Quarterly Investment Report

March 31, 2010

PVIT Long-Term U.S. Government Portfolio
Administrative Class

PIMCO

840 Newport Center Drive
Newport Beach
California 92660
(800) 927-4648

PVIT Long-Term US Government Portfolio

Market Commentary

- Politics was a major influence on global bond markets as 2010 began. Faced with an uneven recovery, policymakers wrestled with how long to sustain stimulus programs that could eventually undermine public finances or stoke inflation
- Most Treasury yields fell modestly in the first quarter, though the 30-year yield rose
- Corporates, mortgages and emerging market bonds continued their strong performance versus Treasuries

Market Outlook

- PIMCO continues to expect developed economies to grow much more slowly than emerging markets, owing to disparate pre-crisis economic conditions
- The U.S. recovery is not expected to be robust in light of structural impediments such as deleveraging of consumer balance sheets, reregulation and deglobalization
- The Federal Reserve is unlikely to raise rates until final demand and job creation revive, probably in 2011

Portfolio Recap

- The Portfolio outperformed its index for the quarter
- Select exposure to high-quality, non-Treasury assets and interest rate diversification helped returns during the quarter
- The following strategies were positive for quarterly returns:
  - Below-index duration as the longest maturity yields rose
  - A yield curve steepening strategy as yields rose marginally on the longer end of the curve, but short term rates kept low
  - Exposure to long Agency debentures which outperformed like duration Treasuries
  - Exposure to longer maturity municipal bonds, especially Build America bonds, where demand remained strong
- The following strategies were negative for quarterly returns:
  - The performance measured against Treasury Indices was hindered due to the fact that there is no possibility to overweight mortgages, agencies, credit or other spread exposure as they are not in the benchmark

Portfolio Strategy

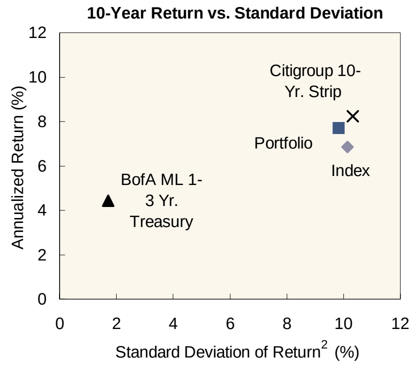
- PIMCO will remain cautious with risk exposures in light of global economic uncertainty and relatively rich valuations for many fixed income assets
- Target near-index duration; short term rates are unlikely to rise with the Fed on hold, while intermediate and longer maturity yields are expected to be range bound
- De-emphasize Agency MBS, which trade near their most expensive levels ever. Better opportunities to own these securities could arise following the end of the Fed’s mortgage purchase program in March
- Target neutral to underweight position in corporates but look to retain overweight to financials, where valuations remain relatively attractive. Financials could benefit from a steep yield curve and banks’ stronger balance sheets
- Plan to hold currencies with sound fiscal conditions such as Brazil, Australia and Canada; also hold Asian currencies that could gain versus the U.S. dollar; take positions that benefit from expected weakness in the British pound, euro and yen
- Favor taxable, longer maturity municipals, such as Build America Bonds, where substantial new issuance should support favorable valuations compared to corporate issues

Risk Disclosures and Index Descriptions are located in the Important Information section of the Appendix

Summary of Performance Data and Portfolio Statistics

PVIT Long-Term US Government Portfolio
Administrative Class

Performance Periods Ended 3/31/2010	Since Inception	10 yrs	5 yrs	3 yrs	1 yr	6 mos	3 mos
Total Portfolio[1]							
Before Fees (%)	**7.95**	**8.37**	**6.61**	**8.17**	**0.75**	**-2.01**	**2.32**
After Fees (%)	**7.27**	**7.69**	**5.94**	**7.50**	**0.12**	**-2.31**	**2.16**
(Inception 04/30/99)							
Barclays Capital Long-Term Treasury Index (%)	7.27	6.86	5.25	5.81	-7.26	-4.46	0.93



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 Portfolio 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 Portfolio's total annual operating expense ratio is 0.64%. Total net annual fund operating expenses is 0.63%. Details regarding any Portfolio's operating expenses can be found in the Portfolio's prospectus. Performance data current to the most recent month-end is available at http://www.pimco-funds.com/VIT 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
Total Net Assets (USD in millions)	168.3	**124.7**
SEC 30-Day Ann. Yield (%)	3.62	**3.87**
Distribution Yield (%)[3]	3.90	**4.40**
Effective Duration (yrs)	12.8	**13.1**
Benchmark Duration (yrs)	12.6	**12.9**
Effective Maturity (yrs)	16.2	**16.5**
Average Coupon (%)	2.5	**2.4**
Net Currency Exposure (%)	0.0	**0.0**
Tracking Error (10 yrs, %)[5]	1.8	**1.8**
Information Ratio (10 yrs)[5]	0.3	**0.4**

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

Sector Allocation	% of Market Value 12/31/2009	% of Market Value 3/31/2010	% of Duration 12/31/2009	% of Duration 3/31/2010
Government-Related	90	**88**	92	**89**
Mortgage	10	**14**	4	**5**
Invest. Grade Credit	0	**2**	0	**2**
High Yield Credit	0	**0**	0	**0**
Non U.S. Developed	0	**0**	0	**0**
Emerging Markets	0	**0**	0	**0**
Municipal	1	**1**	1	**1**
Other	0	**0**	0	**0**
Net Cash Equivalents:[4]	-1	**-5**	3	**3**
Commercial Paper / STIF	4	**4**	0	**0**
ST Government-Related	12	**19**	1	**1**
ST Mortgage	3	**3**	0	**0**
ST Credit	3	**4**	0	**0**
U.S. Money Market Futures/Options	28	**23**	2	**2**
Non-U.S. Money Market Futures	0	**0**	0	**0**
Other	3	**-6**	0	**0**
Less: Liabilities	-54	**-52**	0	**0**
Total	100	**100**	100	**100**

Government-Related may include nominal and inflation-protected Treasuries, agencies, interest rate swaps, Treasury futures and options, and FDIC-guaranteed corporate securities.

