



P I M C O

PIMCO Variable Insurance Trust

All Asset Portfolio

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This material is authorized for use only when preceded or accompanied by the current PIMCO Variable Insurance Trust (the “Trust”) prospectus for the Portfolio. Investors should consider the investment objectives, risks, charges and expenses of this Portfolio carefully before investing. Ask your financial professional to explain all charges that may apply. This and other information is contained in the Portfolio’s prospectus. The variable product prospectus may be obtained by contacting your Investment Consultant. Please read the Portfolio and variable product prospectuses carefully before you invest or send money.

Dear PIMCO Variable Insurance Trust Shareholder:

After a difficult first quarter of calendar 2009, financial markets and the broader economy began to stabilize through a process of policy-induced healing including unprecedented monetary stimulus and near zero short-term interest rates. These efforts seemingly encouraged investors to migrate toward riskier assets in search of yield, and most asset classes higher on the risk spectrum rebounded significantly from the lows reached in March 2009.

However, the requirements for a sustained global economic recovery are complex and challenging. In the U.S. alone, consumer indebtedness is at a level greater than likely income potential and/or credit availability, while unemployment remains high. Furthermore, many major banking institutions continue to focus on borrowing from the Treasury to rebuild their balance sheets in lieu of lending to consumers and businesses. In this uncertain environment, we believe that an understanding of the many market risk factors is critical to both portfolio allocation and in determining the effectiveness of investment opportunities for our clients. As such, we remain focused on our mission of managing risks and delivering returns to help guide our clients through the lower income and economic deleveraging process.

We are honored that Morningstar® named Bill Gross Fixed-Income Fund Manager of the Decade. This honor is a particularly satisfying recognition reflecting the work of Bill Gross and a very talented and flexible team of PIMCO investment professionals in challenging market conditions over the first decade of this new century.

Highlights of the financial markets during the fiscal reporting period include:

- The Federal Reserve maintained a target range for the Federal Funds Rate of 0.00% to 0.25% and the Bank of England reduced its key-lending rate to 0.50%. The European Central Bank reduced its overnight rate to 1.00%, while the Bank of Japan maintained its lending rate at 0.10%.
- Returns on corporate bonds, mortgage-backed securities, and asset-backed securities were positive as investors moved into higher yielding, riskier asset classes. Yields on U.S. Treasury securities were generally volatile and returns lagged that of most developed government bonds. The benchmark ten-year U.S. Treasury note yielded 3.84% at the end of the reporting period, or 1.63% higher than at the beginning of 2009. The Barclays Capital U.S. Aggregate Index, a widely used index of U.S. high-grade bonds, returned 5.93%.
- U.S. Treasury Inflation-Protected Securities ("TIPS") outperformed their nominal U.S. Treasury counterparts as breakeven inflation levels (or the difference between nominal and real yields) moved higher. Real yields declined while nominal yields generally rose in 2009 as investors anticipated an economic recovery and the potential for an increase in inflation. The Barclays Capital U.S. TIPS Index returned 11.41%. In addition, commodities index returns were positive, as represented by the Dow Jones-UBS Commodity Index Total Return, which returned 18.91%.
- Agency mortgage-backed securities ("MBS") performed well due in part to the success of the Federal Reserve's MBS Purchase program, in which total net purchases of mortgages exceeded \$1 trillion by the end of 2009. Non-Agency MBS also performed well as a lack of new issuance over the last two years and anticipated demand from the U.S. Government's Public-Private Investment Program caused prices to move higher. In the asset-backed securities market, the U.S. Government's Term Asset-Backed Securities Loan Facility ("TALF") was successful in restoring liquidity and inducing investor demand.
- Emerging market ("EM") bonds denominated in both U.S. dollars and local EM currencies performed well during the reporting period. Towards the end of the year, adverse news regarding Dubai was a modest negative for EM returns, but reminded investors that country and credit differentiation remains critical in managing EM assets.
- Equity markets worldwide generally trended higher as investors returned due to the low value of certain equities and the peak in the liquidation cycle earlier in the reporting period. U.S. equities, as measured by the S&P 500 Index, returned 26.46% and international equities, as represented by the MSCI World Index, returned 29.99%.

On the following pages of this Annual Report for the PIMCO Variable Insurance Trust covering the twelve-month reporting period ended December 31, 2009, please find specific details as to each Portfolio's total return investment performance and a discussion of those factors that affected performance.

Thank you again for the trust you have placed in us. We never take it lightly and will continue to work diligently to meet your investment needs.

Sincerely,



Brent R. Harris
President and Chairman, PIMCO Variable Insurance Trust

January 20, 2010

Important Information About the Portfolio

PIMCO Variable Insurance Trust (the "Trust") is an open-end management investment company currently consisting of sixteen separate investment portfolios, including the All Asset Portfolio (the "Portfolio"). The Portfolio is only available as a funding vehicle under variable life insurance policies or variable annuity contracts issued by insurance companies ("Variable Contracts"). Individuals may not purchase shares of the Portfolio directly. Shares of the Portfolio also may be sold to qualified pension and retirement plans outside of the separate account context.

The Portfolio is a "fund of funds," which is a term used to describe mutual funds that pursue their investment objective by investing in other mutual funds instead of investing directly in stocks or bonds of other issuers. Under normal circumstances, the Portfolio invests substantially all of its assets in Institutional Class shares of PIMCO Funds, an affiliated open-end investment company, except the All Asset, All Asset All Authority, Global Multi-Asset, RealRetirement® 2010, RealRetirement® 2020, RealRetirement® 2030, RealRetirement® 2040 and RealRetirement® 2050 Funds ("Underlying PIMCO Funds").

Among the principal risks of investing in the Portfolio are allocation risk, Underlying PIMCO Fund risk and issuer non-diversification risk. The Portfolio also is indirectly subject to the risks of the Underlying Funds, which may include, but are not limited to, the following: interest rate risk, credit risk, high yield risk, market risk, issuer risk, liquidity risk, derivatives risk, commodity risk, equity risk, mortgage-related and other asset-backed risk, foreign (non-U.S.) investment risk, real estate risk, emerging markets risk, currency risk, issuer non-diversification risk, leveraging risk, smaller company risk, management risk, tax risk, subsidiary risk and short sale risk. A complete description of these risks is contained in the Portfolio's prospectus. An Underlying PIMCO Fund may use derivative instruments for hedging purposes or as part of an investment strategy. Use of these instruments may involve certain costs and risks such as liquidity risk, interest rate risk, market risk, credit risk, management risk and the risk that the Underlying PIMCO Fund may not be able to close out a position when it would be most advantageous to do so. An Underlying PIMCO Fund investing in derivatives could lose more than the principal amount invested in these instruments. An Underlying PIMCO Fund's investment in non-U.S. securities may entail risk due to non-U.S. economic and political developments; this risk may be increased when investing in emerging markets.

The cost of investing in the Portfolio will generally be higher than the cost of investing in a mutual fund that invests directly in individual stocks and bonds. By investing in the Portfolio, an investor will indirectly bear fees and expenses charged by the Underlying PIMCO Funds in addition to the Portfolio's direct fees and expenses.

On the performance summary page in this Annual Report, the Average Annual Total Return table and Cumulative Return Chart measure performance assuming that all dividend and capital gain distributions were reinvested.

An investment in the Portfolio is not a deposit of a bank and is not guaranteed or insured by the Federal Deposit Insurance Corporation or any other government agency. It is possible to lose money on investments in the Portfolio.

PIMCO has adopted written proxy voting policies and procedures ("Proxy Policy") as required by Rule 206(4)-6 under the Investment Advisers Act of 1940, as amended. The Proxy Policy has been adopted by the Trust as the policies and procedures that PIMCO will use when voting proxies on behalf of the Portfolio. A description of the policies and procedures that PIMCO uses to vote proxies relating to portfolio securities of the Portfolio, and information about how the Portfolio voted proxies relating to portfolio securities held during the most recent twelve-month period ended June 30, are available without charge, upon request, by calling the Trust at 1-866-746-2606, on the Portfolio's website at www.pimco.com, and on the Securities and Exchange Commission's ("SEC") website at <http://www.sec.gov>.

The Portfolio files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. A copy of the Trust's Form N-Q is also available on the SEC's website at <http://www.sec.gov> and may be reviewed and copied at the SEC's Public Reference Room in Washington D.C. and is available without charge, upon request, by calling the Trust at 1-866-746-2606 and on the Portfolio's website at www.pimco.com. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

PIMCO Variable Insurance Trust is distributed by Allianz Global Investors Distributors LLC, 1345 Avenue of the Americas, New York, NY 10105.

The following disclosure provides important information regarding the Portfolio's Expense Example ("Example" or "Expense Example"), which appears in this Annual Report. Please refer to this information when reviewing the Expense Example for the Portfolio.

Example

As a shareholder of the Portfolio, you incur two types of costs: (1) transaction costs and (2) ongoing costs, including management fees; distribution and/or service (12b-1) fees (Administrative Class, Advisor Class and Class M only); and other Portfolio expenses. The Example is intended to help you understand your ongoing costs (in dollars) of investing in the Portfolio and to compare these costs with the ongoing costs of investing in other mutual funds. The Expense Example does not reflect any fees or other expenses imposed by the Variable Contracts. If it did, the expenses reflected in the Expense Example would be higher. The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period indicated, which is from July 1, 2009 to December 31, 2009.

Actual Expenses

The information in the table under the heading "Actual Performance" provides information about actual account values and actual expenses. You may use the information in these columns, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = \$8.60), then multiply the result by the number in the row titled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

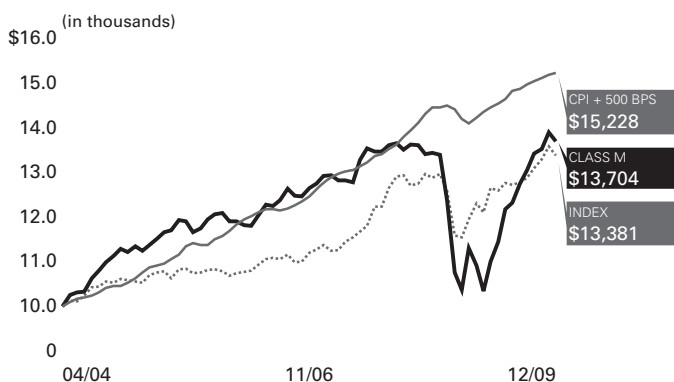
The information in the table under the heading "Hypothetical Performance (5% return before expenses)" provides information about hypothetical account values and hypothetical expenses based on the Portfolio's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Portfolio's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Portfolio and other portfolios. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other portfolios.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs. Therefore, the information under the heading "Hypothetical Performance (5% return before expenses)" is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different portfolios. In addition, if these transactional costs were included, your costs would have been higher.

