PIMCO CORPORATE OPPORTUNITY FUND
Form N-CSR
February 08, 2007

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

FORM N-CSR

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, New York — 10105
(Address of principal executive offices) — (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 end: November 30, 2006

Date of reporting period: November 30, 2006

Form N-Q is to be used by the registered management investment company, other than a small business investment company registered on Form N-5 (§§ 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b 1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

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

Item 1. Report to Shareholders

Contents

PIMCO Corporate Opportunity Fund Letter to Shareholders

January 5, 2007

Dear Shareholder:

We are pleased to provide you with the annual report for PIMCO Corporate Opportunity Fund (the Fund) for the fiscal year ended November 30, 2006.

During the second half of the reporting period the bond market rallied as the economy slowed and expectations grew that the Federal Reserve (the Fed) might begin easing. In fact, the Fed left rates unchanged at 5.25% at its last four meetings. This came after 17 consecutive increases in short-term interest rates over two years. The apparent end of the Fed s tightening cycle proved to be a positive for Fund performance during the reporting period.

For specific information on the Fund and its performance during the reporting period, please review the following pages.

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 can be accessed through our Web site, www.allianzinvestors.com.

Together with Allianz Global Investors Fund Management LLC, the Fund s investment manager, and Pacific Investment Management Company LLC (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	Brian S. Shlissel
Chairman	*President & Chief Executive Officer*

PIMCO Corporate Opportunity Fund Performance & Statistics

November 30, 2006 (unaudited)

Management Review

For the fiscal year ended November 30, 2006, the Fund returned 11.67% on net asset value (NAV) and 8.96% on market price.

The Merrill Lynch U.S. Corporate Master Index and the Merrill Lynch High Yield Master II Index returned 6.36% and 11.56%, respectively, for the 12-month period. The Lehman Brothers Aggregate Bond Index, a widely used benchmark for the overall U.S. bond market, returned 5.94% over the same time period.

An average duration of 5.77 years had a neutral impact on the Fund s total return as U.S. interest rates rose but then fell back again to end the period relatively unchanged.

A 24.31% allocation to communications was positive for Fund performance. The overall sector s performance was modest. However, a focus on wireline firms helped the Fund capitalize on this sub-sector s outperformance during the second half of the reporting period. Wirelines profited due to robust demand and a healthier pricing environment.

A 15.31% allocation to electric companies enhanced returns as these firms saw strengthened balance sheets and efficient operations.

An 11.19% allocation to consumer cyclicals was also favorable for Fund performance. The Fund benefitted, in particular, from short-maturity bonds issued by the financing arms of automotive manufacturers. These issuers experienced solid asset coverage, strong liquidity and moderate risk profiles when compared to those of their respective parent companies.

Total Return(1):	**Market Price**	**Net Asset Value (NAV)**
1 Year	8.96%	11.67%
3 Year	12.77%	9.66%
Commencement of Operations (12/27/02) to 11/30/06.	15.43%	14.69%

Common Share Market Price/NAV Performance:	**Market Price/NAV:**	
Commencement of Operations (12/27/02) to 11/30/06.	Market Price	$16.94
NAV	NAV	$15.62
Market Price	Premium to NAV	8.45%
	Market Price Yield(2)	8.15%

(1) **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.

(2) 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 November 30, 2006.

PIMCO Corporate Opportunity Fund Schedule of Investments

November 30, 2006

Principal Amount (000)		Credit Rating (Moody s/S&P)*	Value
CORPORATE BONDS & NOTES 79.1%			
Airlines 2.8%			
$ 7,000	American Airlines, Inc., pass thru certificates, 7.858%, 10/1/11, Ser. 01-2	Baa2/A-	$ 7,564,375
	Continental Airlines, Inc., pass thru certificates,		
1,600	6.545%, 8/2/20	Baa3/A-	1,640,463
3,720	6.703%, 6/15/21, Ser. 01-1	Baa3/BBB+	3,833,443
1,695	7.056%, 9/15/09, Ser. 99-2	Baa3/A-	1,753,739
2,390	7.373%, 6/15/17, Ser. 01-1	Ba1/BB+	2,427,404
9,082	7.707%, 10/2/22, Ser. 00-2	Baa3/BBB	9,814,592
1,920	9.798%, 4/1/21	Ba2/BB+	2,102,394
15,500	Northwest Airlines, Inc., pass thru certificates, 6.841%, 4/1/11, Ser. 1A-2	NR/BB	15,490,313
			44,626,723
Apparel & Textiles 0.1%			
1,000	Quiksilver, Inc., 6.875%, 4/15/15	Ba3/BB-	981,250
Automotive 0.5%			
4,000	Auburn Hills Trust, 12.375%, 5/1/20	Baa1/BBB	6,022,016
2,500	Ford Motor Co., 9.98%, 2/15/47	Caa1/CCC+	2,243,750
			8,265,766
Banking 5.4%			
625	Bank of America, 9.375%, 9/15/09	Aa3/A+	695,300
	HSBC Capital Funding L.P., VRN,		
8,000	4.61%, 6/27/13 (d)	A1/A	7,573,024
2,000	10.176%, 6/30/30	A1/A	3,006,176
8,550	HSBC Holdings PLC, 6.50%, 5/2/36	Aa3/A+	9,513,029
4,600	Rabobank Capital Funding Trust, 5.254%, 10/21/16, UNIT, VRN (d)	Aa2/AA	4,519,827
15,000	Republic New York Corp., 9.70%, 2/1/09	A1/A+	16,398,390
9,706	Riggs Capital Trust, 8.875%, 3/15/27, Ser. C	A3/BBB+	10,219,409
2,000	Royal Bank of Scotland Group PLC, 7.648%, 9/30/31, VRN	A1/A	2,423,668
8,000	Sumitomo Mitsui Banking Corp., 8.15%, 8/29/49	A2/NR	8,347,448
10,800	USB Capital IX, 6.189%, 4/15/11, VRN	Aa3/A	11,103,934
7,500	Wachovia Capital Trust III, 5.80%, 3/15/11, VRN	A2/A-	7,607,947
4,100	Wells Fargo Capital X, 5.95%, 12/15/36 (e) (f)	Aa3/A+	4,108,431
			85,516,583
Building/Construction 0.3%			
5,000	Pulte Homes, Inc., 7.875%, 8/1/11	Baa3/BBB	5,467,430
Computer Services 0.7%			
	Electronic Data Systems Corp.,		
4,000	6.50%, 8/1/13, Ser. B	Ba1/BBB-	4,097,364
3,500	7.125%, 10/15/09	Ba1/BBB-	3,672,638
3,000	SunGard Data Systems, Inc., 9.125%, 8/15/13	Caa1/B-	3,161,250
			10,931,252
Containers 0.5%			
	Smurfit-Stone Container,		
4,000	8.375%, 7/1/12	B2/CCC+	3,890,000
3,437	9.75%, 2/1/11	B2/CCC+	3,561,591
			7,451,591

PIMCO Corporate Opportunity Fund Schedule of Investments

November 30, 2006 (continued)