Additional Share Class Performance

March 31, 2010

PVIT Long-Term US Government Portfolio

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:											
Long-Term U.S. Government Portfolio, Institutional	**0.485**	**0.475**	**USD**	**Apr-10-00**	**7.68**	**-**	**6.09**	**7.65**	**0.26**	**-2.25**	**2.20**
Barclays Capital Long-Term Treasury Index			-		6.86	-	5.25	5.81	-7.26	-4.46	0.93
ADVISORY Class:											
Long-Term U.S. Government Portfolio, Advisory	**0.735**	**0.725**	**USD**	**Sep-30-09**	**-2.37**	**-**	**-**	**-**	**-**	**-2.37**	**2.14**
Barclays Capital Long-Term Treasury Index			-		-4.46	-	-	-	-	-4.46	0.93

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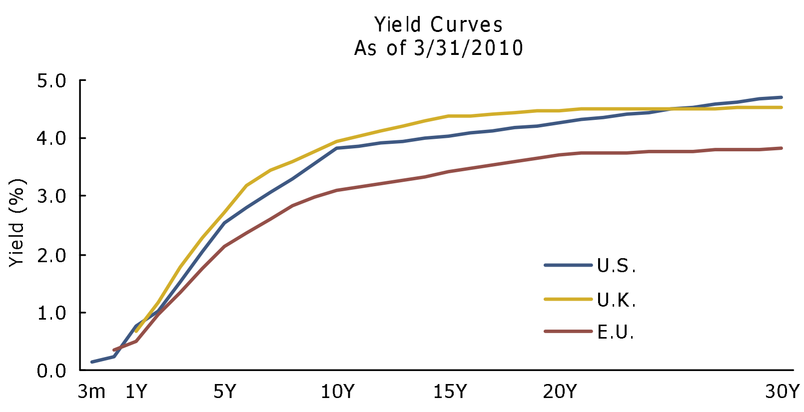
Treasury Yields Fall Modestly in the First Quarter of 2010

Most Treasury yields fell modestly in the first quarter of 2010, though yields began to move upward in the last two weeks of the quarter. Earlier in the period investors sought the relative safety of U.S. bonds amid concern about sovereign debt risk, especially in Greece and other peripheral Eurozone economies. Another factor helping to hold down yields were comments by the Federal Reserve that an increase in the federal funds rate was not imminent given continued weakness in the economy. As the quarter closed, however, sentiment began to shift amid growing awareness that the U.S. could have sovereign debt challenges of its own over the longer run.

The 10-year Treasury yield fell one basis point to close the quarter at 3.83 percent. With short term rates anchored at very low levels, the U.S. yield curve remained steep. At the end of the quarter, the two-year Treasury yield was some 280 basis points lower than the 10-year yield. The graphic below shows the position of the U.S., U.K. and Eurozone yield curves as of March 31, 2010:



SOURCE: Bloomberg Financial Markets

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Politics was a major influence on fixed income markets around the world as 2010 began. Policymakers wrestled with how long to sustain stimulus programs designed to mitigate the global recession but which threatened to undermine public finances or stoke inflation.

While the Fed kept its main policy rate unchanged, it raised the discount rate at which member banks can borrow during the first quarter. It also ended programs that were designed to support the housing market and the consumer finance sector. The Fed concluded its $1.25 trillion Agency mortgage purchase program in March and also ended the subscription period for purchasing consumer asset-backed securities under the Term Asset-backed Securities Loan Facility (TALF).

Policy makers in other developed economies where growth is slow or non-existent, such as Japan, the U.K. and the Eurozone, also left key lending rates unchanged in the first quarter. Central banks in faster growing economies where inflation is more of a concern, such as Australia, India and Malaysia, tightened during the period. China was also expected to broaden the policy tools used to curb headline inflation.

Riskier Bonds Continue Their Outperformance

The Barclays Capital U.S. Aggregate Index, a widely used index of U.S. high-grade bonds, gained 1.78 percent in the first quarter. Corporate bonds, mortgage–backed securities and emerging market bonds continued their strong performance relative to Treasuries. The following summarizes fixed income sector returns:

- Agency mortgage-backed securities (MBS) continued the rally versus like-duration Treasuries that they enjoyed during 2009 as the Fed's MBS Purchase Program drove valuations to historically rich levels. Non-Agency mortgages also gained as this sector benefitted from the significant amount of cash looking for relatively attractive yields and the continued absence of new supply.

- Commercial mortgage-backed securities (CMBS) continued their rally as well. The sector benefitted from the dual tailwinds of strong demand for higher yielding assets and nearly non-existent CMBS issuance since 2008. Despite these strong technical conditions in the CMBS market, underlying fundamentals in commercial real estate continued to deteriorate throughout the quarter and are expected to decline further into 2010 and 2011.
- Corporate bonds, especially high yield credits, were among the best performing fixed income assets during the first quarter, sustaining their robust performance in 2009. Credit premiums continued to tighten, which prompted brisk new issuance in both the investment grade and high yield markets. Balance sheets of the biggest corporations improved, especially in comparison with the deteriorating U.S. government balance sheet, prompting many investors to prefer corporates to Treasuries. Financial companies, which benefit from a steep yield curve, were among the top performers in the corporate sector.
- Municipal bonds outpaced comparable Treasuries in the first quarter, led by taxable Build American Bonds (BABS) where robust new issuance volume continued to be met by strong demand. While it appears that the BABS program will be extended past 2010, it remains uncertain how much the subsidy will be decreased from the existing 35 percent rate. It is also unclear whether the program will be expanded to include issuance by non-profit entities for operating needs and not just capital projects.
- Treasury Inflation-Protected Securities (TIPS) lagged their nominal counterparts during the first quarter as breakeven inflation levels (the difference between nominal and real yields) for intermediate maturity TIPS narrowed modestly.
- Emerging market (EM) bond performance was strong, comparable to the U.S. high yield market during the quarter. Among external EM bonds, credit premiums were volatile earlier in the quarter amid concern about Greece and other developed countries' sovereign debt. By mid-quarter, markets began to focus more on differences in policy mixes and initial economic conditions among EM countries. Nonetheless, lower quality credits outperformed over the course of the quarter. Locally issued EM bonds had even stronger returns than high yield corporates. Investors perceived that economic recovery in EM countries was taking hold and inflationary pressures - while rising – remained relatively contained.
- U.S. Treasuries were mixed versus other sovereign bond markets in the first quarter of 2010. Eurozone bonds outperformed most other developed markets amid expectations that the European Central Bank would be forced to keep rates low to combat the deflationary impact of sovereign debt problems on the Eurozone periphery.

Economic Recovery To Face Structural Headwinds in 2010

Two core themes create tension and uncertainty in PIMCO's economic outlook over the next year. First, we continue to expect differentiated regional outcomes owing to disparate pre-crisis conditions. Second, positive trends in developed economies such as the U.S. over a cyclical timeframe are likely to face structural or secular headwinds such as high levels of sovereign and consumer debt and excess capacity in labor and product markets. This tension between cyclical and structural factors will be exacerbated by political processes around the world, which means that politics is one of the most critical risk factors in our outlook.

