(d)(g)                                                                                                                                                                     | A3/NR                       |    | 13,512,001 |
| <b>Multi-Media 0.2%</b>                           |  |                                                                                                                                                                                                                           |                             |    |            |
| 3,000                                             |  | COX Communications, Inc., 7.75%, 8/15/06                                                                                                                                                                                  | Baa3/BBB-                   |    | 3,010,488  |
| <b>Telecommunications 0.0%</b>                    |  |                                                                                                                                                                                                                           |                             |    |            |
| 451                                               |  | Calpoint Receivable Structured Trust, 7.44%, 12/10/06 (d)                                                                                                                                                                 | B3/NR                       |    | 454,770    |
| Total Corporate Notes (cost-\$60,298,007)         |  |                                                                                                                                                                                                                           |                             |    |            |
|                                                   |  |                                                                                                                                                                                                                           |                             |    |            |
| <b>U.S. Government Agency Securities 1.5%</b>     |  |                                                                                                                                                                                                                           |                             |    |            |
| 23,000                                            |  | Federal Home Loan Bank, 4.867%, 6/1/06 (cost-\$23,000,000)                                                                                                                                                                | Aaa/AAA                     |    | 23,000,000 |
| <b>U.S. Treasury Bills (h) 1.2%</b>               |  |                                                                                                                                                                                                                           |                             |    |            |
| 18,675                                            |  | 4.50%-4.72%, 6/1/06-8/31/06 (cost-\$18,630,778)                                                                                                                                                                           |                             |    | 18,628,767 |
| <b>Sovereign Debt Obligations 0.0%</b>            |  |                                                                                                                                                                                                                           |                             |    |            |
| <b>Ukraine 0.0%</b>                               |  |                                                                                                                                                                                                                           |                             |    |            |
| 187                                               |  | Republic of Ukraine, 11.00%, 3/15/07 (cost-\$192,244)                                                                                                                                                                     | B1/BB-                      |    | 192,160    |
| <b>Repurchase Agreements 0.2%</b>                 |  |                                                                                                                                                                                                                           |                             |    |            |
| 3,759                                             |  | State Street Bank & Trust Co., dated 5/31/06, 4.65%, due 6/1/06, proceeds \$3,759,486: collateralized by Federal Home Loan Bank, 4.875%, due 2/15/07, valued at \$3,837,022 including accrued interest (cost-\$3,759,000) |                             |    | 3,759,000  |
| Total Short-Term Investments (cost-\$222,084,130) |  |                                                                                                                                                                                                                           |                             |    |            |
|                                                   |  |                                                                                                                                                                                                                           |                             |    |            |
| <b>OPTIONS PURCHASED (i) 0.0%</b>                 |  |                                                                                                                                                                                                                           |                             |    |            |



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|                                              |             |                                                  |  |  |       |
|----------------------------------------------|-------------|--------------------------------------------------|--|--|-------|
|                                              |             |                                                  |  |  |       |
| Contracts/Notional<br>Amount<br><u>(000)</u> |             |                                                  |  |  |       |
|                                              |             |                                                  |  |  |       |
| <b>Put Options</b>                           | <b>0.0%</b> |                                                  |  |  |       |
|                                              |             | Eurodollar Futures, Chicago Mercantile Exchange, |  |  |       |
| 160                                          |             | strike price \$91.75, expires 12/18/06           |  |  | 1,000 |

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**PIMCO Corporate Opportunity Fund Schedule of Investments**

May 31, 2006 (unaudited) (continued)

| Contracts/Notional<br>Amount<br>(000)           |                                                                                                 | Value                  |
|-------------------------------------------------|-------------------------------------------------------------------------------------------------|------------------------|
| <b>Put Options (continued)</b>                  |                                                                                                 |                        |
| 424                                             | strike price \$92.50, expires 12/18/06                                                          | \$ 2,650               |
| Total Options Purchased (cost-\$5,548)          |                                                                                                 | 3,650                  |
| <b>Total Investments before options written</b> |                                                                                                 |                        |
| (cost-\$1,506,602,474) <b>100.0%</b>            |                                                                                                 | <b>1,567,743,865</b>   |
| <b>OPTIONS WRITTEN (b)(f)(i) (0.0)%</b>         |                                                                                                 |                        |
| <b>Call Options (0.0)%</b>                      |                                                                                                 |                        |
| 16,050                                          | News America Holdings, Inc.,<br>strike price \$100, expires 10/01/06 (premiums<br>received-\$0) | (548,156)              |
| <b>Total Investments net of options written</b> |                                                                                                 |                        |
| (cost-\$1,506,602,474) <b>100.0%</b>            |                                                                                                 | <b>\$1,567,195,709</b> |

**Notes to Schedule of Investments:**

- (a) Private Placement. Restricted as to resale and may not have a readily available market.
- (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.
- (d) 144A Security Security exempt from registration, under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, typically only to qualified institutional buyers. Unless otherwise indicated, these securities are not considered to be illiquid.
- (e) Delayed-delivery security. To be delivered after May 31, 2006.
- (f) Fair-valued security.
- (g) Credit-linked trust certificate.
- (h) All or partial amount pledged as collateral for futures contracts and/or options written.
- (i) Non-income producing.
- (j) All or partial amount pledged as collateral for reverse repurchase agreements.
- (k) Residual Interest Municipal Bonds ( RIBS )/Residual Interest Tax Exempt Bonds ( RITES ) The interest rate shown bears an inverse relationship to the interest rate on another security or the value of an index.

**Glossary:**

- £ - British Pound
- CAD - Canadian Dollar
- CMO - Collateralized Mortgage Obligation
- FRN - Floating Rate Note. The interest rate disclosed reflects the rate in effect on May 31, 2006.
- LIBOR - London Inter-Bank Offered Rate
- MBS - Mortgage-Backed Security
- NR - Not Rated
- TRACERS - Traded Custody Receipts
- VRN - Variable Rate Note. Instruments whose interest rates change on specified date (such as a coupon date or interest payment date) and/or whose interest rates vary with changes in a designated base rate (such as the prime interest rate). The interest rate disclosed reflects the rate in effect on May 31, 2006.



