

PIMCO Corporate Opportunity Fund

Annual Report
November 30, 2009



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January 15, 2010

Dear Shareholder:

Please find enclosed the annual report for PIMCO Corporate Opportunity Fund (the “Fund”) for the fiscal year ended November 30, 2009.

The U.S. bond market provided positive returns during the fiscal year amid subdued inflationary pressures, significant government-supplied liquidity and shifting investor sentiment. The Federal Reserve (the “Fed”) sought to inject liquidity into the economy through multiple initiatives during the reporting period. The Federal Funds Rate, the key target rate on loans between member banks, was reduced to the record-low target range of 0% - 0.25%. The Fed also engaged in quantitative easing, purchasing significant amounts of securities from banks in order to add to the supply of cash available for lending. These initiatives resulted in yields approaching zero on money market securities, causing investors to migrate to riskier assets.

Corporate credit securities benefited from the sentiment-powered tailwind as a significant portion of the period’s outflows from money market funds moved into the bond market, increasing demand for both investment-grade and high-yield corporate bonds. In this economic environment, corporate bonds and stocks significantly outperformed U.S. Treasury and agency issues. The unmanaged Barclays Capital U.S. Credit Index returned 24.56% and the unmanaged Barclays Capital High Yield Index returned 64.95% during the fiscal year, outperforming the unmanaged Barclays Capital Government Bond Index, which returned 3.51%. The broad bond market, as represented by the unmanaged Barclays Capital U.S. Aggregate Index, returned 11.63% during the 12-months ended November 30, 2009.

Effective December 15, 2009, Mr. William H. Gross assumed primary responsibility for the day-to-day portfolio management of the Fund. Mr. Gross founded Pacific Investment Management Company LLC (“PIMCO”) more than 38 years ago and is a managing director and co-Chief Investment Officer of the company. He has 40 years of investment experience and holds an MBA from the Anderson School of Management at the University of California, Los Angeles. He received his undergraduate degree from Duke University.

For specific information on the Fund and its performance, please review the following pages. If you have any questions regarding the information provided, we encourage you to contact your financial advisor or to call the Fund’s shareholder servicing agent at (800) 254-5197. In addition, a wide range of information and resources is available on our Web site, www.allianzinvestors.com/closedendfunds.

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

We remain dedicated to serving your investment needs.

Sincerely,



Hans W. Kertess
Chairman



Brian S. Shlissel
President & Chief Executive Officer

PIMCO Corporate Opportunity Fund Fund Insights/Performance & Statistics

November 30, 2009 (unaudited)

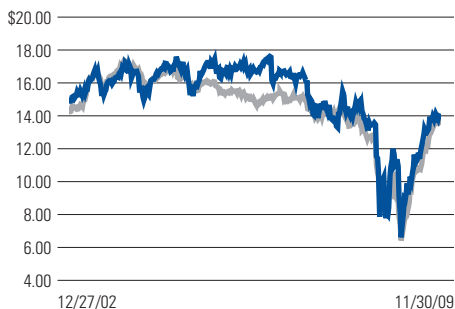
- For the fiscal year ended November 30, 2009, PIMCO Corporate Opportunity Fund (the "Fund") returned 83.82% on net asset value ("NAV") and 111.56% on market price.
- The investment-grade credit and high-yield markets, as measured by the Barclays Capital U.S. Credit and U.S. High Yield Bond Indices (unmanaged indices generally representative of the U.S. investment grade and non-investment grade corporate bond markets, respectively) generated returns of 24.56% and 64.95%, respectively, for the fiscal 12-month period ended November 30, 2009.
- Exposure to the banking sector contributed positively to Fund performance alongside the support of fiscal and monetary policy and strong investment demand.
- Exposure to the insurance sector aided performance as insurance issuers advanced in conjunction with improvement in investment portfolios and asset valuations.
- Positions in the energy sector contributed positively to performance alongside policy support to stimulate internal demand.
- Specialty finance issuers contributed positively to the Fund's returns as these companies enjoyed easing market conditions and asset quality improvements.
- The Fund's underweight position in textile and automotive sectors detracted from returns as cyclical consumer credits outperformed the market.
- The Fund's underweight position in building materials issuers detracted from returns as the capital goods sector outperformed the market.
- The quality shift towards higher-rated issues detracted from performance as lower-quality issuers outperformed the market.

Total Return ⁽¹⁾ :	Market Price	Net Asset Value ("NAV")
1 Year	111.56%	83.82%
3 Year	5.69%	7.91%
5 Year	8.36%	8.09%
Commencement of Operations (12/27/02) to 11/30/09	11.10%	11.70%

Common Share Market Price/NAV Performance:

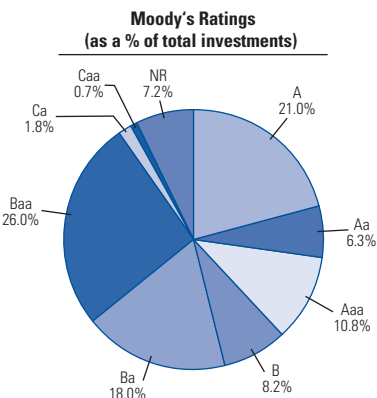
Commencement of Operations (12/27/02) to 11/30/09

- NAV
- Market Price



Market Price/NAV:

Market Price	\$14.00
NAV	\$13.63
Premium to NAV	2.71%
Market Price Yield ⁽²⁾	9.86%



PIMCO Corporate Opportunity Fund Fund Insights/Performance & Statistics

November 30, 2009 (unaudited) (continued)

(1) **Past performance is no guarantee of future results.** Total return is calculated by determining the percentage change in NAV or market price (as applicable) in the specified period. The calculation assumes that all income dividends and capital gain distributions, if any, have been reinvested. Total return does not reflect broker commissions or sales charges. Total return for a period of more than one year represents the average annual total return.

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 dividends.

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

(2) Market Price Yield is determined by dividing the annualized current monthly per share dividend (comprised of net investment income) payable to common shareholders by the market price per common share at November 30, 2009.

PIMCO Corporate Opportunity Fund Schedule of Investments

November 30, 2009

Principal Amount (000)		Credit Rating (Moody's/S&P)*	Value
CORPORATE BONDS & NOTES—77.6%			
Airlines – 4.6%			
\$7,000	American Airlines Pass Through Trust, 7.858%, 10/1/11	Ba1/BBB-	\$6,965,000
3,000	10.375%, 7/2/19	Baa3/A-	3,333,750
1,197	Continental Airlines, Inc., 6.545%, 8/2/20	Baa2/A-	1,154,673
2,928	6.703%, 12/15/22	Baa2/BBB	2,738,004
1,842	7.373%, 6/15/17	Ba1/BB	1,694,661
7,827	7.707%, 10/2/22	Baa2/BBB	7,356,945
1,688	9.798%, 4/1/21	Ba1/BB-	1,384,456
12,214	Northwest Airlines, Inc., 7.041%, 4/1/22	NR/BBB-	10,870,625
17,875	7.15%, 4/1/21 (MBIA)	Ba3/BBB-	15,461,662
4,000	Southwest Airlines Co., 10.50%, 12/15/11 (a) (d)	NR/BBB+	4,324,736
6,000	United Air Lines, Inc., 10.40%, 11/1/16	Ba1/BBB	6,180,000
2,886	United Air Lines Pass Through Trust, 7.336%, 1/2/21 (a) (b) (d) (l) (original cost-\$2,886,295; purchased 6/19/07)	B1/B+	1,933,817
			63,398,329
Banking – 15.3%			
11,300	BAC Capital Trust XIV, 5.63%, 3/15/12 (h)	Ba3/B	7,542,750
300	BankAmerica Capital II, 8.00%, 12/15/26	Baa3/B	281,250
8,600	Barclays Bank PLC, 7.434%, 12/15/17 (a) (d) (h)	Baa2/BBB+	8,041,000
14,480	10.179%, 6/12/21 (a) (d)	Baa1/A	19,368,129
£600	14.00%, 6/15/19 (h)	Baa2/BBB+	1,265,289
\$4,700	CBA Capital Trust II, 6.024%, 3/15/16 (a) (d) (h)	Aa3/A+	3,942,304
4,000	First Union Capital I, 7.935%, 1/15/27	Baa2/A-	3,954,540
12,400	HBOS Capital Funding L.P., 6.071%, 6/30/14 (a) (d) (h)	Ba3/BB-	7,936,000
7,000	HBOS PLC (a) (d), 5.375%, 11/1/13 (h)	Ba2/CC	5,740,000
4,000	6.75%, 5/21/18	Baa2/BBB-	3,727,408
8,000	HSBC Capital Funding L.P. (h), 4.61%, 6/27/13 (a) (d)	A3/A-	6,714,056
2,000	10.176%, 6/30/30	A3/A-	2,410,000
6,000	JPMorgan Chase Bank N.A., 0.630%, 6/13/16, FRN (k)	Aa2/NR	5,436,528
1,540	Lloyds Banking Group PLC (a) (d) (h), 6.267%, 11/14/16	B3/CC	832,592
8,000	6.413%, 10/1/35	B3/CC	4,329,120
6,500	6.657%, 5/21/37	B3/CC	3,451,923
22,050	Rabobank Nederland NV, 11.00%, 6/30/19 (a) (d) (h) (k)	Aa2/AA-	27,361,161
3,600	Regions Financial Corp., 7.375%, 12/10/37	Ba1/BBB-	2,827,152
6,600	7.75%, 11/10/14	Baa3/BBB	6,641,375
6,200	Resona Bank Ltd., 5.85%, 4/15/16 (a) (d) (h)	A2/BBB	5,307,764
10,000	RSHB Capital S.A. for OJSC Russian Agricultural Bank, 9.00%, 6/11/14 (a) (d)	Baa1/BBB	11,246,000
10,100	State Street Capital Trust III, 8.25%, 3/15/42, (converts to FRN on 3/15/11)	A3/BBB+	10,113,635
12,200	USB Capital IX, 6.189%, 4/15/11 (h)	A2/BBB+	9,638,000
27,000	Wells Fargo & Co., 7.98%, 3/15/18 (h)	Ba1/A-	25,177,500
7,100	Wells Fargo Capital X, 5.95%, 12/15/86, (converts to FRN on 12/15/36)	Baa2/A-	6,035,000
24,700	Wells Fargo Capital XIII, 7.70%, 3/26/13 (h)	Ba1/A-	22,600,500
			211,920,976

PIMCO Corporate Opportunity Fund Schedule of Investments

November 30, 2009 (continued)

Principal Amount (000)		Credit Rating (Moody's/S&P)*	Value
Building & Construction – 0.4%			
\$3,000	Corp GEO SAB de C.V., 8.875%, 9/25/14 (a) (d)	Ba3/BB-	\$3,082,500
3,300	Macmillan Bloedel Pembroke L.P., 7.70%, 2/15/26	Ba1/BBB-	3,051,200
			6,133,700
Chemicals – 1.1%			
12,800	Dow Chemical Co., 8.55%, 5/15/19 (k)	Baa3/BBB-	15,163,341
Consumer Products – 0.6%			
7,000	Fortune Brands, Inc., 8.625%, 11/15/21	Baa3/BBB-	7,962,332
Containers & Packaging – 0.3%			
5,000	Berry Plastics Corp., 8.875%, 9/15/14	Caa1/CCC	4,587,500
Electronics – 0.1%			
1,000	Arrow Electronics, Inc., 6.875%, 6/1/18	Baa3/BBB-	1,066,812
Energy – 0.1%			
1,780	Salton Sea Funding Corp., 8.30%, 5/30/11	Baa3/BBB-	1,860,270
Financial Services – 30.4%			
5,000	AES Red Oak LLC, 9.20%, 11/30/29	B1/BB-	4,575,000
7,735	ALG SunAmerica Global Financing VI, 6.30%, 5/10/11 (a) (d) (k)	A1/A+	7,641,816
	American General Finance Corp.,		
4,300	5.40%, 12/1/15	Baa3/BB+	2,973,846
2,500	6.90%, 12/15/17	Baa3/BB+	1,758,278
	BNP Paribas (h),		
13,000	5.186%, 6/29/15 (a) (d)	Aa3/A	10,920,858
7,000	7.195%, 6/25/37 (a) (d)	Aa3/A	6,510,000
€2,500	7.781%, 7/2/18	Aa3/AA-	3,781,526
\$6,000	C10 Capital SPV Ltd., 6.722%, 12/31/16 (h)	NR/B-	4,499,502
3,400	Capital One Bank USA N.A., 8.80%, 7/15/19	A3/BBB	4,036,106
2,000	Capital One Capital V, 10.25%, 8/15/39	Baa2/BB	2,205,486
6,300	Capital One Capital VI, 8.875%, 5/15/40	Baa2/BB	6,281,037
3,377	Cedar Brakes II LLC, 9.875%, 9/1/13 (a) (d)	Baa3/BBB-	3,458,431
€3,500	CIT Group, Inc., 4.25%, 3/17/15 (f)	Ca/D	3,599,488
\$28,100	Citigroup Capital XXI, 8.30%, 12/21/77, (converts to FRN on 12/21/37)	Baa3/B+	25,149,500
	Citigroup, Inc.,		
€300	4.75%, 2/10/19, (converts to FRN on 2/10/14)	Baa1/A-	386,487
\$10,000	4.875%, 5/7/15	Baa1/A-	9,556,660
20,000	5.00%, 9/15/14 (k)	Baa1/A-	19,465,860
	Credit Agricole S.A. (a) (d) (h),		
4,600	6.637%, 5/31/17	Aa3/A-	3,703,000
12,000	8.375%, 10/13/19	Aa3/A-	12,639,588
	Ford Motor Credit Co. LLC,		
1,600	3.034%, 1/13/12, FRN	B3/B-	1,452,400
2,000	7.00%, 10/1/13	B3/B-	1,954,460
1,300	7.25%, 10/25/11	B3/B-	1,298,253
7,300	7.80%, 6/1/12	B3/B-	7,298,372
2,500	8.00%, 12/15/16	B3/B-	2,493,210
13,000	9.875%, 8/10/11	B3/B-	13,496,665
3,500	12.00%, 5/15/15	B3/B-	4,039,515
	General Electric Capital Corp.,		
13,400	6.375%, 11/15/67, (converts to FRN on 11/15/17) (k)	Aa3/A+	11,037,727
£1,100	6.50%, 9/15/67, (converts to FRN on 9/15/17) (a) (d)	Aa3/A+	1,480,273

PIMCO Corporate Opportunity Fund Schedule of Investments

November 30, 2009 (continued)