Critical elements of PIMCO's cyclical outlook include.

- **Three-Stage U.S. Recovery** – The U.S. is now in the second stage of a three-stage recovery. First the economy was propped up by fiscal and monetary stimulus. Next came the current stage of inventory rebuilding. The final stage, not yet in evidence, involves job creation and emergence of self-sustaining final demand.
- **Structural Headwinds** – Even when final demand does revive, we do not expect the U.S. recovery to be very robust in light of structural forces standing in the way. These include deleveraging of consumer and ultimately sovereign balance sheets, in addition to the secular trends of reregulation and deglobalization.
- **Range-Bound U.S. Interest Rates** - The Federal Reserve is unlikely to raise interest rates until the final stage of recovery starts to emerge, probably in 2011. Longer term U.S. rates should be range-bound over this period.
- **Deflationary Headwinds Stronger in Eurozone** – Severe austerity measures expected on the periphery of the Eurozone (Greece, Spain, already underway in Ireland) are not likely to be counterbalanced by expansion in the core. This is particularly true in Germany, which will remain unwilling to adjust its export-driven economic model to stimulate more consumption. The U.K. has the monetary and currency flexibility to contribute to regional growth but is constrained by its sovereign debt burden.
- **Pressure on the Euro** - Problems in the periphery introduce fiscal uncertainly into the Eurozone, but PIMCO does not expect this to affect Eurozone interest rates meaningfully. Deflationary forces will keep the European Central Bank on hold for even longer than the Fed. The Eurozone's fiscal risk premium is more likely to be reflected in downward pressure on the euro.
- **Prospects Brighter in China and EM** – Prospects are brighter in China and most emerging economies, which have benefitted from more favorable pre-crisis conditions. Now some of these economies may face risks of overinflating and asset bubbles. PIMCO believes these risks are manageable for China given the range of policy tools available to deal with them. Compared to other "bubble" economies – Japan in the 1980s and the U.S. more recently – China has stronger economic fundamentals and less of a debt burden.
- **Chinese Renminbi – U.S. Dollar Peg** - Another China risk, and sign of the importance of politics, is the dispute over the renminbi-U.S. dollar peg. While China is likely to allow appreciation of its currency over the next year, the timing is hard to forecast because of potential intervention by the U.S. Congress.

Limit Risk, Pursue Select Opportunities Amid Uncertainty

PIMCO will remain cautious with portfolio risk exposures in light of global economic uncertainty and relatively rich valuations for many fixed income assets. There are, however, a number of prudent strategies available in our efforts to enhance returns. The following is a summary of PIMCO's planned investment strategies:

- **Interest Rate Strategies** – We will target an overall overweight to duration but this will likely come from exposure to core European interest rates and a modest allocation to Brazilian local rates, where guidelines permit. Such exposure currently offers relatively attractive yields but potentially less price risk than a comparable U.S. position, which could be vulnerable to the unwinding of the Fed's unorthodox monetary policies and indigestion in Treasury markets. We plan on continuing to avoid exposure to debt-laden peripheral Europe – particularly Greece and Spain.

  PIMCO plans to maintain a neutral duration position in the U.S. as we expect range-bound intermediate and long maturity U.S. interest rates. With respect to yield curve, we will emphasize shorter maturities in the U.S. and Europe, especially those somewhat longer in duration than where money market funds typically invest, as markets are pricing in more and faster central bank tightening than we expect.

- **Retain Underweight in Agency Mortgages** – PIMCO plans to remain underweight to Agency mortgage backed securities (MBS), which now trade near their most expensive levels ever. More favorable opportunities to own these securities could arise following the end of the Fed's mortgage purchase program in March. Despite this underweight, there will likely continue to be opportunities to reap gains from mortgage coupon selection and limited exposure to attractively priced and high quality non-agency and commercial mortgage backed securities (CMBS).

- **Target Select Corporate Bond Holdings** – Corporate bonds have rallied strongly so PIMCO will target a neutral to underweight position in this sector. We plan on continuing to overweight well capitalized financial institutions that offer value versus the broader market. These holdings are a way to take advantage of the steep yield curve and banks' stronger balance sheets. PIMCO plans to underweight consumer dependent sectors such as retailers, home builders and lodging as high unemployment and weak consumer spending are likely to persist even as the economy recovers.

- **Emerging Markets and Currency** – PIMCO plans to hold high quality EM sovereign credits such as Mexico, Brazil, Korea and Russia, which have low levels of debt relative to the size of their economies. In addition, we plan to increase our EM corporate and quasi-sovereign exposure in credits from high quality countries. These bonds stand to benefit from improved economic conditions in EM and offer attractive value compared to U.S. corporates.

  We plan to take modest currency exposure to countries with sound fiscal conditions and banking systems, such as Brazil, Australia and Canada. We also plan on holding a basket of Asian currencies including the Chinese renminbi, which are likely to gain versus the U.S. dollar owing to relatively fast growth and favorable trade balances. Lastly, we plan to take positions that could gain from an expected depreciation of the British pound, euro and yen. These currencies could be challenged by slow growth and deteriorating fiscal conditions.

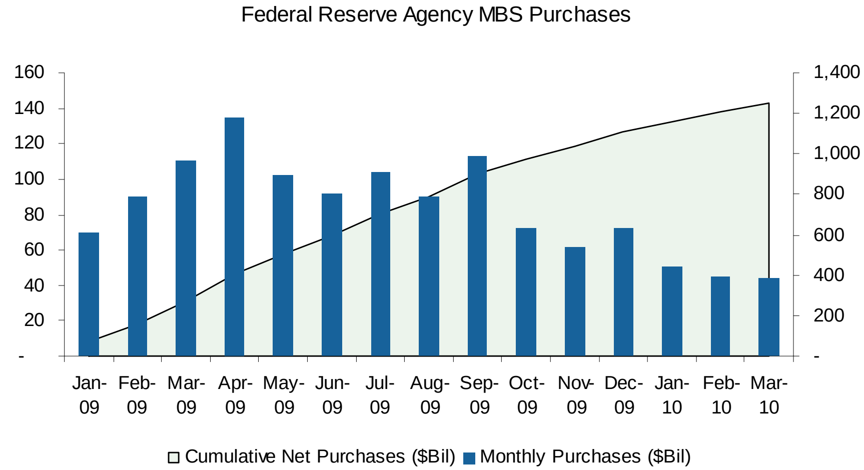
- **Municipals and TIPS** – In the municipal sector we will continue to favor longer maturity taxable issues, especially Build America Bonds (BABs). Substantial new issuance should support favorable valuations for BABs versus comparably rated corporate issues. TIPS offer a potential hedge against inflation risk, but their valuations are unappealing over a cyclical time frame. As a consequence, our TIPS holdings will likely be light.