Principal Amount (000)			Credit Rating (Moody s/S&P)*		Value
Diversified Manufacturing 0.8%					
$	5,000	Hutchison Whampoa International Ltd., 7.45%, 11/24/33 (d)	A3/A-	$	5,879,335
£	3,340	Tyco International Group S.A., 6.50%, 11/21/31	Baa3/BBB+		7,549,336
					13,428,671
Electronics 0.1%					
$	1,000	Arrow Electronics, Inc., 6.875%, 6/1/18	Baa3/BBB-		1,056,140
Energy 2.3%					
	2,300	Consumers Energy Co., 5.00%, 3/15/15	Baa2/BBB-		2,235,312
	5,000	Kinder Morgan Energy Partners L.P., 7.50%, 11/1/10	Baa1/BBB+		5,363,450
	4,200	Nevada Power Co., 5.875%, 1/15/15, Ser. L	Ba1/BB+		4,267,906
	1,300	Peabody Energy Corp., 7.375%, 11/1/16	Ba1/BB		1,373,125
	2,293	Salton SEA Funding, Inc., 8.30%, 5/30/11, Ser. E	Ba1/BB+		2,448,810
	2,200	Sierra Pacific Power Co., 6.00%, 5/15/16, Ser. M (d)	Ba1/BB+		2,255,381
	12,000	Sithe Independence Funding Corp., 9.00%, 12/30/13, Ser. A	Ba2/B		13,260,840
	5,500	TECO Energy, Inc., 7.00%, 5/1/12	Ba2/BB		5,788,750
					36,993,574
Financial Services 7.9%					
	5,000	AES Red Oak LLC, 9.20%, 3/15/11, Ser. B	B1/B+		5,650,000
	2,000	American General Finance Corp., 8.45%, 10/15/09	A1/A+		2,175,408
	13,500	BNP Paribas, 5.186%, 6/29/15, VRN (d)	A1/A+		13,135,743
	2,500	Canadian Oil Sands Ltd., 4.80%, 8/10/09 (d)	Baa2/BBB+		2,467,002
	5,644	Cedar Brakes II LLC, 9.875%, 9/1/13 (b) (d)	Baa2/BBB-		6,311,902
	4,000	CIT Group, Inc., 6.875%, 11/1/09	A2/A		4,192,276
		Ford Motor Credit Co.,			
	1,300	5.625%, 10/1/08	B1/B		1,269,492
	11,400	7.875%, 6/15/10	B1/B		11,460,511
		General Electric Capital Corp.,			
	1,100	8.50%, 7/24/08	Aaa/AAA		1,155,834
	4,990	9.83%, 12/15/08 (f)	NR/NR		5,444,328
	10,000	Goldman Sachs Group, Inc., 7.35%, 10/1/09	Aa3/AA-		10,626,030
	6,500	HBOS Capital Funding L.P., 6.071%, 6/30/14, VRN (d)	A1/A		6,700,629
	1,500	Idearc, Inc., 8.00%, 11/15/16 (d) (f)	B2/B+		1,509,801
	4,200	MBNA Capital, 6.171%, 2/1/27, Ser. B, FRN	Aa3/A		4,195,069
	9,800	Mizuho JGB Investment LLC, 9.87%, 6/30/08, VRN (d)	Baa1/BBB+		10,449,113
	1,510	Mizuho Preferred Capital Co. LLC, 8.79%, 6/30/08, VRN (d)	Baa1/BBB+		1,588,135
		Pemex Project Funding Master Trust,			
	2,800	5.75%, 12/15/15	Baa1/BBB		2,789,500
	5,700	5.75%, 12/15/15 (b)	Baa1e/BBB		5,678,625
	7,500	8.625%, 2/1/22	Baa1/BBB		9,281,250
	13,500	RBS Capital Trust I, 5.512%, 9/30/14, VRN	A1/A		13,445,514
	2,500	UBS Preferred Funding Trust V, 6.243%, 5/15/16, Ser. 1, VRN	A1/AA-		2,630,707
	3,000	Universal City Development Partners Ltd., 11.75%, 4/1/10	B2/B-		3,236,250
					125,393,119

Food & Beverage 1.0%			
5,000	Delhaize America, Inc., 8.125%, 4/15/11	Ba1/BB+	5,457,340
5,000	Kroger Co., 8.05%, 2/1/10	Baa2/BBB-	5,391,420
5,000	Tyson Foods, Inc., 6.85%, 4/1/16	Ba1/BBB-	5,212,500
			16,061,260

PIMCO Corporate Opportunity Fund Schedule of Investments

November 30, 2006 (continued)

Principal Amount (000)			Credit Rating (Moody s/S&P)*		Value
Healthcare & Hospitals 1.0%					
		HCA, Inc.,			
$	1,000	8.36%, 4/15/24	Caa1/B-	$	881,205
	800	9.00%, 12/15/14	Caa1/B-		777,078
		Tenet Healthcare Corp.,			
	5,600	7.375%, 2/1/13	Caa1/CCC+		5,138,000
	9,400	9.25%, 2/1/15	Caa1/CCC+		9,259,000
					16,055,283
Hotels/Gaming 3.7%					
		Caesars Entertainment, Inc.,			
	2,000	7.00%, 4/15/13	Baa3/BB+		2,068,802
	5,000	7.50%, 9/1/09	Baa3/BB+		5,157,650
	2,000	8.875%, 9/15/08	Ba1/BB-		2,102,500
		Choctaw Resort Development Enterprise, Inc., 7.25%,	Ba2/BB-		
	1,938	11/15/19 (d)			1,942,845
	2,000	Gaylord Entertainment Co., 8.00%, 11/15/13	B3/B-		2,055,000
		Harrah s Operating Co., Inc.,			
	4,000	5.50%, 7/1/10	Baa3/BB+		3,881,280
	3,730	8.00%, 2/1/11	Baa3/BB+		3,853,164
	3,000	Hilton Hotels Corp., 7.625%, 5/15/08	Ba2/BB		3,086,250
	4,950	ITT Corp., 7.375%, 11/15/15	Baa3/BBB-		5,136,442
	1,200	Mandalay Resort Group, 9.375%, 2/15/10	B1/B+		1,281,000
	3,750	MGM Mirage, Inc., 8.375%, 2/1/11	B1/B+		3,918,750
	8,602	Times Square Hotel Trust, 8.528%, 8/1/26 (b) (d)	Baa3/BBB-		9,892,568
	14,950	Wynn Las Vegas LLC, 6.625%, 12/1/14	B1/BB-		14,800,500
					59,176,751
Insurance 0.0%					
		Shackleton Reinsurance Ltd., 13.376%, 2/7/08, FRN	Ba3/BB		
	500	(b) (d) (f)			504,183
Manufacturing 0.1%					
	1,000	Bombardier, Inc., 6.75%, 5/1/12 (d)	Ba2/BB		970,000
Metals & Mining 0.9%					
	9,537	Phelps Dodge Corp., 9.50%, 6/1/31	Baa2/BBB		11,792,949
	1,900	Vale Overseas Ltd., 6.875%, 11/21/36	Baa3/BBB		1,952,250
					13,745,199
Multi-Media 8.7%					
	2,000	Cablevision Systems Corp., 8.00%, 4/15/12, Ser. B	B3/B+		1,975,000
		Charter Communications Operating LLC, 8.375%,	B3/B-		
	2,000	4/30/14 (d)			2,087,500
		Comcast Cable Communications Holdings, Inc.,	Baa2/BBB+		
	12,300	8.375%, 3/15/13			14,171,888
		COX Communications, Inc., 6.45%, 12/1/36 (b) (d)	Baa3/BBB-		
	2,400	(e)			2,427,130
		CSC Holdings, Inc.,			
	15,640	7.625%, 7/15/18	B2/B+		15,522,700
	10,535	7.875%, 2/15/18, Ser. B	B2/B+		10,666,687
	4,500	8.125%, 8/15/09, Ser. B	B2/B+		4,674,375
	2,000	DirecTV Holdings LLC, 6.375%, 6/15/15	Ba3/BB-		1,940,000
	15,000	Rogers Cable, Inc., 8.75%, 5/1/32	Ba2/BB+		17,906,250
		Shaw Communications, Inc.,			