The expense ratio may vary period to period because of various factors, such as an increase in expenses not covered by the management fees (such as expenses of the independent trustees and their counsel, extraordinary expenses and interest expense).

PIMCO All Asset Portfolio

Cumulative Returns Through December 31, 2009



\$10,000 invested at the beginning of the first full month following the inception date of the Portfolio's Class M.

PIMCO Funds Allocation[†]

Real Return Asset Fund	24.3%
Investment Grade Corporate Bond Fund	11.9%
Fundamental Advantage Total Return Strategy Fund	9.3%
Long-Term Credit Fund	6.1%
Real Return Fund	5.9%
Other	42.5%

[†] % of Total Investments as of 12/31/09

Portfolio Insights

» The PIMCO All Asset Portfolio seeks maximum real return consistent with preservation of real capital and prudent investment management, by investing under normal circumstances substantially all of its assets in Institutional Class shares of the Underlying PIMCO Funds (i.e., any of the PIMCO Funds, except the PIMCO All Asset Fund, PIMCO All Asset All Authority Fund, PIMCO Global Multi-Asset Fund and the PIMCO RealRetirement Funds[®]). Though it is anticipated that the Portfolio will not currently invest in the PIMCO StocksPLUS[®] TR Short Strategy Fund, the Portfolio may invest in this Underlying PIMCO Fund in the future, without shareholder approval, at the discretion of PIMCO. The Portfolio invests its assets in shares of the Underlying PIMCO Funds and does not invest directly in stocks or bonds of other issuers.

» Exposure to investment-grade securities, through an allocation to the PIMCO Investment Grade Corporate Bond Fund, benefited performance as the Underlying PIMCO Fund outperformed the Barclays Capital U.S. TIPS 1-10 Year Index ("the Portfolio's benchmark") during the reporting period.

» Exposure to commodities, through the PIMCO CommodityRealReturn Strategy Fund[®], benefited performance as the Underlying PIMCO Fund outperformed the Portfolio's benchmark.

» Exposure to emerging market currencies and locally issued emerging market bonds, through the PIMCO Developing Local Markets Fund and PIMCO Emerging Local Bond Fund, benefited performance as both Underlying PIMCO Funds outperformed the Portfolio's benchmark.

» An allocation to convertible securities, through the PIMCO Convertible Fund, benefited performance as the Underlying PIMCO Fund outperformed the Portfolio's benchmark during the reporting period.

» Exposure to the PIMCO Long Duration Total Return Fund detracted from performance as the Underlying PIMCO Fund underperformed the Portfolio's benchmark.

» Exposure to the PIMCO Long-Term U.S. Government Fund detracted from performance as the Underlying PIMCO Fund underperformed the Portfolio's benchmark.

Average Annual Total Return for the period ended December 31, 2009

	1 Year	5 Years	Class Inception (04/30/04)
— PIMCO All Asset Portfolio Class M	21.31%	3.96%	5.71%
..... Barclays Capital U.S. TIPS: 1-10 Year Index [±]	12.02%	4.74%	5.27%
— Consumer Price Index + 500 Basis Points ^{±±}	7.94%	7.79%	7.70%

All Portfolio returns are net of fees and expenses.

Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Investment return and principal value will fluctuate so the Portfolio shares when redeemed, may be worth more or less than their original cost. The Portfolio's performance does not reflect the deduction of additional charges and expenses imposed in connection with investing in Variable Contracts, which will reduce returns. Current performance may be lower or higher than the performance data quoted. Performance data current to the most recent month-end is available by calling (800) 927-4648. The Portfolio's total annual operating expense ratio as stated in the Portfolio's current prospectus, which includes the fees and expenses of the Underlying PIMCO Funds, as supplemented to date, is 1.635% for Class M shares.

[±] Barclays Capital U.S. TIPS: 1-10 Year Index is an unmanaged market index comprised of U.S. Treasury Inflation-Protected Securities having a maturity of at least 1 year and less than 10 years. The index does not reflect deductions for fees, expenses or taxes. It is not possible to invest directly in an unmanaged index.

^{±±} CPI + 500 Basis Points benchmark is created by adding 5% to the annual percentage change in the Consumer Price Index ("CPI"). This index reflects non-seasonally adjusted returns. The Consumer Price Index is an unmanaged index representing the rate of inflation of the U.S. consumer prices as determined by the US Department of Labor Statistics. There can be no guarantee that the CPI or other indexes will reflect the exact level of inflation at any given time. The index does not reflect deductions for fees, expenses or taxes. It is not possible to invest directly in an unmanaged index.

Expense Example	Actual Performance	Hypothetical Performance (5% return before expenses)
Beginning Account Value (07/01/09)	\$1,000.00	\$1,000.00
Ending Account Value (12/31/09)	\$1,112.06	\$1,020.62
Expenses Paid During Period [†]	\$ 4.84	\$ 4.63

[†] Expenses are equal to the Portfolio's Class M net annualized expense ratio of 0.911%, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period). The expense ratio excludes the expenses of the Underlying PIMCO Funds, which based upon the allocation of the Portfolio's assets among the Underlying Funds are indirectly borne by the shareholders of the Portfolio. The Underlying PIMCO Fund expenses attributable to advisory and supervisory and administrative fees indirectly borne by the Portfolio are currently capped at 0.64% of total assets. The annualized expense ratio of 0.911% for the Class M reflects net annualized expenses after application of an expense recoupment of 0.036%. Overall fees and expenses of investing in the Portfolio will be higher because the example does not reflect Variable Contract fees and expenses.

Please refer to page 3 herein for an explanation of the information presented in the above Expense Example.

Financial Highlights All Asset Portfolio

Selected Per Share Data for the Year Ended:

	12/31/2009	12/31/2008	12/31/2007	12/31/2006	12/31/2005
Class M					
Net asset value beginning of year	\$ 9.23	\$ 11.75	\$ 11.68	\$ 11.80	\$ 11.60
Net investment income (a)	0.84	0.57	0.78	0.57	0.85
Net realized/unrealized gain (loss) on investments	1.10	(2.43)	0.13	(0.07)	(0.16)
Total income (loss) from investment operations	1.94	(1.86)	0.91	0.50	0.69
Dividends from net investment income	(0.66)	(0.56)	(0.84)	(0.59)	(0.45)
Distributions from net realized capital gains	0.00	(0.03)	0.00	(0.03)	(0.04)
Tax basis return of capital	0.00	(0.07)	0.00	0.00	0.00
Total distributions	(0.66)	(0.66)	(0.84)	(0.62)	(0.49)
Net asset value end of year	\$ 10.51	\$ 9.23	\$ 11.75	\$ 11.68	\$ 11.80
Total return	21.31%	(16.17)%	8.00%	4.36%	5.94%
Net assets end of year (000s)	\$ 55,595	\$ 40,964	\$ 42,336	\$ 54,928	\$ 67,365
Ratio of expenses to average net assets	0.885%	0.855%	0.855%	0.885%(b)	0.89%
Ratio of expenses to average net assets excluding waivers	0.885%	0.875%	0.875%	0.885%(b)	0.90%
Ratio of expenses to average net assets excluding interest expense	0.885%	0.855%	0.855%	0.885%(b)	0.89%
Ratio of expenses to average net assets excluding interest expense and waivers	0.885%	0.875%	0.875%	0.885%(b)	0.90%
Ratio of net investment income to average net assets	8.41%	5.23%	6.41%	4.84%	7.16%
Portfolio turnover rate	126%	91%	101%	66%	75%

(a) Per share amounts based on average number of shares outstanding during the year.

(b) Effective October 1, 2006, the advisory fee was reduced to 0.175%.

Statement of Assets and Liabilities All Asset Portfolio

(Amounts in thousands, except per share amounts)

	December 31, 2009
Assets:	
Investments in Affiliates, at value	\$ 1,848,261
Repurchase agreements, at value	1,214
Cash	699
Receivable for investments in Affiliates sold	2,140
Receivable for Portfolio shares sold	514
Dividends receivable from Affiliates	4,477
	1,857,305
Liabilities:	
Payable for investments in Affiliates purchased	\$ 9,116
Payable for Portfolio shares redeemed	946
Accrued related party fees	1,106
Recoupment payable to Manager	52
	11,220
Net Assets	\$ 1,846,085
Net Assets Consist of:	
Paid in capital	\$ 2,030,435
Undistributed net investment income	15,339
Accumulated undistributed net realized (loss)	(288,355)
Net unrealized appreciation	88,666
	\$ 1,846,085
Net Assets:	
Institutional Class	\$ 2,097
Administrative Class	246,585
Advisor Class	1,541,808
Class M	55,595
Shares Issued and Outstanding:	
Institutional Class	200
Administrative Class	23,595
Advisor Class	146,837
Class M	5,291
Net Asset Value and Redemption Price Per Share (Net Asset Per Share Outstanding)	
Institutional Class	\$ 10.50
Administrative Class	10.45
Advisor Class	10.50
Class M	10.51
Cost of Investments in Affiliates Owned	\$ 1,759,595
Cost of Repurchase Agreements Owned	\$ 1,214

Statement of Operations All Asset Portfolio

(Amounts in thousands)

	Year Ended December 31, 2009
Investment Income:	
Dividends from Affiliate investments	\$ 141,751
Total Income	141,751
Expenses:	
Investment advisory fees	2,898
Supervisory and administrative fees	4,140
Servicing fees – Administrative Class	298
Distribution and/or servicing fees – Advisor Class	3,532
Distribution and/or servicing fees – Class M	195
Interest expense	13
Recoupment to Manager	132
Total Expenses	11,208
Net Investment Income	130,543
Net Realized and Unrealized Gain (Loss):	
Net realized (loss) on Affiliate investments	(177,764)
Net capital gain distributions received from Underlying Funds	9,415
Net change in unrealized appreciation on Affiliate investments	361,937
Net Gain	193,588
Net Increase in Net Assets Resulting from Operations	\$ 324,131

Statements of Changes in Net Assets All Asset Portfolio

(Amounts in thousands)