Market Commentary

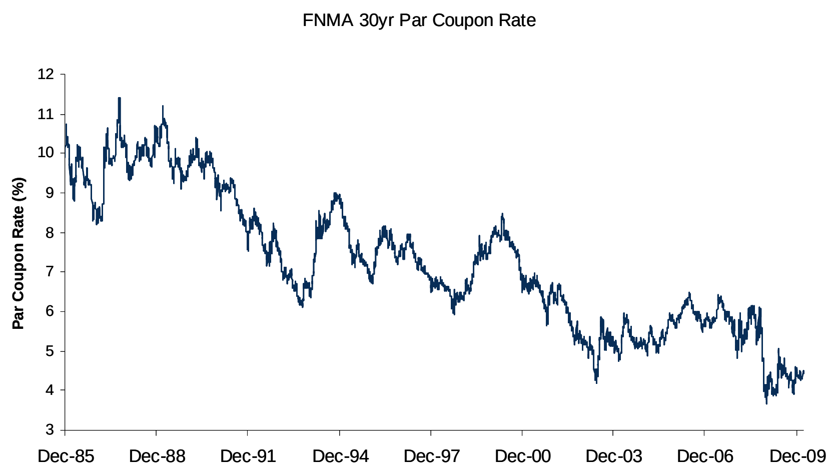
- Agency Mortgage-Backed Securities (MBS) continued to outperform like-duration Treasuries throughout the first quarter of 2010
- Agency MBS performance continued to be dominated by the Federal Reserve Agency MBS Purchase program. Over the course of the quarter, the Fed purchased nearly $140 billion Agency MBS, keeping rates at historically low levels
- The Fed has purchased a majority of tradable Agency MBS supply throughout 2009 and 2010, impacting liquidity in certain coupons and driving Agency MBS to their all-time richest valuations
- The Fed purchase program ended March 31 and has absorbed $1.25 trillion Agency MBS since its inception in January 2009
- In February, Fannie and Freddie announced that they would purchase seriously delinquent loans out of Agency MBS pools. This caused prepayments in higher, more seasoned coupons to spike towards the end of the quarter
- Par mortgage rates fell 6 bps over the course of the quarter from 4.57 percent to 4.51 percent and remain at historically low levels

Market Outlook

- Agency MBS will likely continue to be the primary arena for mortgage financing as non-agency origination channels have been completely shut by the credit crisis
- As the Fed purchase program ends, healthier balance sheets among market participants leave them in a much stronger position to absorb new Agency MBS supply than in early 2009. As a result, spreads will likely only widen modestly back towards more fair levels



SOURCE: Federal Reserve



SOURCE: Bloomberg

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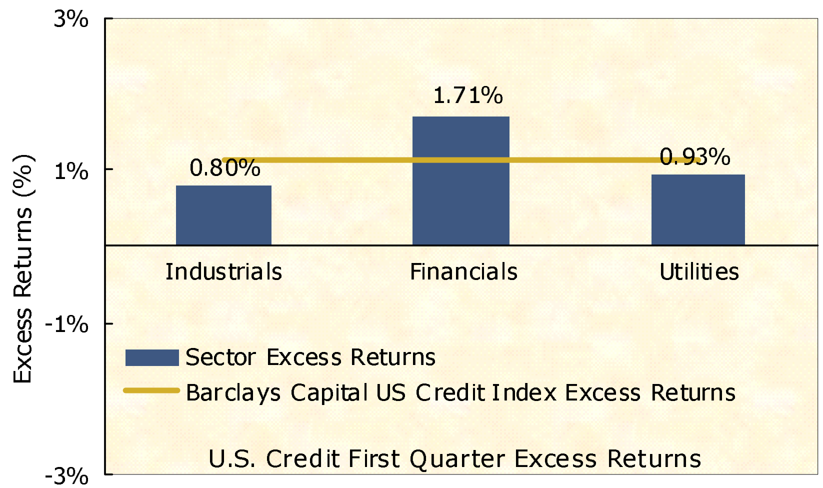
Market Commentary

- The U.S. investment grade credit market posted an excess return of 1.13 percent for the quarter
- Financials led the first quarter rally with an excess return of 1.71 percent, outpacing the index by 58 basis points. Accommodative policy support, sustained profit growth and improved balance sheet strength within the financial system helped drive spread compression. Since December 31, financials' spreads have tightened 40 basis points to end the quarter at 186 basis points. Supported by strong demand for high quality spread products, utilities and industrials earned excess returns of 0.93 percent and 0.80 percent, respectively
- Spreads also benefitted from strong technical factors, as investor demand for higher yielding, high quality assets drove allocations into credit markets. This led to strong private capital access and reduced liquidity risk for corporations
- BBB-rated bonds outperformed all investment grade quality tiers with an excess return of 1.74 percent. The positive momentum of lower quality names was due in part to demand for risk assets

Market Outlook

- With the long-term economic outlook still unclear, corporate management remains subdued regarding hiring and capital spending, despite ample credit and cash balances. High unemployment continues to weigh upon consumers and encourages saving versus spending. We continue to maintain a bias away from consumer-related industries such as retailers, gaming and home construction and other cyclical issuers
- We intend to maintain our preference towards sectors where credit fundamentals are stable and improving such as select high-quality U.S. banks and other financials. We will make tactical allocations to municipal bonds and emerging market corporate bonds



Source: Barclays Capital

Graph data represents the excess return performance of the Barclays Capital U.S. Credit Index and its sub-indices. The corporate sectors shown are not equally weighted in the index but instead are market weighted. The sectors shown represent the broad components of the index. Excess Return is a duration-adjusted measure of performance relative to a term structure-matched position. The predominate method for calculating excess return uses U.S. Treasuries and key rate durations. It measures the amount by which the return on an investment credit exceeds the equivalent risk free rate of return.

The option adjusted spread is generated by Barclays Capital and the individual securities within the index are predominantly measured against like-duration U.S. Treasuries. The performance figures are as reported by Barclays Capital for the Barclays Capital U.S. Credit Index and its respective sub-sectors. The Barclays U.S. Investment Grade Credit Index underperformed the Barclays Capital U.S. Treasury Index for the time period.

