

Quarterly Investment Report

March 31, 2010

PVIT Global Bond Portfolio (Unhedged)
Administrative Class

A company of **Allianz** 
Global Investors

P I M C O

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PVIT Global Bond Portfolio (Unhedged)

Market Commentary	Market Outlook
<ul style="list-style-type: none"> ▪ The global economy continued to recover in the first quarter with the assistance of massive monetary and fiscal support ▪ Major central banks maintained their commitment to support their economies and markets with expansive policies, though nonstandard measures were on the way out ▪ Global equities and other risk assets continued their 2009 rally, though with increased volatility and headline sensitivity on the back of rising sovereign risk 	<ul style="list-style-type: none"> ▪ PIMCO continues to expect developed economies to grow much more slowly than emerging markets, owing to disparate pre-crisis economic conditions ▪ The recovery of the developed world faces the tension between cyclical tailwinds and structural headwinds ▪ With economic recovery not assured, G3 central banks are unlikely to raise rates in the near future, but increased focus on sovereign risk likely contributes to lingering uncertainty
Portfolio Recap	Portfolio Strategy
<ul style="list-style-type: none"> ▪ The Portfolio outperformed its index for the quarter ▪ Country and sovereign risk differentiation with respect to interest rate exposure and select positions to high-quality spread assets both helped returns during the quarter ▪ The following strategies added to quarterly returns: <ul style="list-style-type: none"> ➢ Duration overweight in core Eurozone (Germany) and underweight in peripheries, as sovereign spreads of peripheral countries widened significantly ➢ Duration underweight in Japan, especially on the long end, as long maturity yields rose ➢ An overweight to bonds issued by financial companies, which outperformed the broader corporate market ➢ Holdings of high quality consumer asset-backed bonds and non-Agency mortgage securities, which continued their recovery amid a return of market liquidity ➢ Underweight the euro and pound sterling relative to a basket of high-yielding developed and emerging market (EM) currencies also added value ▪ The following strategies detracted from quarterly returns: <ul style="list-style-type: none"> ➢ Modest overweight to Australian duration was negative to performance as yields rose over the quarter 	<ul style="list-style-type: none"> ▪ Target an overweight to duration in core Eurozone (Germany) and Canada, neutral in the U.S., and underweight Japan and U.K. The negative impact of “exit strategies” is potentially lower in Germany and Canada, owing to healthier government balance sheets ▪ Emphasize short to intermediate maturities in the U.S. and core Eurozone where markets are pricing in more aggressive tightening than we would anticipate ▪ Remain neutral to underweight in inflation-linked bonds. Still-large output gaps suggest that disinflation is a bigger risk over the cyclical horizon ▪ Plan to underweight Agency mortgage-backed securities (MBS), but still take limited exposure in commercial MBS, Euro covered bonds and Australian mortgages where valuations remain attractive ▪ Look to stay underweight in the overall corporate credits, but continue to hold high quality, well-capitalized financials; while avoiding high yield and other low quality investments ▪ Plan to underweight the euro and pound against a basket of higher-yielding developed and EM currencies including the Chinese yuan, Korean won, Brazilian real and Mexican peso

Summary of Performance Data and Portfolio Statistics

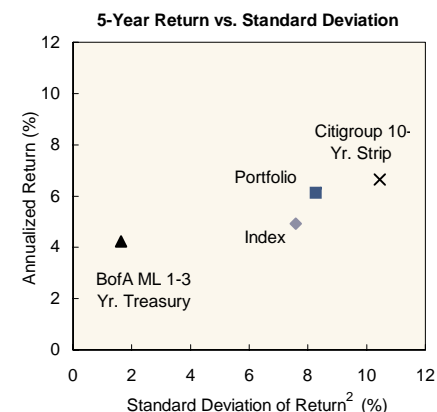
PVIT Global Bond Portfolio (Unhedged)

Administrative Class

Performance	Since					
Periods Ended 3/31/2010	Inception	5 yrs	3 yrs	1 yr	6 mos	3 mos
Total Portfolio¹						
Before Fees (%)	9.18	6.13	9.28	24.46	1.73	1.33
After Fees (%)	8.21	5.18	8.30	23.37	1.28	1.11
(Inception 01/10/02)						
JPMorgan GBI Global FX NY Index Unhedged in USD (%)	7.81	4.92	7.23	5.80	-3.00	-1.26

Average total returns do not include fees and charges of the variable product. If these fees and charges were reflected performance would be lower.

The performance quoted represents past performance. Past performance is no guarantee of future results. Investment return and principal value will fluctuate so that Fund shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. The Fund's total annual operating expense ratio is 0.97%. Total net annual fund operating expenses is 0.90%. Details regarding any Fund's operating expenses can be found in the Fund's prospectus. Performance data current to the most recent month-end is available at <http://www.pimco-funds.com/pvit/index1.aspx> or by calling (800) 927- 4648.



Total net annual fund operating expenses exclude interest expenses. Interest expenses are based on the amounts incurred during the Fund's most recent fiscal year as a result of entering into certain investments; the amount of interest expense (if any) will vary.