5,000	7.20%, 12/15/11	Ba2/BB+	5,200,000
8,000	8.25%, 4/11/10	Ba2/BB+	8,510,000
18,000	Time Warner Entertainment Co. L.P., 8.375%, 7/15/33	Baa2/BBB+	22,415,922

PIMCO Corporate Opportunity Fund Schedule of Investments

November 30, 2006 (continued)

Principal Amount (000)		Credit Rating (Moody s/S&P)*	Value
Multi-Media (continued)			
$ 11,000	Time Warner, Inc., 7.70%, 5/1/32	Baa2/BBB+	$ 12,773,233
12,495	Univision Communications, Inc., 7.85%, 7/15/11	Ba3/BB-	12,697,631
5,000	Viacom, Inc., 6.25%, 4/30/16	Baa3/BBB	5,068,765
			138,037,081
Office Equipment 0.3%			
5,000	Xerox Capital Trust I, 8.00%, 2/1/27	Ba1/B+	5,150,000
Oil & Gas 9.0%			
	Anadarko Petroleum Corp.,		
4,700	5.95%, 9/15/16	Baa2/BBB-	4,831,050
4,700	6.45%, 9/15/36	Baa2/BBB-	4,994,779
	CenterPoint Energy Res. Corp.,		
23,000	7.75%, 2/15/11	Baa3/BBB	25,032,395
5,000	7.875%, 4/1/13, Ser. B	Baa3/BBB	5,636,290
	Chesapeake Energy Corp.,		
300	7.50%, 6/15/14	Ba2/BB	311,250
3,000	7.75%, 1/15/15	Ba2/BB	3,123,750
	El Paso Corp.,		
23,200	7.42%, 2/15/37	B2/B	23,258,000
5,000	7.625%, 9/1/08	B2/B	5,131,250
2,800	Energy Transfer Partners L.P., 6.625%, 10/15/36	Baa3/BBB	2,978,634
	Gaz Capital S.A.,		
1,300	6.212%, 11/22/16 (d)	Baa1/BBB	1,309,750
13,000	8.625%, 4/28/34	Baa1/BBB	16,737,500
8,700	Gazprom AG, 9.625%, 3/1/13	Baa1/BBB	10,405,200
1,030	Hanover Compressor Co., 9.00%, 6/1/14	B2/B	1,109,825
1,800	OAO Gazprom AG, 9.625%, 3/1/13 (d)	Baa1/BBB	2,151,900
2,400	Plains All American Pipeline L.P., 6.65%, 1/15/37 (d)	Baa3/BBB-	2,526,941
	Ras Laffan Liquefied Natural Gas Co., Ltd., 3.437%,	Aa3/A	
2,280	9/15/09 (b)		2,224,478
2,500	Reliant Energy, Inc., 6.75%, 12/15/14	B2/B	2,443,750
10,000	Southern Natural Gas Co., 8.875%, 3/15/10	Ba1/B+	10,561,230
17,400	Williams Cos., Inc., 7.875%, 9/1/21	Ba2/BB-	18,661,500
			143,429,472
Paper/Paper Products 3.6%			
	Abitibi-Consolidated, Inc.,		
23,500	7.50%, 4/1/28	B2/B+	17,977,500
5,000	8.375%, 4/1/15	B2/B+	4,375,000
10,000	8.50%, 8/1/29	B2/B+	8,150,000
2,000	Bowater Canada Finance, 7.95%, 11/15/11	B2/B+	1,930,000
3,000	Bowater, Inc., 9.50%, 10/15/12	B2/B+	3,052,500
	Georgia-Pacific Corp.,		
5,000	7.25%, 6/1/28	B2/B	4,875,000
14,119	8.00%, 1/15/24	B2/B	14,542,570
2,000	Smurfit Capital Funding PLC, 7.50%, 11/20/25	B1/B+	1,900,000
			56,802,570
Retail 1.9%			
16,000	Albertson s, Inc., 8.00%, 5/1/31	B1/B	16,405,616
13,000	JC Penney Co., Inc., 8.125%, 4/1/27	Baa3/BBB-	13,421,369
			29,826,985

PIMCO Corporate Opportunity Fund Schedule of Investments

November 30, 2006 (continued)