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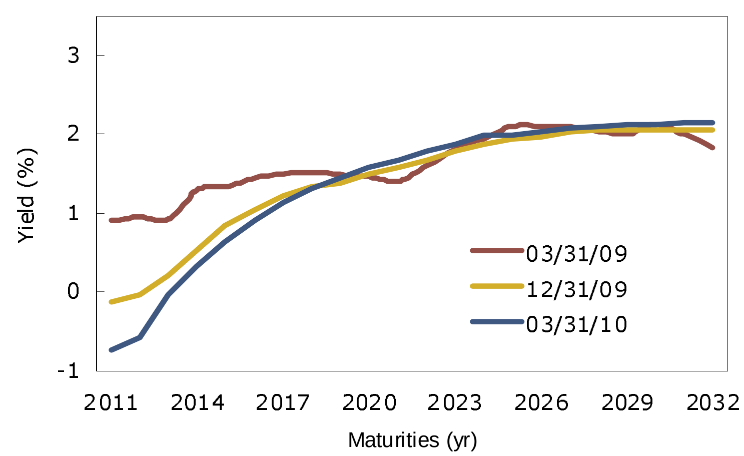
Market Commentary

- Treasury Inflation Protected Securities (TIPS) gained 0.56 percent during the first quarter as represented by the Barclays Capital U.S. TIPS Index. Real yields declined in the front end of the yield curve and experienced a modest rise across longer maturities. Real coupon helped returns as did positive inflation accruals. TIPS gained despite continued near-term disinflationary pressures weighing on market sentiment, but underperformed comparable maturity nominal bonds overall
- Shorter maturity TIPS experienced price gains, mostly in the wake of favorable first quarter economic data. Signs of higher consumer spending and private investment, as well as increases in industrial production, signaled positive trends in the U.S. economy. Markets construed this as reflationary, increasing the demand for shorter maturity TIPS. Longer dated issues, however, were pressured by concerns of increased issuance as a 30-year issue was reintroduced and new 10-year maturities were issued
- Breakeven inflation levels (i.e. the difference between nominal and real yields) widened in the shorter end of the maturity spectrum and narrowed in the intermediate to longer maturity range. While TIPS yields declined significantly in the front end of the curve and rose modestly in the longer maturity sector, nominal yields decreased across the maturity spectrum and outperformed TIPS overall. Concern about sovereign debt risk, especially in Greece and other peripheral Eurozone economies, put downward pressure on U.S. nominal yields as investors sought the relative safety of U.S. bonds

Market Outlook

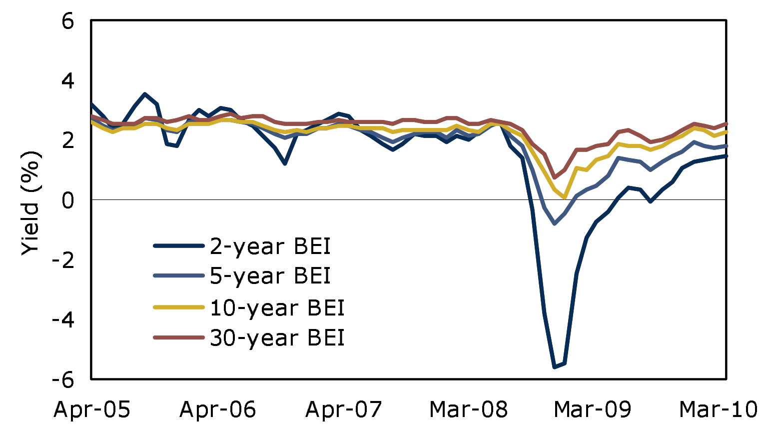
- Positive cyclical trends in developed economies are likely to face structural headwinds in the form of high levels of sovereign and consumer debt and excess labor capacity. PIMCO foresees continued disinflationary pressures in the economies over the cyclical horizon. However, robust policy responses amid favorable pre-crisis conditions in emerging markets may translate into higher inflation, which is likely to have longer term implications for global inflation. Relative to nominal Treasuries and given current breakeven inflation rates, TIPS are trading above what we view as their fundamental value. However, valuations for TIPS continue to be attractive as longer-term inflationary pressures build

U.S. TIPS Yield Curve



SOURCE: Barclays Capital

Breakeven Inflation (BEI) Rates



SOURCE: Barclays Capital

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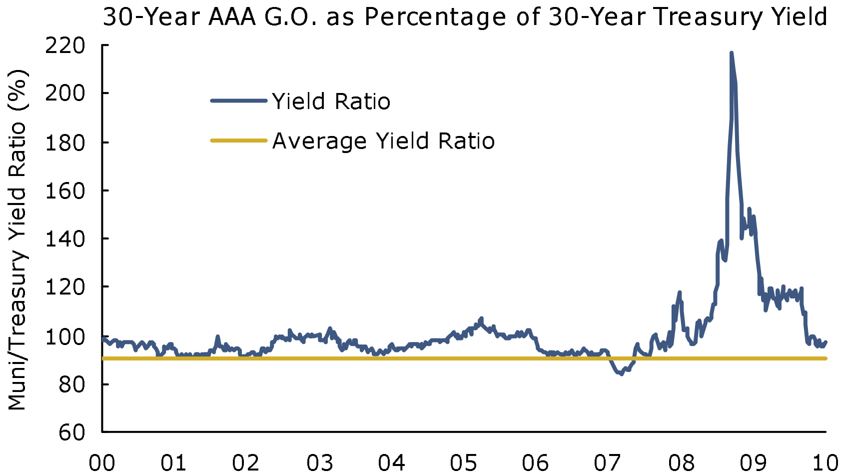
Market Commentary