**PIMCO Corporate Opportunity Fund Statement of Assets and Liabilities**

May 31, 2006 (unaudited)

**Assets:**

|                                                                       |    |                      |
|-----------------------------------------------------------------------|----|----------------------|
| Investments, at value (cost-\$1,506,602,474)                          | \$ | 1,567,743,865        |
| Cash (including foreign currency of \$80,166 with a cost of \$77,333) |    | 350,081              |
| Interest receivable                                                   |    | 27,601,700           |
| Unrealized appreciation on swaps                                      |    | 24,882,837           |
| Receivable for swaps purchased                                        |    | 2,120,388            |
| Prepaid expenses                                                      |    | 62,494               |
| Unrealized appreciation of forward foreign currency contracts         |    | 51,013               |
| Receivable for variation margin on futures contracts                  |    | 35,625               |
| Receivable for investments sold                                       |    | 816                  |
| <b>Total Assets</b>                                                   |    | <b>1,622,848,819</b> |

**Liabilities:**

|                                                               |  |                   |
|---------------------------------------------------------------|--|-------------------|
| Unrealized depreciation on swaps                              |  | 21,635,688        |
| Payable for investments purchased                             |  | 21,161,280        |
| Premium for swaps sold                                        |  | 14,434,844        |
| Dividends payable to common and preferred shareholders        |  | 9,241,468         |
| Payable for reverse repurchase agreements                     |  | 4,425,000         |
| Investment management fees payable                            |  | 793,163           |
| Options written, at value (premiums received - \$0)           |  | 548,156           |
| Payable for variation margin on futures contracts             |  | 411,125           |
| Unrealized depreciation of forward foreign currency contracts |  | 282,819           |
| Accrued expenses                                              |  | 204,947           |
| Interest payable on reverse repurchase agreements             |  | 983               |
| <b>Total Liabilities</b>                                      |  | <b>73,139,473</b> |

|                                                                                                                                                                         |           |                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--------------------|
| <b>Preferred shares (\$0.00001 par value and \$25,000 net asset and liquidation value per share applicable to an aggregate of 22,600 shares issued and outstanding)</b> |           | <b>565,000,000</b> |
| <b>Net Assets Applicable to Common Shareholders</b>                                                                                                                     | <b>\$</b> | <b>984,709,346</b> |

**Composition of Net Assets Applicable to Common Shareholders:**

|                                                                                                                         |           |                    |
|-------------------------------------------------------------------------------------------------------------------------|-----------|--------------------|
| <b>Common Stock:</b>                                                                                                    |           |                    |
| Par value (\$0.00001 per share, applicable to 65,271,463 shares issued and outstanding)                                 |           | \$653              |
| Paid-in-capital in excess of par                                                                                        |           | 931,311,645        |
| Dividends in excess of net investment income                                                                            |           | (22,295,180)       |
| Accumulated net realized gain                                                                                           |           | 16,934,003         |
| Net unrealized appreciation of investments, futures contracts, options written, swaps and foreign currency transactions |           | 58,758,225         |
| <b>Net Assets Applicable to Common Shareholders</b>                                                                     | <b>\$</b> | <b>984,709,346</b> |
| <b>Net Asset Value Per Common Share</b>                                                                                 |           | <b>\$15.09</b>     |

**PIMCO Corporate Opportunity Fund Statement of Operations**

For the six months ended May 31, 2006 (unaudited)

**Investment Income:**

|                                |                   |
|--------------------------------|-------------------|
| Interest                       | \$ 56,789,266     |
| Consent and other fee income   | 1,445,000         |
| Dividends                      | 33,338            |
| <b>Total Investment Income</b> | <b>58,267,604</b> |

**Expenses:**

|                                                   |                  |
|---------------------------------------------------|------------------|
| Investment management fees                        | 4,711,061        |
| Auction agent fees and commissions                | 715,001          |
| Custodian and accounting agent fees               | 196,147          |
| Reports to shareholders                           | 113,566          |
| Interest expense on reverse repurchase agreements | 106,887          |
| Audit and tax services                            | 44,400           |
| Trustees' fees and expenses                       | 34,874           |
| New York Stock Exchange listing fees              | 22,976           |
| Legal fees                                        | 22,662           |
| Insurance expense                                 | 22,269           |
| Transfer agent fees                               | 16,033           |
| Investor relations                                | 9,800            |
| Miscellaneous                                     | 9,263            |
| <b>Total expenses</b>                             | <b>6,024,939</b> |
| Less: custody credits earned on cash balances     | (30,510)         |
| <b>Net expenses</b>                               | <b>5,994,429</b> |

|                              |                   |
|------------------------------|-------------------|
| <b>Net Investment Income</b> | <b>52,273,175</b> |
|------------------------------|-------------------|

**Realized and Change in Unrealized Gain (Loss):**

|                                                                                                                                        |                   |
|----------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| Net realized gain (loss) on:                                                                                                           |                   |
| Investments                                                                                                                            | 10,688,199        |
| Futures contracts                                                                                                                      | (3,894,059)       |
| Options written                                                                                                                        | 4,021,404         |
| Swaps                                                                                                                                  | 4,585,666         |
| Foreign currency transactions                                                                                                          | (350,766)         |
| Net change in unrealized appreciation/depreciation of:                                                                                 |                   |
| Investments                                                                                                                            | (32,572,949)      |
| Futures contracts                                                                                                                      | (2,221,470)       |
| Options written                                                                                                                        | 459,297           |
| Swaps                                                                                                                                  | 4,288,705         |
| Foreign currency transactions                                                                                                          | (168,808)         |
| Net realized and change in unrealized loss on investments, futures contracts, options written, swaps and foreign currency transactions | (15,164,781)      |
| <b>Net Increase in Net Assets Resulting from Investment Operations</b>                                                                 | <b>37,108,394</b> |

**Dividends and Distributions on Preferred Shares from:**

|                                                                                                          |                      |
|----------------------------------------------------------------------------------------------------------|----------------------|
| Net investment income                                                                                    | (12,342,901)         |
| Net realized gains                                                                                       | (169,994)            |
| <b>Total dividends and distributions on preferred shares</b>                                             | <b>(12,512,895)</b>  |
| <b>Net Increase in Net Assets Applicable to Common Shareholders Resulting from Investment Operations</b> | <b>\$ 24,595,499</b> |

See accompanying Notes to Financial Statements | 5.31.06 | PIMCO Corporate Opportunity Fund Semi-Annual Report 13