	Year Ended December 31, 2009	Year Ended December 31, 2008
Increase (Decrease) in Net Assets from:		
Operations:		
Net investment income	\$ 130,543	\$ 90,601
Net realized (loss) on Affiliate investments	(177,764)	(132,432)
Net capital gain distributions received from Underlying Funds	9,415	19,987
Net change in unrealized appreciation (depreciation) on Affiliate investments	361,937	(274,042)
Net increase (decrease) resulting from operations	324,131	(295,886)
Distributions to Shareholders:		
From net investment income		
Institutional Class	(108)	(35)
Administrative Class	(15,219)	(11,494)
Advisor Class	(96,716)	(76,721)
Class M	(3,162)	(2,392)
From net realized capital gains		
Institutional Class	0	(2)
Administrative Class	0	(553)
Advisor Class	0	(4,469)
Class M	0	(144)
Tax basis return of capital		
Institutional Class	0	(3)
Administrative Class	0	(1,485)
Advisor Class	0	(8,271)
Class M	0	(306)
Total Distributions	(115,205)	(105,875)
Portfolio Share Transactions:		
Receipts for shares sold		
Institutional Class	1,793	706
Administrative Class	86,251	104,348
Advisor Class	365,953	618,789
Class M	23,125	33,776
Issued as reinvestment of distributions		
Institutional Class	108	40
Administrative Class	15,219	13,532
Advisor Class	96,716	89,461
Class M	3,162	2,842
Cost of shares redeemed		
Institutional Class	(558)	(339)
Administrative Class	(48,004)	(149,388)
Advisor Class	(461,910)	(137,555)
Class M	(16,645)	(25,189)
Net increase resulting from Portfolio share transactions	65,210	551,023
Total Increase in Net Assets	274,136	149,262
Net Assets:		
Beginning of year	1,571,949	1,422,687
End of year*	\$ 1,846,085	\$ 1,571,949
*Including undistributed net investment income of:	\$ 15,339	\$ 0

	SHARES	MARKET VALUE (000s)
PIMCO FUNDS (a)(b) 100.1%		
CommodityRealReturn Strategy Fund®	10,281,952	\$ 85,135
Convertible Fund	2,564,662	32,494
Developing Local Markets Fund	5,557,695	55,688
Diversified Income Fund	3,939,879	41,802
Emerging Local Bond Fund	4,040,764	40,165
Emerging Markets Bond Fund	2,678,130	27,638
EM Fundamental IndexPLUS™ TR Strategy Fund	4,068,273	43,246
Floating Income Fund	1,981,873	17,480
Foreign Bond Fund (Unhedged)	5,500	55
Fundamental Advantage Total Return Strategy Fund	38,208,353	171,938
Fundamental IndexPLUS™ Fund	533,939	3,508
Fundamental IndexPLUS™ TR Fund	2,339,280	13,287
Global Advantage Strategy Bond Fund	3,766,758	41,660
High Yield Fund	1,456,290	12,815
Income Fund	3,366,799	33,129
International StocksPLUS® TR Strategy Fund (Unhedged)	614,672	3,799
International StocksPLUS® TR Strategy Fund (U.S. Dollar-Hedged)	1,834,227	16,251
Investment Grade Corporate Bond Fund	20,171,050	220,470
Long Duration Total Return Fund	5,796,678	61,561
Long-Term Credit Fund	9,782,631	112,500
Long-Term U.S. Government Fund	6,148,061	65,600
Low Duration Fund	4,789,393	49,283
Real Return Asset Fund	40,936,722	449,485
Real Return Fund	10,113,620	109,126
RealEstateRealReturn Strategy Fund	1,320,721	6,062
Short-Term Fund	7,331,366	71,994
Small Cap StocksPLUS® TR Fund	1,877,153	11,901
StocksPLUS® Total Return Fund	741,807	4,896
Total Return Fund	4,193,748	45,293
Total PIMCO Funds (Cost \$1,759,595)		1,848,261
	PRINCIPAL AMOUNT (000s)	
SHORT-TERM INSTRUMENTS 0.1%		
REPURCHASE AGREEMENTS 0.1%		
State Street Bank and Trust Co. 0.005% due 01/04/2010	\$ 1,214	1,214
(Dated 12/31/2009. Collateralized by U.S. Treasury Bills 0.000% due 01/14/2010 valued at \$1,240. Repurchase proceeds are \$1,214.)		
Total Short-Term Instruments (Cost \$1,214)		1,214
Total Investments 100.2% (Cost \$1,760,809)		\$ 1,849,475
Other Assets and Liabilities (Net) (0.2%)		(3,390)
Net Assets 100.0%		\$ 1,846,085

Notes to Schedule of Investments (amounts in thousands*):

* A zero balance may reflect actual amounts rounding to less than one thousand.

- (a) Affiliated to the Portfolio.
- (b) Institutional Class Shares of each PIMCO Fund.
- (c) Fair Value Measurements †

The following is a summary of the fair valuations according to the inputs used as of December 31, 2009 in valuing the Portfolio's assets and liabilities:

Category**	Quoted Prices in Active Markets for Identical Investments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value at 12/31/2009
PIMCO Funds	\$ 1,848,261	\$ 0	\$ 0	\$ 1,848,261
Short-Term Instruments	0	1,214	0	1,214
Investments, at value	\$ 1,848,261	\$ 1,214	\$ 0	\$ 1,849,475

† See note 2 in the Notes to Financial Statements for additional information.

** Refer to the Schedule of Investments for additional information.

Notes to Financial Statements

1. ORGANIZATION

The All Asset Portfolio (the "Portfolio") is a series of the PIMCO Variable Insurance Trust (the "Trust"). The Trust is registered under the Investment Company Act of 1940, as amended (the "Act"), as an open-end management investment company organized as a Delaware business trust on October 3, 1997. The Portfolio offers four classes of shares: Institutional, Administrative, Advisor, and Class M. Information presented on these financial statements pertains to the Class M of the Portfolio. Certain detailed financial information for the Institutional Class, Administrative Class and Advisor Class is provided separately and is available upon request. The Trust is designed to be used as an investment vehicle by separate accounts of insurance companies that fund variable annuity contracts and variable life insurance policies and by qualified pension and retirement plans.

The Portfolio seeks to achieve its investment objective by investing under normal circumstances substantially all of its assets in Institutional Class shares of the Underlying PIMCO Funds. The Portfolio may invest in any or all of the underlying investment funds (the "Underlying PIMCO Funds" or "Acquired Funds"). The Portfolio's investment in a particular Underlying PIMCO Fund normally will not exceed 50% of its total assets. The Portfolio's combined investments in the Fundamental IndexPLUS™, Fundamental IndexPLUS™ TR, International StocksPLUS® TR Strategy (Unhedged), International StocksPLUS® TR Strategy (U.S. Dollar-Hedged), Small Cap StocksPLUS® TR, StocksPLUS®, StocksPLUS® Long Duration and StocksPLUS® Total Return Funds normally will not exceed 50% of its total assets. In addition, the Portfolio's combined investments in the CommodityRealReturn® Strategy, Real Return, Real Return Asset and RealEstateRealReturn Strategy Funds normally will not exceed 75% of its total assets.

The Portfolio's assets are not allocated according to a predetermined blend of shares of the Underlying PIMCO Funds. Instead, when making allocation decisions among the Underlying PIMCO Funds, the Portfolio's asset allocation sub-adviser considers various quantitative and qualitative data relating to the U.S. and foreign economies and securities markets. These data include projected growth trends in the U.S. and foreign economies, forecasts for interest rates and the relationship between short and long-term interest rates (yield curve), current and projected trends in inflation, relative valuation levels in the equity and fixed income markets and various industrial sectors, information relating to business cycles, borrowing needs and the cost of capital, political trends data relating to trade balances and labor information. The Portfolio's asset allocation sub-adviser has the flexibility to reallocate the Portfolio's assets among any or all of the Underlying PIMCO Funds based on its ongoing analyses of the equity, fixed income and commodity markets, although these shifts are not expected to be large or frequent in nature. The Portfolio is non-diversified, which means that it may concentrate its assets in a smaller number of Underlying PIMCO Funds than a diversified fund.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Portfolio in the preparation of its financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The preparation of financial statements in accordance with U.S. GAAP may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

(a) Determination of Net Asset Value The Net Asset Value ("NAV") of the Portfolio's shares is valued as of the close of regular trading (normally 4:00 p.m., Eastern time) (the "NYSE Close") on each day that the New York Stock Exchange

("NYSE") is open. Information that becomes known to the Portfolio or its agents after the NAV has been calculated on a particular day will not generally be used to retroactively adjust the price of a security or the NAV determined earlier that day.

(b) Investment Valuation Investments in funds within the PIMCO Funds are valued at their NAV as reported by the Underlying PIMCO Funds.

U.S. GAAP defines fair value as the price that the Portfolio would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. It establishes and requires disclosure of a fair value hierarchy, separately for each major category of assets and liabilities, that segregates fair value measurements into levels (Levels 1, 2, and 3). Categorization of fair value measurements is determined by the nature of the inputs as follows: inputs using quoted prices in active markets for identical assets or liabilities ("Level 1"), significant other observable inputs ("Level 2"), and significant unobservable inputs ("Level 3"). Valuation levels are not necessarily an indication of the risk associated with investing in those securities. For fair valuations using significant unobservable inputs, U.S. GAAP requires a reconciliation of the beginning to ending balances for reported market values that presents changes attributable to total realized and unrealized gains or losses, purchases and sales, and transfers in/out of the Level 3 category during the period. In accordance with the requirements of U.S. GAAP, a fair value hierarchy and Level 3 reconciliation have been included in the Notes to the Schedule of Investments for the Portfolio.

(c) Securities Transactions and Investment Income Securities transactions are recorded as of the trade date for financial reporting purposes. Securities purchased or sold on a when-issued or delayed-delivery basis may be settled a month or more after the trade date. Realized gains and losses from securities sold are recorded on the identified cost basis. Dividend income is recorded on the ex-dividend date. Interest income, adjusted for the accretion of discounts and amortization of premiums, is recorded on the accrual basis.

(d) Multiclass Operations Each class offered by the Portfolio has equal rights as to assets and voting privileges (except that shareholders of a class have exclusive voting rights regarding any matter relating solely to that class of shares). For daily dividend Portfolios, income and non-class specific expenses are allocated daily to each class on the basis of the relative value of settled shares. For non-daily dividend Portfolios, income and non-class specific expenses are allocated daily to each class on the basis of the relative net assets. Realized and unrealized capital gains and losses of each class are allocated daily based on the relative net assets of each class of the respective Portfolio. Class specific expenses, where applicable, currently include supervisory and administrative, distribution and servicing fees.

(e) Dividends and Distributions to Shareholders Dividends from net investment income, if any, are declared and distributed to shareholders quarterly. Net realized capital gains earned by the Portfolio, if any, will be distributed no less frequently than once each year.