Summary Information	12/31/2009	3/31/2010	Benchmark			Benchmark		
			Portfolio	Benchmark	Variance	Portfolio	Benchmark	Variance
Total Net Assets (USD in millions)	542.2	591.2						
SEC 30-Day Ann. Yield (%)	2.71	2.61						
Distribution Yield (%) ³	2.76	2.58						
Effective Duration (yrs)	7.0	6.6						
Benchmark Duration (yrs)	6.3	6.3						
Effective Maturity (yrs)	7.2	6.5						
Average Coupon (%)	3.9	3.8						
Net Currency Exposure (%)	72.8	71.8						
Tracking Error (5 yrs, %) ⁴	4.1	4.2						
Information Ratio (5 yrs) ⁴	0.0	0.1						
Regional Allocation								
(% of Duration)								
Europe - EMU	30	32	-2	29	30	-1		
Europe - non-EMU	0	1	-1	1	1	0		
United Kingdom	4	9	-5	2	8	-6		
North America	32	24	8	32	26	6		
Japan	25	34	-9	29	35	-6		
Asia Pacific ex-Japan	0	0	0	0	0	0		
Emerging Markets	0	0	0	2	0	2		
Other / Net Cash	9	0	9	5	0	5		
Total	100	100		100	100			

See example of tracking error / information ratio in Important Information section of the Appendix.

Additional Share Class Performance

March 31, 2010

PVIT Global Bond Portfolio (Unhedged)

Net of Fees Performance	Gross Expense Ratio	Net Expense Ratio*	NAV Currency	Inception Date	Since Inception	10 Year	5 Year	3 Year	1 Year	6 Month	3 Month
INSTITUTIONAL Class:											
Global Bond Portfolio (Unhedged), Institutional	0.86	0.75	USD	Jan-31-06	7.29	-	-	8.47	23.54	1.35	1.14
JPMorgan GBI Global FX NY Index Unhedged in USD			-		-	-	-	7.23	5.80	-3.00	-1.26
ADVISORY Class:											
Global Bond Portfolio (Unhedged), Advisory	1.12	1.00	USD	Oct-31-06	7.61	-	-	8.19	23.24	1.22	1.08
JPMorgan GBI Global FX NY Index Unhedged in USD			-		-	-	-	7.23	5.80	-3.00	-1.26

Average total returns do not include fees and charges of the variable product. If these fees and charges were reflected performance would be lower.

The performance quoted represents past performance. Past performance is no guarantee of future results. Investment return and principal value will fluctuate so that Fund shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Details regarding any Fund's operating expenses can be found in the Fund's prospectus. Performance data current to the most recent month-end is available at www.pimco-funds.com/pvit/index1.aspx or by calling (800) 927-4648.

* Total net annual fund operating expenses exclude interest expenses. Interest expenses are based on the amounts incurred during the Fund's most recent fiscal year as a result of entering into certain investments; the amount of interest expense (if any) will vary.

Summary

The global economy continued to recover in the first quarter with the assistance of massive monetary and fiscal support. Risky assets around the world, notably equities and high yield bonds, continued their 2009 rally though with increased volatility on the back of rising sovereign risk. Still, self-sustaining growth remained elusive: deficit-spending has become constrained by concern over rising public debt levels, while improvement in private demand outside those sectors directly targeted by government policies has been limited. Emerging markets (EM), most notably China, outperformed the developed world with a solid recovery. They even began to provide demand support to the rest of the world, though this was not sufficient to fully offset the drop in industrialized country demand. Fortunately, policymakers around the world continued to support their economies with expansive policies. While nonstandard measures were on the way out as “exit strategies” took center stage, most policymakers remained keenly focused on the still-wide output gap and recognized that premature rate hikes could jeopardize further recovery.

Growth and Inflation

The first quarter likely saw another uptick in global GDP, with production and final output supported by stimulus-led demand. However, the sustainability of such a policy-driven recovery has been challenged by rising fiscal concerns and a still-weak private sector, calling into question the ability of the global economy to achieve the growth rates seen in the Old Normal.

The U.S. economy grew by 5.6 percent in the fourth quarter, much stronger than market consensus. Moreover, higher frequency data indicated that the cyclical momentum continued; the ISM manufacturing index improved to a new cycle high in March and industrial production held up strong despite the negative winter weather effect. There was even good news on the consumer side as February retail sales surprised on the upside and companies appeared to have stopped shedding workers. Still, unemployment remained

elevated at 9.7 percent while the small business sector, a crucial part of the U.S. economy, remained challenged amid weak sentiment and limited credit growth.

By comparison, recovery in Europe seemed more tepid: the Eurozone as a whole expanded just 0.5 percent in the fourth quarter with a number of countries registering contraction. Driven by the fading influence of fiscal stimulus, much of the weakness continued into the first quarter: German retail sales, for example, came in weaker two months in a row, while car registration fell back to levels seen prior to implementation of the scrappage scheme. Similarly, the growth in U.K. looked suspect as real GDP in the fourth quarter was merely 1.8 percent even following an upward revision. Actual production remained disconnected from positive sentiments, while exports continued to disappoint despite a weak sterling.