Principal Amount (000)		Credit Rating (Moody's/S&P)*	Value
Financial Services (continued)			
	GMAC, Inc.,		
\$2,000	2.561%, 12/1/14, FRN	Ca/CCC	\$1,507,500
1,000	6.875%, 9/15/11	Ca/CCC	960,521
3,300	7.00%, 2/1/12	Ca/CCC	3,141,907
250	7.25%, 3/2/11	Ca/CCC	244,173
3,685	7.50%, 12/31/13 (a) (d)	Ca/CCC	3,427,050
	Goldman Sachs Group, Inc.,		
2,500	5.95%, 1/15/27	A2/A-	2,422,920
6,000	6.45%, 5/1/36	A2/A-	5,973,168
7,209	6.75%, 10/1/37 (k)	A2/A-	7,452,830
€2,350	Green Valley Ltd., 4.343%, 1/10/11, FRN (a) (b) (d) (l) (original cost-\$3,452,973; purchased 12/11/07)	NR/BB+	3,398,401
	International Lease Finance Corp.,		
\$2,600	0.634%, 7/13/12, FRN	Baa3/BBB+	2,010,611
2,000	5.00%, 9/15/12	Baa3/BBB+	1,612,544
2,000	5.30%, 5/1/12	Baa3/BBB+	1,705,952
1,000	5.40%, 2/15/12	Baa3/BBB+	853,135
2,000	5.625%, 9/20/13	Baa3/BBB+	1,575,562
3,500	5.65%, 6/1/14	Baa3/BBB+	2,669,698
3,500	5.75%, 6/15/11	Baa3/BBB+	3,253,642
2,000	5.875%, 5/1/13	Baa3/BBB+	1,585,604
8,000	6.375%, 3/25/13	Baa3/BBB+	6,443,752
8,500	6.625%, 11/15/13	Baa3/BBB+	6,868,476
19,000	JPMorgan Chase & Co., 7.90%, 4/30/18 (h)	A2/BBB+	18,638,126
16,400	JPMorgan Chase Capital XVIII, 6.95%, 8/17/36, (converts to FRN on 8/17/36) (k)	A1/BBB+	16,266,209
	Lehman Brothers Holdings, Inc. (f),		
10,000	5.50%, 4/4/16	NR/NR	2,000,000
20,000	6.875%, 5/2/18	NR/NR	4,350,000
	Merrill Lynch & Co., Inc.,		
1,800	5.00%, 1/15/15	A2/A	1,848,595
10,200	5.45%, 2/5/13 (k)	A2/A	10,723,107
2,600	5.45%, 7/15/14 (k)	A2/A	2,737,927
16,708	6.05%, 8/15/12 (k)	A2/A	17,991,341
14,100	MUFG Capital Finance 1 Ltd., 6.346%, 7/25/16 (h) (k)	A2/BBB+	12,742,466
£2,450	MUFG Capital Finance 5 Ltd., 6.299%, 1/25/17 (h)	A2/BBB+	3,256,765
	Royal Bank of Scotland Group PLC (h),		
\$21,300	6.99%, 10/5/17 (a) (d)	Ba3/CC	12,369,826
13,500	7.648%, 9/30/31	Ba3/B-	8,386,416
	Santander Perpetual S.A. Unipersonal (h),		
€3,500	4.375%, 12/10/14	A1/A-	4,650,433
\$7,600	6.671%, 10/24/17 (a) (d)	A1/A-	6,968,683
€6,000	SG Capital Trust I LLC, 7.875%, 2/22/10 (h)	A1/BBB+	8,647,779
	SLM Corp.,		
\$2,000	0.716%, 6/15/13, FRN	Ba1/BBB-	1,399,340
1,795	0.816%, 11/1/13, FRN	Ba1/BBB-	1,249,679
€2,600	4.75%, 3/17/14	Ba1/BBB-	3,142,327
\$1,200	SMFG Preferred Capital 1 Ltd., 6.078%, 1/25/17 (a) (d) (h)		
	Societe Generale (h),		
€12,000	7.756%, 5/22/13	A2/BBB+	999,564
€7,050	9.375%, 9/4/19	A1/BBB+	16,574,909
	TransCapitalInvest Ltd. for OJSC AK Transneft,		
\$4,000	8.70%, 8/7/18 (a) (d)	A1/BBB+	11,751,761
	UBS Preferred Funding Trust V, 6.243%, 5/15/16 (h)	Baa1/BBB	4,533,480
9,200		Baa3/BBB-	7,176,000

PIMCO Corporate Opportunity Fund Schedule of Investments

November 30, 2009 (continued)

Principal Amount (000)		Credit Rating (Moody's/S&P)*	Value
Financial Services (continued)			
\$1,000	Vita Capital III Ltd., 1.390%, 1/1/11, FRN (a) (b) (d) (l) (original cost-\$1,000,000; purchased 12/12/06)	A1/A	\$954,000
7,000	Wachovia Capital Trust III, 5.80%, 3/29/49 (h)	Ba1/A-	4,865,000
2,000	Wachovia Capital Trust V, 7.965%, 6/1/27 (a) (d)	Baa2/A-	1,981,034
			421,005,557
Food & Beverage – 0.0%			
100	American Stores Co., 8.00%, 6/1/26	Ba3/B+	92,250
Healthcare & Hospitals – 0.9%			
	HCA, Inc.,		
4,825	8.50%, 4/15/19 (a) (d)	Ba3/BB	5,114,500
7,100	9.625%, 11/15/16, PIK	B2/BB-	7,588,125
			12,702,625
Hotels/Gaming – 0.8%			
	MGM Mirage,		
1,300	10.375%, 5/15/14 (a) (d)	B1/B	1,394,250
1,950	11.125%, 11/15/17 (a) (d)	B1/B	2,145,000
1,000	13.00%, 11/15/13 (b)	B1/B	1,138,750
8,030	Times Square Hotel Trust, 8.528%, 8/1/26 (a) (b) (d) (l) (original cost-\$9,124,134; purchased 11/18/03-12/8/04)	Baa3/BB	6,490,840
			11,168,840
Insurance – 8.8%			
	American International Group, Inc.,		
€13,400	0.883%, 4/26/11, FRN	A3/A-	17,703,663
CAD 8,900	4.90%, 6/2/14	A3/A-	6,515,551
\$1,000	5.60%, 10/18/16	A3/A-	770,162
£1,300	5.75%, 3/15/67, (converts to FRN on 3/15/17)	Ba2/BBB	933,376
\$10,000	5.85%, 1/16/18	A3/A-	7,607,890
9,900	6.25%, 5/1/36	A3/A-	6,669,729
39,694	8.175%, 5/15/68, (converts to FRN on 5/15/38)	Ba2/BBB	22,923,285
29,010	8.25%, 8/15/18 (k)	A3/A-	25,110,969
£8,000	8.625%, 5/22/38, (converts to FRN on 5/22/18)	Ba2/BBB	7,286,489
\$19,200	Cincinnati Financial Corp., 6.92%, 5/15/28 (k)	A3/BBB+	18,983,367
5,000	Metlife Capital Trust IV, 7.875%, 12/15/67 (a) (d)	Baa1/BBB	4,800,000
2,000	Pacific Life Insurance Co., 7.90%, 12/30/23 (a) (b) (d) (l) (original cost-\$2,015,000; purchased 11/9/09)	A3/A	2,005,362
			121,309,843
Machinery – 0.8%			
10,000	Snap-On, Inc., 6.125%, 9/1/21 (k)	Baa1/A-	10,520,810
Metals & Mining – 2.0%			
4,000	CSN Islands XI Corp., 6.875%, 9/21/19 (a) (d)	Ba1/BB+	4,000,000
200	Freeport-McMoRan Copper & Gold, Inc., 8.375%, 4/1/17	Ba2/BBB-	216,047
9,537	Freeport-McMoRan Corp., 9.50%, 6/1/31	Baa2/BBB-	11,029,722
	Teck Resources Ltd.,		
3,450	9.75%, 5/15/14	Ba2/BB+	3,894,188
2,975	10.25%, 5/15/16	Ba2/BB+	3,376,625
4,625	10.75%, 5/15/19	Ba2/BB+	5,422,812
			27,939,394
Oil & Gas – 4.3%			
15,000	Ecopetrol S.A., 7.625%, 7/23/19	Baa2/BB+	17,007,000
15,500	El Paso Corp., 7.42%, 2/15/37	Ba3/BB-	13,821,707
	Gaz Capital S.A.,		
1,300	6.212%, 11/22/16 (a) (d)	Baa1/BBB	1,261,000
13,000	8.625%, 4/28/34	Baa1/BBB	14,431,300

PIMCO Corporate Opportunity Fund Schedule of Investments

November 30, 2009 (continued)

Principal Amount (000)		Credit Rating (Moody's/S&P)*	Value
Oil & Gas (continued)			
\$500	Kinder Morgan, Inc., 5.15%, 3/1/15	Ba1/BB	\$473,750
	Morgan Stanley Bank AG for OAO Gazprom,		
1,800	9.625%, 3/1/13 (a) (d)	Baa1/BBB	2,007,000
8,700	9.625%, 3/1/13	Baa1/BBB	9,701,370
600	Southern Natural Gas Co., 5.90%, 4/1/17 (a) (d)	Baa3/BB	634,165
			59,337,292
Paper/Paper Products – 2.1%			
	Georgia-Pacific LLC,		
3,000	7.25%, 6/1/28	B2/BB	2,805,000
6,800	8.00%, 1/15/24	B2/BB	6,902,000
1,500	8.25%, 5/1/16 (a) (d)	Ba3/BB+	1,597,500
2,000	Smurfit Kappa Treasury Funding Ltd., 7.50%, 11/20/25	Ba2/BB	1,742,500
15,000	Weyerhaeuser Co., 7.375%, 10/1/19	Ba1/BBB-	15,716,535
			28,763,535
Real Estate – 0.6%			
8,000	WEA Finance LLC, 6.75%, 9/2/19 (a) (d) (k)	A2/A-	8,426,728
Telecommunications – 2.6%			
2,000	Axtel SAB de C.V., 9.00%, 9/22/19 (a) (d)	Ba2/BB-	2,055,000
21,650	Intelsat Corp., 6.875%, 1/15/28	B1/BB-	17,861,250
100	Qwest Corp., 6.50%, 6/1/17	Ba1/BBB-	96,000
1,350	Sprint Nextel Corp., 9.25%, 4/15/22	Ba3/BB	1,221,750
€8,700	Wind Acquisition Finance S.A., 11.75%, 7/15/17	B2/BB-	14,433,233
			35,667,233
Tobacco – 0.5%			
\$6,500	Reynolds American, Inc., 7.25%, 6/1/12 (k)	Baa3/BBB	7,135,102
Transportation – 0.1%			
1,651	Federal Express Corp. 1997 Pass Through Trust, 7.65%, 1/15/14	Baa2/BBB	1,650,961
Utilities – 1.2%			
10,000	AES Corp., 7.75%, 3/1/14	B1/BB-	10,075,000
3,364	East Coast Power LLC, 7.066%, 3/31/12	Baa3/BBB-	3,511,975
3,485	Sithe Independence Funding Corp., 9.00%, 12/30/13	Ba2/B	3,568,699
			17,155,674
Total Corporate Bonds & Notes (cost-\$1,034,402,974)			1,074,969,104
MORTGAGE-BACKED SECURITIES – 14.3%			
4,437	American Home Mortgage Assets, 0.466%, 9/25/46, CMO, FRN	Ca/CCC	866,772
6,700	Banc of America Commercial Mortgage, Inc., 5.372%, 9/10/45, CMO, VRN	Aaa/AAA	6,522,561
2,850	BCRR Trust, 5.86%, 7/17/40, CMO, VRN (a) (d) (g)	Aaa/NR	1,707,871
10,000	Bear Stearns Commercial Mortgage Securities, 5.70%, 6/11/50, CMO	NR/AA-	8,646,262
25,000	Citigroup/Deutsche Bank Commercial Mortgage Trust, CMO, 5.322%, 12/11/49	Aaa/A-	21,145,150
1,000	5.617%, 10/15/48	Aaa/AAA	946,962
36,900	Credit Suisse Mortgage Capital Certificates, CMO, 5.467%, 9/15/39	Aaa/AAA	30,770,796
9,900	6.00%, 6/25/37	NR/CCC	7,211,349
22,850	Greenwich Capital Commercial Funding Corp., 5.444%, 3/10/39, CMO	Aaa/AAA	19,566,969
	GS Mortgage Securities Corp. II, CMO, 0.332%, 3/6/20, FRN (a) (d)	Aaa/AAA	376,084
396	5.56%, 11/10/39	Aaa/NR	3,462,672
4,000			

PIMCO Corporate Opportunity Fund Schedule of Investments

November 30, 2009 (continued)

Principal Amount (000)		Credit Rating (Moody's/S&P)*	Value
\$10,000	JPMorgan Chase Commercial Mortgage Securities Corp., CMO, 5.336%, 5/15/47	Aaa/A	\$8,452,267
650	5.399%, 5/15/45	Aaa/AA-	605,262
1,800	5.794%, 2/12/51, VRN	Aaa/A+	1,578,630
15,000	5.882%, 2/15/51, VRN	Aaa/A-	12,945,940
2,550	6.006%, 6/15/49, VRN	Aaa/A-	2,206,903
	LB-UBS Commercial Mortgage Trust, CMO,		
350	5.372%, 9/15/39	Aaa/AAA	330,698
34,000	5.424%, 2/15/40	NR/A+	28,436,502
256	Lehman Brothers Floating Rate Commercial Mortgage Trust, 0.319%, 9/15/21, CMO, FRN (a) (d)	Aaa/AAA	237,552
24,194	Merrill Lynch/Countrywide Commercial Mortgage Trust, 5.70%, 9/12/49, CMO	NR/A+	19,940,160
9,500	Morgan Stanley Capital I, 5.514%, 11/12/49, CMO, VRN	Aaa/NR	8,987,791
3,522	Residential Accredit Loans, Inc., 0.466%, 5/25/37, CMO, FRN	Caa2/CCC	820,035
	Wachovia Bank Commercial Mortgage Trust, CMO, FRN (a) (d),		
5,170	0.319%, 6/15/20	Aaa/AAA	4,156,760
5,710	0.329%, 9/15/21	Aaa/AA+	4,698,212
3,107	WaMu Mortgage Pass Through Certificates, 5.791%, 7/25/37, CMO, VRN	NR/CC	2,021,603
	Washington Mutual Alternative Mortgage Pass Through Certificates, CMO, FRN,		
3,483	1.392%, 4/25/47	Ca/CCC	714,831
3,289	1.472%, 5/25/47	Ca/CCC	769,271
Total Mortgage-Backed Securities (cost-\$148,740,429)			198,125,865

SOVEREIGN DEBT OBLIGATIONS – 1.7%

Brazil – 1.7%

	Brazil Government International Bond,		
BRL 3,900	10.25%, 1/10/28	Baa3/BBB-	2,243,881
BRL 16,600	12.50%, 1/5/22	Baa3/BBB-	10,738,801
	Brazil Notas do Tesouro Nacional, Ser. F,		
BRL 1,010	10.00%, 1/1/12	Baa3/NR	559,148
BRL 20,760	10.00%, 1/1/17	Baa3/NR	10,215,298
Total Sovereign Debt Obligations (cost-\$21,974,970)			23,757,128