Income dividends and capital gain distributions are determined in accordance with income tax regulations which may differ from U.S. GAAP. Differences between tax regulations and U.S. GAAP may change the fiscal year when income and capital items are recognized for tax and U.S. GAAP purposes. Examples of events that give rise to timing differences include wash sales, straddles and capital loss carryforwards. Further, the character of investment income and capital gains may be different for certain transactions under the two methods of accounting. Examples of characterization differences include the treatment of mortgage paydowns, swaps, foreign currency transactions and contingent debt instruments. As a result, income dividends and capital gain distributions declared during a

fiscal period may differ significantly from the net investment income and realized capital gain reported on the Portfolio's annual financial statements presented under U.S. GAAP.

Distributions classified as a tax basis return of capital, if any, are reflected on the accompanying Statements of Changes in Net Assets and have been reclassified to paid in capital. In addition, other amounts have been reclassified between undistributed net investment income, accumulated undistributed net realized gains or losses and/or paid in capital to more appropriately conform financial accounting to tax characterizations of dividend distributions.

(f) Repurchase Agreements The Portfolio may engage in repurchase transactions. Under the terms of a typical repurchase agreement, the Portfolio takes possession of an underlying debt obligation (collateral) subject to an obligation of the seller to repurchase, and the Portfolio to resell, the obligation at an agreed-upon price and time. The underlying securities for all repurchase agreements are held in safekeeping at the Portfolio's custodian or designated subcustodians under tri-party repurchase agreements. The market value of the collateral must be equal to or exceed the total amount of the repurchase obligations, including interest. Securities purchased under repurchase agreements are reflected as an asset in the Statement of Assets and Liabilities. Interest earned is recorded as a component of interest income on the Statement of Operations. In periods of increased demand for collateral, the Portfolio may pay a fee for receipt of collateral, which may result in interest expense to the Portfolio. Generally, in the event of counterparty default, the Portfolio has the right to use the collateral to offset losses incurred. If the counterparty should default, the Portfolio will seek to sell the securities which it holds as collateral. This could involve procedural costs or delays in addition to a loss on the securities if their value should fall below their repurchase price.

3. PRINCIPAL RISKS

The Portfolio invests substantially all of its assets in Underlying PIMCO Funds, the risks associated with investing in the Portfolios are closely related to the risks associated with the securities and other investments held by the Underlying PIMCO Funds. The ability of the Portfolio to achieve its investment objectives will depend upon the ability of the Underlying PIMCO Funds to achieve their respective investment objectives. There can be no assurance that the investment objective of any Underlying PIMCO Fund will be achieved. The Portfolio's net asset value will fluctuate in response to changes in the respective net asset values of the Underlying PIMCO Funds in which it invests. The extent to which the investment performance and risks associated with the Portfolio correlate to those of a particular Underlying PIMCO Fund will depend upon the extent to which the Portfolio's assets are allocated from time to time for investment in the Underlying PIMCO Fund, which will vary.

Investing in the Underlying PIMCO Funds involves certain additional expenses and tax results that would not be present in a direct investment in the Underlying PIMCO Funds.

The investment performance depends upon how its assets are allocated and reallocated according to the Portfolio's asset allocation targets and ranges. A principal risk of investing in each Portfolio is that the Portfolio's asset allocation sub-adviser will make less than optimal or poor asset allocation decisions. The asset allocation sub-adviser attempts to identify investment allocations for the Underlying PIMCO Funds that will provide consistent, quality performance for the Portfolio, but there is no guarantee that such allocation techniques will produce the desired results. It is possible that the asset allocation sub-adviser will focus on an Underlying PIMCO Fund that performs poorly or underperforms other Underlying PIMCO Funds under various market conditions.

In the normal course of business the Underlying PIMCO Funds trade financial instruments and enter into financial transactions where risk of potential loss exists due to changes in the market (market risk), or failure or inability of the other party to a transaction to perform (credit and counterparty risk). See below for a detailed description of select Principal Risks. For a complete list of all Principal Risks, please see the Important Information About the Portfolio.

Market Risks The Underlying PIMCO Funds' investments in derivatives and other financial instruments expose the Underlying PIMCO Funds to various risks such as, but not limited to, interest rate, foreign currency, equity and commodity 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 Underlying PIMCO Funds 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 useful primarily as a measure of the sensitivity of a fixed income's market price to interest rate (i.e. yield) movements.

If the Underlying PIMCO Funds invest 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 base currency of the Underlying PIMCO Funds, or, in the case of hedging positions, that the Underlying PIMCO Funds' base currency 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 Underlying PIMCO Funds' investment in foreign currency denominated securities may reduce the returns of the Underlying PIMCO Funds.

The market values of equities, such as common stocks and preferred stocks or equity related investments such as futures, 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.

Credit and Counterparty Risks The Underlying PIMCO Funds will be exposed to credit risk on parties with whom it trades and will also bear the risk of settlement default. The Underlying PIMCO Funds minimize concentrations of credit risk by undertaking transactions with a large number of customers and counterparties on recognized and reputable exchanges. The Underlying PIMCO Funds 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 Underlying PIMCO Funds may be exposed to counterparty risk, or the risk that an institution or other entity with which the Underlying PIMCO Funds have unsettled or open transactions will default. Financial assets, which potentially expose the Underlying PIMCO Funds to counterparty risk, consist

principally of cash due from counterparties and investments. PIMCO, as the investment adviser, minimizes counterparty risks to the Underlying PIMCO Funds by performing extensive reviews of each counterparty and obtaining approval from the Counterparty Risk Committee prior to entering into transactions with a third party. Furthermore, to the extent that unpaid amounts owed to the Underlying PIMCO Funds exceed a predetermined threshold agreed to with the counterparty, such counterparty shall advance collateral to the Underlying PIMCO Funds in the form of cash or cash equivalents equal in value to the unpaid amount owed to the Underlying PIMCO Funds. The Underlying PIMCO Funds may invest such collateral in securities or other instruments and will typically pay interest to the counterparty on the collateral received. If the unpaid amount owed to the Underlying PIMCO Funds subsequently falls, the Underlying PIMCO Funds would be required to return to the counterparty all or a portion of the collateral previously advanced to the Portfolio.

All transactions in listed securities are settled/paid for upon delivery using approved counterparties. The risk of default is considered minimal, as delivery of securities sold is only made once the Underlying PIMCO Funds have 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 Underlying PIMCO Funds are subject to various Master Agreements, which govern the terms of certain transactions with select counterparties. These Master Agreements reduce the counterparty risk associated with relevant transactions by allowing the Underlying PIMCO Funds to net contracts in the event of default. All amounts with the counterparty are terminated and settled on a net basis. The Underlying PIMCO Funds' overall exposure to counterparty risk can change substantially within a short period, as it is affected by each transaction subject to the relevant Master Agreement.

Master Repurchase Agreements ("Master Repo Agreements") govern transactions between the Portfolio and select counterparties. The Master Repo Agreements maintain provisions for, initiation, income payments, events of default, and maintenance of collateral for Repurchase Agreements.

Master Securities Forward Transaction Agreements ("Master Forward Agreements") govern the considerations and factors surrounding the settlement of certain purchases and sales made on a delayed-delivery basis by and between the Underlying PIMCO Funds 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.

4. FEES AND EXPENSES

(a) Investment Advisory Fee Pacific Investment Management Company LLC ("PIMCO") is a majority-owned subsidiary of Allianz Global Investors of America L.P. ("AGI"), and serves as investment adviser (the "Adviser") to the Trust, pursuant to an investment advisory contract. The Adviser receives a monthly fee from the Portfolio, at an annual rate based on average daily net assets (the "Investment Advisory Fee"). The Investment Advisory Fee for all classes is charged at an annual rate of 0.175%.

Research Affiliates, LLC ("Research Affiliates") serves as the asset allocation sub-adviser and selects the Underlying PIMCO Funds in which the Portfolio invests. PIMCO pays a fee to Research Affiliates at an annual rate of 0.175% based on average daily net assets of the Portfolio.

(b) Supervisory and Administrative Fee PIMCO serves as administrator (the "Administrator"), and provides supervisory and administrative services to the Trust for which it receives a monthly supervisory and administrative fee based on each

share class's average daily net assets (the "Supervisory and Administrative Fee"). As the Administrator, PIMCO bears the costs of various third-party services, including audit, custodial, portfolio accounting, legal, transfer agency and printing costs. The Supervisory and Administrative Fee for all classes is charged at the annual rate of 0.25%.

(c) Distribution and Servicing Fees Allianz Global Investors Distributors LLC ("AGID") is an indirect wholly-owned subsidiary of AGI and serves as the distributor (the "Distributor") of the Trust's shares. The Trust is permitted to reimburse AGID on a quarterly basis, out of the Administrative Class assets of the Portfolio in the amount of 0.15% on an annual basis of the average daily net assets of that class, for payments made to financial intermediaries that provide services in connection with the distribution of shares or administration of plans or programs that use Portfolio shares as their funding medium. The effective rate paid to AGID was 0.15% during the current fiscal year.

The Trust has adopted separate Distribution Plans for the Advisor Class and Class M shares of the Portfolio. The Distribution Plans have been adopted pursuant to Rule 12b-1 under the Act. The Distribution Plans permit payments for expenses in connection with the distribution and marketing of Advisor Class and Class M shares and/or the provision of shareholder services to Advisor Class and Class M shareholders which permits the Portfolio to make total payments at an annual rate of 0.25% of its average daily net assets attributable to its Advisor Class and Class M shares.

The Trust has also adopted Administrative Services Plans ("Service Plans") for the Class M shares of the Portfolio. The Service Plans allows the Portfolio to use its Class M assets to compensate or reimburse financial intermediaries that provide services relating to Class M shares which permits the Portfolio to make total payments at an annual rate of 0.20% of its average daily net assets attributable to its Class M shares.

(d) Portfolio Expenses The Trust is responsible for the following expenses: (i) salaries and other compensation of any of the Trust's executive officers and employees who are not officers, directors, stockholders or employees of PIMCO or its subsidiaries or affiliates; (ii) taxes and governmental fees; (iii) brokerage fees and commissions and other portfolio transaction expenses; (iv) the costs of borrowing money, including interest expenses and bank overdraft charges; (v) fees and expenses of the Trustees who are not "interested persons" of PIMCO or the Trust, and any counsel retained exclusively for their benefit; (vi) extraordinary expenses, including costs of litigation and indemnification expenses; (vii) organization expenses and (viii) any expenses allocated or allocable to a specific class of shares, which include service fees payable with respect to the Administrative Class Shares, and may include certain other expenses as permitted by the Trust's Multiple Class Plan adopted pursuant to Rule 18f-3 under the Act and subject to review and approval by the Trustees. The ratio of expenses to average net assets per share class, as disclosed on the Financial Highlights, may differ from the annual portfolio operating expenses per share class as disclosed in the Prospectus for the reasons set forth above.