**PIMCO Corporate Opportunity Fund Statement of Changes in Net Assets  
Applicable to Common Shareholders**

|                                                                                                                                                | Six Months<br>ended<br>May 31, 2006<br>(unaudited) | Year ended<br>November 30, 2005 |
|------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|---------------------------------|
| <b>Investment Operations:</b>                                                                                                                  |                                                    |                                 |
| Net investment income                                                                                                                          | \$ 52,273,175                                      | \$ 97,509,482                   |
| Net realized gain on investments, futures contracts, options written, swaps and foreign currency transactions                                  | 15,050,444                                         | 17,398,277                      |
| Net change in unrealized appreciation/depreciation of investments, futures contracts, options written, swaps and foreign currency transactions | (30,215,225)                                       | (43,696,007)                    |
| Net increase in net assets resulting from investment operations                                                                                | 37,108,394                                         | 71,211,752                      |
| <b>Dividends and Distributions on Preferred Shares from:</b>                                                                                   |                                                    |                                 |
| Net investment income                                                                                                                          | (12,342,901)                                       | (14,501,451)                    |
| Net realized gains                                                                                                                             | (169,994)                                          | (3,080,828)                     |
| Total dividends and distributions to preferred shareholders                                                                                    | (12,512,895)                                       | (17,582,279)                    |
| Net increase in net assets applicable to common shareholders resulting from investment operations                                              | 24,595,499                                         | 53,629,473                      |
| <b>Dividends and Distributions on Common Shareholders from:</b>                                                                                |                                                    |                                 |
| Net investment income                                                                                                                          | (56,362,697)                                       | (106,777,724)                   |
| Net realized gains                                                                                                                             | (1,252,868)                                        | (41,265,388)                    |
| Total dividends and distributions to common shareholders                                                                                       | (57,615,565)                                       | (148,043,112)                   |
| <b>Capital Share Transactions:</b>                                                                                                             |                                                    |                                 |
| Reinvestment of dividends and distributions                                                                                                    | 4,540,299                                          | 14,383,829                      |
| Total decrease in net assets applicable to common shareholders                                                                                 | (28,479,767)                                       | (80,029,810)                    |
| <b>Net Assets Applicable to Common Shareholders:</b>                                                                                           |                                                    |                                 |
| Beginning of period                                                                                                                            | 1,013,189,113                                      | 1,093,218,923                   |
| End of period (including dividends in excess of net investment income of \$(22,295,180) and \$(5,862,757), respectively)                       | \$ 984,709,346                                     | \$ 1,013,189,113                |
| <b>Common Shares Issued in Reinvestment of Dividends and Distributions</b>                                                                     |                                                    |                                 |
|                                                                                                                                                | 277,315                                            | 871,959                         |

**PIMCO Corporate Opportunity Fund Notes to Financial Statements**

May 31, 2006 (unaudited)

**1. Organization and Significant Accounting Policies**

PIMCO Corporate Opportunity Fund (the Fund), was organized as a Massachusetts business trust on September 13, 2002. Prior to commencing operations on December 27, 2002, the Fund had no operations other than matters relating to its organization and registration as a diversified, closed-end management investment company registered under the Investment Company Act of 1940 and the rules and regulations there under, as amended. Allianz Global Investors Fund Management LLC (the Investment Manager) serves as the Fund's Investment Manager and is an indirect wholly-owned subsidiary of Allianz Global Investors of America L.P. (Allianz Global). Allianz Global is an indirect, majority-owned subsidiary of Allianz AG. The Fund has an unlimited amount of \$.00001 par value common stock authorized.

The Fund's investment objective is to seek maximum total return through a combination of current income and capital appreciation in a diversified portfolio of U.S. dollar denominated corporate debt obligations of varying maturities and other income producing securities. The Fund employs a strategy of selling options on U. S. Treasury futures and other fixed income instruments. This strategy enables the Fund to capture premiums when Pacific Investment Management Company LLC (the Sub-Adviser) believes future interest rate volatility is likely to be lower than the level of volatility implied in the options contracts. In addition, the Fund also engages in interest rate and credit default swaps as part of a strategy to enhance the Fund's income while managing interest rate and credit risk.

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

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

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

**(a) Valuation of Investments**

Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. Portfolio securities and other financial instruments for which market quotations are not readily available or if a development/event occurs that may significantly impact the value of a security, are fair-valued, in good faith, pursuant to guidelines established by the Board of Trustees, including certain fixed income securities which may be valued with reference to securities whose prices are more readily available. The Fund's investments are valued daily using prices supplied by an independent pricing service or dealer quotations, using the last sale price on the exchange that is the primary market for such securities, or the quoted mean price for those securities for which the over-the-counter market is the primary market or for listed securities in which there were no sales. 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. The Fund's investments in senior floating rate loans (Senior Loans) for which a secondary market exists will be valued at the mean of the last available bid and asked prices in the market for such Senior Loans, as provided by an independent pricing service. Other Senior Loans are valued at fair-value by the Sub-Adviser. Such procedures by the Sub-Adviser include consideration and evaluation of: (1) the creditworthiness of the borrower and any intermediate



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participants; (2) the term of the Senior Loan; (3) recent prices in the market for similar loans, if any; (4) recent prices in the market for loans of similar quality, coupon rate, and period until next interest rate reset and maturity; and (5) general economic and market conditions affecting the fair value of the Senior Loan. Exchange traded options and futures are valued at the settlement price determined by the relevant exchange. Securities purchased on a when-issued or delayed-delivery basis are marked to market daily until settlement at the forward settlement value. Short-term securities maturing in 60 days or less are valued at amortized cost, if their original term to maturity was 60 days or less, or by amortizing their value on the 61st day prior to maturity, if the original term to maturity exceeded 60 days. The prices used by the Fund to value securities may differ from the value that would be realized if the securities were sold and the differences could be material to the financial statements. The Fund's net asset value is determined daily as of close of regular trading (normally, 4:00 p.m. Eastern time) on the New York Stock Exchange ( NYSE ) on each day the NYSE is open for business.

### **(b) Investment Transactions and Investment Income**

Investment transactions are accounted for on the trade date. Securities purchased and sold on a when-issued or delayed-delivery basis may be settled a month or more after the trade date. Realized gains and losses on investments are determined on the identified cost basis. Interest income is recorded on an accrual basis. Discounts or premiums on debt securities purchased are accreted or amortized

**PIMCO Corporate Opportunity Fund Notes to Financial Statements**

May 31, 2006 (unaudited)

**1. Organization and Significant Accounting Policies** (continued)

to interest income over the lives of the respective securities using the effective interest method. Dividend income is recorded on the ex-dividend date. Facility fees and other fees (such as origination fees) received by the Fund are amortized as income over the expected term of the senior loan. Commitment fees received by the Fund relating to unfunded purchase commitments are deferred and amortized to facility fee income over the period of the commitment.

**(c) Federal Income Taxes**

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

**(d) Dividends and Distributions - Common Stock**

The Fund declares dividends from net investment income monthly to common shareholders. Distributions of net realized capital gains, if any, are paid at least annually. The Fund records dividends and distributions to its shareholders on the ex-dividend date. The amount of dividends and distributions from net investment income and net realized capital gains are determined in accordance with federal income tax regulations, which may differ from generally accepted accounting principles. These book-tax differences are considered either temporary or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the capital accounts based on their income tax treatment; temporary differences do not require reclassification. To the extent dividends and/or distributions exceed current and accumulated earnings and profits for federal income tax purposes; they are reported as dividends and/or distributions of paid-in capital in excess of par.