CONVERTIBLE PREFERRED STOCK – 1.1%

Shares

Banking – 1.0%

14,850 Wells Fargo & Co., 7.50%, 12/31/49, Ser. L (h) Ba1/A- 13,246,200

Insurance – 0.1%

157,350 American International Group, Inc., 8.50%, 8/1/11 Ba2/NR 1,625,425

Total Convertible Preferred Stock (cost-\$13,506,577) 14,871,625

ASSET-BACKED SECURITIES – 0.9%

Principal Amount (000)			
\$1,244	Ameriquest Mortgage Securities, Inc., 5.444%, 11/25/35	A1/AAA	1,176,980
8,300	Greenpoint Manufactured Housing, 8.30%, 10/15/26, VRN	Ca/NR	6,726,814
14,026	Indymac Residential Asset Backed Trust, 0.476%, 11/25/36, FRN	Caa2/CCC	4,965,465
Total Asset-Backed Securities (cost-\$13,462,635)			12,869,259

PIMCO Corporate Opportunity Fund Schedule of Investments

November 30, 2009 (continued)

Principal Amount (000)		Credit Rating (Moody's/S&P)*	Value
U.S. TREASURY BONDS & NOTES – 0.6%			
U.S. Treasury Bonds & Notes,			
\$5,577	1.00%, 7/31/11 (e) (i)		\$5,624,712
2,006	1.00%, 9/30/11 (i)		2,021,673
273	1.125%, 6/30/11		275,954
Total U.S. Treasury Bonds & Notes (cost-\$7,879,520)			7,922,339
SENIOR LOANS (a) (b) (c) (f) (l) – 0.2%			
Financial Services – 0.2%			
1,900	CIT Group, Inc., Term A, 9.50%, 1/18/12 (original cost-\$1,805,000; purchased 10/26/09) (cost-\$1,807,205)		1,934,042
U.S. GOVERNMENT AGENCY SECURITIES – 0.0%			
30	Fannie Mae, 8.00%, 7/18/27, CMO	Aaa/AAA	33,501
87	Freddie Mac, 0.141%, 2/1/11, FRN (i)	Aaa/AAA	86,998
Total U.S. Government Agency Securities (cost-\$116,257)			120,499
SHORT-TERM INVESTMENTS – 3.5%			
Corporate Notes – 2.6%			
Financial Services – 2.6%			
9,000	American General Finance Corp., 0.398%, 3/2/10, FRN	Baa3/NR	8,742,456
1,693	4.625%, 9/1/10	Baa3/BB+	1,676,652
2,050	Ford Motor Credit Co. LLC, 5.70%, 1/15/10	B3/B-	2,050,238
2,600	GMAC, Inc., 7.75%, 1/19/10	Ca/CCC	2,597,983
10,700	International Lease Finance Corp., 0.684%, 1/15/10, FRN	Baa3/BBB+	10,671,131
5,000	4.875%, 9/1/10	Baa3/BBB+	4,851,205
2,000	5.00%, 4/15/10	Baa3/BBB+	1,973,642
2,000	5.125%, 11/1/10	Baa3/BBB+	1,924,504
1,796	5.625%, 9/15/10	Baa3/BBB+	1,752,490
Total Corporate Notes (cost-\$34,461,471)			36,240,301
U.S. Treasury Bills (i) – 0.2%			
2,920	0.12%-0.26%, 2/25/10-4/8/10 (cost-\$2,919,288)		2,919,468
Repurchase Agreements – 0.7%			
9,445	State Street Bank & Trust Co., dated 11/30/09, 0.01%, due 12/1/09, proceeds \$9,445,003; collateralized by U.S. Treasury Bills, zero coupon due 12/10/09, valued at \$9,635,000 including accrued interest (cost-\$9,445,000)		9,445,000
Total Short-Term Investments (cost-\$46,825,759)			48,604,769

PIMCO Corporate Opportunity Fund Schedule of Investments

November 30, 2009 (continued)

Contracts/ Notional Amount		Value
OPTIONS PURCHASED (j) – 0.1%		
Call Options – 0.1%		
	Euro versus U.S. Dollar (OTC),	
€5,000,000	strike price €1.37, expires 6/3/10	\$738,852
€3,600,000	strike price €1.38, expires 5/21/10	518,207
		1,257,059
Put Options – 0.0%		
	Euribor Interest Rate Futures – 90 day (LIFFE),	
150	strike price €91.25, expires 12/14/09	1
334	strike price €91.75, expires 12/14/09	1
	Euro versus U.S. Dollar (OTC),	
€5,000,000	strike price €1.37, expires 6/3/10	102,745
€3,600,000	strike price €1.38, expires 5/21/10	70,025
	Financial Futures Euro – 90 day (CME),	
1,000	strike price \$89.75, expires 3/15/10	6,250
800	strike price \$90, expires 12/14/09	5,000
400	strike price \$90, expires 6/14/10	2,500
505	strike price \$91, expires 12/14/09	3,156
250	strike price \$92, expires 12/14/09	1,563
	United Kingdom – 90 day (LIFFE),	
160	strike price £90, expires 12/16/09	–
		191,241
	Total Options Purchased (cost-\$895,805)	1,448,300
	Total Investments (cost-\$1,289,612,131) – 100.0%	\$1,384,622,930

PIMCO Corporate Opportunity Fund Schedule of Investments

November 30, 2009 (continued)

Notes to Schedule of Investments:

* Unaudited.

- (a) Private Placement—Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$253,366,380, representing 18.3% of total investments.
- (b) Illiquid.
- (c) These securities generally pay interest at rates which are periodically pre-determined by reference to a base lending rate plus a premium. These base lending rates are generally either the lending rate offered by one or more major European banks, such as the “LIBOR” or the prime rate offered by one or more major United States banks, or the certificate of deposit rate. These securities are generally considered to be restricted as the Fund is ordinarily contractually obligated to receive approval from the Agent bank and/or borrower prior to disposition. Remaining maturities of senior loans may be less than the stated maturities shown as a result of contractual or optional payments by the borrower. Such prepayments cannot be predicted with certainty. The interest rate disclosed reflects the rate in effect on November 30, 2009.
- (d) 144A—Exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, typically only to qualified institutional buyers. Unless otherwise indicated, these securities are not considered to be illiquid.
- (e) Delayed-delivery. To be settled/delivered after November 30, 2009.
- (f) In default.
- (g) Fair-Valued—Security with an aggregate value of \$1,707,871, representing 0.1% of total investments. See Note 1(a) in the Notes to Financial Statements.
- (h) Perpetual maturity. Maturity date shown is the first call date. Interest rate is fixed until the first call date and variable thereafter.
- (i) All or partial amount segregated as collateral for futures contracts, swaps and forward foreign currency contracts.
- (j) Non-income producing.
- (k) All or partial amount segregated as collateral for reverse repurchase agreements.
- (l) Restricted security; the aggregate original cost of such securities is \$20,283,402. The aggregate market value of \$16,716,462 is approximately 1.2% of total investments.

Glossary:

BRL	- Brazilian Real
£	- British Pound
CAD	- Canadian Dollar
CME	- Chicago Mercantile Exchange
CMO	- Collateralized Mortgage Obligation
€	- Euro
FRN	- Floating Rate Note. The interest rate disclosed reflects the rate in effect on November 30, 2009.
LIBOR	- London Inter-Bank Offered Rate
LIFFE	- London International Financial Futures and Options Exchange
MBIA	- insured by Municipal Bond Investors Assurance
NR	- Not Rated
OTC	- Over the Counter
PIK	- Payment-in-Kind
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 November 30, 2009.

PIMCO Corporate Opportunity Fund Statement of Assets and Liabilities

November 30, 2009

Assets:

Investments, at value (cost-\$1,289,612,131)	\$1,384,622,930
Cash (including foreign currency of \$8,833,073 with a cost of \$8,807,992)	17,557,658
Interest and dividend receivable	24,461,737
Unrealized appreciation of swaps	16,274,612
Receivable for investments sold	6,513,983
Swap premiums paid	2,558,266
Receivable for terminated swaps	2,165,422
Receivable from broker	1,890,728
Receivable for variation margin on futures contracts	164,400
Deposits with brokers for futures contracts collateral	89,200
Unrealized appreciation of forward foreign currency contracts	11,896
Prepaid expenses	34,680
Total Assets	1,456,345,512

Liabilities:

Payable for reverse repurchase agreements	172,464,225
Swap premiums received	12,540,573
Payable for investments purchased	11,431,540
Dividends payable to common and preferred shareholders	7,700,659
Payable to brokers for cash collateral received	6,770,000
Unrealized depreciation of swaps	4,424,260
Unrealized depreciation of forward foreign currency contracts	3,349,779
Investment management fees payable	608,389
Interest payable for reverse repurchase agreements	35,188
Accrued expenses and other liabilities	318,412
Total Liabilities	219,643,025

Preferred shares (\$25,000 net asset and liquidation value per share applicable to an aggregate of 13,000 shares issued and outstanding)

325,000,000

Net Assets Applicable to Common Shareholders

\$911,702,487

Composition of Net Assets Applicable to Common Shareholders:

Common Stock:

Par value (\$0.00001 per share, applicable to 66,899,293 shares issued and outstanding)	\$669
Paid-in-capital in excess of par	949,026,642
Undistributed net investment income	37,174,241
Accumulated net realized loss	(191,098,356)
Net unrealized appreciation of investments, futures contracts, swaps and foreign currency transactions	116,599,291

Net Assets Applicable to Common Shareholders

\$911,702,487

Net Asset Value Per Common Share

\$13.63

PIMCO Corporate Opportunity Fund Statement of Operations

Year ended November 30, 2009

Investment Income:

Interest	\$116,283,694
Dividends	1,942,905
Total Investment Income	118,226,599

Expenses:

Investment management fees	6,349,299
Auction agent fees and commissions	715,415
Interest expense	639,615
Custodian and accounting agent fees	331,250
Excise tax expense	205,583
Legal fees	158,643
Shareholder communications	149,125
Trustees' fees and expenses	128,475
Audit and tax services	116,455
New York Stock Exchange listing fees	53,435
Insurance expense	40,485
Transfer agent fees	37,045
Miscellaneous	15,783
Total expenses	8,940,608

Net Investment Income

109,285,991

Realized and Change in Unrealized Gain (Loss):

Net realized gain (loss) on:

Investments	(103,386,660)
Futures contracts	20,343,625
Options written	93,600
Swaps	1,571,046
Foreign currency transactions	(11,156,285)

Net change in unrealized appreciation/depreciation of:

Investments	362,161,525
Futures contracts	(4,095,009)
Options written	189,600
Swaps	56,904,661
Foreign currency transactions	1,189,974

Net realized and change in unrealized gain on investments, futures contracts, options written, swaps and foreign currency transactions

323,816,077

Net Increase in Net Assets Resulting from Investment Operations

433,102,068

Dividends on Preferred Shares from Net Investment Operations

(1,238,917)

Net Increase in Net Assets Applicable to Common Shareholders Resulting from Investment Operations

\$431,863,151

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

	Year ended November 30, 2009	Year ended November 30, 2008
Investment Operations:		
Net investment income	\$109,285,991	\$92,772,169
Net realized loss on investments, futures contracts, options written, swaps and foreign currency transactions	(92,534,674)	(30,945,781)
Net change in unrealized appreciation/depreciation of investments, futures contracts, options written, swaps and foreign currency transactions	416,350,751	(335,669,315)
Net increase (decrease) in net assets resulting from investment operations	433,102,068	(273,842,927)
Dividends on Preferred Shares from Net Investment Income	(1,238,917)	(19,894,434)
Net increase (decrease) in net assets applicable to common shareholders resulting from investment operations	431,863,151	(293,737,361)
Dividends to Common Shareholders from Net Investment Income	(92,006,621)	(91,348,195)
Capital Share Transactions:		
Reinvestment of dividends	4,919,401	5,115,784
Total increase (decrease) in net assets applicable to common shareholders	344,775,931	(379,969,772)
Net Assets Applicable to Common Shareholders:		
Beginning of year	566,926,556	946,896,328
End of year (including undistributed net investment income of \$37,174,241 and \$6,390,643, respectively)	\$911,702,487	\$566,926,556
Common Shares Issued in Reinvestment of Dividends	476,229	402,204

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 thereunder, 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, wholly-owned subsidiary of Allianz SE, a publicly traded European insurance and financial services company. The Fund has an unlimited amount of \$0.00001 par value per share of 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 of other income-producing securities.

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 Fund's financial statements. Actual results could differ from those estimates.

In the normal course of business, the Fund enters into contracts that contain a variety of representations that 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 yet occurred. However, the Fund expects the risk of any loss to be remote.

The following is a summary of significant accounting policies consistently 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. Market value is generally determined on the basis of last reported sales prices, or if no sales are reported, on the basis of quotes obtained from a quotation reporting system, established market makers, or independent pricing services.

Portfolio securities and other financial instruments for which market quotations are not readily available or for which a development/event occurs that may significantly impact the value of a security, are fair-valued, in good faith, pursuant to procedures established by the Board of Trustees, or persons acting at their discretion pursuant to procedures established by the Board of Trustees, 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, or by using the last sale price on the exchange that is the primary market for such securities, or the mean between the last quoted bid and ask price for those securities for which the over-the-counter market is the primary market or for listed securities in which there were no sales. Independent pricing services use information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics. Exchange-traded futures and options on futures are valued at the settlement price determined by the relevant exchange. Securities purchased on a when-issued or delayed-delivery basis are marked to market daily until settlement at the forward settlement value. Short-term securities maturing in 60 days or less are valued at amortized cost, if their original term to maturity was 60 days or less, or by amortizing their value on the 61st day prior to maturity, if the original term to maturity exceeded 60 days. Investments initially valued in currencies other than U.S. dollar are converted to the U.S. dollar using exchange rates obtained from pricing services. As a result, the net asset value ("NAV") of the Fund's shares may be affected by changes in the value of currencies in relation to the U.S. dollar. The value of securities traded in markets outside the United States or denominated in currencies other than the U.S. dollar may be affected significantly on a day that the New York Stock Exchange ("NYSE") is closed and the NAV may change on days when an investor is not able to purchase or sell shares.

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

1. Organization and Significant Accounting Policies (continued)

(b) Fair Value Measurements

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

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

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

The valuation techniques used by the Fund to measure fair value during the year ended November 30, 2009 maximized the use of observable inputs and minimized the use of unobservable inputs. When fair-valuing securities, the Fund utilized option adjusted spread pricing techniques.