Principal Amount (000)			Credit Rating (Moody s/S&P)*		Value
Telecommunications 17.1%					
$	35,000	AT&T Corp., 8.00%, 11/15/31, VRN	A2/A	$	44,830,485
	10,000	Bellsouth Capital Funding, 7.875%, 2/15/30	A2/A		11,994,290
	5,000	Cincinnati Bell, Inc., 8.375%, 1/15/14	B2/B-		5,137,500
		Citizens Communications Co.,			
	7,500	9.00%, 8/15/31	Ba2/BB+		8,212,500
	4,000	9.25%, 5/15/11	Ba2/BB+		4,445,000
	8,000	Deutsche Telekom International Finance BV, 8.25%, 6/15/30	A3/A-		10,174,016
		Embarq Corp.,			
	5,000	6.738%, 6/1/13	Baa3/BBB-		5,202,140
	10,000	7.082%, 6/1/16	Baa3/BBB-		10,375,040
	10,000	7.995%, 6/1/36	Baa3/BBB-		10,855,010
	11,000	France Telecom S.A., 8.50%, 3/1/31	A3/A-		14,989,183
	2,000	Intelsat Subsidiary Holding Co., Ltd., 8.625%, 1/15/15	B2/B+		2,087,500
		Nextel Communications, Inc.,			
	5,000	6.875%, 10/31/13, Ser. E	Baa3/BBB+		5,117,775
	10,000	7.375%, 8/1/15, Ser. D	Baa3/BBB+		10,335,100
	21,650	PanAmSat Corp., 6.875%, 1/15/28	Ba2/BB		19,701,500
		Qwest Capital Funding, Inc.,			
	8,070	7.00%, 8/3/09	B1/B		8,231,400
	15,600	7.90%, 8/15/10	B1/B		16,302,000
	2,000	Qwest Communications International, Inc., 7.50%, 2/15/14	Ba3/B		2,070,000
		Qwest Corp.,			
	3,000	7.25%, 9/15/25	Ba1/BB		3,090,000
	4,400	8.64%, 6/15/13, FRN	Ba1/BB		4,790,500
	6,150	8.875%, 3/15/12	Ba1/BB		6,880,312
		Rogers Wireless, Inc.,			
CAD	1,000	7.625%, 12/15/11 (d)	Ba2/BB+		964,361
$	12,340	9.75%, 6/1/16	Ba2/BB+		15,486,700
		Sprint Capital Corp.,			
	25,000	6.90%, 5/1/19	Baa3/BBB+		26,530,600
	2,900	8.375%, 3/15/12	Baa3/BBB+		3,270,562
	1,350	Sprint Nextel Corp., 9.25%, 4/15/22	Baa3/BBB+		1,686,312
	15,000	Verizon Global Funding Corp., 7.25%, 12/1/10	A3/A		16,152,915
	3,500	Verizon New York, Inc., 7.375%, 4/1/32, Ser. B	Baa3/A		3,747,233
					272,659,934
Tobacco 0.1%					
	2,000	RJ Reynolds Tobacco Holdings, Inc., 7.25%, 6/1/12 (d)	Ba3/BB		2,110,214
Utilities 9.1%					
	2,000	CMS Energy Corp., 8.90%, 7/15/08	Ba3/B+		2,102,500
		East Coast Power LLC, Ser. B,			
	3,410	6.737%, 3/31/08	Baa3/BBB-		3,430,043
	5,643	7.066%, 3/31/12	Baa3/BBB-		5,868,793
	4,500	Homer City Funding LLC, 8.137%, 10/1/19	Ba2/BB		4,927,500
	22,000	IPALCO Enterprises, Inc., 8.375%, 11/14/08	Ba1/BB-		22,990,000
		Midwest Generation LLC, pass thru certificates,			

29,812	8.30%, 7/2/09, Ser. A	Ba2/BB-	30,352,474
14,480	8.56%, 1/2/16, Ser. B	Ba2/BB-	15,791,825
5,000	8.75%, 5/1/34	Ba2/B+	5,450,000
1,000	Ohio Edison Co., 5.647%, 6/15/09 (d)	Baa2/BBB-	1,007,199

PIMCO Corporate Opportunity Fund Schedule of Investments

November 30, 2006 (continued)

Principal Amount (000)		Credit Rating (Moody s/S&P)*	Value
Utilities (continued)			
	PSE&G Energy Holdings LLC,		
$ 42,500	8.50%, 6/15/11	Ba3/BB-	$ 45,900,000
2,000	10.00%, 10/1/09	Ba3/BB-	2,200,000
5,307	South Point Energy Center LLC, 8.40%, 5/30/12 (d)	NR/D	5,177,719
			145,198,053
Waste Disposal 1.2%			
	Allied Waste North America, Inc.,		
6,000	7.25%, 3/15/15	B2/BB-	6,030,000
11,250	7.875%, 4/15/13	B2/BB-	11,700,000
3,000	8.50%, 12/1/08, Ser. B	B2/BB-	3,180,000
			20,910,000
Total Corporate Bonds & Notes (cost-$1,177,471,270)			1,260,749,084
U.S. GOVERNMENT AGENCY SECURITIES 3.8%			
	Fannie Mae,		
1,363	6.723%, 11/1/35, FRN, MBS	Aaa/AAA	1,405,761
485	7.00%, 7/25/26, CMO	Aaa/AAA	497,710
1,060	7.00%, 2/18/27, CMO	Aaa/AAA	1,078,409
267	7.00%, 2/1/30, MBS	Aaa/AAA	274,614
179	7.00%, 3/1/31, MBS	Aaa/AAA	183,401
33	7.00%, 10/1/31, MBS	Aaa/AAA	33,622
145	7.00%, 11/1/31, MBS	Aaa/AAA	148,506
144	7.00%, 1/1/32, MBS	Aaa/AAA	149,182
1,846	7.00%, 6/1/32, MBS	Aaa/AAA	1,897,431
355	7.00%, 9/1/32, MBS	Aaa/AAA	363,901
62	7.00%, 11/1/32, MBS	Aaa/AAA	63,679
312	7.00%, 1/1/33, MBS	Aaa/AAA	321,727
189	7.00%, 2/1/33, MBS	Aaa/AAA	194,243
425	7.00%, 4/1/33, MBS	Aaa/AAA	436,973
1,197	7.00%, 6/1/33, MBS	Aaa/AAA	1,228,732
468	7.00%, 9/1/33, MBS	Aaa/AAA	481,081
324	7.00%, 1/1/34, MBS	Aaa/AAA	334,656
306	7.00%, 2/1/34, MBS	Aaa/AAA	313,915
7,326	7.00%, 6/1/35, MBS	Aaa/AAA	7,537,457
1,413	7.00%, 7/1/35, MBS	Aaa/AAA	1,454,804
5,438	7.00%, 2/1/36, MBS	Aaa/AAA	5,603,723
164	7.00%, 9/25/41, CMO	Aaa/AAA	168,738
2,534	7.00%, 12/25/41, CMO	Aaa/AAA	2,617,640
70	7.50%, 12/25/19, CMO	Aaa/AAA	74,549
636	7.50%, 5/1/22, MBS	Aaa/AAA	664,217
30	7.50%, 6/25/30, CMO, PO	Aaa/AAA	31,249
680	7.50%, 12/1/33, MBS	Aaa/AAA	706,549
137	7.50%, 11/25/40, CMO	Aaa/AAA	141,799
240	7.50%, 5/25/42, CMO	Aaa/AAA	251,058
67	7.50%, 7/25/42, CMO	Aaa/AAA	69,912
12,981	7.50%, 12/25/45, CMO	Aaa/AAA	13,742,751
48	8.00%, 9/25/23, CMO	AAA/AAA	47,936
48	8.00%, 7/18/27, CMO	Aaa/AAA	50,601

13,171	8.00%, 12/25/45, CMO	Aaa/AAA	14,102,025
392	9.99%, 9/25/17, CMO	Aaa/AAA	431,114

PIMCO Corporate Opportunity Fund Schedule of Investments

November 30, 2006 (continued)