Japan’s economy showed signs of life in the quarter, led by export recovery, public works and durables consumption. Still, the recovery remained narrowly based and sentiment among smaller, less export-focused, companies remained poor. Furthermore, core CPI in February came in at -1.2 percent over a year ago, highlighting the persistence of structural deflation in the economy. By contrast Australia was a continued bright spot among developed countries; credit expansion for small and medium-sized businesses, and generally upbeat consumers supported domestic demand, while strong demand for commodities from the emerging world boosted exports and the terms of trade.

Emerging economies, having passed a major stress test in 2009, grew faster than their developed counterparts. Still, differences in initial conditions matter: while China and emerging Asia saw clearer signs of growth broadening from public investment to include consumption and private investment, others such as many emerging European countries, continued to exhibit more reliance on - and hence vulnerability to - fickle external demand.

Government Policy

The Federal Reserve (Fed), European Central Bank (ECB), Bank of England (BOE) and Bank of Japan (BOJ) left policy rates unchanged. Policymakers continued to support their economies with low rates, but wound down a variety of special liquidity programs, including the Fed's Treasury and Agency mortgage-backed securities (MBS) purchase and Term Asset-Backed Securities Loan Facility (TALF) programs. The BOE remained cautious after its current Asset Purchase Program reached the £200 billion target in January, and indicated that further quantitative easing (QE) might be necessary if recovery were to stall. The Reserve Bank of Australia (RBA) remained an outlier in the developed world, raising rates by another 25 basis points (bps) after a pause in February.

Much of the spotlight for the quarter was focused on finding a solution to address the Greek fiscal debt crisis. After much political wrangling, Eurozone leaders proposed a mechanism, in conjunction with the International Monetary Fund (IMF), to provide bilateral loans with strong conditionality. Still, politics of the situation are fluid, and it remained to be seen whether the agreement would hold.

Financial Markets

Signs of recovery and improved risk appetite continued to lift global equities and risk assets. However, financial markets saw increased volatility as investors navigated an environment where improving cyclical conditions were undermined by increasing signs of structural weakness, particularly deterioration in fiscal fundamentals.

Sovereign yields edged lower as G3 central banks continued to signal that they will remain on hold for some time, though yield curves tended to steepen on growing fiscal concerns. Ten-year German bund yields fell significantly while those in the U.S. and U.K. moved little as larger budget deficits and the end of QE make the supply-demand imbalance for Treasuries and Gilts more pronounced. Peripheral countries of the Eurozone were the worst performing sovereigns, with Greece

the most notable laggard as its 10-year yields rose to a spread substantially higher than those of the same-duration German government bonds during the quarter.

Inflation-linked bonds (ILBs) lagged nominals in the U.S. as breakeven inflation rates (the difference between nominal and real yields) declined modestly. ILBs however outperformed in the U.K. and Japan where massive QE raises the most concerns on the ultimate long term inflationary risks.

Agency MBS outperformed U.S. Treasuries as the Fed's MBS Purchase Program drove valuations to historical rich levels. Non-agency mortgages also gained, benefitting from large amount of cash seeking yields and continued absence of new supply. Consumer asset-backed securities also enjoyed gains owing to robust demand for TALF-eligible assets.

Corporate bonds rallied again as investment grade spreads tightened both in the U.S. and Eurozone. The financial sector outperformed in both markets benefitting from a steep yield curve. Across the quality spectrum, lower tiers, especially high yield, rallied the most. Municipal credits also outperformed, led by taxable Build American Bonds (BABs) where robust new issuance volume continued to be met by strong demand.

EM bonds delivered strong performance. Spreads on EM external bonds narrowed sharply in the second half of the quarter and similar to corporate credit, lower quality spreads benefitted the most. EM local bonds also outperformed core developed markets: flows into EM bonds remain very elevated, bolstered by the outperformance of EM economies, and by a search for higher-yielding assets.

On foreign currency, the euro (-5.7 percent) and the pound (-6.1 percent) underperformed the U.S. dollar and most other currencies, reflecting concerns on rising fiscal deficits and public debt ultimately leading to currency depreciation. Commodity currencies such as the Mexican peso (+5.9 percent), Australian dollar (+2.2 percent) and Canadian (+3.7 percent) dollar continued to appreciate against the greenback.

Summary

PIMCO believes the global economy and markets are going through an uneasy transition likely to be characterized by tepid growth and asset returns. The outlook for the next year weighs on two key tensions that can lead to a wide range of potential outcomes. First of all, we continue to expect de-synchronized recovery across regions and countries, owing to disparate pre-crisis conditions and policy responses. That means a considerably stronger recovery in emerging market countries as a result of superior fundamentals, and a less robust recovery in most of the developed world which is struggling with excessive leverage now in both the private and public sectors. Secondly, the recovery of the developed world faces the tension between cyclical tailwinds and structural headwinds. Positive cyclical forces that drove 2009's recovery, such as fiscal stimulus and an inventory rebuilding cycle, are now fading, while structural issues of still-high unemployment and leverage limit private sector final demand. With economic recovery not assured, G3 central banks are unlikely to raise rates in the near future; still, the increased focus on sovereign risk highlights significant policy challenges and is likely to contribute to lingering market uncertainty.