Each Trustee, other than those affiliated with PIMCO or its affiliates, receives an annual retainer of \$15,000, plus \$2,375 for each Board of Trustees meeting attended in person, \$500 for each committee meeting attended and \$750 for each Board of Trustees meeting attended telephonically, plus reimbursement of related expenses. In addition, the audit committee chair receives an additional annual retainer of \$2,000 and each other committee chair receives an additional annual retainer of \$500. These expenses are allocated on a pro-rata basis to the various portfolios of the Trust according to their respective net assets. The Trust pays no compensation directly to any Trustee or any other officer who is affiliated with the Administrator, all of whom receive remuneration for their services to the Trust from the Administrator or its affiliates.

(e) Acquired Fund Fees and Expenses (Underlying PIMCO Fund

Expenses) The Underlying PIMCO Fund expenses for the Portfolio are based upon an allocation of the Portfolio's assets among the Underlying PIMCO Funds and upon the total annual operating expenses of the Institutional Class shares of these Underlying PIMCO Funds. Underlying PIMCO Fund expenses will vary with changes in the expenses of the Underlying PIMCO Funds, as well as allocation of the Portfolio's assets.

PIMCO has contractually agreed, through May 1, 2010, to reduce its Investment Advisory Fee to the extent that the Acquired Fund Fees and expenses attributable to Investment Advisory and Supervisory and Administrative Fees exceed 0.64% of

the total assets invested in Underlying PIMCO Funds. PIMCO may recoup these waivers and reimbursements for a period not exceeding three years, provided that total expenses, including such recoupment, do not exceed the annual expense limit. For the period ended December 31, 2009, PIMCO recouped \$132,456. As of December 31, 2009, the remaining recoverable amount to PIMCO was \$52,496.

5. RELATED PARTY TRANSACTIONS

The Adviser, Administrator, and Distributor are related parties. Fees payable to these parties are disclosed in Note 4 and the accrued related party fees amounts are disclosed in the Statement of Assets and Liabilities.

The All Asset Portfolio invests substantially all of its assets in Institutional Class shares of PIMCO Funds, an affiliated open-end investment company. The Underlying PIMCO Funds are considered to be affiliated with the Portfolio. The table below shows the transactions in and earnings from investments in these affiliated Funds for the period ended December 31, 2009 (amounts in thousands):

Underlying PIMCO Funds	Market Value 12/31/2008	Purchases at Cost	Proceeds from Sales	Unrealized Appreciation/ (Depreciation)	Market Value 12/31/2009	Dividend Income	Net Capital and Realized Gain (Loss)
CommodityRealReturn Strategy Fund®	\$ 43,301	\$ 197,123	\$ 182,752	\$ 18,636	\$ 85,135	\$ 6,292	\$ (16,815)
Convertible Fund	123,536	24,378	128,263	10,664	32,494	621	(15,289)
Developing Local Markets Fund	125,684	58,993	135,227	1,791	55,688	1,677	(25,221)
Diversified Income Fund	40,372	9,339	15,697	1,042	41,802	2,368	(3,813)
Emerging Local Bond Fund	154,229	20,257	148,292	5,036	40,165	5,183	(17,552)
Emerging Markets Bond Fund	111,756	7,496	101,112	3,449	27,638	4,057	(15,916)
EM Fundamental IndexPLUS™ TR Strategy Fund	1,125	41,033	0	1,137	43,246	21,033	0
Floating Income Fund	55,995	47,522	97,723	3,746	17,480	2,854	(5,396)
Foreign Bond Fund (Unhedged)	45	2	0	1	55	2	0
Fundamental Advantage Total Return Strategy Fund	17,998	173,360	0	(25,022)	171,938	21,984	0
Fundamental IndexPLUS™ Fund	13,494	2,753	12,943	(1,011)	3,508	656	(10,977)
Fundamental IndexPLUS™ TR Fund	43,478	57,113	88,934	1,696	13,287	4,867	(14,279)
Global Advantage Strategy Bond Fund	0	41,349	0	311	41,660	1,112	0
Global Bond Fund (Unhedged)	7	0	7	0	0	0	(2)
High Yield Fund	69,430	80,667	156,698	3,445	12,815	5,350	5,235
Income Fund	34,734	9,804	14,685	887	33,129	2,157	(1,753)
International StocksPLUS® TR Strategy Fund (Unhedged)	2,208	1,899	800	(660)	3,799	912	(574)
International StocksPLUS® TR Strategy Fund (U.S. Dollar-Hedged)	31,963	2,691	22,905	(3,886)	16,251	2,264	(6,750)
Investment Grade Corporate Bond Fund	162,684	199,194	169,305	25,913	220,470	18,010	2,424
Long Duration Total Return Fund	12,314	92,293	44,117	2,647	61,561	4,019	(819)
Long-Term Credit Fund	0	107,690	0	4,810	112,500	3,998	0
Long-Term U.S. Government Fund	0	79,162	10,397	(3,167)	65,600	3,338	1
Low Duration Fund	2	70,105	22,440	1,383	49,283	731	232
Real Return Asset Fund	395,273	138,676	128,682	25,312	449,485	15,654	(25,608)
Real Return Fund	1,231	108,127	4,589	4,263	109,126	2,966	0
RealEstateRealReturn Strategy Fund	62,488	1,438	57,067	3,016	6,062	0	(20,211)
Short-Term Fund	2	358,664	288,066	1,004	71,994	688	390
Small Cap StocksPLUS® TR Fund	67,533	63,485	114,280	1,159	11,901	4,276	(8,176)
StocksPLUS® Total Return Fund	2,816	1,969	526	(1,519)	4,896	907	(290)
Total Return Fund	0	182,411	143,096	2,583	45,293	3,775	3,395
Totals	\$ 1,573,698	\$ 2,178,993	\$ 2,088,603	\$ 88,666	\$ 1,848,261	\$ 141,751	\$ (177,764)

6. GUARANTEES AND INDEMNIFICATIONS

Under the Trust's organizational documents, each Trustee, officer, employee or other agent of the Trust (including the Trust's investment manager) is indemnified, to the extent permitted by the Act, against certain liabilities that may arise out of performance of their duties to the Portfolio. Additionally, in the normal course of business, the Portfolio enters into contracts that contain a variety of indemnification clauses. The Portfolio's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Portfolio that have not yet occurred. However, the Portfolio has not had prior claims or losses pursuant to these contracts.

7. PURCHASES AND SALES OF SECURITIES

The length of time the Portfolio has held a particular security is not generally a consideration in investment decisions. A change in the securities held by the Portfolio is known as "portfolio turnover". The Portfolio may engage in frequent and active trading of portfolio securities to achieve its investment objective,

particularly during periods of volatile market movements. High portfolio turnover (e.g., over 100%) involves correspondingly greater expenses to the Portfolio, including brokerage commissions or dealer mark-ups and other transaction costs on the sale of securities and reinvestments in other securities. Such sales may also result in realization of taxable capital gains, including short-term capital gains (which are generally taxed at ordinary income tax rates). The trading costs and tax effects associated with portfolio turnover may adversely affect the Portfolio's performance. The portfolio turnover rates are reported in the Financial Highlights.

Purchases and sales of securities (excluding short-term investments) for the period ended December 31, 2009, were as follows (amounts in thousands):

U.S. Government/Agency		All Other	
Purchases	Sales	Purchases	Sales
\$ 0	\$ 0	\$ 2,178,993	\$ 2,088,603

8. SHARES OF BENEFICIAL INTEREST

The Portfolio may issue an unlimited number of shares of beneficial interest with a \$0.001 par value. Changes in shares of beneficial interest were as follows (shares and amounts in thousands):

	Year Ended 12/31/2009		Year Ended 12/31/2008	
	Shares	Amount	Shares	Amount
Receipts for shares sold				
Institutional Class	175	\$ 1,793	64	\$ 706
Administrative Class	8,861	86,251	9,274	104,348
Advisor Class	37,013	365,953	55,111	618,789
Class M	2,324	23,125	2,996	33,776
Issued as reinvestment of distributions				
Institutional Class	10	108	4	40
Administrative Class	1,481	15,219	1,340	13,532
Advisor Class	9,407	96,716	9,040	89,461
Class M	305	3,162	285	2,842
Cost of shares redeemed				
Institutional Class	(56)	(558)	(29)	(339)
Administrative Class	(5,068)	(48,004)	(14,108)	(149,388)
Advisor Class	(47,132)	(461,910)	(12,344)	(137,555)
Class M	(1,774)	(16,645)	(2,449)	(25,189)
Net increase resulting from Portfolio share transactions	5,546	\$ 65,210	49,184	\$ 551,023

The following schedule shows the number of shareholders each owning 5% or more of the Portfolio and the total percentage of the Portfolio held by such shareholders:

	Number of Shareholders	% of Portfolio Held
Institutional Class	3	100
Administrative Class	2	85*
Advisor Class	3	99
Class M	4	98

* Allianz Life Insurance Co. of North America, a direct subsidiary of Allianz of America, Inc. and a related party to the Portfolio, owned 25% or more of the outstanding shares of beneficial interest of the Portfolio and therefore may be presumed to "control" the Portfolio, as that term is defined in the 1940 Act.

9. REGULATORY AND LITIGATION MATTERS

PIMCO, a subsidiary of AGI, and PIMCO Funds are the subject of a lawsuit in the Northern District of Illinois Eastern Division, in which the complaint alleges that the plaintiffs each purchased and sold a 10-year Treasury note futures contract and suffered damages from an alleged shortage when PIMCO held both physical and futures positions in 10-year Treasury notes for its client accounts in violation of the federal Commodity Exchange Act provisions on market manipulation. In July 2007, the District 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. On July 7, 2009, the Court of Appeals affirmed the District Court's order granting class certification. On October 29, 2009, PIMCO and PIMCO Funds filed a petition for certiorari with the United States Supreme Court, further challenging the class certification order. Management believes the complaint is without merit and PIMCO and PIMCO Funds intend to vigorously defend against this action. The outcome of this action cannot be predicted at this time.