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

A summary of the inputs used at November 30, 2009 in valuing the Fund’s assets and liabilities is listed below:

	Level 1 – Quoted Prices	Level 2 – Other Significant Observable Inputs	Level 3 – Significant Unobservable Inputs	Value at 11/30/09
Investments in Securities – Assets				
Corporate Bonds & Notes:				
Airlines	–	\$23,120,148	\$40,278,181	\$63,398,329
Financial Services	–	420,051,557	954,000	421,005,557
Transportation	–	–	1,650,961	1,650,961
All Other	–	588,914,257	–	588,914,257
Mortgaged-Backed Securities	–	196,417,994	1,707,871	198,125,865
Sovereign Debt Obligations	–	23,757,128	–	23,757,128
Convertible Preferred Stock	\$14,871,625	–	–	14,871,625
Asset-Backed Securities	–	12,869,259	–	12,869,259
U.S. Treasury Bonds and Notes	–	7,922,339	–	7,922,339
Senior Loans	–	1,934,042	–	1,934,042
U.S. Government Agency Securities	–	120,499	–	120,499
Short-Term Investments	–	48,604,769	–	48,604,769
Options Purchased	–	1,448,300	–	1,448,300
Total Investments in Securities – Assets	\$14,871,625	\$1,325,160,292	\$44,591,013	\$1,384,622,930
Other Financial Instruments*	\$12,904,745	\$8,512,469	–	\$21,417,214
Total Investments	\$27,776,370	\$1,333,672,761	\$44,591,013	\$1,406,040,144

PIMCO Corporate Opportunity Fund Notes to Financial Statements

November 30, 2009

1. Organization and Significant Accounting Policies (continued)

A roll forward of fair value measurements using significant unobservable inputs (Level 3) for the year ended November 30, 2009, was as follows:

	Beginning Balance 11/30/08	Net Purchases (Sales) and Settlements	Accrued Discounts (Premiums)	Total Realized Gain (Loss)	Total Change in Unrealized Appreciation (Depreciation)	Transfers in and/or out of Level 3	Ending Balance 11/30/09
Investments in Securities –							
Assets							
Corporate Bonds & Notes:							
Airlines	\$28,210,990	\$1,287,678	\$(39,028)	\$26,273	\$8,051,222	\$2,741,046	\$40,278,181
Financial Services	5,939,527	(4,990,000)	(10,741)	–	15,214	–	954,000
Transportation	–	1,673,662	(1,094)	–	(21,607)	–	1,650,961
Mortgaged-Backed Securities	–	1,590,211	33,509	–	84,151	–	1,707,871
Total Investments in Securities – Assets	\$34,150,517	\$(438,449)	\$(17,354)	\$26,273	\$8,128,980	\$2,741,046	\$44,591,013
Investments in Securities –							
Liabilities							
Options Written	\$(376,800)	\$36,794	–	\$150,406	\$189,600	–	–
Other Financial Instruments*	\$(727,607)	\$(45,904)	–	–	–	\$773,511	–
Total Investments	\$33,046,110	\$(447,559)	\$(17,354)	\$176,679	\$8,318,580	\$3,514,557	\$44,591,013

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

The net change in unrealized appreciation/depreciation of investments which the Fund held at November 30, 2009, was \$7,285,916. Realized gain (loss) and change in unrealized appreciation/depreciation is reflected on the Statement of Operations.

(c) 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 an identified cost basis. Interest income adjusted for the accretion of discount and amortization of premiums is recorded on an accrual basis. Discounts or premiums on debt securities purchased are accreted or amortized to interest income over the live 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 loan. Commitment fees received by the Fund relating to unfunded purchase commitments are recorded as other fee income upon receipt. Paydown gains and losses are netted and recorded as interest income on the Statement of Operations.

(d) 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. The Fund may be subject to excise tax based on the extent of distribution to shareholders.

Accounting for uncertainty in income taxes establishes for all entities, including pass-through entities such as the Fund, a minimum threshold for financial statement recognition of the benefit of positions taken in filing tax returns (including whether an entity is taxable in a particular jurisdiction), and requires certain expanded tax disclosures. The Fund's management has determined that its evaluation has resulted in no material impact to the Fund's financial

1. Organization and Significant Accounting Policies (continued)

statements at November 30, 2009. The Fund's federal tax returns for the prior three fiscal years remain subject to examination by the Internal Revenue Service.

(e) 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 federal 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.

(f) 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 (loss) is included in the Fund's 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 unrealized gain (loss) on investments. However, the Fund does isolate the effect of fluctuations in foreign currency exchange rates when determining the gain (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 (loss) for both financial reporting and income tax reporting purposes.

(g) Senior Loans

The Fund purchases assignments of, and participations in, 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 to 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.

(h) Repurchase Agreements

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

(i) Reverse Repurchase Agreements

In a reverse repurchase agreement, the Fund sell securities to a bank or broker-dealer and agree 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

1. Organization and Significant Accounting Policies (continued)

(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 are 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.

(j) When-Issued/Delayed-Delivery Transactions

When-issued or delayed-delivery 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, such fluctuations are taken into account when determining the 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 is sold on a delayed-delivery basis, the Fund does not participate in future gains and losses with respect to the security.

(k) Mortgage-Related and Other Asset-Backed Securities

Investments in mortgage-related or other asset-backed securities include mortgage pass-through securities, collateralized mortgage obligations ("CMOs"), commercial mortgage-backed securities, mortgage dollar rolls, CMO residuals, stripped mortgage-backed securities ("SMBBS") and other securities that directly or indirectly represent a participation in, or are secured by and payable from, mortgage loans on real property. The value of some mortgage-related or asset backed securities may be particularly sensitive to changes in prevailing interest rates. Early repayment of principal on some mortgage-related securities may expose the Fund to a lower rate of return upon reinvestment of principal. The value of these securities may fluctuate in response to the market's perception of the creditworthiness of the issuers. The decline in liquidity and prices of these types of securities may have made it more difficult to determine fair market value. Additionally, although mortgages and mortgage related securities are generally supported by some form of government or private guarantee and/or insurance, there is no assurance that private guarantors or insurers will meet their obligations.

(l) U.S. Government Agencies or Government-Sponsored Enterprises

Securities issued by U.S. Government agencies or government-sponsored enterprises may not be guaranteed by the U.S. Treasury. The Government National Mortgage Association ("GNMA" or "Ginnie Mae"), a wholly-owned U.S. Government corporation, is authorized to guarantee, with the full faith and credit of the U.S. Government, the timely payment of principal and interest on securities issued by institutions approved by GNMA and backed by pools of mortgages insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs. Government-related guarantors not backed by the full faith and credit of the U.S. Government include the Federal National Mortgage Association ("FNMA" or "Fannie Mae") and the Federal Home Loan Mortgage Corporation ("FHLMC" or "Freddie Mac"). Pass-through securities issued by FNMA are guaranteed as to timely payment of principal and interest by FNMA but are not backed by the full faith and credit of the U.S. Government. FHLMC guarantees the timely payment of interest and ultimate collection of principal, but its participation certificates are not backed by the full faith and credit of the U.S. Government.

(m) Interest Expense

Interest expense relates primarily to the Fund's liability in connection with reverse repurchase agreements. Interest expense is recorded as it is incurred.

(n) 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. Principal Risk

In the normal course of business, the Fund trades financial instruments and enters into financial transactions where risk of potential loss exists due to, among other things, changes in the market (market risk) or failure of the other party to a transaction to perform (credit/counterparty risk). The Fund is exposed to various risks such as, but not limited to, interest rate, foreign currency, market price and credit/counterparty risks.

Interest rate risk is the risk that fixed income securities will decline in value because of changes in interest rates. As nominal interest rates rise, the value of certain fixed income securities held by the Fund is likely to decrease. A nominal interest rate can be described as the sum of a real interest rate and an expected inflation rate. Fixed income securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. Duration is used primarily as a measure of the sensitivity of a fixed income security's market price to interest rate (*i.e.* yield) movements.

If the Fund invests directly in foreign currencies or in securities that trade in, and receive revenues in, foreign currencies, or in derivatives that provide exposure to foreign currencies, it will be subject to the risk that those currencies will decline in value relative to the U.S. dollar, or, in the case of hedging positions, that the U.S. dollar will decline in value relative to the currency being hedged. Currency rates in foreign countries may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates, intervention (or the failure to intervene) by U.S. or foreign governments, central banks or supranational entities such as the International Monetary Fund, or by the imposition of currency controls or other political developments in the United States or abroad. As a result, the Fund's investments in foreign currency-denominated securities may reduce the returns of the Fund.

The Fund may be subject to elements of risk not typically associated with investments in the U.S., due to concentrated investments in specific industries or investments in foreign issuers located in a specific country or region. Such concentrations may subject the Fund to additional risks resulting from future political or economic conditions in such country or region and the possible imposition of adverse governmental laws of currency exchange restrictions affecting such country or region, which could cause the securities and their markets to be less liquid and prices more volatile than those of comparable U.S. companies.

The market values of equity securities, such as common stock and preferred stock or equity-related investments, such as futures and options, may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Equity securities and equity-related investments generally have greater market price volatility than fixed income securities.

The Fund may be exposed to credit risk on parties with whom it trades and will also bear the risk of settlement default. The Fund seeks to minimize concentrations of credit risk by undertaking transactions with a large number of customers and counterparties on recognized and reputable exchanges. The Fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivatives contract, repurchase agreement or a loan of portfolio securities, is unable or unwilling to make timely principal and/or interest payments, or to otherwise honor its obligations. Securities are subject to varying degrees of credit risk, which are often reflected in credit ratings.

Similar to credit risk, the Fund may be exposed to counterparty risk, or the risk that an institution or other entity with which the Fund has unsettled or open transactions will default. The potential loss to the Fund could exceed the value of the financial assets recorded in the Fund's financial statements. Financial assets, which potentially expose the Fund to counterparty risk, consist principally of cash due from counterparties and investments. The Fund's sub-adviser, Pacific Investment Management Company LLC (the "Sub-Adviser"), an affiliate of the Investment Manager, seeks to minimize the Fund's counterparty risks by performing reviews of each counterparty. Delivery of securities sold is only made once the Fund has received payment. Payment is made on a purchase once the securities have been delivered by the counterparty. The trade will fail if either party fails to meet its obligation.

The Fund is party to International Swaps and Derivatives Association, Inc. Master Agreements ("ISDA Master Agreements") with select counterparties that govern transactions, over-the-counter derivative and foreign exchange contracts, entered into by the Fund and those counterparties. The ISDA Master Agreements contain provisions for general obligations, representations, agreements, collateral and events of default or termination. Events of termination include conditions that may entitle counterparties to elect to terminate early and cause settlement of all

2. Principal Risk (continued)

outstanding transactions under the applicable ISDA Master Agreement. Any election to terminate early could be material to the financial statements of the Fund.

The considerations and factors surrounding the settlement of certain purchases and sales made on a delayed-delivery basis are governed by Master Securities Forward Transaction Agreements ("Master Forward Agreements") between the Fund and select counterparties. The Master Forward Agreements maintain provisions for, among other things, initiation and confirmation, payment and transfer, events of default, termination, and maintenance of collateral.

The Fund is also a party to Master Repurchase Agreements ("Master Repo Agreements") with select counterparties. The Master Repo Agreements maintain provision for, initiation, income payments, events of default, and maintenance of collateral.

The credit risk associated with certain contracts may be reduced by master netting arrangements to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis. The Fund's overall exposure to credit risk with respect to transactions subject to master netting arrangements can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

On September 15, 2008, Lehman Brothers Holdings Inc. filed for protection under Chapter 11 of the United States Bankruptcy Code. On September 19, 2008, a proceeding under the Securities Investor Protection Act ("SIPA") was commenced with respect to Lehman Brothers Inc., a broker-dealer. A trustee appointed under SIPA is administering the bankruptcy estate of Lehman Brothers Inc. Lehman Brothers International (Europe) was placed in administration under the UK Insolvency Act on September 15, 2008. Lehman Brothers Special Financing Inc. ("LBSF") filed for protection under Chapter 11 of the United States Bankruptcy Code on October 3, 2008. In connection with these filings, the Lehman Brothers group of companies (collectively "Lehman Brothers") will be reorganized and/or liquidated in an orderly fashion, subject to court approval. Each Lehman Brothers entity is a separate legal entity that is subject to its own bankruptcy proceeding.

The Fund had select holdings, credit default swap agreements, foreign currency transactions, securities and derivatives transactions outstanding with Lehman Brothers entities as issuer, referenced entity, counterparty or guarantor at the time the relevant Lehman Brothers entity filed for protection or was placed in administration. The security holdings, credit default swap agreements, foreign currency transactions, securities and derivatives transactions associated with Lehman Brothers as counterparty have been written down to their estimated recoverable values. Anticipated losses for securities and derivatives transactions associated with Lehman Brothers Holdings have been incorporated as net realized gain (loss) on the Statement of Operations of the Fund. The remaining balances due from Lehman Brothers, Inc. are included in receivable from broker on the Statement of Assets and Liabilities. A facilitated auction occurred on October 10, 2008 comprising multiple pre-approved brokerage agencies to determine the estimated recovery rate for holdings and credit default swap agreements with Lehman Brothers Holdings Inc. as the referenced entity. These recovery rates as well as the current value of Senior Lehman bonds, have been utilized in determining estimated recovery values for certain holdings. On September 23, 2009, LBSF returned all cash collateral to the Fund and the Fund paid all outstanding liabilities owed.

3. Financial Derivative Instruments

Disclosure about derivative instruments and hedging activities require qualitative disclosure regarding objectives and strategies for using derivatives, quantitative disclosure about fair value amounts of gains and losses on derivative instruments, and disclosure about credit-risk-related contingent features in derivative agreements. The disclosure requirements distinguish between derivatives which are accounted for as "hedges" and those that do not qualify for such accounting. Although the Fund may sometimes use derivatives for hedging purposes, the Fund reflects derivatives at fair value and recognizes changes in fair value through the Fund's Statement of Operations, and such derivatives do not qualify for hedge accounting treatment. Derivative notional amounts and values as of November 30, 2009, which are disclosed in the accompanying Notes, are indicative of the volume of the Fund's derivatives activities over the reporting period.

(a) 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 enters 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 also enters these contracts for purposes of increasing exposure to a foreign currency or to shift

3. Financial Derivative Instruments (continued)

exposure to foreign currency fluctuations from one country to another. The market value of a forward foreign currency contract fluctuates with changes in foreign 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. In addition, these contracts may involve market risk in excess of the unrealized gain (loss) reflected in the Fund's Statement of Assets and Liabilities.

(b) Futures Contracts

The Fund uses futures contracts to manage their exposure to the securities markets or the movements in interest rates and currency values. 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 or securities 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 various risks, including the risk of an imperfect correlation in the movements in the price of futures contracts, interest rates and underlying hedging assets, and possible inability or unwillingness or counterparties to meet the terms of their contracts.

(c) Option Transactions

The Fund purchases and writes (sells) put and call options on securities for hedging purposes, risk management purposes or otherwise as part of its investment strategies. The risk associated with purchasing an option is that the Fund pays a premium whether 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 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 which is subsequently marked to market to reflect the market value of the option written. These liabilities are reflected as options written in the Fund's 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 purchased transactions, as a realized loss. If a call option written 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 written 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 a written option could result in the Fund purchasing a security at a price different from its current market value.