Principal Amount (000)			Credit Rating (Moody s/S&P)*		Value
		Freddie Mac,			
$	131	7.00%, 5/15/23, CMO, PO	Aaa/AAA	$	134,376
	1,922	7.00%, 1/15/24, CMO	Aaa/AAA		1,991,787
	172	7.50%, 11/1/19, MBS	Aaa/AAA		177,176
	56	8.00%, 9/15/26, CMO	Aaa/AAA		58,433
	15	9.50%, 5/15/21, CMO	Aaa/AAA		15,303
	165	Small Business Administration Participation Certificates, 7.50%, 4/1/17, Ser. 97-D	NR/NR		173,140
Total U.S. Government Agency Securities (cost-$59,211,605)					59,653,880
SOVEREIGN DEBT OBLIGATIONS 2.7%					
Brazil 1.5%					
		Federal Republic of Brazil,			
	14,249	8.00%, 1/15/18	Ba2/BB		15,930,382
	1,250	10.125%, 5/15/27	Ba2/BB		1,738,125
	4,750	11.00%, 1/11/12	Ba2/BB		5,878,125
	1,050	12.75%, 1/15/20	Ba2/BB		1,638,000
					25,184,632
Mexico 0.6%					
	7,000	United Mexican States, 11.375%, 9/15/16	Baa1/BBB		10,122,000
Panama 0.5%					
	6,000	Republic of Panama, 9.375%, 7/23/12	Ba1/BB		7,059,000
Ukraine 0.1%					
	1,000	Republic of Ukraine, 7.65%, 6/11/13	B1/BB-		1,080,700
Total Sovereign Debt Obligations (cost-$34,512,055)					43,446,332
SENIOR LOANS (a) (b) (c) **1.6%**					
Energy 0.1%					
		AES Corp., Term B,			
	714	6.75%, 4/30/08			716,295
	714	7.50%, 8/10/11			716,295
					1,432,590
Entertainment 0.1%					
	995	MGM Studios, 8.617%, 4/8/12, Term B			984,295
Healthcare & Hospitals 0.6%					
	10,000	HCA, Inc., 8.086%, 11/14/13, Term B			10,074,430
Hotels/Gaming 0.2%					
		Aladdin Gaming, Inc.,			
	2,936	8.372%, 8/31/10, Term A			2,951,842
	69	9.537%, 8/31/10, Term B			69,245
					3,021,087
Insurance 0.0%					
	500	Shackleton B Event Linked Loan, 13.371%, 8/1/08 (f)			502,357
Multi-Media 0.6%					
	10,000	Charter Communications Holdings LLC, 8.005%, 4/25/13, Term B			10,081,250
Total Senior Loans (cost-$25,855,878)					26,096,009

PIMCO Corporate Opportunity Fund Schedule of Investments

November 30, 2006 (continued)

Principal Amount (000)		Credit Rating (Moody s/S&P)*	Value
MUNICIPAL BONDS (d) 2.9%			
New Jersey 2.9%			
	Tobacco Settlement Financing Corp. Rev., VRN,		
$ 15,142	5.75%, 6/1/32	NR/AA	$ 16,243,429
9,910	6.125%, 6/1/24	NR/AA	10,737,981
16,520	6.375%, 6/1/32	NR/AA	18,662,314
45	7.521%, 6/1/24 (j)	NR/AA	52,519
74	8.021%, 6/1/32 (j)	NR/AA	93,192
Total Municipal Bonds (cost-$40,250,178)			45,789,435
MORTGAGE-BACKED SECURITIES 0.8%			
	GSMPS Mortgage Loan Trust, CMO (d),		
4,544	7.50%, 12/21/26	NR/NR	4,685,414
226	7.50%, 6/19/32	NR/NR	235,293
7,536	7.50%, 6/25/43	NR/NR	7,661,593
	MASTR Reperforming Loan Trust, 7.00%, 8/25/34,	Aaa/AAA	
435	CMO (d)		448,989
183	Washington Mutual, Inc., 7.50%, 4/25/33, CMO	Aaa/AAA	189,727
Total Mortgage-Backed Securities (cost-$13,554,586)			13,221,016
ASSET-BACKED SECURITIES 0.5%			
	Greenpoint Manufactured Housing, 8.30%, 10/15/26	Ca/NR	
8,300	(cost-$7,336,577)		8,137,592
SHORT-TERM INVESTMENTS 8.9%			
Corporate Notes 4.5%			
Financial Services 1.8%			
356	Beaver Valley II Funding, 8.625%, 6/1/07	Baa3/BBB-	360,521
21,240	Ford Motor Credit Co., 7.75%, 2/15/07	B1/B	21,281,482
	General Motors Acceptance Corp., 6.274%, 1/16/07,	Ba1/BB+	
7,000	FRN		7,003,276
			28,645,279
Hotels/Gaming 0.3%			
4,775	Caesars Entertainment, Inc, 9.375%, 2/15/07	Ba1/BB-	4,816,781
Miscellaneous 0.4%			
	Morgan Stanley TRACERS, 5.668%, 3/1/07, VRN	A3/NR	
6,300	(b) (d) (g)		6,305,229
Multi-Media 1.8%			
	Comcast Cable Communications, Inc., 8.375%,	Baa2/BBB+	
20,000	5/1/07		20,252,500
7,250	Historic TW, Inc., 8.18%, 8/15/07	Baa2/BBB+	7,395,798
			27,648,298
Telecommunications 0.0%			
	Calpoint Receivable Structured Trust, 7.44%,	B3/NR	
153	12/10/06 (d)		157,617
Utilities 0.2%			
2,950	Indianapolis Power & Light, 7.375%, 8/1/07	Baa1/BBB-	2,985,662
Total Corporate Notes (cost-$70,768,699)			70,558,866

PIMCO Corporate Opportunity Fund Schedule of Investments

November 30, 2006 (continued)

Principal Amount (000)		Credit Rating (Moody s/S&P)*	Value
U.S. Treasury Bills (h) 1.5%			
$ 23,100	4.67%-5.10%, 12/14/06-3/1/07 (cost-$23,038,754)		$ 23,037,795
Commercial Paper 0.6%			
Financial Services 0.6%			
6,400	Total Finance, 5.30%, 12/1/06 (f)	NR/NR	6,400,000
2,800	UBS Finance LLC, 5.225%, 3/8/07 (f)	NR/NR	2,760,184
Total Commercial Paper (cost-$9,160,580)			9,160,184
Sovereign Debt Obligations 0.0%			
Ukraine 0.0%			
93	Republic of Ukraine, 11.00%, 3/15/07 (cost-$94,391)	B1/BB-	94,877
Repurchase Agreements 2.3%			
30,000	Credit Suisse First Boston, dated 11/30/2006, 5.25%, due 12/1/2006, proceeds $30,004,375; collateralized by U.S. Treasury Note, 5.625%, due 5/15/08, valued at $30,791,297 including accrued interest		30,000,000
6,725	State Street Bank & Trust Co., dated 11/30/06, 4.90%, due 12/1/06, proceeds $6,725,915; collateralized by Freddie Mac, 2.875%, due 5/15/07, valued at $6,859,718 including accrued interest		6,725,000
Total Repurchase Agreements (cost-$36,725,000)			36,725,000
Total Short Term Investments (cost-$139,787,425)			139,576,722