In April 2006, certain registered investment companies and other funds managed by PIMCO were served in an adversary proceeding brought by the Official Committee of Asbestos Claimants of G-I Holdings, Inc. in G-I Holdings, Inc.'s bankruptcy in the District of New Jersey. In July 2004, PIMCO was named in this lawsuit and remains a defendant. The plaintiff seeks to recover for the bankruptcy estate assets that were transferred by the predecessor entity of G-I Holdings, Inc. to a wholly-owned subsidiary in 1994. The subsidiary has since issued notes, of which certain registered investment companies and other funds managed by PIMCO are alleged to be holders. The complaint alleges that in 2000, more than two hundred noteholders—including certain registered investment companies and other funds managed by PIMCO—were granted a second priority lien on the assets of the subsidiary in exchange for their consent to a refinancing transaction and the granting of a first priority lien to the lending banks. The plaintiff is seeking invalidation of the lien in favor of the noteholders and/or the value of the lien. On November 12, 2009, the District Court and Bankruptcy Court issued an order confirming a Plan of Reorganization (the "Plan") in the underlying bankruptcy case. As part of the Plan, the adversary proceeding to which PIMCO and other funds managed by PIMCO ("PIMCO Entities") are parties will be dismissed. In confirming the Plan, the Courts overruled certain objections (unrelated to the dismissal of claims against PIMCO and PIMCO Entities) made by the IRS. The IRS sought a stay pending appeal to the Third Circuit, the stay was granted and GI-Holdings, Inc. has asked the Third Circuit to dismiss the stay. This matter is not expected to have a material adverse effect on the relevant PIMCO Entities.

10. FEDERAL INCOME TAX MATTERS

The Portfolio intends to qualify as a regulated investment company under sub-chapter M of the Internal Revenue Code (the "Code") and distribute all of its taxable income and net realized gains, if applicable, to shareholders. Accordingly, no provision for Federal income taxes has been made.

As of December 31, 2009, the Portfolio has recorded no liability for net unrecognized tax benefits relating to uncertain income tax positions it has taken or expects to take in future tax returns.

As of December 31, 2009, the components of distributable taxable earnings are as follows (amounts in thousands):

Undistributed Ordinary Income	Undistributed Long-Term Capital Gains	Net Tax Basis Unrealized Appreciation/ (Depreciation) ⁽¹⁾	Other Book-to-Tax Accounting Differences	Accumulated Capital Losses ⁽²⁾	Post-October Deferral
\$ 15,339	\$ 0	\$ 33,203	\$ 0	\$ (232,892)	\$ 0

⁽¹⁾ Adjusted for open wash sale loss deferrals.

⁽²⁾ Capital losses available to offset future net capital gains expire in varying amounts in the years shown below.

As of December 31, 2009, the Portfolio had accumulated capital losses expiring in the following years (amounts in thousands). The Portfolio will resume capital gain distributions in the future to the extent gains are realized in excess of accumulated capital losses.

Expiration of Accumulated Capital Losses					
12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017
\$ 0	\$ 0	\$ 0	\$ 0	\$ 46,106	\$ 186,786

As of December 31, 2009, the aggregate cost and the net unrealized appreciation/ (depreciation) of investments for federal income tax purposes are as follows (amounts in thousands):

Federal Tax Cost	Unrealized Appreciation	Unrealized (Depreciation)	Net Unrealized Appreciation/ (Depreciation) ⁽³⁾
\$ 1,816,271	\$ 68,469	\$ (35,265)	\$ 33,204

⁽³⁾ Primary differences, if any, between book and tax net unrealized appreciation/(depreciation) on investments are attributable to open wash sale loss deferrals.

The Portfolio files U.S. tax returns. While the statute of limitations remains open to examine the Portfolio's U.S. tax returns filed for the fiscal years from 2005-2008, no examinations are in progress or anticipated at this time. The Portfolio is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

To the extent the Portfolio invests in the CommodityRealReturn Strategy Fund[®] (the "CRRS Fund"), an Underlying PIMCO Fund, this Portfolio may be subject to additional tax risk.

One of the requirements for favorable tax treatment as a regulated investment company under the Code is that the Portfolio derive at least 90% of its gross income from certain qualifying sources of income. The IRS has issued a revenue ruling which holds that income derived from commodity index-linked swaps is not qualifying income under Subchapter M of the Code. Subsequently, the IRS issued a private letter ruling to the CRRS Fund in which the IRS specifically concluded that income from certain commodity index-linked notes is qualifying income. In addition, the IRS issued another private letter ruling to the CRRS Fund in which the IRS specifically concluded that income derived from the CRRS Fund's investment in the Subsidiary, which invests primarily in commodity index-linked swaps, will also constitute qualifying income to the CRRS Fund. Based on such rulings, the CRRS Fund will continue to seek to gain exposure to the commodity markets primarily through investments in commodity-linked notes and through investments in its subsidiary.

Shares of the Portfolio currently are sold to segregate asset accounts ("Separate Accounts") of insurance companies that fund variable annuity contracts and variable life insurance policies ("Variable Contracts"). Please refer to the prospectus for the Separate Account and Variable Contract for information regarding federal income tax treatment of distributions to the Separate Account.

For the fiscal years ended December 31, 2009 and December 31, 2008, respectively, the Portfolio made the following tax basis distributions (amounts in thousands):

Fiscal Year Ended	Ordinary Income Distributions ⁽⁴⁾	Long-Term Capital Gain Distributions	Return of Capital ⁽⁵⁾
12/31/2009	\$ 115,204	\$ 0	\$ 0
12/31/2008	91,592	4,218	10,065

⁽⁴⁾ Includes short-term capital gains, if any, distributed.

⁽⁵⁾ A portion of the distributions made represents a tax return of capital. Return of capital distributions have been reclassified from undistributed net investment income to paid-in capital to more appropriately conform financial accounting to tax accounting.

11. SUBSEQUENT EVENTS

The investment adviser has evaluated the possibility of subsequent events existing in the Portfolio's financial statements through February 19, 2010, the date that the financial statements were available to be issued. The investment adviser has determined that there are no additional material events that would require disclosure in the Portfolio's financial statements through this date.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of PIMCO Variable Insurance Trust and Class M Shareholders of the All Asset Portfolio:

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 and the financial highlights for Class M present fairly, in all material respects, the financial position of the All Asset Portfolio (one of the portfolios constituting PIMCO Variable Insurance Trust, hereinafter referred to as the "Portfolio") at December 31, 2009, the results of its operations for the year then ended, the changes in its net assets 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 for Class M 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 Portfolio'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 December 31, 2009 by correspondence with the transfer agent and counterparties, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
Kansas City, Missouri
February 19, 2010

As required by the Internal Revenue Code ("Code") and Treasury Regulations, if applicable, shareholders must be notified within 60 days of the Portfolio's fiscal year end regarding the status of qualified dividend income and the dividend received deduction.

Qualified Dividend Income. Under the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "Act"), the following percentage of ordinary dividends paid during the calendar year was designated as "qualified dividend income", as defined in the Act, subject to reduced tax rates in 2009:

0.83%

Dividend Received Deduction. Corporate shareholders are generally entitled to take the dividend received deduction on the portion of a Portfolio's dividend distribution that qualifies under tax law. The percentage of the following Portfolio's calendar year ordinary income dividend that qualifies for the corporate dividend received deduction is set forth below:

0.86%

Shareholders are advised to consult their own tax advisor with respect to the tax consequences of their investment in the Trust. However, income received by tax-exempt recipients need not be reported as taxable income.

The Portfolio considers customer privacy to be a fundamental aspect of their relationships with shareholders and are committed to maintaining the confidentiality, integrity and security of their current, prospective and former shareholders' personal information. To ensure their shareholders' privacy, the Portfolio has developed policies that are designed to protect this confidentiality, while allowing shareholder needs to be served.

Obtaining Personal Information

In the course of providing shareholders with products and services, the Portfolio and certain service providers to the Portfolio, such as the Portfolio's investment advisers ("Advisers"), may obtain non-public personal information about shareholders, which may come from sources such as account applications and other forms, from other written, electronic or verbal correspondence, from shareholder transactions, from a shareholder's brokerage or financial advisory firm, financial adviser or consultant, and/or from information captured on the Portfolio's internet websites.

Respecting Your Privacy

As a matter of policy, the Portfolio does not disclose any personal or account information provided by shareholders or gathered by the Portfolio to non-affiliated third parties, except as required or permitted by law or as necessary for such third parties to perform their agreements with respect to the Portfolio. 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 shareholder satisfaction and gathering shareholder proxies. A Portfolio's Distributor may also retain non-affiliated companies to market the Portfolio's shares or products which use the Portfolio's shares and enter into joint marketing agreements with other companies. These companies may have access to a shareholder's personal and account information, but are permitted to use this information solely to provide the specific service or as otherwise permitted by law. In most cases, the shareholders will be clients of a third party, but the Portfolio may also provide a shareholder's personal and account information to the shareholder's respective brokerage or financial advisory firm.

Sharing Information with Third Parties

The Portfolio reserves the right to disclose or report personal information to non-affiliated third parties, in limited circumstances, where the Portfolio believes in good faith that disclosure is required under law to cooperate with regulators or law enforcement authorities, to protect their rights or property or upon reasonable request by any Portfolio in which a shareholder has chosen to invest. In addition, the Portfolio may disclose information about a shareholder's accounts to a non-affiliated third party with the consent of the shareholder.

Sharing Information with Affiliates

The Portfolio may share shareholder information with their affiliates in connection with servicing their shareholders' accounts or to provide shareholders with information about products and services that the Portfolio or its Advisers, principal underwriters or their affiliates ("Service Affiliates") believe may be of interest to such shareholders. The information that the Portfolio share may include, for example, a shareholder's participation in one of the Portfolio or in other investment programs sponsored by a Service Affiliate, a shareholder's ownership of certain types of accounts (such as IRAs), or other data about a shareholder's accounts. The Portfolio's Service Affiliates, in turn, are not permitted to share shareholder information with non-affiliated entities, except as required or permitted by law.

Procedures to Safeguard Private Information

The Portfolio takes seriously the obligation to safeguard shareholder non-public personal information. In addition to this policy, the Portfolio has 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 such shareholders. In order to guard a shareholder's non-public personal information, physical, electronic and procedural safeguards are in place.

Management of the Trust

The chart below identifies the Trustees and Officers of the Trust. Each “interested” Trustee as defined by the 1940 Act, is indicated by an asterisk (*). Unless otherwise indicated, the address of all persons below is 840 Newport Center Drive, Newport Beach, CA 92660.

The Portfolio’s Statement of Additional Information includes more information about the Trustees and Officers. To request a free copy, call PIMCO at 1-800-927-4648 or visit our Website at www.pimco.com.