Growth and Inflation

Global GDP is likely to see a positive lift in the second quarter from the tailwinds of fiscal stimulus and inventory re-stocking. However, the outlook for the global economy for the rest of 2010 is less rosy, as sustainable sources of final demand, either on the consumption or investment side, remain conspicuous by their absence. Furthermore, G3 fiscal deficits have grown rapidly, sparking concerns about public debt sustainability and the "will and wallet" for future stimulus measures. The bottom line is that if there is no additional fiscal intervention, we may see sequential deterioration in output later this year. Disinflation will remain the dominant near-term risk in the developed world, as substantial excess capacity in both labor and production persists.

The U.S. will likely see lower growth towards the second half of 2010 because inventory restocking looks to have been completed and the positive stimulus effects are set to fade. With households facing lackluster job and income growth, and businesses uncertain of the outlook for final demand, neither consumption nor investment looks prepared to carry the growth baton forward. While "creative" fiscal measures cannot be ruled out in an election year, rising debt levels limit the likelihood that policymakers will once again ride to the rescue.

The Eurozone will grow more slowly at the aggregate level, though importantly we expect to see considerable differentiation across member countries. While growth in core countries such as Germany will suffer from a collapse in intra-Eurozone exports, Greece and other peripheral countries may face sharp contractions as forced fiscal adjustments take their toll. The U.K., aided by quantitative easing (QE) and sterling weakness, should see modest growth, with the caveat that it faces both an election and challenging fiscal adjustment.

Japan will continue to see a near-term boost to GDP as Asian demand remains robust, structural deflation and rising fiscal stress will persist. The ongoing debate between the Bank of Japan (BOJ) and Ministry of Finance (MOF) over the relative need for monetary and fiscal responses to the country's structural problems suggests policy stalemate is the most likely outcome. Australia, on the other hand, is likely to see growth supported by reasonable domestic demand and strong links to fast-growing emerging economies.

Emerging markets (EM) should continue to grow at a solid pace, helped by stronger economic and fiscal fundamentals. Still, bifurcation among EM will continue: those constrained by higher leverage - such as Turkey and Hungary - face greater headwinds to a smooth recovery; while countries with stronger public and private balance sheets - including Brazil and China - should show better prospects for sustained growth.

Government Policy

As the economic recovery remains anemic, policymakers have little room to maneuver. Although, various central banks are slowly removing unconventional policies and draining liquidity, it is unlikely that rate hikes are imminent as consumer spending and private investment remain weak. Policymakers are attempting to walk a thin line: on the one hand acknowledging the need to eventually withdraw excessive monetary stimulus if inflation is to be contained, but on the other avoiding any suggestion of premature tightening that could be detrimental to the recovery. That said, G3 central banks are likely to stay on hold throughout 2010. Countries such as Australia, which face smaller output gaps, have by contrast begun to raise rates and are likely to tighten further, albeit at a measured pace. In EM countries, strong growth and rising asset prices have prompted central banks to embark on policy rate normalization, though adjustments such as increases in required reserves may be preferable to outright rate hikes.

Portfolio Strategy

PIMCO plans to maintain a high quality bias and remain cautious with portfolio risk exposures in light of global economic and political uncertainty, and relatively rich valuations for many fixed income assets. With that in mind, some of the more significant portfolio exposures are outlined below.

- **Interest rate strategies** - We are targeting an overweight to duration in core Eurozone (Germany) and Canada, remain neutral in the U.S., and are underweight both Japan and the U.K. The lack of upward pressure on yields from “exit strategies,” coupled with healthier government balance sheets, make German and Canadian bonds the most attractive of global alternatives. With respect to yield curves, we continue to emphasize short to intermediate maturities in the U.S. and core Eurozone where markets

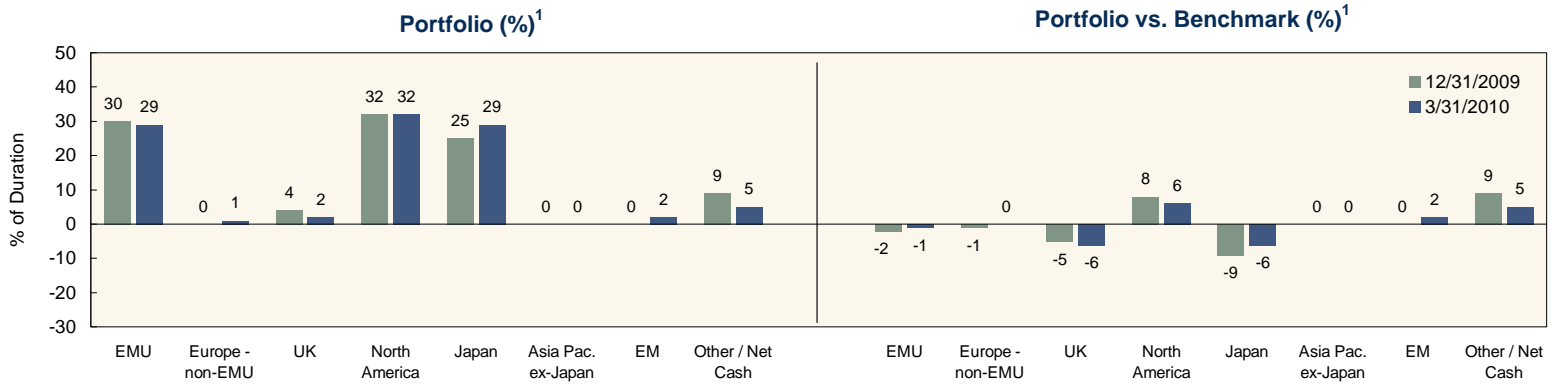
are pricing in more aggressive central bank tightening than we would anticipate.