(d) Swap Agreements

Swap agreements are privately negotiated agreements between the Fund and a counterparty to exchange or swap investment cash flows, assets, foreign currencies or market-linked returns at specified, future intervals. The Fund enters into credit default, cross-currency, interest rate, total return, variance and other forms of swap agreements in order to manage its exposure to credit, currency and interest rate risk. In connection with these agreements, securities may be identified as collateral in accordance with the terms of the respective swap agreements to provide assets of value and recourse in the event of default or bankruptcy/insolvency.

Payments received or made at the beginning of the measurement period are reflected as such on the Fund's Statement of Assets and Liabilities and represent payments made or received upon entering into the swap agreement to compensate for differences between the stated terms of the swap agreement and prevailing market conditions (credit spreads, currency exchange rates, interest rates, and other relevant factors). These upfront payments are recorded as realized gains or losses on the Fund's Statement of Operations upon termination or maturity of the swap. A liquidation

3. Financial Derivative Instruments (continued)

payment received or made at the termination of the swap is recorded as realized gain or loss on the Statement of Operations. Net periodic payments received or paid by the Fund are included as part of realized gains or losses on the Fund's Statement of Operations.

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

Credit Default Swap Agreements — Credit default swap agreements involve one party (referred to as the buyer of protection) making a stream of payments to another party (the seller of protection) in exchange for the right to receive a specified return in the event of a default or other credit event for the referenced entity, obligation or index. As a seller of protection on credit default swap agreements, the Fund will generally receive from the buyer of protection a fixed rate of income throughout the term of the swap provided that there is no credit event. As the seller, the Fund would effectively add leverage to its portfolio because, in addition to its total net assets, the Fund would be subject to investment exposure on the notional amount of the swap.

If the Fund is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation, other deliverable obligations or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index. If the Fund is a buyer of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) receive from the seller of protection an amount equal to the notional amount of the swap and deliver the referenced obligation, other deliverable obligations or underlying securities comprising the referenced index or (ii) receive a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index. Recovery values are assumed by market makers considering either industry standard recovery rates or entity specific factors and considerations until a credit event occurs. If a credit event has occurred, the recovery value is determined by a facilitated auction whereby a minimum number of allowable broker bids, together with a specified valuation method, are used to calculate the settlement value.

Credit default swap agreements on corporate issues or sovereign issues of an emerging country involve one party making a stream of payments to another party in exchange for the right to receive a specified return in the event of a default or other credit event. If a credit event occurs and cash settlement is not elected, a variety of other deliverable obligations may be delivered in lieu of the specific referenced obligation. The ability to deliver other obligations may result in a cheapest-to-deliver option (the buyer of protection's right to choose the deliverable obligation with the lowest value following a credit event). The Fund uses credit default swaps on corporate issues or sovereign issues of an emerging country to provide a measure of protection against defaults of the issuers (i.e., to reduce risk where the Fund owns or has exposure to the referenced obligation) or to take an active long or short position with respect to the likelihood of a particular issuer's default.

Credit default swap agreements on asset-backed securities involve one party making a stream of payments to another party in exchange for the right to receive a specified return in the event of a default or other credit events. Unlike credit default swaps on corporate issues or sovereign issues of an emerging country, deliverable obligations in most instances would be limited to the specific referenced obligation as performance for asset-backed securities can vary across deals. Prepayments, principal paydowns, and other writedown or loss events on the underlying mortgage loans will reduce the outstanding principal balance of the referenced obligation. These reductions may be temporary or permanent as defined under the terms of the swap agreement and the notional amount for the swap agreement will be adjusted by corresponding amounts. The Fund uses credit default swaps on asset-backed securities to provide a measure of protection against defaults of the referenced obligation or to take an active long or short position with respect to the likelihood of a particular referenced obligation's default.

Credit default swap agreements on credit indices involve one party making a stream of payments to another party in exchange for the right to receive a specified return in the event of a write-down, principal shortfall, interest shortfall or default of all or part of the referenced entities comprising the credit index. A credit index is a list of a basket of

3. Financial Derivative Instruments (continued)

credit instruments or exposures designed to be representative of some part of the credit market as a whole. These indices are made up of reference credits that are judged by a poll of dealers to be the most liquid entities in the credit default swap market based on the sector of the index. Components of the indices may include, but are not limited to, investment grade securities, high yield securities, asset backed securities, emerging markets, and/or various credit ratings within each sector. Credit indices are traded using credit default swaps with standardized terms including a fixed spread and standard maturity dates. An index credit default swap references all the names in the index, and if there is a default, the credit event is settled based on that name's weight in the index or in the case of a tranching index credit default swap, the credit event is settled based on the name's weight in the index that falls within the tranche for which the Fund bears exposure. The composition of the indices changes periodically, usually every six months, and for most indices, each name has an equal weight in the index. The Fund uses credit default swaps on credit indices to hedge a portfolio of credit default swaps or bonds with a credit default swap on indices which is less expensive than it would be to buy many credit default swap to achieve a similar effect. Credit-default swaps on indices are benchmarks for protecting investors owning bonds against default, and traders use them to speculate on changes in credit quality.

Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements on corporate issues or sovereign issues of an emerging country as of period end are disclosed later in the Notes (see 5(c)) and serve as an indicator of the current status of the payment/performance risk and represent the likelihood or risk of default for the credit derivative. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to be made to enter into the agreement. For credit default swap agreements on asset-backed securities and credit indices, the quoted market prices and resulting values serve as the indicator of the current status of the payment/performance risk. Wider credit spreads and increasing market values, in absolute terms when compared to the notional amount of the swap, represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

The maximum potential amount of future payments (undiscounted) that the Fund as a seller of protection could be required to make under a credit default swap agreement would be an amount equal to the notional amount of the agreement. Notional amounts of all credit default swap agreements outstanding as of November 30, 2009 for which the Fund is the seller of protection are disclosed later in the Notes (see 5(c)). These potential amounts would be partially offset by any recovery values of the respective referenced obligations, upfront payments received upon entering into the agreement, or net amounts received from the settlement of buy protection credit default swap agreements entered into by the Fund for the same referenced entity or entities.

Interest Rate Swap Agreements — 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 the notional amount of principal. Certain forms of interest rate swap agreements may include: (i) interest rate caps, under which, in return for a premium, one party agrees to make payments to the other to the extent that interest rates exceed a specified rate, or "cap", (ii) interest rate floors, under which, in return for a premium, one party agrees to make payments to the other to the extent that interest rates fall below a specified rate, or "floor", (iii) interest rate collars, under which a party sells a cap and purchases a floor or vice versa in an attempt to protect itself against interest rate movements exceeding given minimum or maximum levels, (iv) callable interest rate swaps, under which the counterparty may terminate the swap transaction in whole at zero cost by a predetermined date and time prior to the maturity date, (v) spreadlocks, which allow the interest rate swap users to lock in the forward differential (or spread) between the interest rate swap rate and a specified benchmark, or (vi) basis swap, under which two parties can exchange variable interest rates based on different money markets.

3. Financial Derivative Instruments (continued)

Fair Value of Derivative Instruments at November 30, 2009

The following is a summary of the fair valuation of the Fund's derivatives instruments categorized by risk exposure.

The effect of derivative instruments on the Fund's Statement of Assets and Liabilities at November 30, 2009:

Location	Interest Rate Contracts	Credit Contracts	Foreign Exchange Contracts	Total
Asset Derivatives:				
Investments, at value (options purchased)	\$18,471	—	\$1,429,829	\$1,448,300
Unrealized appreciation on swaps	—	\$16,274,612	—	16,274,612
Receivable for variation margin on futures contracts*	164,400	—	—	164,400
Unrealized appreciation on forward foreign currency contracts	—	—	11,896	11,896
Total Asset Derivatives	\$182,871	\$16,274,612	\$1,441,725	\$17,899,208
Liability Derivatives:				
Unrealized depreciation on swaps	\$(287,778)	\$(4,136,482)	—	\$(4,424,260)
Unrealized depreciation on forward foreign currency contracts	—	—	\$(3,349,779)	(3,349,779)
Total Liability Derivatives	\$(287,778)	\$(4,136,482)	\$(3,349,779)	\$(7,774,039)

* Included in the unrealized appreciation of \$12,904,745 on futures contracts as reported later in the Notes to Financial Statements (see Note 5(a)).

The effect of derivative instruments on the Fund's Statement of Operations for the year ended November 30, 2009:

Location	Interest Rate Contracts	Credit Contracts	Foreign Exchange Contracts	Total
Realized Gain (Loss) on:				
Investments (options purchased)	\$(6,539)	—	—	\$(6,539)
Futures contracts	20,343,625	—	—	20,343,625
Options written	—	\$93,600	—	93,600
Swaps	(190,705)	1,761,751	—	1,571,046
Foreign currency transactions	—	—	\$(12,223,803)	(12,223,803)
Total Realized Gain (Loss)	\$20,146,381	\$1,855,351	\$(12,223,803)	\$9,777,929
Net Change in Unrealized Appreciation/ Depreciation) of:				
Investments (options purchased)	\$(16,012)	—	\$(598,486)	\$(614,498)
Futures contracts	(4,095,009)	—	—	(4,095,009)
Options written	—	\$189,600	—	189,600
Swaps	485,733	56,418,928	—	56,904,661
Foreign currency transactions	—	—	\$897,648	897,648
Total Net Change in Unrealized Appreciation/ Depreciation	\$(3,625,288)	\$56,608,528	\$299,162	\$53,282,402

4. Investment Manager/Sub-Adviser

The Fund has entered into 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 on a monthly basis, at an annual rate of 0.60% of the Fund's average daily net assets, inclusive of net assets attributable to any Preferred Shares that may be outstanding.

The Investment Manager has retained 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 of the Fund's investment decisions. The Investment Manager, not the Fund, pays a portion of the fees it receives to the Sub-Adviser in return for its services.

5. Investments in Securities

Purchases and sales of investments, other than short-term securities and U.S. government obligations for the year ended November 30, 2009, were \$875,468,600 and \$802,578,424, respectively. Purchases and sales in U.S. Government obligations were \$89,145,341 and \$81,236,401, respectively.

(a) Futures contracts outstanding at November 30, 2009:

Type	Contracts	Market Value (000)	Expiration Date	Unrealized Appreciation
Long: Financial Futures Euro – 90 day	800	\$199,425	12/14/09	\$6,540,224
Financial Futures Euro – 90 day	501	124,592	6/14/10	2,878,581
Financial Futures Euro – 90 day	1,458	360,509	12/13/10	3,485,940
				<u>\$12,904,745</u>

The Fund pledged cash collateral of \$89,200 for futures contracts.

(b) Transactions in options written for the year ended November 30, 2009:

	Notional Amount	Premiums
Options outstanding, November 30, 2008	\$16,000,000	\$187,200
Options terminated in closing transactions	(8,000,000)	(93,600)
Options exercised	<u>(8,000,000)</u>	<u>(93,600)</u>
Options outstanding, November 30, 2009	<u>—</u>	<u>—</u>

5. Investments in Securities (continued)

(c) Credit default swap agreements:

Buy protection swap agreements outstanding at November 30, 2009 ⁽¹⁾:

Swap Counterparty/ Referenced Debt Issuer	Notional Amount Payable on Default (000) ⁽⁴⁾	Credit Spread ^{(3)*}	Termination Date	Payments Made by Fund	Market Value ⁽⁵⁾	Upfront Premiums Paid	Unrealized Appreciation (Depreciation)
Bank of America:							
Dow Jones CDX HY-12 Index	\$17,155	6.46%	6/20/14	(5.00)%	\$739,682	\$796,415	\$(56,733)
Freeport-McMoRan	4,000	0.53%	12/20/18	(3.99)%	(1,130,800)	—	(1,130,800)
Barclays Bank:							
Dow Jones CDX HY-12 Index	2,679	6.46%	6/20/14	(5.00)%	115,512	117,206	(1,694)
Deutsche Bank:							
Dow Jones CDX HY-12 Index	10,998	6.46%	6/20/14	(5.00)%	474,207	467,415	6,792
Dow Jones CDX HY-13 Index	4,851	6.84%	12/20/14	(5.00)%	298,574	354,730	(56,156)
JPMorgan Chase:							
Dow Jones CDX HY-12 Index	18,001	6.46%	6/20/14	(5.00)%	<u>776,160</u>	<u>822,500</u>	<u>(46,340)</u>
					<u>\$1,273,335</u>	<u>\$2,558,266</u>	<u>\$(1,284,931)</u>

Sell protection swap agreements outstanding at November 30, 2009 ⁽²⁾:

Swap Counterparty/ Referenced Debt Issuer	Notional Amount Payable on Default (000) ⁽⁴⁾	Credit Spread ^{(3)*}	Termination Date	Payments Received by Fund	Market Value ⁽⁵⁾	Upfront Premiums Received	Unrealized Appreciation (Depreciation)
Bank of America:							
Ford Motor Credit	\$10,000	5.02%	3/20/12	2.55%	\$(468,824)	—	\$(468,824)
Barclays Bank:							
General Electric SLM	27,300	2.14%	12/20/12	0.63%	(1,161,042)	—	(1,161,042)
	8,000	6.96%	12/20/13	5.00%	(430,350)	\$(1,000,000)	569,650
BNP Paribas:							
General Electric	2,500	2.21%	12/20/13	4.60%	245,454	—	245,454
General Electric	3,500	2.21%	12/20/13	4.70%	357,358	—	357,358
Royal Bank of Scotland	3,500	1.17%	6/20/13	1.50%	50,404	—	50,404
Royal Bank of Scotland	3,500	1.15%	6/20/13	2.65%	197,442	—	197,442

PIMCO Corporate Opportunity Fund Notes to Financial Statements

November 30, 2009

5. Investments in Securities (continued)

Swap Counterparty/ Referenced Debt Issuer	Notional Amount Payable on Default (000) ^(a)	Credit Spread ^{(b)*}	Termination Date	Payments Received by Fund	Market Value ^(c)	Upfront Premiums Received	Unrealized Appreciation (Depreciation)
Citigroup:							
General Electric	\$7,000	2.21%	12/20/13	4.00%	\$522,608	—	\$522,608
General Electric	9,500	2.21%	12/20/13	4.25%	802,367	—	802,367
General Electric	5,000	2.21%	12/20/13	4.65%	500,709	—	500,709
General Electric	15,600	2.21%	3/20/14	4.05%	1,250,420	—	1,250,420
GMAC	3,500	5.97%	6/20/12	1.40%	(352,780)	—	(352,780)
International Lease Finance							
Finance	8,000	10.25%	12/20/13	5.00%	(1,101,792)	\$(1,280,000)	178,208
SLM	21,500	6.96%	12/20/13	5.00%	(1,156,566)	(2,391,250)	1,234,684
Deutsche Bank:							
American International Group							
Group	6,000	7.26%	12/20/13	5.00%	(385,621)	(1,020,000)	634,379
Brazilian Government International Bond							
International Bond	10,000	0.56%	12/20/09	3.05%	151,088	—	151,088
Brazilian Government International Bond							
International Bond	14,300	0.93%	5/20/12	0.69%	(80,410)	—	(80,410)
Brazilian Government International Bond							
International Bond	1,300	1.46%	5/20/17	1.04%	(35,082)	—	(35,082)
General Electric	6,500	2.21%	12/20/13	3.68%	403,732	—	403,732
General Electric	9,500	2.21%	12/20/13	4.23%	794,918	—	794,918
General Electric	20,500	2.21%	12/20/13	4.70%	2,093,094	—	2,093,094
General Electric	12,300	2.21%	12/20/13	4.78%	1,292,023	—	1,292,023
MetLife	7,000	1.92%	3/20/13	2.07%	62,810	—	62,810
SLM	21,200	6.96%	12/20/13	5.00%	(1,140,428)	(2,838,000)	1,697,572
HSBC Bank:							
Brazilian Government International Bond							
International Bond	10,000	0.56%	12/20/09	3.00%	148,560	—	148,560
JPMorgan Chase:							
GMAC							
GMAC	8,100	5.97%	6/20/12	1.84%	(728,588)	—	(728,588)
Merrill Lynch & Co.:							
Ford Motor Credit							
Ford Motor Credit	17,000	8.01%	6/20/13	5.00%	(1,377,616)	(3,255,000)	1,877,384
SLM	5,200	6.96%	12/20/13	5.00%	(279,728)	(728,000)	448,272
Vale Overseas	2,000	0.91%	4/20/12	0.50%	(18,033)	—	(18,033)
Morgan Stanley:							
Ford Motor Credit							
Ford Motor Credit	20,000	3.89%	9/20/10	4.05%	184,391	—	184,391
General Electric	5,000	2.21%	12/20/13	4.15%	402,696	—	402,696
Royal Bank of Scotland:							
Mexico Government International Bond							
International Bond	12,000	0.79%	12/20/09	2.85%	167,597	—	167,597
					<u>\$910,811</u>	<u>\$(12,512,250)</u>	<u>\$13,423,061</u>

* Unaudited.

