

# PIMCO Floating Rate Income Fund (PFL)

## Description

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

## Fund Inception Date

August 29, 2003

## Total Fund Assets (in millions)

Common	\$233.0
Preferred	\$210.0
Total	\$443.0

## Management Firm

Pacific Investment Management Company (PIMCO)

## Portfolio Manager

Cyrille Conseil

## Dividend Frequency

Monthly

## Net Asset Value (NAV) / Market Price at Inception

\$19.40 / \$20.00

## NAV / Market Price (as of 9/30/08)

\$12.76 / \$10.06

## High / Low Ranges (52-Week)

High / Low NAV \$18.09 / \$12.76  
High / Low Market Price \$18.59 / \$9.69

## Premium / (Discount) to NAV

-21.16%

## Fund Data (Common Shares)

Shares Outstanding 18,265,782  
Average Daily Volume 92,176

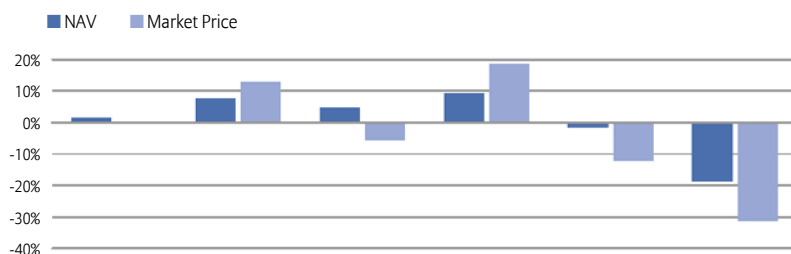
## Fund Data (Preferred Shares)

Shares Outstanding 8,400  
Share Price \$25,000  
% of Total Fund Assets (Leverage) 47.42  
Average Quarterly Rate (% Annualized) 4.21  
Average Maturity (Days) 7

## Fund Highlights

- Invests primarily in a diversified portfolio of floating-rate debt instruments.
- A substantial portion of the portfolio's holdings are in high-yield senior floating-rate loans, which generally hold the most senior position in the capital structure of a corporation, and are often secured with collateral.
- The Fund can also invest in fixed-rate securities with maturities of less than one year.
- Because most of these debt instruments have variable interest rates, the Fund is generally expected to have less interest rate risk and a more stable net asset value than funds that invest in fixed-income securities, although the NAV will vary due to fluctuations in interest rates and other factors, such as changes in the credit quality of portfolio securities and the spread between corporate-debt interest rates and Treasuries.

## Performance and Dividend Analysis—Common Shares



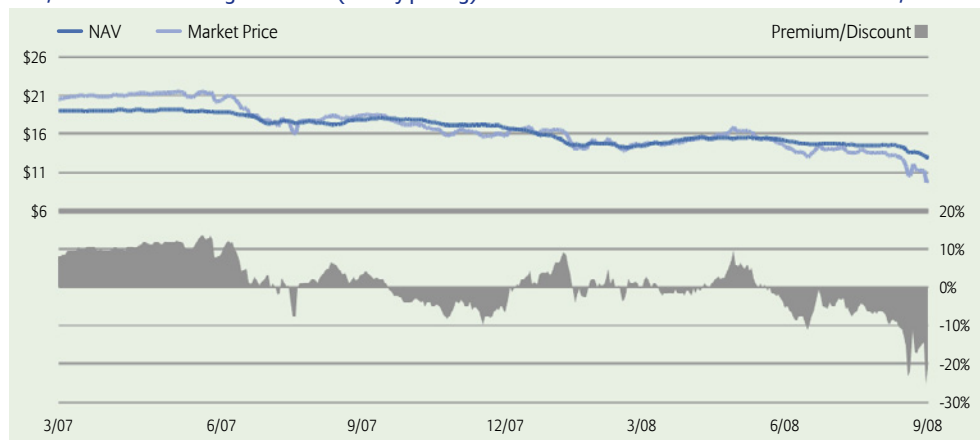
## Calendar Year Returns

	'03	'04	'05	'06	'07	YTD
NAV	1.5%	7.9%	4.8%	9.6%	-1.4%	-18.6%
Market Price	0.2%	13.1%	-5.2%	18.6%	-12.0%	-30.9%

## Average Annual Returns

	1-yr	3-yr	5-yr	Inception
NAV	-20.46%	-3.74%	0.19%	0.20%
Market Price	-38.71%	-9.45%	-4.99%	-4.89%

## NAV/Market Price-Trailing 18 Months (weekly pricing)



## Fund Premium/Discount

## Current Yield

Market Price Yield (%)	12.27
NAV Yield (%)	9.67
Undistributed Net Investment Income (as of 9/30/08)	\$0.1469

## Distribution History (last six payments)

Declaration Date	Type	Amount Per Share
9/05/08	Dividend	\$0.102841
8/01/08	Dividend	\$0.101320
7/03/08	Dividend	\$0.101320
6/06/08	Dividend	\$0.101320
5/02/08	Dividend	\$0.109590
4/04/08	Dividend	\$0.109590

## Investment Products

Not FDIC Insured | May Lose Value | Not Bank Guaranteed

Visit [www.allianzinvestors.com](http://www.allianzinvestors.com) for more information.