- **Inflation-linked** – We remain neutral to underweight in inflation-linked bonds (ILBs). While ILBs offer a strategic potential hedge against long-term inflation risks, still-large output gaps in the industrialized world suggest that disinflation is a bigger risk over the cyclical horizon.
- **Mortgages** – We plan on continuing to underweight Agency mortgage-backed securities (MBS) which now trade near their most expensive levels ever following the Fed’s buyback programs. Meanwhile we plan on continuing to take limited exposure in non-agency and commercial MBS, Eurozone covered bonds and Australia mortgages where valuations remain attractive.
- **Corporates** - We maintain our bias towards high quality, well-capitalized financial institutions, but are neutral to underweight the overall corporate sector as credit premiums have narrowed significantly during the recent rally. Meanwhile we look to invest in the municipal sector, especially Build America Bonds (BABs) with appealing valuation relative to comparably rated corporate issues.
- **Emerging Markets** – We remain defensive in countries where spreads have narrowed significantly without improvement in fundamentals, but continue to look for opportunities in economies where solid initial conditions provide fundamental support despite global weakness. This may include EM external credits in Mexico, Brazil and Russia, and local rate opportunities in Brazil and Mexico.
- **Currency** - We are currently underweight the euro and U.K. pound against a basket of higher-yielding developed and EM currencies including the Chinese yuan, Korean won, Brazilian real and Mexican peso. The latter currencies are likely to benefit from relatively faster growth and favorable trade balances compared to the G3.

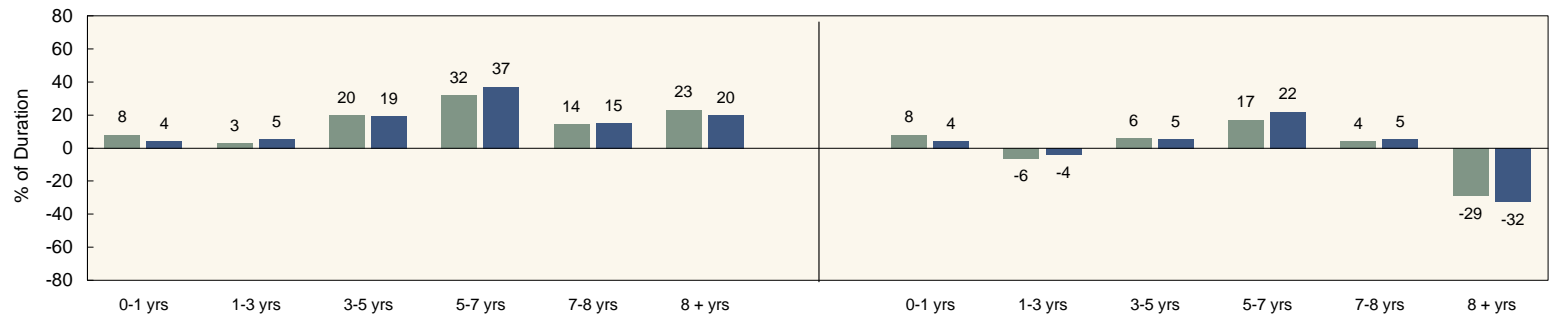
Portfolio Characteristics and Benchmark Variance

PVIT Global Bond Portfolio (Unhedged)

Regional Allocation



Curve Exposure



Direct Country and Currency Exposure

PVIT Global Bond Portfolio (Unhedged)