Name, Age and Position Held with Trust	Term of Office** and Length of Time Served	Principal Occupation(s) During the Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee
Interested Trustee				
Brent R. Harris* (50) <i>Chairman of the Board and Trustee</i>	08/1997 to present	Managing Director and member of Executive Committee, PIMCO; Formerly, Chairman and Director, PCM Fund, Inc.	131	Chairman and Trustee, PIMCO Funds and PIMCO ETF Trust.
Independent Trustees				
E. Philip Cannon (69) <i>Trustee</i>	05/2000 to present	Proprietor, Cannon & Company (an investment firm); Formerly, President, Houston Zoo. Formerly, Trustee Allianz Funds (formerly, PIMCO Funds: Multi-Manager Series); Formerly, Director, PCM Fund, Inc.	131	Trustee, PIMCO Funds and PIMCO ETF Trust.
Vern O. Curtis (75) <i>Trustee</i>	08/1997 to present	Private Investor; Formerly, Director, PCM Fund, Inc.	131	Trustee, PIMCO Funds and PIMCO ETF Trust.
J. Michael Hagan (70) <i>Trustee</i>	05/2000 to present	Private Investor and Business Advisor (primarily to manufacturing companies); Formerly, Director, Remedy Temp (staffing); Formerly, Director, PCM Fund, Inc.	131	Trustee, PIMCO Funds and PIMCO ETF Trust; Director, Ameron International (manufacturing); and Director, Fleetwood Enterprises (manufacturer of housing and recreational vehicles).
Ronald C. Parker (58) <i>Trustee</i>	07/2009 to present	Adjunct Professor, Linfield College; Chairman of the Board, The Ford Family Foundation. Formerly President, Chief Executive Officer, Hampton Affiliates (forestry products)	131	Trustee, PIMCO Funds and PIMCO ETF Trust.
William J. Popejoy (71) <i>Trustee</i>	08/1997 to present	Private Investor; Formerly, Director, New Century Financial Corporation (mortgage banking); Formerly, Director, PCM Fund, Inc.	131	Trustee, PIMCO Funds and PIMCO ETF Trust.

Richard M. Weil served as Trustee of the Trust from February 2009 to January 2010. Effective January 22, 2010, Mr. Weil resigned as Trustee of the Trust. Mr. Weil also served as Managing Director and member of the Executive Committee at PIMCO. Total number of Portfolios in Fund Complex overseen by Mr. Weil was 131. Other Directorships held by Mr. Weil included Trustee of PIMCO Funds and PIMCO ETF Trust.

** Mr. Harris is an “interested person” of the Trust (as that term is defined in the 1940 Act) because of his affiliation with PIMCO.*

*** Trustees serve until their successors are duly elected and qualified*

Name, Age and Position Held with Trust	Term of Office**** and Length of Time Served	Principal Occupation(s) During Past 5 Years
Officers		
Brent R. Harris (50) <i>President</i>	03/2009 to present	Managing Director, PIMCO.
David C. Flattum (45) <i>Chief Legal Officer</i>	11/2006 to present	Managing Director and General Counsel, PIMCO. Formerly, Executive Vice President, PIMCO, Managing Director, Chief Operating Officer and General Counsel, Allianz Global Investors of America L.P. and Partner at Latham & Watkins LLP.
Jennifer E. Durham (39) <i>Chief Compliance Officer</i>	07/2004 to present	Executive Vice President, PIMCO. Formerly, Senior Vice President, Vice President and Legal/Compliance Manager, PIMCO.
William H. Gross (65) <i>Senior Vice President</i>	08/1997 to present	Managing Director and Co-Chief Investment Officer, PIMCO.
Mohamed El-Erian (51) <i>Senior Vice President</i>	05/2008 to present	Managing Director, Co-Chief Investment Officer and Co-Chief Executive Officer, PIMCO. Formerly, President and CEO of Harvard Management Company. Formerly, Managing Director, PIMCO.
J. Stephen King (47) <i>Vice President - Senior Counsel and Secretary</i>	05/2005 to present	Senior Vice President and Attorney, PIMCO. Formerly, Vice President, PIMCO; and Associate, Dechert LLP.
Henrik P. Larsen (39) <i>Vice President</i>	02/1999 to present	Senior Vice President, PIMCO. Formerly, Vice President, PIMCO.
Peter G. Strelow (39) <i>Vice President</i>	05/2008 to present	Executive Vice President, PIMCO. Formerly, Senior Vice President and Vice President, PIMCO
Joshua D. Ratner (33) <i>Assistant Secretary</i>	10/2007 to present	Vice President and Attorney, PIMCO. Formerly Associate, Skadden, Arps, Slate, Meagher & Flom LLP.
John P. Hardaway (52) <i>Treasurer</i>	08/1997 to present	Executive Vice President, PIMCO. Formerly, Senior Vice President, PIMCO.
Stacie D. Anctil (40) <i>Assistant Treasurer</i>	11/2003 to present	Senior Vice President, PIMCO. Formerly, Vice President and Specialist, PIMCO.
Erik C. Brown (42) <i>Assistant Treasurer</i>	02/2001 to present	Senior Vice President, PIMCO. Formerly, Vice President, PIMCO.
Trent W. Walker (35) <i>Assistant Treasurer</i>	05/2007 to present	Senior Vice President, PIMCO. Formerly, Vice President, PIMCO; and Senior Manager, PricewaterhouseCoopers LLP.

Richard M. Weil served as Senior Vice President of the Trust from May 2009 to January 2010. Effective January 22, 2010, Mr. Weil resigned as Senior Vice President of the Trust. Mr. Weil's principal occupation during the past 5 years was Managing Director at PIMCO.

**** The Officers of the Trust are re-appointed annually by the Board of Trustees.

Approval of Renewal of the Amended and Restated Investment Advisory Contract, Asset Allocation Sub-Advisory Agreements, and Renewal of Supervision and Administration Agreement

On August 10-11, 2009, the Board of Trustees (the "Board") of PIMCO Variable Insurance Trust (the "Trust"), including all of the independent Trustees, approved the Trust's Amended and Restated Investment Advisory Contract with Pacific Investment Management Company LLC ("PIMCO") on behalf of each of the Trust's portfolios (the "Portfolios") for an additional one-year term through August 31, 2010. The Board also considered and approved for an additional one-year term through August 31, 2010, the Supervision and Administration Agreement (together with the Investment Advisory Contract, the "Agreements") with PIMCO on behalf of the Trust. The Board also considered and approved the renewal of the Asset Allocation Sub-Advisory Agreements (the "Asset Allocation Agreements") with Research Affiliates, LLC ("RALLC"), on behalf of the PIMCO All Asset Portfolio and PIMCO All Asset All Authority Portfolio, each a series of the Trust, for an additional one-year term through August 31, 2010.

The information, material factors and conclusions that formed the basis for the Board's approvals of the Agreements and the Asset Allocation Agreements are described below.

1. Information Received

A. Materials Reviewed

During the course of each year, the Trustees receive a wide variety of materials relating to the services provided by PIMCO and RALLC. At each of its quarterly meetings, the Board reviews portfolio investment performance and a significant amount of information relating to portfolio operations, including the Portfolios' compliance program, shareholder services, valuation, custody, distribution, and other information relating to the nature, extent and quality of services provided by PIMCO and RALLC to the Trust. In considering whether to approve renewal of the Agreements and Asset Allocation Agreements, the Board also reviewed supplementary information, including comparative industry data with regard to investment performance, advisory and supervisory and administrative fees and expenses, financial and profitability information regarding PIMCO and RALLC and information about the personnel providing investment management services and supervisory and administrative services to the Portfolios. The Board also reviewed material provided by counsel to the Trust and the independent Trustees, which included, among other things, memoranda outlining legal duties of the Board.

B. Review Process

In connection with the approval of the renewal of the Agreements and the Asset Allocation Agreements, the Board reviewed written materials prepared by PIMCO and RALLC in response to requests from counsel to the Trust. The Board also requested and received assistance and advice regarding applicable legal standards from Trust counsel, and reviewed comparative fee and performance data prepared at the Board's request by Lipper, Inc. ("Lipper"), an independent provider of investment company performance and fee and expense data. The Board also heard oral presentations on matters related to the Agreements and Asset Allocation Agreements and met both as a full Board and as the independent Trustees alone, without management present, at the August 10-11, 2009 meeting. The independent Trustees also met telephonically with counsel to the Trust on August 3, 2009 to discuss the materials presented.

The approval determinations were made on the basis of each Trustee's business judgment after consideration of all the information presented. Individual Trustees may have given different weights to certain factors and assigned various degrees of materiality to information received in connection with the approval process. In deciding to recommend the renewal of the Agreements and Asset Allocation Agreements, the Board did not identify any single factor or particular information that, in isolation, was controlling. This discussion is not intended to be all-inclusive. This summary describes the most important, but not all, of the factors considered by the Board.

2. Nature, Extent and Quality of Services

A. PIMCO, RALLC, their Personnel, and Resources

The Board considered the depth and quality of PIMCO's investment management process, including: its global research capabilities; the experience, capability and integrity of its senior management and other personnel; the low turnover rates of its key personnel; and the overall financial strength and stability of its organization. The Board also considered that PIMCO makes available to its investment professionals a variety of resources and systems relating to investment management, compliance, trading, performance and portfolio accounting. The Board considered PIMCO's commitment to investing in information technology supporting investment management and compliance, as well as PIMCO's continuing efforts to attract and retain qualified personnel and to maintain and enhance its resources and systems. The Board also considered PIMCO's responses to the recent challenging market environment and noted the high level of service provided during these market events, including active liquidity and collateral management, frequent pricing committee meetings and adding personnel to the pricing team, additional client communications and providing appropriate staffing and operational resources to support record trade volumes. The Board also noted that PIMCO has a Best Execution Committee and a best execution policy, which assists the Portfolios in obtaining the most advantageous combination of price and execution for trades.

Similarly, the Board considered the asset-allocation services provided by RALLC to the PIMCO All Asset Portfolio. The Board noted that the PIMCO All Asset All Authority Portfolio had not commenced offering shares as of the date of the meeting. The Board considered the depth and quality of RALLC's investment management and research capabilities, the experience and capabilities of its portfolio management personnel, and in particular the experience and capabilities of Robert Arnett, and the overall financial strength of the organization.

Ultimately, the Board concluded that the nature, extent and quality of services proposed to be provided by PIMCO under the Agreements and by RALLC under the Asset Allocation Agreements are likely to benefit the Portfolios and their shareholders.