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

5. Investments in Securities (continued)

swap and take delivery of the referenced obligation or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.

- (3) Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements as of year end serve as an indicator of the current status of the payment/performance risk and represent the likelihood or risk of default for the credit derivative. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to be made to enter into the agreement. Wider credit spreads represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.
- (4) The maximum potential amount the Fund could be required to make as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.
- (5) The quoted market prices and resulting values for credit default swap agreements serve as an indicator of the status at November 30, 2009 of the payment/performance risk and represent the likelihood of an expected liability (or profit) for the credit derivative should the notional amount of the swap agreement been closed/sold as of the period end. Increasing market values, in absolute terms when compared to the notional amount of the swap, represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

(d) Interest rate swap agreements outstanding at November 30, 2009:

Swap Counterparty	Notional Amount (000)	Termination Date	Rate Type		Market Value	Upfront Premiums Received	Unrealized Depreciation
			Payments Made by Fund	Payments Received by Fund			
UBS	BRL 17,970	1/2/12	BRL-CDI-Compounded	10.575%	<u>\$(316,101)</u>	<u>\$(28,323)</u>	<u>\$(287,778)</u>

BRL—Brazilian Real

CDI—Inter-Bank Deposit Certificate

(e) Forward foreign currency contracts outstanding at November 30, 2009:

Counterparty	U.S. \$ Value on Origination Date	U.S. \$ Value November 30, 2009	Unrealized Appreciation (Depreciation)	
<u>Purchased:</u>				
17,051,924 Chinese Yuan Renminbi settling 3/29/10	Bank of America	\$2,539,000	\$2,509,629	\$(29,371)
1,976,760 Chinese Yuan Renminbi settling 11/23/10	Barclays Bank	298,000	297,781	(219)
3,203,980 Chinese Yuan Renminbi settling 11/17/10	Citigroup	483,000	482,345	(655)
8,256,229 Chinese Yuan Renminbi settling 11/17/10	Deutsche Bank	1,246,101	1,242,940	(3,161)
3,255,564 Chinese Yuan Renminbi settling 11/17/10	Morgan Stanley	492,000	490,111	(1,889)
7,304,165 Mexican Peso settling 4/22/10	JPMorgan Chase	547,374	555,543	8,169
<u>Sold:</u>				
40,307 Australian Dollar settling 1/11/10	Royal Bank of Scotland PLC	37,372	36,752	620
23,985,286 Brazilian Real settling 2/2/10	Deutsche Bank	13,022,102	13,565,954	(543,852)

5. Investments in Securities (continued)

	Counterparty	U.S. \$ Value on Origination Date	U.S. \$ Value November 30, 2009	Unrealized Appreciation (Depreciation)
Sold (continued):				
3,813,000 Canadian Dollar settling 12/10/09	JPMorgan Chase & Co.	\$3,575,280	\$3,616,780	\$(41,500)
2,021,914 Chinese Yuan Renminbi settling 3/29/10	Barclays Bank	298,000	297,577	423
3,277,396 Chinese Yuan Renminbi settling 3/29/10	Citigroup	483,000	482,353	647
8,414,394 Chinese Yuan Renminbi settling 3/29/10	Deutsche Bank	1,239,736	1,238,394	1,342
3,338,220 Chinese Yuan Renminbi settling 3/29/10	Morgan Stanley	492,000	491,305	695
63,426,000 Euro settling 12/8/09	Morgan Stanley	92,665,386	95,223,155	(2,557,769)
6,425,000 Euro settling 2/18/10	Royal Bank of Scotland PLC	9,535,214	9,643,240	(108,026)
10,873,000 British Pound settling 1/27/10	Royal Bank of Scotland PLC	17,774,202	17,837,539	(63,337)
				<u>\$(3,337,883)</u>

The Fund received \$1,540,000 in principal value of U.S. Treasury Bills and \$6,770,000 in cash as collateral for derivative contracts. Cash collateral received may be invested in accordance with the Fund's investment strategy. Collateral received as securities cannot be pledged.

(f) Open reverse repurchase agreements at November 30, 2009 were:

Counterparty	Rate	Trade Date	Maturity Date	Principal & Interest	Principal
Bank of America	0.55%	11/24/09	12/21/09	\$1,704,407	\$1,704,225
Barclays Bank	0.65%	11/9/09	12/4/09	23,063,158	23,054,000
	0.65%	11/13/09	12/1/09	9,863,204	9,860,000
	0.65%	11/13/09	12/14/09	20,913,795	20,907,000
	0.65%	11/18/09	12/17/09	6,224,461	6,223,000
	0.65%	11/19/09	12/15/09	12,238,651	12,236,000
	0.65%	11/23/09	12/22/09	42,378,120	42,372,000
	0.65%	11/25/09	12/21/09	6,087,659	6,087,000
	0.65%	11/30/09	12/30/09	8,124,147	8,124,000
BNP Paribas	0.55%	11/25/09	12/21/09	34,844,194	34,841,000
Royal Bank of Scotland PLC	0.55%	11/16/09	12/11/09	7,057,617	7,056,000
					<u>\$172,464,225</u>

The weighted average daily balance of reverse repurchase agreements outstanding during the year ended November 30, 2009 was \$80,997,565 at a weighted average interest rate of 0.83%. The total market value of underlying collateral (refer to the Schedule of Investments for positions segregated as collateral for reverse repurchase agreements) for open reverse repurchase agreements at November 30, 2009 was \$181,615,594.

The Fund received \$4,235,000 in principal value of U.S. government agency securities as collateral for reverse repurchase agreements.

6. Income Tax Information

For the year ended November 30, 2009, the tax character of dividends paid of \$93,245,538 was comprised entirely of ordinary income.

For the year ended November 30, 2008, the tax character of dividends paid of \$111,242,629 was comprised entirely of ordinary income.

At November 30, 2009, the tax character of distributable earnings of \$37,247,295 was comprised entirely of ordinary income.

6. Income Tax Information (continued)

For the year ended November 30, 2009, permanent “book-tax” differences were primarily attributable to the differing treatment of swap payments, foreign currency transactions, paydowns and excise tax. These adjustments were to decrease paid-in-capital in excess of par by \$205,583, increase undistributed net investment income by \$14,743,145 and increase accumulated net realized losses by \$14,537,562.

Net investment income and net realized gains (loss) differ for financial statement and federal income tax purposes primarily due to the treatment of amounts received under swap agreements. For year ended November 30, 2009, the Fund received \$11,536,816 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.

At November 30, 2009, the Fund had a capital loss carryforward of \$171,319,988 (\$16,478,507 of which will expire in 2015, \$51,166,714 of which will expire in 2016 and \$103,674,767 of which will expire in 2017), available as a reduction, to the extent provided in the regulations, of any future net realized gains. To the extent that these losses are used to offset future realized capital gains, such gains will not be disbursed.

The cost basis of portfolio securities for federal income tax purposes is \$1,289,664,569. Aggregate gross unrealized appreciation for securities in which there is an excess of value over tax cost is \$167,067,399; aggregate gross unrealized depreciation for securities in which there is an excess of tax cost over value is \$72,109,038; and net unrealized appreciation for federal income tax purposes is \$94,958,361. The difference between book and tax appreciation is primarily attributable to wash sales.

7. Auction-Rate Preferred Shares

The Fund has issued 2,600 shares of Preferred Shares Series M, 2,600 shares of Preferred Shares Series T, 2,600 shares of Preferred Shares Series W, 2,600 shares of Preferred Shares Series TH and 2,600 shares of Preferred Shares Series F, each with a net asset and liquidation value of \$25,000 per share plus any accumulated, unpaid dividends.

Dividends are accumulated daily at an annual rate (typically reset every seven days) through auction procedures. Distributions of net realized capital gains, if any, are paid annually.

For the year ended November 30, 2009, the annualized dividend rates ranged from:

	High	Low	At November 30, 2009
Series M	1.73%	0.14%	0.21%
Series T	1.73%	0.12%	0.18%
Series W	0.90%	0.11%	0.20%
Series TH	0.99%	0.06%	0.20%
Series F	1.73%	0.08%	0.18%

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 plus any accumulated, unpaid dividends.

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

Since mid-February 2008, holders of auction-rate preferred shares (“ARPS”) issued by the Fund have been directly impacted by an unprecedented lack of liquidity, which has similarly affected ARPS holders in many of the nation’s closed-end funds. Since then, regularly scheduled auctions for ARPS issued by the Fund has consistently “failed” because of insufficient demand (bids to buy shares) to meet the supply (shares offered for sale) at each auction. In a failed auction, ARPS holders cannot sell all, and may not be able to sell any, of their shares tendered for sale. While repeated auction failures have affected the liquidity for ARPS, they do not constitute a default or automatically alter the credit quality of the ARPS, and ARPS holders have continued to receive dividends at the defined “maximum rate” the higher of the 7-day “AA” Composite Commercial Paper Rate multiplied by 150% (which is a function of short-term interest rates and typically higher than the rate that would have otherwise been set through a successful auction). If the Fund’s ARPS auctions continue to fail and the “maximum rate” payable on the ARPS rises as a result of changes in short-term interest rates, returns for the Fund’s common shareholders could be adversely affected.

7. Auction-Rate Preferred Shares (continued)

These developments with respect to ARPS have not affected the management or investment policies of the Fund, and the Fund's outstanding common shares continue to trade on the NYSE without any change.

During the year ended November 30, 2009, the Fund redeemed, at their liquidation preference, a portion of its ARPS. The decision to redeem a portion of the Fund's ARPS was made by the Fund's Board of Trustees at the recommendation of the Fund's Investment Manager and Sub-Adviser and was intended to increase asset coverage of the Fund's ARPS above the 200% Level, permitting the Fund to declare future common share dividends. The Fund partially redeemed the ARPS at the full liquidation preference of \$25,000 per share plus accumulated and unpaid dividends, up to each series respective dates of redemption.

	Redemptions Dates	
Beginning balance, 11/30/08	\$565,000,000	
Redemption:	(69,000,000)	12/15/08-12/19/08
	(101,000,000)	3/16/09-3/20/09
	(70,000,000)	3/30/09-4/3/09
Ending balance, 11/30/09	<u>\$325,000,000</u>	

8. Legal Proceedings

In June and September 2004, the Investment Manager and certain of its affiliates (including PEA Capital LLC ("PEA"), Allianz Global Investors Distributors LLC and Allianz Global), agreed to settle, without admitting or denying the allegations, claims brought by the Securities and Exchange Commission ("SEC") and the New Jersey 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. The settlements related to an alleged "market timing" arrangement in certain open-end funds formerly sub-advised by PEA. The Investment Manager and its affiliates agreed to pay a total of \$68 million to settle the claims. In addition to monetary payments, the settling parties agreed to undertake certain corporate governance, compliance and disclosure reforms related to market timing, and consented to cease and desist orders and censures. Subsequent to these events, PEA deregistered as an investment adviser and dissolved. None of the settlements alleged that any inappropriate activity took place with respect to the Fund.

Since February 2004, the Investment Manager and certain of their affiliates and their employees have been named as defendants in a number of pending lawsuits concerning "market timing," 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 proceeding in the U.S. District Court for the District of Maryland. Any potential resolution of these matters may include, but not be limited to, judgments or settlements for damages against the Investment Manager, the Sub-Adviser, or their affiliates or related injunctions.

In addition, the Sub-Adviser is the subject of a lawsuit in the Northern District of Illinois Eastern Division in which the complaint alleges that plaintiffs each purchased and sold a 10-year Treasury note futures contract and suffered damages from an alleged shortage when the Sub-Adviser held both physical and futures positions in 10-year Treasury notes for its client accounts. In July 2007, the court granted class certification of a class consisting of those persons who purchased futures contracts to offset short positions between May 9, 2005 and June 30, 2005. The Sub-Adviser currently believes that the complaint is without merit and the Sub-Adviser intends to vigorously defend against this action.

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.

9. Subsequent Events

Management has evaluated subsequent events following the year ended November 30, 2009 through January 27, 2010, which is the date the financial statements were issued. The subsequent events were as follows:

On December 1, 2009, a dividend of \$0.115 per share was declared to common shareholders payable December 30, 2009 to shareholders of record on December 11, 2009.

On December 18, 2009, a special year end income dividend of \$0.58 per share was declared to common shareholders payable January 22, 2010 to shareholders of record on December 28, 2009.

On January 4, 2010, a dividend of \$0.115 per share was declared to common shareholders payable February 1, 2010 to shareholders of record on January 14, 2010.