Country Exposure (by currency of settlement)¹

	Portfolio 12/31/2009				Portfolio 03/31/2010				Benchmark 03/31/2010	
	Market Value Weighted (%)				Market Value Weighted (%)					
(settlement currency)	% of Duration	Bonds	Cash Equiv.	Currency Exposure ² (%)	% of Duration	Bonds	Cash Equiv.	Currency Exposure ² (%)	% of Duration	Currency Exposure (%)
North America	32.0	28.5	0.9	2.0	33.0	23.7	3.4	2.5	26.4	32.0
Canada	4.6	9.4	0.3	2.0	4.8	6.7	0.3	2.5	2.0	2.1
United States	27.4	19.1	0.6	0.0	28.2	17.0	3.1	0.0	24.4	29.9
Europe - EMU	33.0	33.6	18.0	30.9	29.6	35.3	0.5	29.1	30.5	30.2
Belgium	0.0	0.0	0.0	-	0.0	0.0	0.0	-	2.0	-
France	1.8	0.8	0.0	-	1.7	0.7	0.0	-	7.5	-
Germany	10.7	7.4	0.1	-	10.3	14.2	0.1	-	7.1	-
Ireland	0.0	0.0	0.4	-	0.0	0.0	0.2	-	0.0	-
Italy	15.1	19.0	0.2	-	10.1	10.4	0.2	-	8.8	-
Netherlands	1.2	2.1	0.2	-	1.1	1.8	0.1	-	1.7	-
Portugal	0.0	0.0	0.4	-	0.0	0.0	0.3	-	0.0	-
Spain	0.0	0.0	0.5	-	0.0	0.0	0.5	-	3.4	-
Other ³	4.2	4.3	16.2	-	6.4	8.2	-0.9	-	0.0	-
United Kingdom	9.3	8.1	37.5	6.3	4.7	4.5	13.9	6.0	8.4	6.0
Europe - Non-EMU	0.0	0.0	0.0	1.0	1.2	1.0	0.0	2.3	1.2	1.2
Denmark	0.0	0.0	0.0	0.5	1.2	1.0	0.0	1.4	0.7	0.7
Norway	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.0	0.0
Sweden	0.0	0.0	0.0	0.4	0.0	0.0	0.0	0.4	0.5	0.5
Japan	25.1	22.1	0.0	30.6	29.7	25.9	0.0	28.8	33.1	30.0
Asia Pacific ex-Japan	0.3	0.7	0.4	0.6	0.3	0.7	0.4	1.2	0.4	0.6
Australia	0.3	0.7	0.4	0.6	0.3	0.7	0.4	0.5	0.4	0.6
Singapore	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0
South Korea	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.0	0.0
Emerging Markets	0.3	0.0	0.0	1.5	1.5	4.9	0.0	1.9	0.0	0.0
Brazil	0.0	0.0	0.0	0.2	1.2	4.9	0.0	0.3	0.0	0.0
China	0.3	0.0	0.0	1.2	0.3	0.0	0.0	1.4	0.0	0.0
India	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0
Net Liabilities ⁴	<u>0.0</u>	<u>0.0</u>	<u>-49.8</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>-14.2</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Direct Exposure	100.0	93.0	7.0	72.8	100.0	96.0	4.0	71.8	100.0	100.0

Small allocations may round to zero.

Direct Emerging Markets Bond Exposure

PVIT Global Bond Portfolio (Unhedged)

Emerging Markets Exposure (by country of issuer)

	12/31/2009			3/31/2010		
	<u>% of MV Cash Equiv.</u>	<u>% of MV Bonds</u>	<u>% of Duration</u>	<u>% of MV Cash Equiv.</u>	<u>% of MV Bonds</u>	<u>% of Duration</u>
Brazil	0.02	0.00	0.00	0.00	4.90	1.15
China	0.97	0.00	0.00	0.88	0.00	-0.01
India	0.00	0.00	0.00	0.00	0.00	0.00
Malaysia	0.00	0.00	0.00	0.00	0.00	0.00
Mexico	0.00	0.00	0.00	0.00	0.34	0.23
Philippines	0.00	0.00	0.00	0.00	0.00	0.00
Russia	0.00	0.29	0.17	0.38	0.28	0.17
South Africa	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Direct Emerging Markets	0.99	0.29	0.17	1.26	5.52	1.54

Small allocations may round to zero.

PIMCO Proprietary Portfolio Level Risk Measures

PVIT Global Bond Portfolio (Unhedged)

Risk Measures (yrs)	12/31/2009	3/31/2010	Definitions of Risk Measures:
Interest Rate Exposures:			
Effective Duration			
Portfolio	7.0	6.6	A portfolio's price sensitivity to changes in interest rates. An accurate predictor of price changes only for small, parallel shifts of the yield curve. For every 1 basis point fall (rise) in interest rates, a portfolio with duration of 1 year will rise (fall) in price by 1 bp.
Benchmark	6.3	6.3	
Bull Market Duration			
Portfolio	7.0	6.1	A portfolio's effective duration after a 50 bp decline in rates. The extent to which a portfolio's duration exceeds its bull market duration is a gauge of contraction risk.
Benchmark	6.4	6.4	
Bear Market Duration			
Portfolio	7.1	7.3	A portfolio's effective duration after a 50 bp rise in rates. The extent to which a portfolio's bear market duration exceeds its duration is a gauge of extension risk.
Benchmark	6.3	6.3	
Total Curve Duration			
	0.8	1.2	A portfolio's price sensitivity relative to the benchmark to changes in the slope of the yield curve, measured between the 2-30 year Government yields, holding the 10-year yield constant. For every 1 bp of steepening (flattening), a portfolio with curve duration of 1 year will rise (fall) in price by 1 bp relative to the benchmark.
Sector Exposures*:			
Mortgage Spread Duration			
Portfolio	-0.2	-0.2	The contribution of mortgages to spread duration. For every 1 bp of mortgage spread tightening (widening), a portfolio with mortgage spread duration of 1 year will rise (fall) in price by 1 bp.
Benchmark	0.0	0.0	
Corporate Spread Duration			
Portfolio	0.1	0.1	The contribution of corporate bonds to spread duration. For every 1 bp of corporate spread tightening (widening), a portfolio with corporate spread duration of 1 year will rise (fall) in price by 1 bp.
Benchmark	0.0	0.0	
Emerging Markets Spread Duration			
Portfolio	0.1	0.2	The contribution of emerging market bonds to spread duration. For every 1 bp of emerging market spread tightening (widening), a portfolio with an emerging market spread duration of 1 year will rise (fall) in price by 1 bp.
Benchmark	0.0	0.0	
Swap Spread Duration			
Portfolio	1.8	1.4	The contribution of swaps to spread duration. Includes the impact of non-swap instruments such as agencies that are sensitive to swap spreads. For every 1 bp of swap spread tightening (widening), a portfolio with swap spread duration of 1 year will rise (fall) in price by 1 bp. A negative swap spread duration indicates that the portfolio will benefit from widening swap spreads.
Benchmark	0.0	0.0	