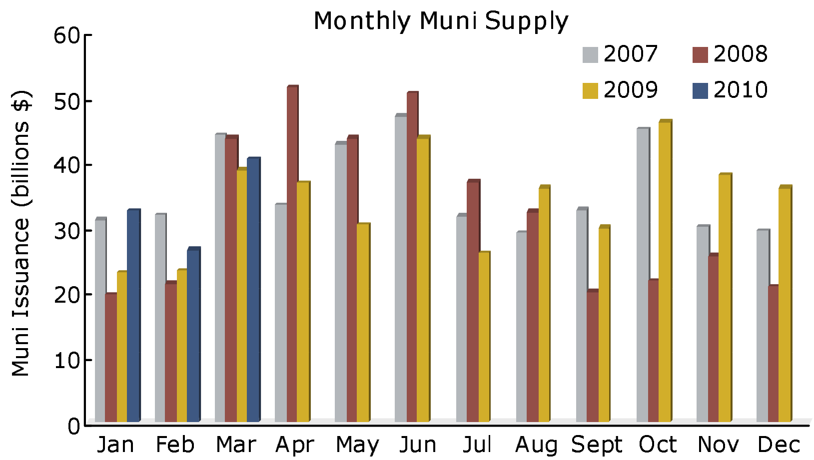
- The municipal market posted positive returns in the first quarter of 2010, with lower quality municipals outperforming as investors moved out the risk spectrum to pick up yield. Municipal yields, however, did move higher with short and intermediate maturity yields increasing more than longer maturities. Municipals outperformed Treasuries with the municipal/Treasury yield ratio narrowing to 88 percent (See graph on the right.)
- The municipal market has become more of a credit market than an interest rate market with specific municipal credits outperforming. Inflows into municipal mutual funds remain positive although at lower levels than last year. The demand from retail investors has helped absorb the elevated supply seen in the bottom graph on the right. The added supply is due to Build America Bond (BAB) issuance

Market Outlook

- The municipal yield curve remains very steep with low short maturity yields. Investors continue to place money into short duration funds. Credit spreads have narrowed with investor demand for higher yielding credits remaining steady
- Robust new issue supply will persist with issuers trying to come to the market ahead of the proposed changes to the Build America Bond program at year end. Budgetary concerns continue to loom over the market as states and cities struggle to balance their budgets for the next fiscal year. With fiscal years ending after the second quarter, look for more negative headlines related to these budgetary issues



SOURCE: Bloomberg Financial Markets



SOURCE: The Bond Buyer

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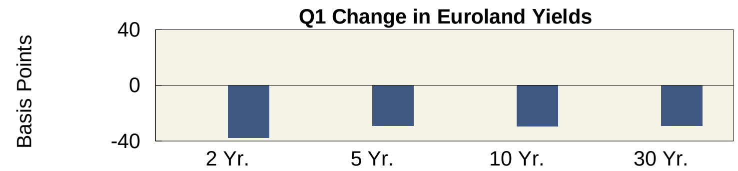
Market Commentary

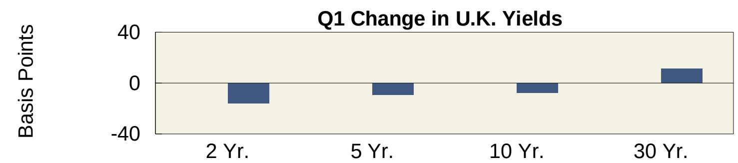
- Although the global economy continued to recover in the first quarter, public debt issues in Greece and other peripheries reminded investors of the unsustainable fiscal deficits still challenging developed nations
- German government bond yields fell sharply in the first half of the quarter; risk appetites waned on Greece headlines and investors shifted away from periphery sovereigns into core Eurozone. In the U.K. and Japan, while front end yields remained anchored by low interest rates, longer term yields felt selling pressure as quantitative easing is on the way out
- The U.S. dollar appreciated against the euro and British pound on the back of better U.S. economic news and fiscal concerns over Greece and other peripheral Eurozone economies. Benefiting from emerging market demand and strength in oil prices, commodity-linked currencies such as the Australian and Canadian dollar continued to outperform the U.S. dollar

Market Outlook

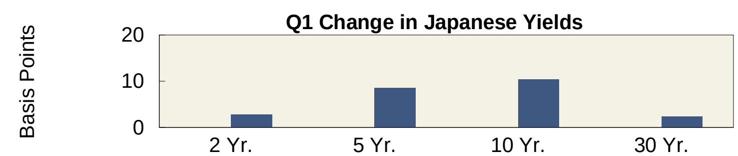
- PIMCO continues to expect differentiated regional outcomes due to disparate pre-crisis conditions. Positive cyclical trends in developed economies are likely to face structural headwinds such as high levels of consumer and sovereign debt
- PIMCO believes that G3 central banks will likely keep rates on hold throughout 2010. Those in the developed world with smaller output gaps, such as Australia, will likely tighten further, albeit at a measured pace
- Despite improved risk appetite, uncertainty looms over markets as investors navigate secular shifts on the back of deteriorating fiscal fundamentals and policy challenges



	2 Yr.	5 Yr.	10 Yr.	30 Yr.
3/31/10 (%)	0.96	2.14	3.09	3.83
QTD Change (bps)	-37	-29	-30	-29



	2 Yr.	5 Yr.	10 Yr.	30 Yr.
3/31/10 (%)	1.16	2.71	3.94	4.53
QTD Change (bps)	-16	-9	-8	+11



	2 Yr.	5 Yr.	10 Yr.	30 Yr.
3/31/10 (%)	0.18	0.56	1.40	2.30
QTD Change (bps)	+3	+9	+11	+2

Currency Rates and Returns

	3/31	% Change	
	Spot	Q1	YTD
Euro	1.351	-5.7	-5.7
Yen	93.47	-0.5	-0.5
Australian $	0.917	+2.2	+2.2
Canadian $	1.015	+3.7	+3.7
British Pound	1.518	-6.1	-6.1

SOURCE: Bloomberg

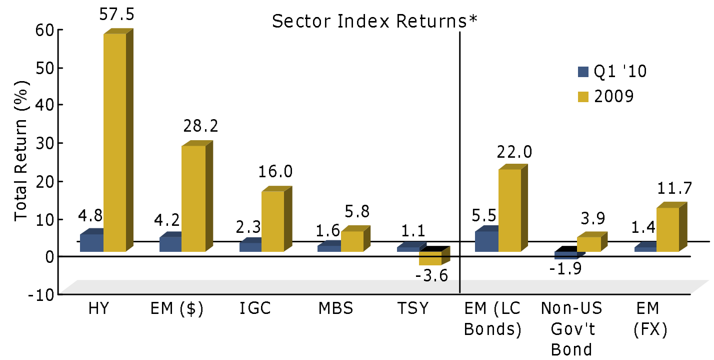
Past performance is no guarantee of future results.
Graphs are for illustrative purposes only and are not indicative of the performance of any particular investment.