PIMCO Corporate Opportunity Fund Financial Highlights

For a share of common stock outstanding throughout each year

	Year Ended November 30,				
	2009	2008	2007	2006	2005
Net asset value, beginning of year	\$8.54	\$14.34	\$15.62	\$15.59	\$17.05
Investment Operations:					
Net investment income	1.64	1.40	1.50	1.57	1.50
Net realized and unrealized gain (loss) on investments, futures contracts, options written, swaps, unfunded loan commitments and foreign currency transactions	4.85	(5.52)	(0.64)	0.54	(0.40)
Total from investment operations	6.49	(4.12)	0.86	2.11	1.10
Dividends and Distributions on Preferred Shares from:					
Net investment income	(0.02)	(0.30)	(0.45)	(0.41)	(0.22)
Net realized gains	–	–	–	(0.00)†	(0.05)
Total dividends and distributions on preferred shares	(0.02)	(0.30)	(0.45)	(0.41)	(0.27)
Net increase (decrease) in net assets applicable to common shareholders resulting from investment operations	6.47	(4.42)	0.41	1.70	0.83
Dividends and Distributions to Common Shareholders from:					
Net investment income	(1.38)	(1.38)	(1.32)	(1.65)	(1.65)
Net realized gains	–	–	(0.31)	(0.02)	(0.64)
Return of capital	–	–	(0.06)	–	–
Total dividends and distributions to common shareholders	(1.38)	(1.38)	(1.69)	(1.67)	(2.29)
Net asset value, end of year	\$13.63	\$8.54	\$14.34	\$15.62	\$15.59
Market price, end of year	\$14.00	\$7.55	\$13.89	\$16.94	\$17.20
Total Investment Return (1)	111.56%	(39.06)%	(8.43)%	8.96%	16.16%
RATIOS/SUPPLEMENTAL DATA:					
Net assets applicable to common shareholders, end of year (000)	\$911,702	\$566,927	\$946,896	\$1,022,823	\$1,013,189
Ratio of expenses to average net assets including interest expense (2)(3)	1.32%(4)	1.39%(4)	1.28%(4)	1.27%(4)	1.15%
Ratio of expenses to average net assets, excluding interest expense (2)(3)	1.23%	1.30%	1.19%	1.18%	1.15%
Ratio of net investment income to average net assets (2)	16.16%	11.08%	10.15%	10.21%	9.29%
Preferred shares asset coverage per share	\$95,129	\$50,082	\$66,880	\$70,236	\$69,814
Portfolio turnover	80%	130%	38%	29%	41%

† Less than \$0.005 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 and a sale of a share of common stock at the current market price on the last day of each period reported. Dividends and 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.
- (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(n) in Notes to Financial Statements).
- (4) Interest expense relates to the liability for floating rate notes issued in connection with inverse floater transactions and reverse repurchase agreement transactions.

**To the Shareholders and Board of Trustees of
PIMCO Corporate Opportunity Fund**

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets applicable to common shareholders and the financial highlights present fairly, in all material respects, the financial position of PIMCO Corporate Opportunity Fund (the "Fund") at November 30, 2009, the results of its operations for the year then ended, the changes in its net assets applicable to common shareholders for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at November 30, 2009 by correspondence with the custodian, brokers and agent banks, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
New York, New York
January 27, 2010

PIMCO Corporate Opportunity Fund

Annual Shareholder Meeting Results/Changes to Investment Policies/Change in Board of Trustees/Portfolio Management Change (unaudited)

Annual Shareholder Meeting Results:

The Fund held its annual meeting of shareholders on April 14, 2009. Shareholders voted as indicated below:

	Affirmative	Withheld Authority
Re-election of Paul Belica – Class III to serve until 2011	59,173,065	3,021,296
Re-election of John C. Maney† – Class III to serve until 2012	59,486,114	2,708,247
Re-election of Diana L. Taylor* – Class II to serve until 2011	10,847	291
Messrs. Robert E. Connor*, Hans W. Kertesz*, R. Peter Sullivan III and William B. Ogden, IV continue to serve as Trustees of the Fund.		

* Preferred Shares Trustee

† Interested Trustee

Changes to Investment Policies:

The Fund may invest in preferred stock and convertible securities, and these securities may allow for conversion into common stock. Effective April 6, 2009, the Fund's investment policies were revised to make explicit that the Fund may hold common stock received from conversion of other portfolio securities, such that common stock may represent up to 20% of the Fund's total assets. The Board of Trustees formally approved of this policy based on the recommendations of the Investment Manager and Sub-Adviser that having the ability to hold common stock under these circumstances would be in the best interest of the Fund and the Fund's shareholders. The Sub-Adviser believes it is in the best interests of the Fund to have the flexibility to participate in such conversions and to hold common stock received in such conversions until adequate value can be realized or it otherwise deems it appropriate to dispose of common stock holdings.

Holding common stock involves risks different from or in addition to the risks associated with debt instruments. The market price of common stocks and other equity securities may go up or down, sometimes rapidly or unpredictably. The value of a company's equity securities may fall as a result of factors directly relating to that company, such as decisions made by its management or lower demand for the company's products or services. The value of an equity security may also fall because of factors affecting not just the company, but also companies in the same industry or sector, or in a number of different industries or sectors, such as increases in production costs. The value of a company's equity securities may also be affected by changes in financial markets that are relatively unrelated to the company or its industry, such as changes in interest rates or currency exchange rates, adverse circumstances involving the credit markets, periods of relative illiquidity, volatility, and perceived or actual instability in the banking and financial service sectors. In addition, because a company's equity securities rank junior in priority to the interests of bond holders and other creditors, a company's equity securities will usually react more strongly than its bonds and other debt to actual or perceived changes in the company's financial condition or prospects. Equity securities generally have greater price volatility and usually produce lower yields than bonds and other debt securities.

Change in Board of Trustees:

On September 10, 2009, Diana L. Taylor resigned as a Trustee of the Fund.

On December 14, 2009, James A. Jacobson joined the Board of Trustee.

Portfolio Management Change:

Effective December 15, 2009, Bill Gross assumed primary responsibility for the day-to-day portfolio management of the Fund. Mr. Gross founded PIMCO more than 38 years ago and is a managing director and co-Chief Investment Officer of the company. He has 40 years of investment experience and holds an MBA from the Anderson School of Management at the University of California, Los Angeles. He received his undergraduate degree from Duke University.

PIMCO Corporate Opportunity Fund

Matters Relating to the Trustees' Consideration of the Investment Management and Portfolio Management Agreements (unaudited) (continued)

The Investment Company Act of 1940, as amended, requires that both the full Board of Trustees (the "Trustees") and a majority of the non-interested Trustees (the "Independent Trustees"), voting separately, approve the Fund's Management Agreement with the Investment Manager (the "Advisory Agreement") and Portfolio Management Agreement (the "Sub-Advisory Agreement", and together with the Advisory Agreement, the "Agreements") between the Investment Manager and the Sub-Adviser. The Trustees met in person on June 16-17, 2009 (the "contract review meeting") for the specific purpose of considering whether to approve the continuation of the Advisory Agreement and the Sub-Advisory Agreement. The Independent Trustees were assisted in their evaluation of the Agreements by independent legal counsel, from whom they received separate legal advice and with whom they met separately from Fund management during the contract review meeting.

Based on their evaluation of factors that they deemed to be material, including those factors described below, the Board of Trustees, including a majority of the Independent Trustees, concluded that the continuation of the Fund's Advisory Agreement and the Sub-Advisory Agreement should be approved for a one-year period commencing July 1, 2009.

In connection with their deliberations regarding the continuation of the Agreements, the Trustees, including the Independent Trustees, considered such information and factors as they believed, in light of the legal advice furnished to them and their own business judgment, to be relevant. As described below, the Trustees considered the nature, quality, and extent of the various investment management, administrative and other services performed by the Investment Manager or the Sub-Adviser under the applicable Agreements.

In connection with their contract review meetings, the Trustees received and relied upon materials provided by the Investment Manager which included, among other items: (i) information provided by Lipper Inc. ("Lipper") on the total return investment performance (based on net assets) of the Fund for various time periods, the investment performance of a group of funds with substantially similar investment classifications/objectives as the Fund identified by Lipper and the performance of applicable benchmark indices, (ii) information provided by Lipper on the Fund's management fees and other expenses and the management fees and other expenses of comparable funds identified by Lipper, (iii) information regarding the investment performance and management fees of comparable portfolios of other clients of the Sub-Adviser, (iv) the estimated profitability to the Investment Manager and the Sub-Adviser from their relationship with the Fund for the one year period ended March 31, 2009, (v) descriptions of various functions performed by the Investment Manager and the Sub-Adviser for the Fund, such as portfolio management, compliance monitoring and portfolio trading practices, and (vi) information regarding the overall organization of the Investment Manager and the Sub-Adviser, including information regarding senior management, portfolio managers and other personnel providing investment management, administrative and other services to the Fund.

The Trustees' conclusions as to the continuation of the Agreements were based on a comprehensive consideration of all information provided to the Trustees and were not the result of any single factor. Some of the factors that figured particularly in the Trustees' deliberations are described below, although individual Trustees may have evaluated the information presented differently from one another, attributing different weights to various factors.

As part of their review, the Trustees examined the Investment Manager's and the Sub-Adviser's abilities to provide high quality investment management and other services to the Fund. The Trustees considered the investment philosophy and research and decision-making processes of the Sub-Adviser; the experience of key advisory personnel of the Sub-Adviser responsible for portfolio management of the Fund; the ability of the Investment Manager and the Sub-Adviser to attract and retain capable personnel; the capability and integrity of the senior management and staff of the Investment Manager and the Sub-Adviser; and the level of skill required to manage the Fund. In addition, the Trustees reviewed the quality of the Investment Manager's and the Sub-Adviser's services with respect to regulatory compliance and compliance with the investment policies of the Fund; the nature and quality of certain administrative services the Investment Manager is responsible for providing to the Fund; and conditions that might affect the Investment Manager's or the Sub-Adviser's ability to provide high quality services to the Fund in the future under the Agreements, including each organization's respective business reputation, financial condition and operational stability. Based on the foregoing, the Trustees concluded that the Sub-Adviser's investment process, research capabilities and philosophy were well suited to the Fund given its investment objective and policies, and that the Investment Manager and the Sub-Adviser would be able to continue to meet any reasonably foreseeable obligations under the Agreements.

Based on information provided by Lipper, the Trustees also reviewed the Fund's total return investment performance as well as the performance of comparable funds identified by Lipper. In the course of their deliberations, the Trustees took into account information provided by the Investment Manager in connection with the contract review meeting, as well as during investment review meetings conducted with portfolio management personnel during the course of the year regarding the Fund's performance.

In assessing the reasonableness of the Fund's fees under the Agreements, the Trustees considered, among other information, the Fund's management fee and the total expense ratio as a percentage of average net assets attributable to common and preferred shares and the management fee and total expense ratios of comparable funds identified by Lipper.

The Trustees specifically took note of how the Fund compared to its Lipper peers as to performance, management fee expense and total expenses. The Trustees noted that the Investment Manager had provided a memorandum containing comparative information on the performance and expenses information of the Fund compared to its Lipper peer categories. The Trustees noted that while the Fund is not charged a separate administration fee, it was not clear whether the peer funds in the Lipper categories were charged such a fee by their investment managers.

The Trustees noted that the expense group for the Fund is small, consisting of six funds. The Trustees also noted that the actual management fees and total actual expenses based on common shares were both below the median. However, on a common and preferred shares basis, the Fund's actual management fee and actual total expenses were both better than the median. The Trustees discussed the Fund's bottom quintile performance for the one-year, three-year and five-year periods ended March 31, 2009 with eleven funds in the one- and three-year peer groups and ten funds in the five-year peer group. The Trustees also noted that the Fund's 3-month performance as of May 31, 2009 was in the top quintile and year-to-date performance was in the second quintile as of May 31, 2009. At the request of the Trustees, the Investment Manager and Sub-Adviser agreed to provide performance information related to the Fund on a monthly basis.

After reviewing these and related factors, the Trustees concluded, within the context of their overall conclusions regarding the Agreement, that they were satisfied with the Investment Manager's and the Sub-Adviser's responses and efforts to continue to improve the Fund's investment performance. The Trustees agreed to reassess the services provided by the Investment Manager and Sub-Adviser under the Agreements in light of the Fund's ongoing performance at each quarterly Board meeting.

The Trustees also considered the management fees charged by Sub-Adviser to other clients with investment strategies similar to those of the Fund. The Trustees noted that the management fees paid by the Fund is generally higher than the fees paid by the open-end funds offered for comparison but were advised that there are often additional portfolio management challenges in managing the Fund, such as the use of leverage and meeting a regular dividend.

The Trustees also took into account that the Fund has preferred shares outstanding, which increases the amount of fees received by the Investment Manager and the Sub-Adviser under the Agreements (because the fees are calculated based on the Fund's net assets, including assets attributable to preferred shares outstanding). In this regard, the Trustees took into account that the Investment Manager and the Sub-Adviser have a financial incentive for the Fund to continue to have preferred shares outstanding, which may create a conflict of interest between the Investment Manager and the Sub-Adviser, on one hand, and the Fund's common shareholders, on the other. In this regard, the Trustees considered information provided by the Investment Manager and the Sub-Adviser indicating that the Fund's use of leverage through preferred shares continues to be appropriate and in the interests of the Fund's common shareholders.

Based on a profitability analysis provided by the Investment Manager, the Trustees also considered the estimated profitability of the Investment Manager and the Sub-Adviser from their relationship with the Fund and determined that such profitability was down from last year and did not appear to be excessive.

PIMCO Corporate Opportunity Fund

Matters Relating to the Trustees' Consideration of the Investment Management and Portfolio Management Agreements (unaudited) (continued)

The Trustees also took into account that, as a closed-end investment company, the Fund does not currently intend to raise additional assets, so the assets of the Fund will grow (if at all) only through the investment performance of the Fund. Therefore, the Trustees did not consider potential economies of scale as a principal factor in assessing the fee rates payable under the Agreements.

Additionally, the Trustees considered so-called “fall-out benefits” to the Investment Manager and the Sub-Adviser, such as reputational value derived from serving as Investment Manager and Sub-Adviser to the Fund.

After reviewing these and other factors described herein, the Trustees concluded with respect to the Fund, within the context of their overall conclusions regarding the Agreements and based on the information provided and related representations made by management, that the fees payable under the Agreements represent reasonable compensation in light of the nature and quality of the services being provided by the Investment Manager and Sub-Adviser to the Fund.

Privacy Policy:

Our Commitment to You

We consider customer privacy to be a fundamental aspect of our relationship with clients. We are committed to maintaining the confidentiality, integrity, and security of our current, prospective and former clients' personal information. To ensure clients' privacy, we have developed policies designed to protect this confidentiality, while allowing client needs to be served.

Obtaining Personal Information

In the course of providing you with products and services, we and certain service providers to the Fund, such as the Fund's investment adviser, may obtain non-public personal information about you. This information may come from sources such as account applications and other forms, from other written, electronic or verbal correspondence, from your transactions, from your brokerage or financial advisory firm, financial adviser or consultant, and/or from information captured on our internet web sites.

Respecting Your Privacy

As a matter of policy, we do not disclose any personal or account information provided by you or gathered by us to non-affiliated third parties, except as required or permitted by law or as necessary for third parties to perform their agreements with respect to the Fund. As is common in the industry, non-affiliated companies may from time to time be used to provide certain services, such as preparing and mailing prospectuses, reports, account statements and other information, conducting research on client satisfaction, and gathering shareholder proxies. We may also retain non-affiliated companies to market our products and enter in joint marketing agreements with other companies. These companies may have access to your personal and account information, but are permitted to use the information solely to provide the specific service or as otherwise permitted by law. In most cases, you will be clients of the third party, but we may also provide your personal and account information to your respective brokerage or financial advisory firm and/or to your financial adviser or consultant.