Net investment income and net realized gains differ for financial statement and tax purposes primarily due to the treatment of amounts received under swap agreements. For the six months ended May 31, 2006, the Fund received \$15,777,079 from swap agreements, which are treated as net realized gain (loss) for financial statement purposes and as net income (loss) for federal income tax purposes.

**(e) Foreign Currency Translation**

The Fund's accounting records are maintained in U.S. dollars as follows: (1) the foreign currency market value of investments and other assets and liabilities denominated in foreign currency are translated at the prevailing exchange rate at the end of the period; and (2) purchases and sales, income and expenses are translated at the prevailing exchange rate on the respective dates of such transactions. The resulting net foreign currency gain or loss is included in the Statement of Operations.

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

**(f) Futures Contracts**

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

**(g) Option Transactions**

The Fund may purchase and write (sell) put and call options for hedging purposes, risk management purposes or as a part of its investment strategy. The risk associated with purchasing an option is that the Fund pays a premium whether

**PIMCO Corporate Opportunity Fund Notes to Financial Statements**

May 31, 2006 (unaudited)

**1. Organization and Significant Accounting Policies** (continued)

or not the option is exercised. Additionally, the Fund bears the risk of loss of premium and change in market value should the counterparty not perform under the contract. Put and call options purchased are accounted for in the same manner as portfolio securities. The cost of securities acquired through the exercise of call options is increased by the premiums paid. The proceeds from the securities sold through the exercise of put options is decreased by the premiums paid.

When an option is written, the premium received is recorded as an asset with an equal liability and is subsequently marked to market to reflect the current market value of the option written. These liabilities are reflected as options written in the Statement of Assets and Liabilities. Premiums received from writing options which expire unexercised are recorded on the expiration date as a realized gain. The difference between the premium received and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or if the premium is less than the amount paid for the closing purchase transactions, as a realized loss. If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security in determining whether there has been a realized gain or loss. If a put option is exercised, the premium reduces the cost basis of the security. In writing an option, the Fund bears the market risk of an unfavorable change in the price of the security underlying the written option. Exercise of an written option could result in the Fund purchasing a security at a price different from the current market.

**(h) Interest Rate/Credit Default Swaps**

The Fund may enter into interest rate and credit default swap contracts ( swaps ) for investment purposes, to manage its interest rate and credit risk or to add leverage.

As a seller in the credit default swap contract, the Fund is required to pay the notional amount or other agreed-upon value of a referenced debt obligation to the counterparty in the event of a default by a third party, such as a U.S. or foreign corporate issuer, on the referenced debt obligation. In return, the Fund would receive from the counterparty a periodic stream of payments over the term of the contract provided that no event of default has occurred. If no default occurs, the Fund would keep the stream of payments and would have no payment obligations. Such periodic payments are accrued daily and recorded as realized gain (loss).

The Fund may also purchase credit default swap contracts in order to hedge against the risk of default of debt securities held, in which case the Fund would function as the counterparty referenced in the preceding paragraph. As a purchaser of a credit default swap contract, the Fund would receive the notional amount or other agreed upon value of a referenced debt obligation from the counterparty in the event of default by a third party, such as a U.S. or foreign corporate issuer on the referenced obligation. In return, the Fund would make periodic payments to the counterparty over the term of the contract provided no event of default has occurred. Such periodic payments are accrued daily and recorded as realized gain (loss).

Interest rate swap agreements involve the exchange by the Fund with a counterparty of their respective commitments to pay or receive interest, e.g., an exchange of floating rate payments for fixed rate payments with respect to a notional amount of principal. Net periodic payments

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received (paid) by the Fund are included as part of realized gain (loss) and or change in unrealized appreciation/depreciation on the Statement of Operations.

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

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

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**PIMCO Corporate Opportunity Fund Notes to Financial Statements**

May 31, 2006 (unaudited)

**1. Organization and Significant Accounting Policies** (continued)

**(i) Senior Loans**

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

**(j) Forward Foreign Currency Contracts**

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

**(k) Credit-Linked Trust Certificates**

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

Similar to an investment in a bond, investments in these credit-linked trust certificates represent the right to receive periodic income payments (in the form of distributions) and payment of principal at the end of the term of the certificate. However, these payments are conditioned on the trust's receipt of payments from, and the trust's potential obligations to, the counterparties to the derivative instruments and other securities in which the trust invests.

**(l) Repurchase Agreements**

The Fund enters into transactions with its custodian bank or securities brokerage firms whereby it purchases securities under agreements to resell at an agreed upon price and date (repurchase agreements). Such agreements are carried at the contract amount in the financial statements. Collateral pledged (the securities received), which consists primarily of U.S. government obligations and asset-backed securities, are held by the

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custodian bank until maturity of the repurchase agreement. Provisions of the repurchase agreements and the procedures adopted by the Fund require that the market value of the collateral, including accrued interest thereon, is sufficient in the event of default by the counterparty. If the counterparty defaults and the value of the collateral declines or if the counterparty enters an insolvency proceeding, realization of the collateral by the Fund may be delayed or limited.

### **(m) Reverse Repurchase Agreements**

In a reverse repurchase agreement, the Fund sells securities to a bank or broker-dealer and agrees to repurchase the securities at a mutually agreed upon date and price. Generally, the effect of such a transaction is that the Fund can recover and reinvest all or most of the cash invested in portfolio securities involved during the term of the reverse repurchase agreement and still be entitled to the returns associated with those portfolio securities. Such transactions are advantageous if the interest cost to the Fund of the reverse repurchase transaction is less than the returns it obtains on investments purchased with the cash. Unless the Fund covers its positions in reverse repurchase agreements (by segregating liquid assets at least equal in amount to the forward purchase commitment), its obligations under the agreements will be subject to the Fund's limitations on borrowings. Reverse repurchase agreements involve leverage risk and also the risk that the market value of the securities that the Fund is obligated to repurchase under the agreement may decline below the repurchase price. In the event the buyer of securities under a reverse repurchase agreement files for bankruptcy or becomes insolvent, the Fund's use of the proceeds of the agreement may be restricted pending determination by the other party, or its trustee or receiver, whether to enforce the Fund's obligation to repurchase the securities. At May 31, 2006, the Fund had reverse repurchase agreements outstanding of \$4,425,000. The weighted average daily balance of reverse repurchase agreements outstanding for the six months ended May 31, 2006 was \$14,141,932 at a weighted average interest rate of 3.62%.