**Past performance is no guarantee of future results.** The NAV for this Fund is calculated once a week on Fridays. Corporate debt securities are subject to the risk of the issuer's inability to meet principal and interest payments on the obligation and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity. High-yield bonds typically have a lower credit rating than other bonds and generally involve a greater risk to principal than higher rated bonds. Floating rate portfolios may invest a substantial portion of their assets in loans or comparable securities that are below investment grade and are subject to greater credit risk than other high yield bonds. These risks include the possibility of default on the loan or bankruptcy of the borrower. There is no guarantee that the investment product will maintain a stable net asset value (NAV). An investment in the Fund involves risk, including loss of principal. Investment return and the value of shares will fluctuate. Returns are calculated by determining the percentage change in NAV or market share price (as applicable) with all distributions reinvested. The Fund's performance at market price will differ from its results at NAV. Although market price returns typically reflect investment results over time, during shorter periods returns at market price can also be influenced by factors such as changing views about the Fund, market conditions, supply and demand for the Fund's shares or changes in Fund distributions. The returns do not reflect broker sales charges or commissions. NAV is total assets less total liabilities divided by the number of shares outstanding. This material is presented only to provide information and is not intended for trading purposes. The Fund is a closed-end exchange traded management investment company. Closed-end funds, unlike open-end funds, are not continuously offered. After the initial public offering, shares are sold through a stock exchange. Changes to investment policies, current management fees and other matters of interest to investors may be found in each closed-end fund's most recent annual report to shareholders. The current semi annual report also will contain important updated information for investors. See reverse for more information. For the period covered by the most recent shareholder report, the expense ratio is 1.60%.

1. The performance for the year of the Fund's inception is the cumulative return over a partial year.

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## Portfolio Analysis

Top Five Sectors		Average Weighted Maturity		Investment Breakdown	
Health Care	10%	1–3 Years	18%	High Yield	79%
Media Non-Cable: Publishing	7%	3–5 Years	37%	Non-U.S. Developed	16%
Wirelines	7%	5–10 Years	87%	Government / Agency	7%
Banks	7%	10–20 Years	-42%	Municipal / Other	3%
Technology	6%	Average Maturity	3.27 Years	Investment Grade Corporate	3%
		Average Duration	0.05 Years	Net Cash & Equivalents	-8%
Credit Quality		Statistics			
BBB	3%	Average Coupon Rate (%)	6.01		
BB	52%	Standard Deviation of NAV	10.72		
B	44%	Standard Deviation of Market Price	21.18		
<B	1%				
Average Quality	B+				

## Portfolio Management

### Pacific Investment Management Company (PIMCO)

Founded in 1971 and based in Newport Beach, California, PIMCO is a leading institutional investment firm with a client list that includes many of the largest companies in the United States. PIMCO is one of the most respected names in fixed-income management, due in large part to its total return approach to bond investing and strong long-term performance record. While renowned for its bond management expertise, PIMCO has also developed a range of innovative investment strategies to offer investors access to other asset classes, including stocks, commodities and real estate. In recent years, the firm has expanded its global operations and today has offices in cities such as London, Munich, Singapore, Sydney and Tokyo.

### Portfolio Manager



Cyrille Conseil

Mr. Conseil is an Executive Vice President and portfolio manager. He manages PIMCO's U.S. dollar bank loan exposure representing in excess of \$5 billion in assets under management. He joined PIMCO in 1998 as a senior member of the credit research team, previously having worked in the high-yield group at Moody's Investor Services. Mr. Conseil began his investment career in 1991. He holds a bachelor's degree in economics with a concentration in finance from The Wharton School of the University of Pennsylvania and an M.B.A. in finance/international business from Columbia University Graduate School of Business.

### Investment Process

The top-down investment process begins with PIMCO's annual Secular Forum, during which the firm develops a three- to five-year outlook for the global economy and interest rates. This helps set the basic portfolio parameters, including duration, yield-curve positioning, sector weightings, credit quality breakdown and individual issue selection. The Fund focuses on securities in the upper tier of the below-investment-grade credit spectrum, which historically have delivered the best risk/return profile. Consideration of yield is only one component of the portfolio manager's approach; PIMCO also considers capital appreciation and principal preservation through intensive fundamental, macroeconomic, industry and company-specific research. Finally, non-traditional sectors are employed in small doses to enhance return and increase diversification.

**Past performance is no guarantee of future results.** Holdings are subject to change daily. The use of leverage may cause a Fund to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to meet segregation requirements. This may cause a Fund to be more volatile, which may increase the risk of investment loss. This Fund may use derivative instruments for hedging purposes or as part of its investment strategy. Use of these instruments may involve certain costs and risks such as liquidity risk (the risk that illiquid securities may not be able to be sold at an advantageous time or price), interest rate risk (the risk that the value of fixed-income securities will decline if interest rates rise), market risk (the risk that the market price of securities may go up or down, sometimes rapidly or unpredictably), credit risk (the risk that the counterparty to a derivatives contract, repurchase agreement or a loan of portfolio securities, may be unable or unwilling to make timely principal and/or interest payments, or to otherwise honor its obligations), management risk (the risk that investment management decisions may not produce the desired results) and the risk that a fund could not close out a position when it would be most advantageous to do so. Portfolios investing in derivatives could lose more than the principal amount invested in those instruments.

Duration is a measure of a Fund's price sensitivity expressed in years. The credit quality of the securities in the portfolio is generally calculated by Moody's or S&P; if unrated, the investment manager may determine a comparable rating, which is included in the portfolio breakdown. The credit quality of the investment in the portfolio does not apply to the stability or safety of the Fund. Call Feature allows the issuer to "call" or repurchase certain securities before maturity, at a specified price and/or point in time. Standard deviation is an absolute measure of volatility measuring dispersion about an Average which, for an index, depicts how widely the returns varied over a certain period of time. The greater the degree of dispersion, the greater the risk.

Allianz Global Investors Fund Management LLC serves as the Fund's investment manager, and the sub-advisor is Pacific Investment Management Company (PIMCO). Visit [www.allianzinvestors.com](http://www.allianzinvestors.com) for more information.