OPTIONS PURCHASED (i) 0.0%

Contracts/Notional Amount (000)		Value
Call Options 0.0%		
689,000,000	9-Year Interest Rate Swap (OTC) Pay 3-Month USD LIBOR Floating Rate Index strike price $4.41, expires 2/21/07	508,475
Put Options 0.0%		
	Eurodollar Futures, Chicago Mercantile Exchange,	
664	strike price $91, expires 6/18/07	2
1,740	strike price $91, expires 9/17/07	4
270	strike price $91.50, expires 9/17/07	1
715	strike price $91.75, expires 3/17/08	2
160	strike price $91.75, expires 12/18/06	1
424	strike price $92.50, expires 12/18/06	1
555	strike price $94.13, expires 12/18/06	1
689,000,000	9-Year Interest Rate Swap (OTC) Pay 3-Month USD LIBOR Floating Rate Index strike price $5.80, expires 2/21/07	39,810
		39,822
Total Options Purchased (cost-$1,008,270)		548,297

Total Investments before options written (cost-$1,498,987,844)	**100.3%**	**$**	**1,597,218,367**

PIMCO Corporate Opportunity Fund Schedule of Investments

November 30, 2006 (continued)

Contracts				Value
OPTIONS WRITTEN (i) **(0.3)%**				
Call Options (0.3)%				
$	689,000,000	9-Year Interest Rate Swap (OTC) Pay 3-Month USD LIBOR Floating Rate Index strike price $4.85, expires 2/21/07	$	(5,354,054)
Put Options (0.0)%				
	689,000,000	9-Year Interest Rate Swap (OTC) Pay 3-Month USD LIBOR Floating Rate Index strike price $5.55, expires 2/21/07		(228,617)
Total Options Written (premiums received-$4,431,150)				(5,582,671)
Total Investments net of options written (cost-$1,494,556,694) **100.0%**			**$**	**1,591,635,696**

Notes to Schedule of Investments:

* Unaudited

(a) Private Placement. Restricted as to resale and may not have a readily available market.

(b) Illiquid security.

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

(d) 144A Security Security exempt from registration, under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, typically only to qualified institutional buyers. Unless otherwise indicated, these securities are not considered to be illiquid.

(e) When-issued or delayed-delivery security. To be settled/delivered after November 30, 2006.

(f) Fair-valued security. Securities with an aggregate value of $21,229,284, representing 1.33% of total investments, have been fair valued.

(g) Credit-linked trust certificate.

(h) All or partial amount segregated as collateral for futures contracts and options written.

(i) Non-income producing.

(j) Inverse Floater The interest rate shown bears an inverse relationship to the interest rate on another security or the value of an index.

Glossary:

£	-	British Pound
CAD	-	Canadian Dollar
CMO	-	Collateralized Mortgage Obligation
FRN	-	Floating Rate Note. The interest rate disclosed reflects the rate in effect on November 30, 2006.
LIBOR	-	London Inter-Bank Offered Rate
MBS	-	Mortgage-Backed Security
NR	-	Not Rated
PO	-	Principal Only
TRACERS	-	Traded Custody Receipts
UNIT	-	More than one class of securities traded together.
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, 2006.

PIMCO Corporate Opportunity Fund Statement of Assets and Liabilities

November 30, 2006

Assets:	
Investments, at value (cost-$1,498,987,844)	$ 1,597,218,367
Cash (including foreign currency of $12,342,941 with a cost of $12,342,920)	12,591,040
Unrealized appreciation on swaps	133,182,471
Interest receivable	29,166,285
Premium for swaps purchased	8,070,387
Receivable for variation margin on futures contracts	1,488,063
Unrealized appreciation of forward foreign currency contracts	189,291
Receivable for investments sold	3,054
Prepaid expenses	26,578
Total Assets	1,781,935,536
Liabilities:	
Unrealized depreciation on swaps	150,717,070
Payable for floating rate notes issued	20,786,000
Dividends payable to common and preferred shareholders	7,800,254
Payable for investments purchased	7,470,724
Options written, at value (premiums received-$4,431,150)	5,582,671
Investment management fees payable	779,604
Interest payable	437,708
Unrealized depreciation of forward foreign currency contracts	202,716
Payable for variation margin on futures contracts	40,620
Accrued expenses	295,321
Total Liabilities	194,112,688
Preferred Shares ($0.00001 par value and $25,000 net asset and liquidation value per share applicable to an aggregate of 22,600 shares issued and outstanding)	565,000,000
Net Assets Applicable to Common Shareholders	$ 1,022,822,848
Composition of Net Assets Applicable to Common Shareholders:	
Common stock:	
Par value ($0.00001 per share, applicable to 65,501,953 shares issued and outstanding)	$655
Paid-in-capital in excess of par	935,115,784
Dividends in excess of net investment income	(12,326,038)
Accumulated net realized gain	12,313,862
Net unrealized appreciation of investments, futures contracts, options written, swaps and foreign currency transactions	87,718,585
Net Assets Applicable to Common Shareholders	$ 1,022,822,848
Net Asset Value Per Common Share	$15.62

PIMCO Corporate Opportunity Fund Statement of Operations

For the Year end November 30, 2006

Investment Income:	
Interest	$ 113,308,706
Facility and other fee income	1,563,015
Dividends	33,338
Total Investment Income	114,905,059
Expenses:	
Investment management fees	9,396,451
Auction agent fees and commissions	1,438,147
Interest expense	957,715
Custodian and accounting agent fees	340,030
Shareholder communications	237,168
Trustees fees and expenses	90,323
Audit and tax services	87,588
New York Stock Exchange listing fees	54,187
Transfer agent fees	38,248
Insurance expense	33,678
Legal fees	29,433
Investor relations	14,558
Miscellaneous	15,119
Total expenses	12,732,645
Less: custody credits earned on cash balances	(37,875)
Net expenses	12,694,770
Net Investment Income	102,210,289
Realized and Change in Unrealized Gain (Loss):	
Net realized gain (loss) on:	
Investments	16,023,337
Futures contracts	(14,908,167)
Options written	3,612,390
Swaps	32,500,588
Foreign currency transactions	(1,415,878)
Net change in unrealized appreciation/depreciation of:	
Investments	4,516,183
Futures contracts	10,832,323
Options written	(144,068)
Swaps	(16,493,043)
Foreign currency transactions	33,740
Net realized and change in unrealized gain on investments, futures contracts, options written, swaps and foreign currency transactions	34,557,405
Net Increase in Net Assets Resulting from Investment Operations	136,767,694
Dividends on Preferred Shares from Net Investment Income	(26,847,019)
Net Increase in Net Assets Applicable to Common Shareholders Resulting from Investment Operations	$ 109,920,675