**PIMCO Corporate Opportunity Fund Notes to Financial Statements**

May 31, 2006 (unaudited)

**1. Organization and Significant Accounting Policies** (continued)

**(n) When-Issued/Delayed-Delivery Transactions**

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

**(o) Custody Credits on Cash Balances**

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

**2. Investment Manager/Sub-Adviser**

The Fund has entered an Investment Management Agreement (the Agreement) with the Investment Manager. Subject to the supervision of the Fund's Board of Trustees, the Investment Manager is responsible for managing, either directly or through others selected by it, the Fund's investment activities, business affairs and administrative matters. Pursuant to the Agreement, the Investment Manager receives an annual fee, payable monthly, at an annual rate of 0.60% of the Fund's average daily net assets, including net assets attributable to any preferred shares that may be outstanding.

The Investment Manager has retained its affiliate, the Sub-Adviser, to manage the Fund's investments. Subject to the supervision of the Investment Manager, the Sub-Adviser is responsible for making all the Fund's investment decisions. The Investment Manager and not the Fund, pays a portion of the fees it receives as Investment Manager to the Sub-Adviser in return for its services, at the maximum annual rate of 0.39% of the Fund's average daily net assets, inclusive of net assets attributable to any preferred shares that may be outstanding, for the period from commencement of operations through December 31, 2007, and will receive an increasing amount thereafter.

**3. Investment in Securities**

For the six months ended May 31, 2006, purchases and sales of investments, other than short-term securities and U.S. government obligations, were \$234,309,365 and \$257,201,628, respectively. Purchases and sales in U.S. government obligations were \$65,691,149 and \$28,050,018, respectively.



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

| Type   |                                    | Notional<br>Amount<br>(000) | Expiration<br>Date | Unrealized<br>Appreciation<br>(Depreciation) |
|--------|------------------------------------|-----------------------------|--------------------|----------------------------------------------|
| Long:  | Financial Future Euro 90 day       | \$ 1,000                    | 6/18/07            | \$ (579,184)                                 |
|        | Financial Future Euro 90 day       | 4,625                       | 9/17/07            | (2,901,516)                                  |
|        | Financial Future Euro 90 day       | 4,300                       | 12/17/07           | (1,160,450)                                  |
|        | U.S. Treasury Bond Futures         | 15                          | 6/21/06            | (97,148)                                     |
| Short: | Financial Future Euro 90 day       | (1,000)                     | 9/15/08            | 400,000                                      |
|        | U.S. Treasury Bond Futures         | (535)                       | 9/20/06            | (484,539)                                    |
|        | U.S. Treasury Notes 10 yr. Futures | (120)                       | 9/20/06            | (43,125)                                     |
|        |                                    |                             |                    | \$(4,865,962)                                |

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**PIMCO Corporate Opportunity Fund Notes to Financial Statements**

May 31, 2006 (unaudited)

**3. Investment in Securities** (continued)

(b) Transactions in options written for the six months ended May 31, 2006:

|                                                     | Notional/<br>Contracts | Premiums     |
|-----------------------------------------------------|------------------------|--------------|
| Options outstanding, November 30, 2005              | 16,059,447             | \$ 2,261,222 |
| Options written                                     | 9,613,144              | 3,387,978    |
| Options terminated in closing purchase transactions | (9,622,591)            | (5,649,200)  |
| Options outstanding, May 31, 2006                   | 16,050,000             | \$           |

(c) Credit default swap agreements outstanding at May 31, 2006:

| Swap<br>Counterparty/<br>Referenced Debt<br>Issuer | Notional<br>Amount<br>Payable on<br>Default<br>(000) | Termination<br>Date | Fixed<br>Payments<br>Received<br>by Fund | Unrealized<br>Appreciation<br>(Depreciation) |
|----------------------------------------------------|------------------------------------------------------|---------------------|------------------------------------------|----------------------------------------------|
| ABN Amro Bank<br>Ford Motor Credit                 | \$ 2,000                                             | 6/20/07             | 3.10%                                    | \$ 16,738                                    |
| Bear Stearns<br>GMAC                               | 25,000                                               | 6/20/06             | 5.35%                                    | 571,675                                      |
| Goldman Sachs<br>Dow Jones CDX                     | 21,340                                               | 12/20/10            | 3.95%                                    | 1,255,407                                    |
| Ford Motor Credit<br>HSBC Bank                     | 1,000                                                | 6/20/07             | 3.00%                                    | 7,167                                        |
| Ford Motor Credit<br>J.P. Morgan Chase             | 1,000                                                | 6/20/06             | 3.25%                                    | 7,222                                        |
| Ford Motor Credit<br>Ford Motor Credit             | 2,700                                                | 6/20/06             | 2.15%                                    | 11,769                                       |
| Ford Motor Credit<br>GMAC                          | 1,000                                                | 6/20/06             | 3.50%                                    | 7,873                                        |
| GMAC<br>GMAC                                       | 5,000                                                | 6/20/07             | 6.40%                                    | (15,022)                                     |
| GMAC<br>GMAC                                       | 20,000                                               | 6/20/06             | 2.63%                                    | 119,871                                      |
| GMAC<br>GMAC                                       | 500                                                  | 6/20/06             | 2.75%                                    | 3,153                                        |
| GMAC<br>GMAC                                       | 4,000                                                | 6/20/06             | 2.80%                                    | 25,745                                       |
| GMAC<br>Lehman Brothers                            | 1,000                                                | 6/20/06             | 4.10%                                    | 9,820                                        |
| Ford Motor Credit<br>Ford Motor Credit             | 1,350                                                | 6/20/06             | 2.90%                                    | 8,520                                        |
| Ford Motor Credit<br>Merrill Lynch                 | 5,000                                                | 6/20/07             | 3.28%                                    | 52,662                                       |
| Ford Motor Credit<br>Morgan Stanley                | 3,000                                                | 6/20/07             | 3.45%                                    | 37,727                                       |
| Ford Motor Credit<br>Ford Motor Credit             | 2,000                                                | 6/20/07             | 3.40%                                    | 23,950                                       |
| Ford Motor Credit                                  | 3,000                                                | 6/20/07             | 3.75%                                    | 48,545                                       |

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|                   |        |         |       |              |
|-------------------|--------|---------|-------|--------------|
| Ford Motor Credit | 7,000  | 6/20/07 | 4.00% | (1,029)      |
| Ford Motor Credit | 20,000 | 9/20/10 | 4.05% | (467,832)    |
| Wachovia Bank     |        |         |       |              |
| Ford Motor Credit | 1,000  | 6/20/07 | 3.41% | 12,095       |
|                   |        |         |       | \$ 1,736,056 |

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**PIMCO Corporate Opportunity Fund Notes to Financial Statements**

May 31, 2006 (unaudited)