B. Other Services

The Board considered PIMCO's policies, procedures and systems to assure compliance with applicable laws and regulations and its commitment to these programs; its efforts to keep the Trustees informed about matters relevant to the Trust and its shareholders; and its attention to matters that may involve conflicts of interest with the Trust. The Board also considered the nature, extent, quality and cost of supervisory and administrative services provided by PIMCO to the Portfolios under the Supervision and Administration Agreement. The Board noted that the Supervision and Administration Agreement was approved at the August 2008 Board meeting to replace the Trust's previous Administration Agreement. The purpose of the change was to reflect the increased scope and complexity of supervisory and administrative services that PIMCO has been providing to the Trust. The Board considered the terms of Trust's Supervision and Administration Agreement, under which the Trust pays for the administrative services it requires under what is essentially an all-in fee structure (the "unified fee"). In return, PIMCO provides or procures supervisory and administrative services and bears the costs of various third party services required by the Portfolios, including audit, custodial, portfolio accounting, legal, transfer agency and printing costs. The Board noted that, in recent years, the scope and complexity of the supervisory and administrative services provided by PIMCO under the Supervision and Administration Agreement has increased. The Board considered PIMCO's provision of these services and supervision of the

Trust's third party service providers to assure that these service providers continue to provide a high level of service relative to alternatives in the market. Ultimately, the Board concluded that the nature, extent and quality of the services provided by PIMCO has benefited and will likely continue to benefit the Portfolios and their shareholders.

3. Investment Performance

The Board received and examined information from PIMCO concerning the Portfolios' one-, three-, five- and ten-year performance, as available, for the periods ended March 31, 2009 and other performance data, as available, for the period ended June 30, 2009 (the "PIMCO Report") and from Lipper concerning the Portfolios' one-, three-, five-, and ten-year performance, as available, for the periods ended May 31, 2009 (the "Lipper Report"). The Board considered information regarding both the short-term and long-term investment performance of each Portfolio relative to its peer group and relevant benchmark index as provided to the Board in advance of each of its quarterly meetings throughout the year, including the PIMCO Report and Lipper Report, which were provided in advance of the August 10-11, 2009 meeting.

The Board noted that a majority of the Portfolios of the Trust had generally and fairly consistently outperformed their respective benchmarks on a net-of-fees basis over the one-year period. The Board also noted that as of May 31, 2009, 64% of the Portfolios outperformed their Lipper category median in the one-year period, and more than 81% of the Portfolios outperformed their Lipper category median over the three-year and five-year periods (based on the performance of the Administrative Class). The Board considered that other classes of each Portfolio would have substantially similar performance to that of the Administrative Class of each Portfolio because all of the classes are invested in the same portfolio of securities and that differences in performance among classes could be attributed to differences in each class's different expenses.

Although the Portfolios generally performed well versus competitors during the recent liquidity crisis, the Board noted that some of the Portfolios had underperformed in comparison to their respective benchmark indexes on a net-of-fees basis over the three-, five- and ten-year periods. The Board discussed with PIMCO the reasons for the underperformance of certain Portfolios. The Board also discussed actions that had been taken by PIMCO to attempt to improve performance and took note of PIMCO's plans to monitor and address performance going forward. The Board noted that despite the underperformance of certain Portfolios, the Trust has experienced an increase in net assets during the first six months of 2009.

The Board also considered that the investment objectives of certain of the Portfolios may not be identical to those of the other funds in their respective peer groups, that the Lipper categories do not separate funds based upon maturity or duration, do not account for hedging strategies, do not distinguish between enhanced index and actively managed equity strategies, do not include as many subsets as the Portfolios offer (*i.e.*, Portfolios may be placed in a "catch-all" category) and do not account for certain fee waivers. The Board noted that, due to these differences, performance comparisons between certain of the Portfolios and their so-called peers may be inexact.

The Board ultimately determined, within the context of all of its considerations in connection with the Agreements, that the Trust's overall investment performance was strong, and concluded that PIMCO's performance record and process in managing the Portfolios indicates that its continued management is likely to benefit the Portfolios and their shareholders, and merits the approval of the continuation of the Agreements.

4. Advisory Fees, Supervisory and Administrative Fees and Total Expenses

PIMCO reported to the Board that, in proposing fees for any Portfolio or class of shares, it considers a number of factors, including the type and complexity of the

services provided, the cost of providing services, the risk assumed by PIMCO in the provision of services, the impact on potential returns from different levels of fees, the competitive marketplace for financial products, and the attractiveness of potential Portfolio returns to current and potential investors. Fees charged to or proposed for different Portfolios for advisory services and supervisory and administrative services may vary in light of these various factors.

The Board reviewed the advisory fees, supervisory and administrative fees and total expenses of the Portfolios (each as a percentage of average net assets) and compared such amounts with the average and median fee and expense levels of other similar funds. With respect to advisory fees, the Board reviewed data from Lipper that compared the average and median advisory fees of other funds in an "Expense Group" of comparable funds, as well as the universe of other similar funds. The Board noted that most Portfolios have total expense ratios that fall below the median expenses of their Lipper universe.

The Board also reviewed data comparing the Portfolios' advisory fees to the standard fee rates PIMCO charges to separate accounts with a similar investment strategy, and found them to be comparable. In cases where the separate account fees were lower, the Trustees noted that the differences in fees were attributable to various factors, including differences in the services provided by PIMCO to the Portfolios, the manner in which similar funds may be managed, differences in liquidity and other regulatory requirements, and the fact that separate accounts may have other contractual arrangements that justify different levels of fees.

The Board also considered the Portfolios' supervisory and administrative fees, comparing them to similar funds in the report supplied by Lipper. The Board considered that as the Portfolios' business has become increasingly complex, PIMCO has provided an increasingly broad array of fund supervisory and administrative functions. The Board considered the Trust's unified fee structure, under which the Trust pays for the supervisory and administrative services it requires for one set fee, and in return, PIMCO provides or procures supervisory and administrative services and bears the costs of various third party services required by the Portfolios, including audit, custodial, portfolio accounting, legal, transfer agency and printing costs. The Board noted that many other funds pay for these services separately, and thus it is difficult to directly compare the Portfolios' unified supervisory and administrative fees with the fees paid by other funds for administrative services alone. The Board noted that the unified supervisory and administrative fee leads to fund fees that are fixed, rather than variable, and that the fixed fees were viewed by many in the industry as a positive attribute of the Portfolios. The Board concluded that the Portfolios' supervisory and administrative fees were reasonable in relation to the value of the services provided, including the services provided to different classes of shareholders, and that the expenses assumed contractually by PIMCO under the Supervisory and Administration Agreement represent, in effect, a cap on fund fees that is beneficial to the Portfolios and their shareholders.

With respect to overall levels of Portfolio expenses, the Board observed that bond funds are more fee- and expense-ratio sensitive than equity funds, given the tangible impact of fees and expenses on yield, and that investors appear to be satisfied with the Portfolios' performance, as evidenced by the continued growth in Portfolio assets. The Board noted that the total expenses for 87% of the Portfolios' Administrative Class shares fall below the median total expense of their respective Lipper Expense Group. The Board discussed with PIMCO those Portfolios and/or classes of Portfolios that have above median expenses. The Board noted that several Portfolios launched in recent years have been unique products that have few, if any peers, and cannot easily be grouped with comparable funds. Upon comparing the Portfolios' total expenses to other funds in the Expense Groups provided by Lipper, the Board found the Portfolios' total expenses to be reasonable. The Board noted that PIMCO has maintained at the same level or reduced the Portfolios' fees since the inception of the Trust. The Board further noted that, although the unified fee structure does not have break

points, it implicitly reflects the sharing of economies of scale by fixing the absolute level of Portfolio fees at competitive levels even if the Portfolios' operating costs rise when assets remain flat or decrease over time.

Based on the information presented by PIMCO, RALLC and Lipper, members of the Board then determined, in the exercise of their business judgment, that the level of the advisory fees and supervisory and administrative fees charged by PIMCO under the Agreements, as well as the total expenses of the Portfolios, are reasonable and renewal of the Agreements and the Asset Allocation Agreements will likely benefit the Portfolios and their shareholders.

5. Adviser Costs, Level of Profits and Economies of Scale

The Board reviewed information regarding PIMCO's costs of providing services to the Portfolios as a whole, as well as the resulting level of profits to PIMCO, noting that those results were comparable to the reported results of several publicly held investment management companies. The Board noted that it had also received information regarding the structure and manner in which PIMCO's investment professionals were compensated, and PIMCO's view of the relationship of such compensation to the attraction and retention of quality personnel. The Board considered PIMCO's need to invest in technology, infrastructure and staff to reinforce and offer new services and to accommodate changing regulatory requirements.

With respect to potential economies of scale, the Board found that because the unified fee protects shareholders against unanticipated increases in fees due to redemptions, declines in asset values, or increases in the costs of services provided or procured by PIMCO, economies of scale are implicitly recognized in the level of the unified fee (which, together with the advisory fee, serves as a proxy for the Portfolios' overall expense ratios). The Board reviewed the history of the Portfolios' fee structure. The Board noted that PIMCO had taken on the risk that Portfolio expenses would increase or that assets would decline over time. The Board considered that during the recent market downturn the Portfolios' unified fee has protected shareholders against an increase in expenses that may

accompany significant declines in assets. The Board concluded that the Portfolios' cost structure was reasonable and that the unified fee structure inherently involves the sharing of economies of scale between PIMCO and the Portfolios, to the benefit of Portfolio shareholders.

6. Ancillary Benefits

The Board considered other benefits received by PIMCO and its affiliates as a result of PIMCO's relationship with the Trust, including possible ancillary benefits to PIMCO's institutional investment management business due to the reputation and market penetration of the Portfolios. The Board also considered that affiliates of PIMCO provide distribution and shareholder services to the Portfolios and their shareholders, for which they may be compensated under the unified fee, or through distribution fees paid pursuant the Portfolios' Rule 12b-1 plans. The Board also reviewed PIMCO's soft dollar policies and procedures, noting that while PIMCO has the authority to receive the benefit of research provided by broker-dealers executing portfolio transactions on behalf of the Portfolios, it has adopted a policy not to accept soft dollars.

7. Conclusions

Based on their review, including their consideration of each of the factors referred to above, the Board concluded that the nature, extent and quality of the services rendered to the Portfolios by PIMCO and RALLC continued to be excellent and favored the renewal of the Agreements and the Asset Allocation Agreements. The Board concluded that the Agreements and the Asset Allocation Agreements continued to be fair and reasonable to the Portfolios and their shareholders, that the Portfolios' shareholders received reasonable value in return for the fees paid to PIMCO by the Portfolios under the Agreements, and the fees paid to RALLC by PIMCO under the Asset Allocation Agreements, and that the renewal of the Agreements and the Asset Allocation Agreements was in the best interests of the Portfolios and their shareholders.

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