Market Commentary

- Amid increased market volatility related to potential contagion effects stemming from the situation in the peripheral European Union countries, EM assets posted positive performance
- After widening in the sell off between mid-January and mid-February, major external credit spreads returned to pre-Lehman levels. EM spreads* decreased by 33 basis points during the period to finish at 261 basis points over U.S. Treasuries, as seen in the graph on the bottom right. The EMBIG Index returned 4.16 percent for the first quarter
- As EM markets continued to differentiate against developed countries, EM local debt posted strong gains in the first quarter, as measured by the GBI EM Global Diversified Index which returned 5.45 percent. EM currencies marginally appreciated against the dollar during the quarter as measured by the JPMorgan ELMI+ Index which returned 1.41 percent

Market Outlook

- Stemming from disparate pre-crisis conditions, the developed and developing world should continue to recover in a desynchronized fashion
- EM countries' growth should continue to be relatively robust compared to the developed world. Emerging economies, especially China, should continue to grow at a faster pace
- EM local fixed income markets remain particularly attractive given the relative stability of these economies and the headwinds facing the major global economies. Emerging market local instruments couple an investment grade credit rating with relatively high levels of yield and stand to benefit from the potential tailwind of appreciating currencies



* High Yield is represented by BofA Merrill Lynch High Yield II Index; EM($) is represented by the JPMorgan EMBI Global; MBS is represented by the Barclays Capital Agency Fixed Rate MBS Index; TSY is represented by Barclays Capital U.S. Treasury Index; IGC is represented by Barclays Capital Investment Grade Index; Non-U.S. is presented by the JPMorgan Non-U.S. Gov't Bond Unhedged Index; EM (LC Bonds) is represented by the JPMorgan GBI-EM Global Div Unhedged USD; EM (LC) is represented by the JPMorgan ELMI + Unhedged

SOURCE: JPMorgan, Bloomberg Financial Markets, Barclays Capital

*EMBIG spreads are shown against a market value weighted average of the spread of every individual issue within the index relative to the duration neutral Treasury for each respective issue in the index. EMBIG outperformed U.S. Treasuries (as measured by the Citigroup Treasury Index) for the quarter.

SOURCE: JPMorgan, Bloomberg Financial Markets

Past performance is no guarantee of future results. Graphs are for illustrative purposes only and are not indicative of the performance of any particular investment.

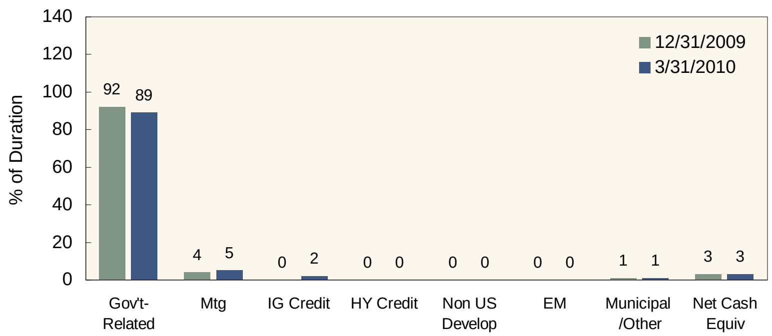
Portfolio Characteristics and Benchmark Variance

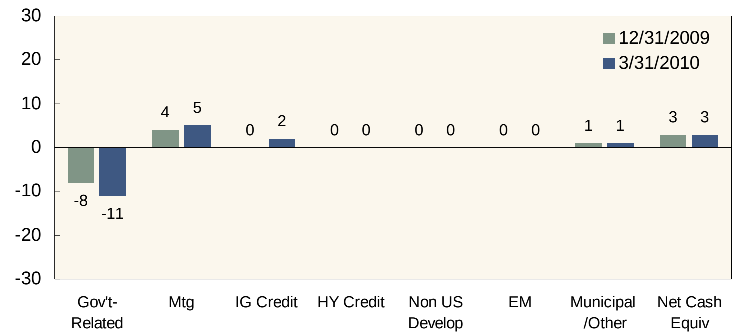
PVIT Long-Term US Government Portfolio

Portfolio (%)[1]

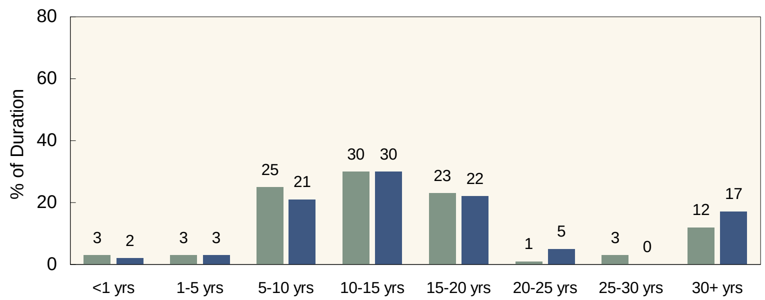
Portfolio vs. Benchmark (%)[1]

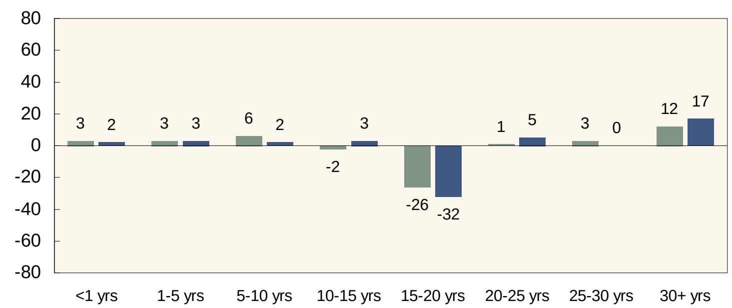
Sector Exposure*





Curve Exposure





Gov't-Related may include nominal and inflation-protected Treasuries, agencies, interest rate swaps, Treasury futures and options, and FDIC-guaranteed corporate securities.