**3. Investment in Securities** (continued)

(d) Interest rate swap agreements outstanding at May 31, 2006:

| Swap Counterparty | Notional Amount<br>(000) | Termination Date | Payments made by Fund | Rate Type | Payments received by Fund | Unrealized Appreciation (Depreciation) |
|-------------------|--------------------------|------------------|-----------------------|-----------|---------------------------|----------------------------------------|
| Goldman Sachs     | \$ 485,000               | 2/26/16          | 4.405%                |           | 3 month LIBOR             | \$ 3,697,157                           |
| Goldman Sachs     | 485,000                  | 2/23/16          | LIBOR                 |           | 5.80%                     | (5,057,363)                            |
| Lehman Brothers   | 151,000                  | 2/23/16          | 4.405%                |           | 3 month LIBOR             | 1,151,074                              |
| Lehman Brothers   | 151,000                  | 2/23/16          | LIBOR                 |           | 5.80%                     | (1,574,561)                            |
| Lehman Brothers   | 1,700,000                | 12/18/24         | 5.77%                 |           | 3 month LIBOR             | 17,715,499                             |
| Lehman Brothers   | 1,650,000                | 12/18/24         | LIBOR                 |           | 5.70%                     | (14,519,881)                           |
| Lehman Brothers   | 16,050                   | 10/1/06          | 7.43%                 |           | 3 month LIBOR + 1.15%     | 99,168                                 |
|                   |                          |                  |                       |           |                           | \$ 1,511,093                           |

LIBOR London Interbank Offered Rate

The Fund received \$2,000,000 par value U.S. Treasury Bills as collateral for swap agreements.

(e) Forward foreign currency contracts outstanding at May 31, 2006:

|                                           | U.S. \$ Value<br>Origination Date | U.S. \$ Value<br>May 31, 2006 | Unrealized<br>Appreciation<br>(Depreciation) |
|-------------------------------------------|-----------------------------------|-------------------------------|----------------------------------------------|
| Purchased:                                |                                   |                               |                                              |
| 233,461,000 Japanese Yen settling 6/15/06 | \$2,119,531                       | \$2,086,898                   | \$ (32,633)                                  |
| 437,000,000 Japanese Yen settling 6/15/06 | 3,891,917                         | 3,906,323                     | 14,406                                       |
| 667,000,000 Japanese Yen settling 6/15/06 | 5,957,804                         | 5,962,283                     | 4,479                                        |
| Sold:                                     |                                   |                               |                                              |
| 3,617,000 British Pound settling 6/15/06  | 6,519,859                         | 6,770,045                     | (250,186)                                    |
| 214,133,000 Japanese Yen settling 6/15/06 | 1,946,253                         | 1,914,125                     | 32,128                                       |
|                                           |                                   |                               | \$ (231,806)                                 |

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(f) Reverse repurchase agreements outstanding at May 31, 2006:

| Counterparty      | Rate  | Trade Date | Maturity Date | Principal & Interest | Par         |
|-------------------|-------|------------|---------------|----------------------|-------------|
| Lehman Securities | 1.00% | 5/24/06    | 5/23/08       | \$4,425,983          | \$4,425,000 |

Collateral for reverse repurchase agreements outstanding at May 31, 2006, as reflected in the schedule of investments:

| Counterparty      | Description                | Rate   | Maturity Date | Par         | Value       |
|-------------------|----------------------------|--------|---------------|-------------|-------------|
| Lehman Securities | Abitibi-Consolidated, Inc. | 8.375% | 4/1/15        | \$5,000,000 | \$4,800,000 |

#### 4. Income Tax Information

The cost basis of portfolio securities of \$1,506,602,474 for federal income tax purposes is substantially the same for financial reporting purposes. Aggregated gross unrealized appreciation for securities in which there is an excess value over tax cost is \$84,253,836; aggregate gross unrealized depreciation for securities in which there is an excess of tax cost over value is \$23,112,445; net unrealized appreciation for federal income tax purposes is \$61,141,391. The difference between book and tax appreciation/depreciation is primarily attributable to wash sales.

#### 5. Auction Preferred Shares

The Fund has issued 4,520 shares of Preferred Shares Series M, 4,520 shares of Preferred Shares Series T, 4,520 shares of Preferred Shares Series W, 4,520 shares of Preferred Shares Series TH, and 4,520 shares of Preferred Shares Series F, each with a net asset and liquidation value of \$25,000 per share plus accrued dividends.

Dividends are accumulated daily at an annual rate through auction procedures. Distributions of net realized long-term capital gains, if any, are paid annually.

**PIMCO Corporate Opportunity Fund Notes to Financial Statements**

May 31, 2006 (unaudited)

**5. Auction Preferred Shares (continued)**

For the six months ended May 31, 2006 the annualized dividend rate ranged from:

|           | High  | Low   | At May 31, 2006 |
|-----------|-------|-------|-----------------|
| Series M  | 4.85% | 3.70% | 4.80%           |
| Series T  | 4.85% | 3.97% | 4.75%           |
| Series W  | 4.85% | 3.96% | 4.75%           |
| Series TH | 4.86% | 4.00% | 4.80%           |
| Series F  | 4.85% | 3.94% | 4.82%           |

The Fund is subject to certain limitations and restrictions while Preferred Shares are outstanding. Failure to comply with these limitations and restrictions could preclude the Fund from declaring any dividends or distributions to common shareholders or repurchasing common shares and/or could trigger the mandatory redemption of Preferred Shares at their liquidation value.

Preferred Shares, which are entitled to one vote per share, generally vote together with the common stock but vote separately as a class to elect two Trustees and on any matters affecting the rights of the Preferred Shares.

**6. Subsequent Common Dividend Declarations**

On June 1, 2006, a dividend of \$0.1375 per share was declared to common shareholders payable July 3, 2006 to shareholders of record on June 12, 2006.

On July 3, 2006 a dividend of \$0.1375 per share was declared to common shareholders payable August 1, 2006 to shareholders of record on July 13, 2006.

**7. Legal Proceedings**

In June and September 2004, the Investment Manager, certain of its affiliates (Allianz Global Investors Distributors LLC and PEA Capital LLC) and Allianz Global, agreed to settle, without admitting or denying the allegations, claims brought by the Securities and Exchange Commission (the Commission), the New Jersey Attorney General and the California Attorney General alleging violations of federal and state securities laws with respect to certain open-end funds for which the Investment Manager serves as investment adviser. Two settlements (with the Commission and New Jersey) related to an alleged market timing arrangement in certain open-end funds sub-advised by PEA Capital. Two settlements (with the Commission and California) related to the alleged use of cash and fund portfolio commissions to finance shelf-space arrangements with broker-dealers for open-end funds. The Investment Manager and its affiliates agreed to pay a total of \$68 million to settle the claims related to

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market timing and \$20.6 million to settle the claims related to shelf space. The settling parties also agreed to make certain corporate governance changes. None of the settlements allege that any inappropriate activity took place with respect to the Fund.