* As measured by spread duration, which represents a portfolio's price sensitivity to changes in spreads, or yield premiums, that affect the value of bonds that trade at a spread to Governments. These include mortgage-backed, corporate and emerging market bonds, as well as swaps.

Summary of Derivatives

PVIT Global Bond Portfolio (Unhedged)

Derivatives ¹ (% of Duration)	12/31/2009	3/31/2010	Characteristics of Derivatives:	Control Measures
Government Futures	18.0	23.4	Used to adjust interest rate exposures and to replicate government bond positions. Frequently offers the opportunity to outperform government securities due to cheapness of futures contracts and active management of the liquid, short duration securities backing the futures.	Bond-equivalent exposure included in portfolio duration. Back long futures positions with high grade, liquid debt securities.
Other Futures	0.0	0.0	Includes municipal, mortgage-backed and interest rate swap futures.	See Government Futures.
Interest Rate Swaps	8.2	12.9	Includes swaps with duration greater than 1 year. Used to adjust interest rate and yield curve exposures and substitute for physical securities. Long swap positions ("receive fixed") increase exposure to long-term interest rates; short positions ("pay fixed") decrease exposure.	Bond-equivalent exposure included in portfolio duration. Back long swaps positions with high grade, liquid debt securities.
Credit Default Swaps*	-27.1	-31.9	Credit default swaps are used to manage credit exposure without buying or selling securities outright. Written CDS increase credit exposure ("selling protection"), obligating the portfolio to buy bonds from counterparties in the event of a default. Purchased CDS decrease exposure ("buying protection"), providing the right to "put" bonds to the counterparty in the event of a default.	Bond-equivalent exposure included in portfolio credit risk measures. Back long exposures with high grade, liquid debt securities. Continually monitor underlying credit exposure.
Written	1.5	2.0		
Purchased	-28.6	-33.9		
Options	4.4	-0.1	Written options generate income in expected rate scenarios and may generate capital losses if unexpected interest rate environments are realized. Purchased options are used to manage interest rate and volatility exposures. Both written and purchased options will become worthless at expiration if the underlying instrument does not reach the strike price of the option.	Bond-equivalent exposure (weighted by probability of exercise) included in portfolio duration. Back underlying exposure with high grade, liquid debt securities.
Written	4.4	-0.1		
Purchased	0.0	0.0		
Mortgage Derivatives	0.0	0.0	Used to manage portfolio duration and/or enhance yield. Includes securities determined by PIMCO to have potentially less stable duration characteristics, such as Interest Only strips (IOs), Principal Only strips (POs), Support Class CMOs and Inverse Floaters. Value will fluctuate as prepayment speeds respond to rising and falling interest rates.	Bond exposure included in portfolio duration, convexity, and prepayment risk measures. Use IO's and PO's in moderation and in an overall portfolio context.
Money Market Derivatives	7.7	2.9	Used to manage exposures at the short end of the yield curve and express PIMCO's expectations for future short-term rates. Includes swaps with duration of 1 year or less, and Eurodollar, Euribor and other futures based on short-term interest rates.	Bond-equivalent exposure included in portfolio duration. MM derivatives are not backed by other assets as they represent short-maturity exposures and have no deliverable at expiration.
Futures	3.0	1.3		
Interest Rate Swaps	4.7	1.6		

* Credit default swaps are shown as percentage of market value to reflect potential default risk.

Past performance is no guarantee of future results. Forecasts are based on proprietary research and should not be interpreted as investment advice or as an offer or solicitation for the purchase or sale of any financial instrument.

The performance figures presented reflect the total return performance for the stated share class (after fees) and reflect changes in share price and reinvestment of dividend and capital gain distributions. All periods longer than one year are annualized. The Before Fees performance figures presented herein do not reflect the deduction of the Portfolio's total annual operating expenses, which includes, but is not necessarily limited to, advisory fees, administrative fees, and 12b-1 fees (where applicable). The After Fees performance figures reflect the deduction of all such fees. Details regarding any Portfolio's fees and expenses can be found in the Portfolio's prospectus.

