

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

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

**FORM N-CSRS**

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

Investment Company Act file number 811-21238

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

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

New York 10105  
(Zip code)

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

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

Date of fiscal year November 30, 2006  
end:

Date of reporting period: May 31, 2006

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

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

ITEM 1. REPORT TO SHAREHOLDERS

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# PIMCO Corporate Opportunity Fund

Semi-Annual Report  
May 31, 2006

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**PIMCO Corporate Opportunity Fund Letter to Shareholders**

July 11, 2006

Dear Shareholder:

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

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

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

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

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

We remain dedicated to serving your investment needs.

Sincerely,

Robert E. Connor

Brian S. Shlissel

*Chairman*

*President & Chief Executive Officer*

5.31.06 | PIMCO Corporate Opportunity Fund Semi-Annual Report 1

**PIMCO Corporate Opportunity Fund Performance & Statistics**

May 31, 2006 (unaudited)

**Symbol:**

PTY

**Objective:**

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

**Primary Investments:**

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

**Inception Date:**

December 27, 2002

**Net Assets(1):**

\$1,549.7 million

**Portfolio Manager:**

Mark Kiesel

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

Six months

1 Year

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

**Market Price**

4.63%

12.76%

16.49%

**Net Asset Value ( NAV )**

2.47%

3.89%

14.12%

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

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

**Market Price/NAV:**

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

**Moody's Ratings**

(as a % of total investments)



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

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

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

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

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**PIMCO Corporate Opportunity Fund Schedule of Investments**

May 31, 2006 (unaudited)

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