PIMCO Corporate Opportunity Fund **Statement of Changes in Net Assets**

Applicable to Common Shareholders

	Year ended November 30, 2006	November 30, 2005
Investment Operations:		
Net investment income	$ 102,210,289	$ 97,509,482
Net realized gain on investments, futures contracts, options written, swaps and foreign currency transactions	35,812,270	17,398,277
Net change in unrealized depreciation of investments, futures contracts, options written, swaps and foreign currency transactions	(1,254,865)	(43,696,007)
Net increase in net assets resulting from investment operations	136,767,694	71,211,752
Dividends and Distributions on Preferred Shares from:		
Net investment income	(26,677,025)	(14,501,451)
Net realized gains	(169,994)	(3,080,828)
Total dividends and distributions on Preferred Shares	(26,847,019)	(17,582,279)
Net increase in net assets applicable to common shareholders resulting from investment operations	109,920,675	53,629,473
Dividends and Distributions to Common Shareholders from:		
Net investment income	(107,378,512)	(106,777,724)
Net realized gains	(1,252,868)	(41,265,388)
Total dividends and distributions to common shareholders	(108,631,380)	(148,043,112)
Capital Share Transactions:		
Reinvestment of dividends and distributions	8,344,440	14,383,829
Total increase (decrease) in net assets applicable to common shareholders	9,633,735	(80,029,810)
Net Assets Applicable to Common Shareholders:		
Beginning of year	1,013,189,113	1,093,218,923
End of year (including dividends in excess of net investment income of $(12,326,038) and $(5,862,757), respectively)	$ 1,022,822,848	$ 1,013,189,113
Common Shares Issued in Reinvestment of Dividends and Distributions	507,805	871,959

PIMCO Corporate Opportunity Fund Notes to Financial Statements

November 30, 2006

1. Organization and Significant Accounting Policies

PIMCO Corporate Opportunity Fund (the Fund), was organized as a Massachusetts business trust on September 13, 2002. Prior to commencing operations on December 27, 2002, the Fund had no operations other than matters relating to its organization and registration as a diversified, closed-end management investment company registered under the Investment Company Act of 1940 and the rules and regulations there under, as amended. Allianz Global Investors Fund Management LLC (the Investment Manager) serves as the Fund s Investment Manager and is an indirect wholly-owned subsidiary of Allianz Global Investors of America L.P. (Allianz Global). Allianz Global is an indirect, majority-owned subsidiary of Allianz SE, a publicly traded insurance and financial services company. The Fund has an unlimited amount of $0.00001 par value common stock authorized.

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

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

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

In July 2006, the Financial Accounting Standards Board issued Interpretation No. 48, Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement No. 109 (the Interpretation). The Interpretation 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 Interpretation is effective for fiscal years beginning after December 15, 2006, and is to be applied to all open tax years as of the date of effectiveness. Fund management has recently begun to evaluate the application of the Interpretation, and is not in a position at this time to estimate the significance of its impact, if any, on the Fund s financial statements. On December 22, 2006, the Securities & Exchange Commission announced that it would not object if a fund implements the Interpretation in its NAV calculation as late as its last NAV calculation in the first required financial statement reporting period for its fiscal year beginning after December 15, 2006. Consequently, the Fund will be required to comply with the Interpretation by May 31, 2008.

In September 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) 157, Fair Value Measurements, which clarifies the definition of fair value and requires companies to expand their disclosure about the use of fair value to measure assets and liabilities in interim and annual periods subsequent to initial recognition. Adoption of SFAS 157 requires the use of the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. At this time, the Fund is in the process of reviewing the SFAS 157 against its current valuation policies to determine future applicability.

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

(a) Valuation of Investments

Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. Portfolio securities and other financial instruments for which market quotations are not readily available or if a development/event occurs that may significantly impact the value of a security, may be fair-valued, in good faith, pursuant to guidelines established by the Board of Trustees, including certain fixed income securities which may be valued with reference to securities whose prices are more readily available. The Fund s investments are valued daily using prices supplied by an independent pricing service or dealer quotations, or by using the last sale price on

PIMCO Corporate Opportunity Fund Notes to Financial Statements

November 30, 2006

1. Organization and Significant Accounting Policies (continued)

the exchange that is the primary market for such securities, or the last quoted mean price for those securities for which the over-the-counter market is the primary market or for listed securities in which there were no sales. Independent pricing services use information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics. The Fund s investments in senior floating rate loans (Senior Loans) for which a secondary market exists will be valued at the mean of the last available bid and asked prices in the market for such Senior Loans, as provided by an independent pricing service. Other Senior Loans are valued at fair value pursuant to procedures approved by the Board of Trustees. Such procedures include consideration and evaluation of: (1) the creditworthiness of the borrower and any intermediate participants; (2) the term of the Senior Loan; (3) recent prices in the market for similar loans, if any; (4) recent prices in the market for loans of similar quality, coupon rate, and period until next interest rate reset and maturity; and (5) general economic and market conditions affecting the fair value of the Senior Loan. Exchange traded options, 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. The prices used by the Fund to value securities may differ from the value that would be realized if the securities were sold and the differences could be material to the financial statements. The Fund s net asset value is determined daily as of the close of regular trading (normally, 4:00 p.m. Eastern time) on the New York Stock Exchange (NYSE) on each day the NYSE is open for business.

(b) Investment Transactions and Investment Income

Investment transactions are accounted for on the trade date. Securities purchased and sold on a when-issued or delayed-delivery basis may be settled a month or more after the trade date. Realized gains and losses on investments are determined on the identified cost basis. Interest income is recorded on an accrual basis. Discounts or premiums on debt securities purchased are accreted or amortized to interest income over the lives of the respective securities using the effective interest method. Dividend income is recorded on the ex-dividend date. Facility fees and other fees (such as origination fees) received by the Fund are amortized as income over the expected term of the senior loan. Commitment fees received by the Fund relating to unfunded purchase commitments are deferred and amortized to facility fee income over the period of the commitment.

(c) Federal Income Taxes

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

(d) Dividends and Distributions Common Stock

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

(e) Foreign Currency Translation

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

The Fund does not generally isolate that portion of the results of operations arising as a result of changes in the foreign currency exchange rates from the fluctuations arising from changes in the market prices of securities. Accordingly, such foreign currency gain (loss) is included in net realized and unrealized gain (loss) on investments.

PIMCO Corporate Opportunity Fund Notes to Financial Statements

November 30, 2006

1. Organization and Significant Accounting Policies (continued)

However, the Fund does isolate the effect of fluctuations in foreign currency exchange rates when determining the gain or loss upon the sale or maturity of foreign currency denominated debt obligations pursuant to U.S. federal income tax regulations; such amount is categorized as foreign currency gain or loss for both financial reporting and income tax reporting purposes.

(f) Futures Contracts

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

(g) Option Transactions

The Fund may purchase and write (sell) put and call options for hedging purposes, risk management purposes or as a part of its investment strategy. The risk associated with purchasing an option is that the Fund pays a premium whether or not the option is exercised. Additionally, the Fund bears the risk of loss of premium and change in market value should the counterparty not perform under the contract. Put and call options purchased are accounted for in the same manner as portfolio securities. The cost of securities acquired through the exercise of call options is increased by the premiums paid. The proceeds from the securities sold through the exercise of put options is decreased by the premiums paid.