Since February 2004, the Investment Manager and certain of its affiliates and their employees have been named as defendants in a number of pending lawsuits concerning market timing and revenue sharing/shelf space/directed brokerage, which allege the same or similar conduct underlying the regulatory settlements discussed above. The market timing lawsuits have been consolidated in a Multi-District Litigation in the United States District Court for the District of Maryland, and the revenue sharing/shelf space/directed brokerage lawsuits have been consolidated in the United States District Court for the District of Connecticut. Any potential resolution of these matters may include, but not be limited to, judgments or settlements for damages against the Investment Manager or its affiliates or related injunctions.

Under Section 9(a) of the 1940 Act, if any of the various regulatory proceedings or lawsuits were to result in a court injunction against the Investment Manager, Allianz Global and/or their affiliates, they and their affiliates would, in the absence of exemptive relief granted by the Commission, be barred from serving as an investment adviser/sub-adviser or principal underwriter for any registered investment company, including the Fund. In connection with an inquiry from the Commission concerning the status of the New Jersey settlement referenced above with regard to any implications under Section 9(a), the Investment Manager and certain of its affiliates, including the Investment Adviser, (together, the Applicants) have sought exemptive relief from the Commission under Section 9(c) of the 1940 Act. The Commission has granted the Applicants a temporary exemption from the provisions of Section 9(a) with respect to the New Jersey settlement until the earlier of (i) September 13, 2006 and (ii) the date on which the Commission takes

**PIMCO Corporate Opportunity Fund Notes to Financial Statements**

May 31, 2006 (unaudited)

**7. Legal Proceedings** (continued)

final action on their application for a permanent exemptive order. There is no assurance that the Commission will issue a permanent order. If a court injunction were to issue against the Investment Manager or its affiliates with respect to any of the other matters referenced above, the Investment Manager or the affiliates would, in turn, seek similar exemptive relief under Section 9(c) with respect to that matter, although there is no assurance that such exemptive relief would be granted.

The Investment Manager and the Sub-Adviser believe that these matters are not likely to have a material adverse effect on the Fund or on their ability to perform their respective investment advisory activities relating to the Fund.

The foregoing speaks only as of the date hereof.

**Annual Shareholder Meeting Results**

The Fund held its annual meeting of shareholders on February 28, 2006. Common and Preferred shareholders voted to re-elect Paul Belica and David C. Flattum as a Class III Trustees to serve until 2009. The results were as follows:

|                                 | Affirmative | Withhold<br>Authority |
|---------------------------------|-------------|-----------------------|
| Re-election of Paul Belica      | 55,496,712  | 584,206               |
| Re-election of David C. Flattum | 55,537,112  | 543,806               |

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Robert E. Connor, John J. Dalessandro II\*, R. Peter Sullivan III and Hans W. Kertess\* continue to serve as Trustees of the Fund.

\* Preferred Shares Trustee



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**PIMCO Corporate Opportunity Fund Financial Highlights**

For a share of common stock outstanding throughout each period:

|                                                                                                                                                        | Six Months<br>ended<br>May 31, 2006 | Year ended<br>November 30, 2005 | November 30,<br>2004 | For the period<br>December 27,<br>2002* through<br>November 30,<br>2003 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|---------------------------------|----------------------|-------------------------------------------------------------------------|
| Net asset value, beginning of period                                                                                                                   | (unaudited)<br>\$15.59              | \$17.05                         | \$17.08              | \$14.33**                                                               |
| <b>Investment Operations:</b>                                                                                                                          |                                     |                                 |                      |                                                                         |
| Net investment income                                                                                                                                  | 0.81                                | 1.50                            | 1.74                 | 1.62                                                                    |
| Net realized and change in unrealized<br>gain (loss) on investments, futures<br>contracts, options written, swaps and<br>foreign currency transactions | (0.23)                              | (0.40)                          | 0.36                 | 2.71                                                                    |
| Total from investment operations                                                                                                                       | 0.58                                | 1.10                            | 2.10                 | 4.33                                                                    |
| <b>Dividends and Distributions on<br/>Preferred Shares from:</b>                                                                                       |                                     |                                 |                      |                                                                         |
| Net investment income                                                                                                                                  | (0.19)                              | (0.22)                          | (0.13)               | (0.08)                                                                  |
| Net realized gains                                                                                                                                     | (0.00)                              | (0.05)                          |                      |                                                                         |
| Total dividends and distributions on<br>preferred shares                                                                                               | (0.19)                              | (0.27)                          | (0.13)               | (0.08)                                                                  |
| Net increase in net assets applicable to<br>common shareholders resulting from<br>investment operations                                                | 0.39                                | 0.83                            | 1.97                 | 4.25                                                                    |
| <b>Dividends and Distributions to<br/>Common Shareholders from:</b>                                                                                    |                                     |                                 |                      |                                                                         |
| Net investment income                                                                                                                                  | (0.87)                              | (1.65)                          | (1.73)               | (1.38)                                                                  |
| Net realized gains                                                                                                                                     | (0.02)                              | (0.64)                          | (0.27)               |                                                                         |
| Total dividends and distributions to<br>common shareholders                                                                                            | (0.89)                              | (2.29)                          | (2.00)               | (1.38)                                                                  |
| <b>Capital Share Transactions:</b>                                                                                                                     |                                     |                                 |                      |                                                                         |
| Common stock offering costs charged to<br>paid-in capital in excess of par                                                                             |                                     |                                 |                      | (0.02)                                                                  |
| Preferred shares offering<br>costs/underwriting discounts charged to<br>paid-in capital in excess of par                                               |                                     |                                 |                      | (0.10)                                                                  |
| Total capital share transactions                                                                                                                       |                                     |                                 |                      | (0.12)                                                                  |
| Net asset value, end of period                                                                                                                         | \$15.09                             | \$15.59                         | \$17.05              | \$17.08                                                                 |
| Market price, end of period                                                                                                                            | \$17.06                             | \$17.20                         | \$17.01              | \$16.88                                                                 |
| <b>Total Investment Return (1)</b>                                                                                                                     | 13.32%                              | 16.16%                          | 13.29%               | 22.50%                                                                  |
| <b>RATIOS/SUPPLEMENTAL DATA:</b>                                                                                                                       |                                     |                                 |                      |                                                                         |
| Net assets applicable to common<br>shareholders, end of period (000)                                                                                   | \$984,709                           | \$1,013,189                     | \$1,093,219          | \$1,088,428                                                             |
| Ratio of expenses to average net assets<br>(2)(3)                                                                                                      | 1.20%(4)(5)                         | 1.15%                           | 1.13%                | 1.07%(5)                                                                |
| Ratio of net investment income to<br>average net assets (2)                                                                                            | 10.38%(5)                           | 9.29%                           | 10.31%               | 11.13%(5)                                                               |
| Preferred shares asset coverage per share                                                                                                              | \$68,551                            | \$69,814                        | \$73,362             | \$73,145                                                                |
| Portfolio turnover                                                                                                                                     | 19%                                 | 41%                             | 64%                  | 26%                                                                     |

\* Commencement of operations.