Sharing Information with Third Parties

We do reserve the right to disclose or report personal information to non-affiliated third parties in limited circumstances where we believe in good faith that disclosure is required under law, to cooperate with regulators or law enforcement authorities, to protect our rights or property, or upon reasonable request by any mutual fund in which you have chosen to invest. In addition, the fund may disclose information about your accounts to a non-affiliated third party with your consent.

Sharing Information with Affiliates

We may share client information with our affiliates in connection with servicing your account or to provide you with information about products and services that we believe may be of interest to you. The information we share may include, for example, your participation in our mutual funds or other investment programs sponsored by us or our affiliates, your ownership of certain types of accounts (such as IRAs), or other data about your accounts. Our affiliates, in turn, are not permitted to share your information with non-affiliated entities, except as required or permitted by law.

Procedures to Safeguard Private Information

We take seriously the obligation to safeguard your non-public personal information. In addition to this policy, we have also implemented procedures that are designed to restrict access to a shareholder's non-public personal information only to internal personnel who need to know that information in order to provide products or services to you. In order to guard your non-public personal information, physical, electronic and procedural safeguards are in place.

Proxy Voting Policies & Procedures:

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 most recent twelve month period ended June 30 is available (i) without charge, upon request, by calling the Fund's shareholder servicing agent at (800) 254-5197; (ii) on the Fund's website at www.allianzinvestors.com/closedendfunds; and (iii) on the Securities and Exchange Commission's website at www.sec.gov.

Pursuant to the Fund's Dividend Reinvestment Plan (the "Plan"), all Common Shareholders whose shares are registered in their own names will have all dividends, including any capital gain dividends, reinvested automatically in additional Common Shares by PNC Global Investment Servicing, as agent for the Common Shareholders (the "Plan Agent"), unless the shareholder elects to receive cash. An election to receive cash may be revoked or reinstated at the option of the shareholder. In the case of record shareholders such as banks, brokers or other nominees that hold Common Shares for others who are the beneficial owners, the Plan Agent will administer the Plan on the basis of the number of Common Shares certified from time to time by the record shareholder as representing the total amount registered in such shareholder's name and held for the account of beneficial owners who are to participate in the Plan. Shareholders whose shares are held in the name of a bank, broker or nominee should contact the bank, broker or nominee for details. All distributions to investors who elect not to participate in the Plan (or whose broker or nominee elects not to participate on the investor's behalf), will be paid cash by check mailed, in the case of direct shareholder, to the record holder by PNC Global Investment Servicing, as the Fund's dividend disbursement agent.

Unless you elect (or your broker or nominee elects) not to participate in the Plan, the number of Common Shares you will receive will be determined as follows:

- (1) If on the payment date the net asset value of the Common Shares is equal to or less than the market price per Common Share plus estimated brokerage commissions that would be incurred upon the purchase of Common Shares on the open market, the Fund will issue new shares at the greater of (i) the net asset value per Common Share on the payment date or (ii) 95% of the market price per Common Share on the payment date; or
- (2) If on the payment date the net asset value of the Common Shares is greater than the market price per Common Share plus estimated brokerage commissions that would be incurred upon the purchase of Common Shares on the open market, the Plan Agent will receive the dividend or distribution in cash and will purchase Common Shares in the open market, on the NYSE or elsewhere, for the participants' accounts. It is possible that the market price for the Common Shares may increase before the Plan Agent has completed its purchases. Therefore, the average purchase price per share paid by the Plan Agent may exceed the market price on the payment date, resulting in the purchase of fewer shares than if the dividend or distribution had been paid in Common Shares issued by the Fund. The Plan Agent will use all dividends and distributions received in cash to purchase Common Shares in the open market on or shortly after the payment date, but in no event later than the ex-dividend date for the next distribution. Interest will not be paid on any uninvested cash payments.

You may withdraw from the Plan at any time by giving notice to the Plan Agent. If you withdraw or the Plan is terminated, you will receive a certificate for each whole share in your account under the Plan and you will receive a cash payment for any fraction of a share in your account. If you wish, the Plan Agent will sell your shares and send you the proceeds, minus brokerage commissions.

The Plan Agent maintains all shareholders' accounts in the Plan and gives written confirmation of all transactions in the accounts, including information you may need for tax records. The Plan Agent will also furnish each person who buys Common Shares with written instructions detailing the procedures for electing not to participate in the Plan and to instead receive distributions in cash. Common Shares in your account will be held by the Plan Agent in non-certificated form. Any proxy you receive will include all Common Shares you have received under the Plan.

There is no brokerage charge for reinvestment of your dividends or distributions in Common Shares. However, all participants will pay a pro rata share of brokerage commissions incurred by the Plan Agent when it makes open market purchases.

Automatically reinvested dividends and distributions are taxed in the same manner as cash dividends and distributions.

The Fund and the Plan Agent reserve the right to amend or terminate the Plan. There is no direct service charge to participants in the Plan; however, the Fund reserves the right to amend the Plan to include a service charge payable by the participants. Additional information about the Plan may be obtained from the Fund's shareholder servicing agent, PNC Global Investment Servicing, P.O. Box 43027, Providence, RI 02940-3027, telephone number (800) 254-5197.

Name, Date of Birth, Position(s) Held with Fund, Length of Service, Other Trusteeships/Directorships Held by Trustee; Number of Portfolios in Fund Complex/Outside Fund Complexes Currently Overseen by Trustee

Principal Occupation(s) During Past 5 Years:

The address of each trustee is 1345 Avenue of the Americas, New York, NY 10105.

Hans W. Kertess

Date of Birth: 7/12/39

Chairman of the Board of Trustees since: 2007

Trustee since: 2003

Term of office: Expected to stand for re-election at 2010 annual meeting of shareholders.

Trustee/Director of 49 Funds in Fund Complex;

Trustee/Director of no funds outside of Fund Complex

President, H. Kertess & Co., a financial advisory company. Formerly, Managing Director, Royal Bank of Canada Capital Markets.

Paul Belica

Date of Birth: 9/27/21

Trustee since: 2002

Term of office: Expected to stand for re-election at 2012 annual meeting of shareholders.

Trustee/Director of 49 funds in Fund Complex

Trustee/Director of no funds outside of Fund Complex

Retired. Formerly Director, Student Loan Finance Corp., Education Loans, Inc., Goal Funding, Inc., Goal Funding II, Inc. and Surety Loan Fund, Inc. Formerly, Manager of Stratigos Fund LLC, Whistler Fund LLC, Xanthus Fund LLC & Wynstone Fund LLC.

Robert E. Connor

Date of Birth: 9/17/34

Trustee since: 2002

Term of office: Expected to stand for re-election at 2010 annual meeting of shareholders.

Trustee/Director of 49 funds in Fund Complex

Trustee/Director of no funds outside of Fund Complex

Retired. Formerly, Senior Vice President, Corporate Office, Smith Barney Inc.

James A. Jacobson

Date of Birth: 2/3/45

Trustee since: 2009

Term of office: Expected to stand for election at 2010 annual meeting of shareholders.

Trustee/Director of 44 Funds in Fund Complex

Trustee/Director of 16 Alpine Mutual Funds

Retired. Formerly, Vice Chairman and Managing Director of Spear, Leeds & Kellogg Specialists LLC, specialist firm on the New York Stock Exchange.

William B. Ogden, IV

Date of Birth: 1/11/45

Trustee since: 2006

Term of office: Expected to stand for re-election at 2010 annual meeting of shareholders.

Trustee/Director of 49 Funds in Fund Complex;

Trustee/Director of no funds outside of Fund Complex

Asset Management Industry Consultant. Formerly, Managing Director, Investment Banking Division of Citigroup Global Markets Inc.

R. Peter Sullivan III

Date of Birth: 9/4/41

Trustee since: 2004

Term of office: Expected to stand for re-election at 2011 annual meeting of shareholders.

Trustee/Director of 49 funds in Fund Complex

Trustee/Director of no funds outside of Fund Complex

Retired. Formerly, Managing Partner, Bear Wagner Specialists LLC, specialist firm on the New York Stock Exchange.

**Name, Date of Birth, Position(s) Held with Fund,
Length of Service, Other Trusteeships/Directorships
Held by Trustee; Number of Portfolios in Fund
Complex/Outside Fund Complexes Currently
Overseen by Trustee**

Principal Occupation(s) During Past 5 Years:

John C. Maney†

Date of Birth: 8/3/59

Trustee since: 2006

*Term of office: Expected to stand for re-election at
2012 annual meeting of shareholders.*

Trustee/Director of 78 Funds in Fund Complex

*Trustee/Director of no Funds outside the
Fund Complex*

Management Board of Allianz Global Investors Fund Management LLC; Management Board and Managing Director of Allianz Global Investors of America L.P. since January 2005 and Chief Operating Officer of Allianz Global Investors L.P. since November 2006.

† Mr. Maney is an "interested person" of the Portfolios due to his affiliation with Allianz Global Investors of America L.P. In addition to Mr. Maney's positions set forth in the table above, he holds the following positions with affiliated persons: Management Board, Managing Director and Chief Operating Officer of Allianz Global Investors of America L.P., Allianz Global Investors of America LLC and Allianz-Pac Life Partners LLC; Member—Board of Directors and Chief Operating Officer of Allianz Global Investors of America Holdings Inc. and Oppenheimer Group, Inc; Managing Director and Chief Operating Officer of Allianz Global Investors NY Holdings LLC; Management Board and Managing Director of Allianz Global Investors U.S. Holding LLC; Managing Director and Chief Financial Officer of Allianz Hedge Fund Partners Holding L.P. and Allianz Global Investors U.S. Retail LLC; Member—Board of Directors and Managing Director of Allianz Global Investors Advertising Agency Inc.; Compensation Committee of NFJ Investment Group LLC; Management Board of Allianz Global Investors Fund Management LLC, Allianz Global Investors Management Partners LLC, Nicholas-Applegate Holdings LLC and OpCap Advisors LLC; Member—Board of Directors of PIMCO Global Advisors (Resources) Limited; Executive Vice President of PIMCO Japan Ltd; Chief Operating Officer of Allianz Global Investors U.S. Holding II LLC; and Member and Chairman—Board of Directors, President and Chief Operating Officer of PFP Holdings, Inc.

Further information about certain of the Fund's Trustees is available in the Fund's Statement of Additional Information, dated December 23, 2002, which can be obtained upon request, without charge, by calling the Fund's shareholder servicing agent at (800) 254-5197.

Name, Date of Birth, Position(s) Held with Fund.	Principal Occupation(s) During Past 5 Years:
<p>Brian S. Shlissel <i>Date of Birth: 11/14/64</i> <i>President & Chief Executive Officer since: 2002</i></p>	<p>Executive Vice President, Director of Fund Administration, Allianz Global Investors Fund Management LLC; President and Chief Executive Officer of 33 funds in the Fund Complex; Treasurer; Principal Financial and Accounting Officer of 45 funds in the Fund Complex and The Korea Fund, Inc. Formerly, Director of 6 funds in the Fund Complex, 2002-2008.</p>
<p>Lawrence G. Altadonna <i>Date of Birth: 3/10/66</i> <i>Treasurer, Principal Financial and Accounting Officer since: 2002</i></p>	<p>Senior Vice President, Allianz Global Investors Fund Management LLC; Treasurer, Principal Financial and Accounting Officer of 33 funds in the Fund Complex; Assistant Treasurer of 45 funds in the Fund Complex and The Korea Fund, Inc.</p>
<p>Thomas J. Fuccillo <i>Date of Birth: 3/22/68</i> <i>Vice President, Secretary & Chief Legal Officer since: 2004</i></p>	<p>Executive Vice President, Chief Legal Officer and Secretary of Allianz Global Investors Fund Management LLC and Allianz Global Investors Solutions LLC; Executive Vice President of Allianz Global Investors of America L.P., Vice President, Secretary and Chief Legal Officer of 78 funds in the Fund Complex. Secretary and Chief Legal Officer of The Korea Fund, Inc.</p>
<p>Scott Whisten <i>Date of Birth: 3/13/71</i> <i>Assistant Treasurer since: 2007</i></p>	<p>Vice President, Allianz Global Investors Fund Management LLC; Assistant Treasurer of 78 funds in the Fund Complex. Formerly, Accounting Manager, Prudential Investments, 2002-2005.</p>
<p>Richard J. Cochran <i>Date of Birth: 1/23/61</i> <i>Assistant Treasurer since: 2008</i></p>	<p>Vice President, Allianz Global Investors Fund Management LLC, Assistant Treasurer of 78 funds in the Funds Complex. Formerly, Tax Manager, Teacher Insurance Annuity Association/College Retirement Equity Fund (TIAA-CREF), 2002-2008.</p>
<p>Youse E. Guia <i>Date of Birth: 9/3/72</i> <i>Chief Compliance Officer since: 2004</i></p>	<p>Senior Vice President and Group Compliance Officer of Allianz Global Investors of America L.P.; Chief Compliance Officer of 78 funds in the Fund Complex and The Korea Fund, Inc.</p>
<p>Kathleen A. Chapman <i>Date of Birth: 11/11/54</i> <i>Assistant Secretary since: 2006</i></p>	<p>Assistant Secretary of 78 funds in the Fund Complex; Manager IIG Advisory Law, Morgan Stanley, 2004-2005.</p>
<p>Lagan Srivastava <i>Date of Birth: 9/20/77</i> <i>Assistant Secretary since: 2006</i></p>	<p>Assistant Secretary of 78 funds in the Fund Complex and The Korea Fund, Inc.; Formerly, Research Assistant, Dechert LLP, 2004-2005.</p>

Officers hold office at the pleasure of the Board and until their successors are appointed and qualified or until their earlier resignation or removal.

Board of Trustees

Hans W. Kertess

Chairman of the Board of Trustees

Paul Belica

Robert E. Connor

James A. Jacobson

John C. Maney

William B. Ogden, IV

R. Peter Sullivan III

Fund Officers

Brian S. Shlissel

President & Chief Executive Officer

Lawrence G. Altadonna

Treasurer, Principal Financial & Accounting Officer

Thomas J. Fuccillo

Vice President, Secretary & Chief Legal Officer

Scott Whisten

Assistant Treasurer

Richard J. Cochran

Assistant Treasurer

Youse E. Guia

Chief Compliance Officer

Kathleen A. Chapman

Assistant Secretary

Lagan Srivastava

Assistant Secretary

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 Avenue

Kansas City, MO 64105-1307

Transfer Agent, Dividend Paying Agent and Registrar

PNC Global Investment Servicing

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 02110-2624

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.

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 quarters 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 and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. 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/closedendfunds.

On April 21, 2009, the Fund submitted 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.

Information on the Fund is available at www.allianzinvestors.com/closedendfunds or by calling the Fund's shareholder servicing agent at (800) 254-5197.



Receive this report electronically and eliminate paper mailings.
To enroll, go to www.allianzinvestors.com/edelivery.