When an option is written, the premium received is recorded as an asset with an equal liability and is subsequently marked to market to reflect the current market value of the option written. These liabilities are reflected as options written in the Statement of Assets and Liabilities. Premiums received from writing options which expire unexercised are recorded on the expiration date as a realized gain. The difference between the premium received and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or if the premium is less than the amount paid for the closing purchase transactions, as a realized loss. If a call option written by the Fund 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 by the Fund 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.

(h) Interest Rate/Credit Default Swaps

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

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

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

PIMCO Corporate Opportunity Fund Notes to Financial Statements

November 30, 2006

1. Organization and Significant Accounting Policies (continued)

Interest rate swap agreements involve the exchange by the Fund with a counterparty of their respective commitments to pay or receive interest, e.g., an exchange of floating rate payments for fixed rate payments with respect to a notional amount of principal. Net periodic payments received (paid) by the Fund are included as part of realized gain (loss) and net periodic payments accrued, but not received (paid) are included in change in unrealized appreciation/depreciation on the Fund s Statement of Operations.

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

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

(i) Senior Loans

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

(j) Forward Foreign Currency Contracts

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

(k) Credit-Linked Trust Certificates

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

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

(l) Repurchase Agreements

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

PIMCO Corporate Opportunity Fund Notes to Financial Statements

November 30, 2006

1. Organization and Significant Accounting Policies (continued)

that the market value of the collateral, including accrued interest thereon, is sufficient in the event of default by the counterparty. If the counterparty defaults and the value of the collateral declines or if the counterparty enters an insolvency proceeding, realization of the collateral by the Fund may be delayed or limited.

(m) Reverse Repurchase Agreements

In a reverse repurchase agreement, the Fund sells securities to a bank or broker-dealer and agrees to repurchase the securities at a mutually agreed 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 the portfolio securities involved during the term of the reverse repurchase agreement and still be entitled to the returns associated with those portfolio securities. Such transactions are advantageous if the interest cost to the Fund of the reverse repurchase transaction is less than the returns it obtains on investments purchased with the cash. Unless the Fund covers its positions in reverse repurchase agreements (by segregating liquid assets at least equal in amount to the forward purchase commitment), its obligations under the agreements will be subject to the Fund s limitations on borrowings. Reverse repurchase agreements involve leverage risk and also the risk that the market value of the securities that the Fund is obligated to repurchase under the agreement may decline below the repurchase price. In the event the buyer of securities under a reverse repurchase agreement files for bankruptcy or becomes insolvent, the Fund s use of the proceeds of the agreement may be restricted pending determination by the other party, or its trustee or receiver, whether to enforce the Fund s obligation to repurchase the securities. At November 30, 2006, the Fund had no reverse repurchase agreements outstanding. The weighted average daily balance of reverse repurchase agreements outstanding during the year ended November 30, 2006 was $8,297,675 at a weighted average interest rate of 3.12%.

(n) Inverse Floating Rate Transaction Residual Interest Municipal Bonds (RIBs)/Residual Interest Tax Exempt Bonds (RITEs)

The Fund invests in RIBs and RITEs (Inverse Floaters) whose interest rates bear an inverse relationship to the interest rate on another security or the value of an index. In these transactions, the Fund transfers a fixed rate municipal bond (Fixed Rate Bond) to a broker who places the Fixed Rate Bond in a special purpose trust (Trust) from which floating rate bonds (Floating Rate Notes) and Inverse Floaters are issued. The Fund simultaneously or within a short period of time, receives the Inverse Floaters from the broker. The Inverse Floaters held by the Fund provide the Fund with the right to (1) cause the holders of the Floating Rate Notes to tender their notes at par, and (2) cause the broker to transfer the Fixed Rate Bond held by the Trust to the Fund, thereby collapsing the Trust.

Pursuant to FASB Statement No. 140, the Fund accounts for the transaction described above as a secured borrowing by including the Fixed Rate Bond in the Schedule of Investments, and account for the Floating Rate Notes as a liability under the caption Payable for floating rate notes issued in the Fund s Statement of Assets and Liabilities . The Floating Rate Notes have interest rates that generally reset weekly and their holders have the option to tender their notes to the broker for redemption at par at each reset date.

Inverse Floaters are created by dividing the income stream provided by the underlying Fixed Rate Bonds to create two securities, one short-term, the Floating Rate Note and one long-term, the Inverse Floater. The interest rate on the short component is reset by an index or auction process typically every 7 to 35 days. After income is paid on the Floating Rate Note at current rates, the residual income from the underlying bond(s) goes to the Inverse Floater. Therefore, rising short-term rates result in lower income for the Floating Rate Note and vice-versa. The Floating Rate Note may be more volatile and less liquid than other municipal bonds of comparable maturity. Investments in Inverse Floaters typically will involve greater risk than in investments in Fixed Rate Bonds. The Funds may also invest in Inverse Floaters for the purpose of increasing leverage.

The Fund s investment policies and restrictions expressly permit investments in Inverse Floaters. Inverse Floaters held by the Fund are exempt from registration under Rule 144A of the Securities Act of 1933.

(o) When-Issued/Delayed-Delivery Transactions

The Fund may purchase or sell securities on a when-issued or delayed-delivery basis. The 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, and takes such fluctuations into account when determining its net asset value. The Fund may dispose of or renegotiate a delayed-delivery transaction after it is entered into, and

PIMCO Corporate Opportunity Fund Notes to Financial Statements

November 30, 2006

1. Organization and Significant Accounting Policies (continued)

may sell when-issued securities before they are delivered, which may result in a realized gain or loss. When a security on a delayed-delivery basis is sold, the Fund does not participate in future gains and losses with respect to the security.

(p) 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.

(q) Interest Expense

Relates to the Fund s liability in connection with floating rate notes held by third parties in conjunction with Inverse Floater transactions. Interest expense is recorded as incurred.

2. Investment Manager/Sub-Adviser

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

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

3. Investment in Securities

For the year ended November 30, 2006, purchases and sales of investments, other than short-term securities and U.S. government obligations, were $450,269,877 and $395,584,755, respectively. Purchases and sales in U.S. government obligations, totaled $188,504 and $3,195,062, respectively.

(a) Futures contracts outstanding at November 30, 2006:

Type		Contracts	Market Value (000)	Expiration Date	Unrealized Appreciation
Long:	Financial Future British Pound 90 day	1,652	$ 384,708	12/31/07	$ 122,219
	Financial Future Euro 90 day	1,720	409,984	12/17/07	1,871,050
	Financial Future Euro 90 day	3,085	735,927	3/17/08	2,668,910
	Financial Future Euro 90 day	2,396	571,686	6/16/08	3,235,387
	Financial Future Euro 90 day	212	50,583	9/15/08	183,225
	U.S. Treasury Bond Futures	174	19,901	3/21/07	107,040
					$ 8,187,831

(b) Transactions in options written for the year ended November 30, 2006:

	Contracts/Notional	Premiums
Options outstanding, November 30, 2005	16,059,447	$ 2,261,222
Options written	1,387,618,004	8,931,615
Options terminated in closing purchase transactions	(25,677,451)	(6,761,687)