\*\* Initial public offering price of \$15.00 per share less underwriting discount of \$0.675 per share.  
Less than \$0.00 per share.

(1) Total investment return is calculated assuming a purchase of a share of common stock at the current market price on the first day of each period and a sale of a share of common stock at the current market price on the last day of each period reported. Dividends and

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distributions are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment return does not reflect brokerage commissions or sales charges. Total investment return for a period of less than one year is not annualized.

- (2) Calculated on the basis of income and expenses applicable to both common and preferred shares relative to the average net assets of common shareholders.
- (3) Inclusive of expenses offset by custody credits earned on cash balances at the custodian bank. (See note 1(o) in Notes to Financial Statements).
- (4) Ratio of expenses to average net assets, excluding interest expense was 1.18% (annualized).
- (5) Annualized.

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**Trustees and Principal Officers**

Robert E. Connor  
Trustee, Chairman of the Board of Trustees

Paul Belica  
Trustee

John J. Dalessandro II  
Trustee

David C. Flattum  
Trustee

Hans W. Kertess  
Trustee

R. Peter Sullivan III  
Trustee

Brian S. Shlissel  
President & Chief Executive Officer

Lawrence G. Altadonna  
Treasurer, Principal Financial & Accounting Officer

Thomas J. Fuccillo  
Vice President, Secretary & Chief Legal Officer

Youse Guia  
Chief Compliance Officer

**Investment Manager**

Allianz Global Investors Fund Management LLC

1345 Avenue of the Americas

New York, NY 10105

**Sub-Adviser**

Pacific Investment Management Company LLC

840 Newport Center Drive

Newport Beach, CA 92660

**Custodian & Accounting Agent**

State Street Bank & Trust Co.

801 Pennsylvania

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Kansas City, MO 64105-1307

### **Transfer Agent, Dividend Paying Agent and Registrar**

PFPC Inc.

P.O. Box 43027

Providence, RI 02940-3027

### **Independent Registered Public Accounting Firm**

PricewaterhouseCoopers LLP

300 Madison Avenue

New York, NY 10017

### **Legal Counsel**

Ropes & Gray LLP

One International Place

Boston, MA 02210-2624

*This report, including the financial information herein, is transmitted to the shareholders of PIMCO Corporate Opportunity Fund for their information. It is not a prospectus, circular or representation intended for use in the purchase of shares of the Fund or any securities mentioned in this report.*

*The financial information included herein is taken from the records of the Fund without examination by an independent registered public accounting firm, who did not express an opinion hereon.*

*Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that from time to time the Fund may purchase shares of its common stock in the open market.*

*The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission ( SEC ) for the first and third quarter of its fiscal year on Form N-Q. The Fund's Form N-Q is available on the SEC's website at [www.sec.gov](http://www.sec.gov) and may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330. The information on Form N-Q is also available on the Fund's website at [www.allianzinvestors.com](http://www.allianzinvestors.com).*

*On March 6, 2006, the Fund submitted a CEO annual certification to the New York Stock Exchange ( NYSE ) on which the Fund's principal executive officer certified that he was not aware, as of the date, of any violation by the Fund of the NYSE's Corporate Governance listing standards. In addition, as required by Section 302 of the Sarbanes-Oxley Act of 2002 and related SEC rules, the Fund's principal executive and principal financial officer made quarterly certifications, included in filings with the SEC on Forms N-CSR and N-Q relating to, among other things, the Fund's disclosure controls and procedures and internal control over financial reporting, as applicable.*

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*A description of the policies and procedures that the Fund has adopted to determine how to vote proxies relating to portfolio securities and information about how the Fund voted proxies relating to portfolio securities held during the twelve months ended June 30, 2005 is available (i) without charge upon request by calling the Fund's shareholder servicing agent at (800) 331-1710; (ii) on that Fund's website at [www.allianzinvestors.com/closedendfunds](http://www.allianzinvestors.com/closedendfunds); and (iii) on the Securities and Exchange Commission website at [www.sec.gov](http://www.sec.gov).*

*Information on the Fund is available at [www.allianzinvestors.com/closedendfunds](http://www.allianzinvestors.com/closedendfunds), or by calling the Fund's shareholder servicing agent at (800) 331-1710.*



ITEM 2. CODE OF ETHICS

Not required in this filing.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT

Not required in this filing.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Not required in this filing.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANT

Not required in this filing.

ITEM 6. SCHEDULE OF INVESTMENTS Schedule of Investments is included as part of the report to shareholders filed under Item 1 of this form.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES

Not required in this filing.

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES

Not effective at the time of this filing

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ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED COMPANIES.

| PERIOD        | TOTAL NUMBER OF SHARES PURCHASED | AVERAGE PRICE PAID PER SHARE | TOTAL NUMBER OF SHARES PURCHASED AS PART OF PUBLICLY ANNOUNCED PLANS OR PROGRAMS | MAXIMUM NUMBER OF SHARES THAT MAY YET BE PURCHASED UNDER THE PLANS OR PROGRAMS |
|---------------|----------------------------------|------------------------------|----------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| December 2005 | N/A                              | 16.046                       | 89,939                                                                           | N/A                                                                            |
| January 2006  | N/A                              | 16.283                       | 18,346                                                                           | N/A                                                                            |
| February 2006 | N/A                              | 16.378                       | 43,830                                                                           | N/A                                                                            |
| March 2006    | N/A                              | 16.606                       | 41,963                                                                           | N/A                                                                            |
| April 2006    | N/A                              | 16.654                       | 41,590                                                                           | N/A                                                                            |
| May 2006      | N/A                              | 16.207                       | 41,647                                                                           | N/A                                                                            |

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There have been no material changes to the procedures by which shareholders may recommend nominees to the Fund's Board of Trustees since the Fund last provided disclosure in response to this item.

ITEM 11. CONTROLS AND PROCEDURES

(a) The registrant's President and Chief Executive Officer and Principal Financial Officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-2(c) under the Investment Company Act of 1940, as amended) 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 or in factors that could affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

ITEM 12. EXHIBITS

(a) (1) Exhibit 99.302 CERT Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

(b) Exhibit 99.906 Cert. - Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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Signature

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.

PIMCO Corporate Opportunity Fund

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

Date: August 3, 2006

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

Date: August 3, 2006

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  
Brian S. Shlissel, President & Chief Executive Officer

Date: August 3, 2006

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

Date: August 3, 2006

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