*** Net cash equivalents include U.S. and non-U.S. money market futures, where permitted. See Sector Allocation on Summary of Performance Data and Portfolio Statistics Page.**

PIMCO Proprietary Portfolio Level Risk Measures

PVIT Long-Term US Government Portfolio

Risk Measures (yrs)	12/31/2009	3/31/2010	Definitions of Risk Measures:
Interest Rate Exposures:			
Effective Duration			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.
Portfolio	12.8	**13.1**	
Benchmark	12.6	**12.9**	
Bull Market Duration			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.
Portfolio	12.3	**12.7**	
Benchmark	12.9	**13.2**	
Bear Market Duration			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.
Portfolio	13.2	**13.5**	
Benchmark	12.2	**12.5**	
Total Curve Duration	0.5	**0.4**	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			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.
Portfolio	1.0	**1.4**	
Benchmark	0.0	**0.0**	
Corporate Spread Duration			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.
Portfolio	0.0	**0.1**	
Benchmark	0.0	**0.0**	
Emerging Markets Spread Duration			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.
Portfolio	0.0	**0.0**	
Benchmark	0.0	**0.0**	
Swap Spread Duration			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.
Portfolio	2.6	**2.6**	
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 Long-Term US Government Portfolio

Derivatives[1] (% of Duration)	12/31/2009	3/31/2010	Characteristics of Derivatives:	Control Measures
Government Futures	1.1	**2.4**	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	0.5	**0.3**	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*	0.0	**0.0**	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	0.0	**0.0**		
Purchased	0.0	**0.0**		
Options	3.5	**0.2**	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	3.5	**0.2**		
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	2.9	**2.7**	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	2.2	**1.8**		
Interest Rate Swaps	0.7	**0.9**		

* 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. In an environment where interest rates may trend upward, rising rates will negatively impact the performance of most bond Portfolios, and fixed income securities held by a Portfolio are likely to decrease in value. Bond Portfolios 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. The Long Term U.S. Government Portfolio may invest its assets in U.S. government securities, but the Portfolio is not guaranteed by the U.S. Government. The guarantee is to timely repayment of principal and interest of the securities held by the Portfolio. The Portfolio's net asset value and yield are not guaranteed by the U.S. Government nor its agencies. Guarantee does not eliminate market risk.

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 Net cash equivalents includes STIF, CP, ST Government, BAs and CDs, less the amount used to back liabilities such as futures, forwards and unsettled trades. Money Market Futures/Options include Eurodollar and Euribor futures that are based on short term interest rates and represent short maturity exposures. They are not backed by other assets and have no deliverable at expiration as they are cash settled. The notional amount of money market futures, captured in the column labeled "% of Market Value", is based on an annualized 3-month interest rate and follows the industry convention of dividing the notional amount by 4 to reflect the underlying 3-month rate exposure. Money market futures' contribution to overall portfolio duration is captured in the column labeled "Duration in Yrs" Other includes repurchase agreements, accrued interest and bankers acceptances.

5 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

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.

Investment grade corporate bonds are considered among the higher rated in the corporate bond sector. 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.

High Yield bonds involve greater volatility and risk to principal than investments in higher-rated securities as the issuing entity has a lower credit rating possibly making the security more susceptible to default. Generally these types of bonds are taxable at the state and federal level.

Real Return bonds, more commonly known as Treasury Inflation Protected Securities or TIPS, are issued and guaranteed by the U.S. government at a fixed rate that is adjusted based on the change of the Non-Seasonally Adjusted Consumer Price Index. Guarantee does not eliminate market risk. TIPS sacrifice some yield for the benefit of inflation protection. TIPS are only taxable at the Federal level.

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.

Municipal bonds are guaranteed by the states in which they are issued. Guarantee does not eliminate market risk. Municipal bonds are not taxable at the Federal level and the issuing state has the right to demand tax; however, many states forgo tax on municipal bonds to entice investment.

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.

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.

Continued

Market Commentary and Market Outlook continued

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.

Portfolio Characteristics and Benchmark Variance

1 Market value data based on percentage of net assets of the Portfolio. Data differs from compliance calculations based on total assets of the Portfolio. All Portfolios are separately monitored for compliance with prospectus and regulatory requirements. Other includes Yankee/Euro bonds, convertibles and municipal bonds. Net cash equivalents equal cash equivalents less the amount used to back liabilities such as 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. It is not possible to invest directly in an unmanaged index.

JPMorgan Emerging Local Markets Index Plus (ELMI+) tracks total returns for local-currency-denominated money market instruments in 22 emerging markets countries with at least US$10 billion of external trade. It is not possible to invest directly in an unmanaged index.

JPMorgan EMBI Global Index is an index that tracks total returns for United States Dollar denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities. Brady bonds, loans, Eurobonds and local market instruments. This index only tracks the particular region or country. It is not possible to invest directly in this index. (The benchmark for Emerging Markets Bond Fund was changed from the JPMorgan EMBI + to the JPMorgan EMBI Global on January 1, 2003.)

JPMorgan GBI Global ex-US Index Hedged in USD is an unmanaged index market representative of the total return performance in U.S. dollars of major non-U.S. bond markets. It is not possible to invest directly in an unmanaged index.

Barclays Capital Long Municipal Bond Index is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market. It is not possible to invest directly in such an Unmanaged index.

Barclays Capital Long-Term Treasury Index consists of U.S. Treasury issues with maturities of 10 or more years. It is not possible to invest directly in an unmanaged index.

Barclays Capital Municipal Bond Index consists of a broad selection of investment- grade general obligation and revenue bonds of maturities ranging from one year to 30 years. It is an unmanaged index representative of the tax- exempt bond market. The index is made up of all investment grade municipal bonds issued after 12/ 31/ 90 having a remaining maturity of at least one year. It is not possible to invest directly in an unmanaged index.

Barclays Capital U.S. Aggregate Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis. It is not possible to invest directly in an unmanaged index.

Barclays Capital U.S. Credit Index is an unmanaged index comprised of publicly issued U. S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements. The index includes both corporate and non- corporate sectors. The corporate sectors are Industrial, Utility, and Finance, which include both U. S. and non- U. S. corporations. The non- corporate sectors are Sovereign, Supranational, Foreign Agency, and Foreign Local Government. To qualify, bonds must be SEC-registered. It is not possible to invest directly in an unmanaged index.

Barclays Capital U.S. TIPS Index is an unmanaged market index comprised of all U.S. Treasury Inflation Protected Securities rated investment grade (Baa3 or better), have at least one year to final maturity, and at least $250 million par amount outstanding. Performance data for this index prior to 10/97 represents returns of the Lehman Inflation Notes Index.

Barclays Capital Treasury Index consists of public obligations of the U. S. Treasury with a remaining maturity of one year or more. It is not possible to invest directly in such an unmanaged index.

BofA Merrill Lynch 1-3 Year U.S. Treasury Index is an Unmanaged market index made up of U.S. Treasury issues with maturities from one to three years. It is not possible to invest directly in such an unmanaged index.

S&P 500 Index is an unmanaged market index generally considered representative of the stock market as a whole. The Index focuses on the large-cap segment of the U.S. equities market. It is not possible to invest directly in the index.

U.S. High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Qualifying bonds must have at least one year remaining term to maturity, a fixed coupon schedule and a minimum amount outstanding of USD 100 million. Bonds must be rated below investment grade based on a composite of Moody’s and S&P. It is not possible to invest directly in an unmanaged index.

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