Risk Disclosures

Summary of Performance Data and Portfolio Statistics

- 1 All time periods longer than one year are annualized and returns include reinvestment of dividends, income and capital gains, if any. The Portfolio can invest a portion of its assets in non-U.S. securities, which can entail greater risks due to non-U.S. economic and political developments. This risk may be enhanced when investing in Emerging Markets. Investment in a Portfolio that invests in high-yield, lower-rated securities, will generally involve greater volatility and risk to principal than investments in higher-rated securities. In an environment where interest rates may trend upward, rising rates will negatively impact the performance of most bond funds, and fixed income securities held by a fund are likely to decrease in value. Bond funds and individual bonds with a longer duration (a measure of the expected life of a security) tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations.
This Portfolio is non-diversified, and may concentrate its assets in a smaller number of issuers than a diversified Portfolio.
- 2 Standard deviation is a statistical measure of dispersion about an average, which for a mutual fund, depicts how widely the returns varied over a certain period of time.
- 3 Distribution yield is calculated by annualizing actual dividends for the month ended on the date shown and dividing by net asset value per share on the last business day of the same period.
- 4 Tracking error, a measure of risk, is defined as the standard deviation of the portfolio's excess return vs. the benchmark expressed in percent. The information ratio is defined as the portfolio's excess return per unit of risk, or tracking error. For example, an information ratio of 1 means that a portfolio manager generates 100 basis points, or one percent of excess return for every 100 basis points of risk taken.

Market Commentary and Market Outlook

Corporate bonds are debt securities issued by a corporation. These securities are not guaranteed by the federal government and are thus more susceptible to default risk. Generally most corporate bonds are taxable at the state and federal level. It is important to note that longer maturity bonds have greater volatility and risk when compared to shorter maturity bonds.

Treasuries are guaranteed by the United States government and are only taxable at the Federal level. Guarantee does not eliminate market risk. It is important to note that longer maturity bonds have greater volatility and risk when compared to shorter maturity bonds.

Mortgage bonds are susceptible to risks such as default and prepayment of principal, and taxable at the state and federal levels, while Treasuries are guaranteed by the United States government and are only taxable at the Federal level. Guarantee does not eliminate market risk. It is important to note that longer maturity bonds have greater volatility and risk when compared to shorter maturity bonds.

Bonds issued by a government outside of the United States are guaranteed by the issuing government. Guarantee does not eliminate market risk. It is important to note that longer maturity bonds have greater volatility and risk when compared to shorter maturity bonds. Also, governments outside of the United States have different credit ratings which directly correlate to the risks associated with securities.

Emerging Market bonds are susceptible to market, credit, currency, liquidity, legal, political, technical and other risks different from, or greater than, the risks of investing in developed foreign countries.

Portfolio Characteristics and Benchmark Variance

- 1 Other includes emerging markets and cash equivalents. Cash equivalents include liquid assets such as net payables/receivables, money market securities, and other high quality, short-duration instruments. Europe - EMU represents the 12 "Euro-in" countries; Europe Non -EMU includes Switzerland, Denmark, Norway and Sweden; North America includes US and Canada.

Continued

Direct Country and Currency Exposure

- 1 Country exposures reflect the portfolio's effective exposure to non-U.S. markets, inclusive of forward settled holdings. Small allocations may round to zero.
- 2 Includes currency exposure due to non-U.S. holdings, hedging transactions and outright currency transactions. Positive numbers reflect long currency positions relative to base currency. Allocations may not add to totals due to rounding.
- 3 Other includes swaps and securities issued in euros.
- 4 Includes liabilities associated with futures, forwards and unsettled trades.

Summary of Derivatives

- 1 This Portfolio may use derivative instruments for hedging purposes or as part of its investment strategy. Use of these instruments may involve certain costs and risks such as liquidity risk, interest rate risk, market risk, credit risk, management risk and the risk that a fund could not close out a position when it would be most advantageous to do so. Portfolios investing in derivatives could lose more than the principal amount invested.

Index Descriptions

Citigroup 1- 10 Year Treasury Strips Index represents a composition of outstanding Treasury Bond and Notes with a maturity of at least one year but less than ten years. The index is rebalanced each month in accordance with underlying Treasury figures and profiles provided as of the previous month- end. The included STRIPS are derived only from bonds in the Citigroup U. S. Treasury Bond Index, which include coupon strips with less than one year remaining to maturity.

JPMorgan GBI Global Bond Index FX NY Unhedged in USD is an unmanaged market index representative of the total return performance in U.S. dollars on an unhedged basis of major world bond markets. It is not possible to invest directly in such an unmanaged index.

The BofA Merrill Lynch 1-3 Year Treasury Index is an unmanaged index that tracks the performance of the direct Sovereign debt of the US Government having a maturity of at least 1 year and less than 3 years. It is not possible to invest directly in the index.

1 Month LIBOR (London Intra-bank Offered Rate) Index is an average interest rate, determined by the British Bankers Association, that banks charge one another for the use of short-term money (3 months) in England's Eurodollar market. It is not possible to invest directly in an unmanaged index.

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. It is not possible to invest directly in an unmanaged index.

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