



P I M C O

# PIMCO Variable Insurance Trust

All Asset Portfolio

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

## Dear PIMCO Variable Insurance Trust Shareholder:

We believe that investors should prepare for a challenging journey to what we call the "new normal", marked by the likelihood of secular slower economic growth, lower U.S. consumption, below historically average asset price returns, and greater government regulation and market activity worldwide. To navigate this journey requires a steadfast determination to diversify across multiple and forecast congruent asset classes, and to recognize a new order in financial markets and economies. We remain highly focused and committed to guiding our clients through this period of uncertainty, while staying at the forefront of risk management and opportunities in this demanding investment environment.

On the following pages of this Semiannual Report for the PIMCO Variable Insurance Trust covering the six-month reporting period ended June 30, 2009, please find specific details as to the Portfolio's total return investment performance and a discussion of those factors that affected performance.

Highlights of the financial markets during the reporting period include:

- Global central banks reduced or maintained their key-lending rates at historic lows, while also resorting to a policy of "quantitative easing" in an effort to add significant liquidity to money markets worldwide and encourage bank lending to consumers and businesses. The Federal Reserve maintained a target range for the Federal Funds Rate of 0.00% to 0.25%; the European Central Bank reduced its overnight rate to 1.00%; the Bank of England reduced its key-lending rate to 0.50%; and the Bank of Japan maintained its lending rate at 0.10%.
- As demand to accept risk and assets with more risk returned to the market in the latter part of the reporting period, government bonds underperformed most riskier assets, partially reversing the flight-to-quality that occurred during the second half of 2008. Government bonds of most developed economies fared better than U.S. Treasury securities as investor anxiety regarding fiscal imbalances and potential inflation was especially pronounced in the U.S. The benchmark ten-year U.S. Treasury note yielded 3.53% at the end of the reporting period, or 1.32% higher than at the end of 2008. The Barclays Capital U.S. Aggregate Index, a widely used index of U.S. high-grade bonds, returned 1.90% for the reporting period.
- Returns on U.S. Treasury Inflation-Protected Securities ("TIPS") were positive as investors favored this asset class in response to attractive valuations and concerns about long-term inflation risk. The Barclays Capital U.S. TIPS Index returned 6.21% for the reporting period. Commodities index returns were positive over the reporting period, as represented by the Dow Jones-UBS Commodity Index Total Return, which returned 4.62% for the reporting period.
- Agency mortgage-backed securities ("MBS") outperformed like-duration U.S. Treasury securities. Purchases of Agency MBS by the Federal Reserve caused mortgage yields to decline relative to U.S. Treasury securities since the beginning of the year. Non-Agency MBS also performed well during the reporting period due to perceived improvements in the stability of financial markets, which reduced balance sheet pressures and improved liquidity in the MBS sector.
- Amid improved market sentiment and increased appetite for risk, yields on emerging market ("EM") bonds narrowed sharply, helping to produce gains in both local and external EM securities. In U.S. dollar denominated debt, despite generally weak economic data, lower-rated credits outperformed, fueled by the rally in risk sectors. EM local debt posted strong positive returns amid monetary easing, receding inflationary pressures, and appreciating emerging market currencies.
- Equity markets worldwide generally trended higher as investors took on more risk during the latter part of the reporting period. U.S. equities, as measured by the S&P 500 Index, returned 3.16% for the reporting period.

Thank you for the trust you have placed in us. We value that and will continue to work diligently to meet your investment needs.

Sincerely,



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

August 17, 2009

## Important Information About the Portfolio

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

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

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

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

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

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

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

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

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

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

## **Example**

As a shareholder of the Portfolio, you incur two types of costs: (1) transaction costs and (2) ongoing costs, including management fees; distribution and/or service (12b-1) fees (Administrative Class, Advisor Class and Class M only); and other Portfolio expenses. The Example is intended to help you understand your ongoing costs (in dollars) of investing in the Portfolio and to compare these costs with the ongoing costs of investing in other mutual funds. The Expense Example does not reflect any fees or other expenses imposed by the Variable Contracts. If it did, the expenses reflected in the Expense Example would be higher. The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period indicated, which is from January 1, 2009 to June 30, 2009.

## **Actual Expenses**

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

## **Hypothetical Example for Comparison Purposes**

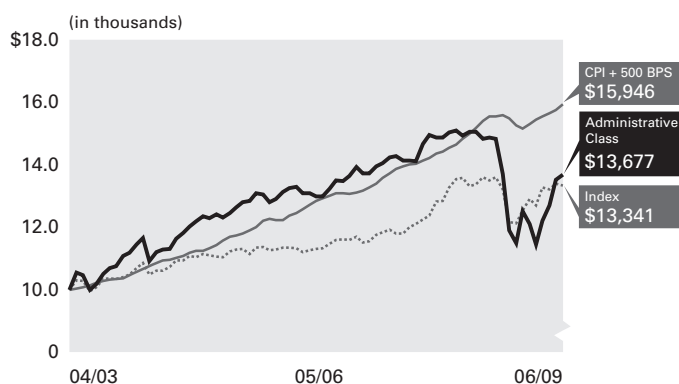
The information in the table under the heading "Hypothetical Performance (5% return before expenses)" provides information about hypothetical account values and hypothetical expenses based on the Portfolio's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not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

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

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

# PIMCO All Asset Portfolio

## Cumulative Returns Through June 30, 2009



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

## Average Annual Total Return for the period ended June 30, 2009

	6 Months*	1 Year	5 Years	Since Inception (04/30/03)
— PIMCO All Asset Portfolio Administrative Class	9.24%	-7.83%	3.94%	5.21%
..... Barclays Capital U.S. TIPS 1-10 Year Index*	6.49%	-1.92%	4.69%	4.78%
— Consumer Price Index + 500 Basis Points**	5.18%	3.62%	7.84%	7.87%

\* Cumulative return. All Portfolio returns are net of fees and expenses.

**Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Investment return and principal value will fluctuate so the Portfolio shares when redeemed, may be worth more or less than their original cost. The Portfolio's performance does not reflect the deduction of additional charges and expenses imposed in connection with investing in Variable Contracts, which will reduce returns. Current performance may be lower or higher than the performance data quoted. Performance data current to the most recent month-end is available by calling (800) 927-4648. The Portfolio's total annual operating expense ratio as stated in the Portfolio's current prospectus, which includes the fees and expenses of the Underlying PIMCO Funds, as supplemented to date, is 1.335% for Administrative Class shares.**

± Barclays Capital U.S. TIPS 1-10 Year Index is an unmanaged index market comprised of U.S. Treasury Inflation-Protected Securities having a maturity of at least 1 year and less than 10 years. The index does not reflect deductions for fees, expenses or taxes. It is not possible to invest directly in an unmanaged index. Prior to November 1st, 2008, this index was published by Lehman Brothers.

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

Expense Example	Actual Performance	Hypothetical Performance (5% return before expenses)
Beginning Account Value (01/01/09)	\$1,000.00	\$1,000.00
Ending Account Value (06/30/09)	\$1,092.45	\$1,022.02
Expenses Paid During Period†	\$ 2.91	\$ 2.81

† Expenses are equal to the Portfolio's Administrative Class net annualized expense ratio of 0.555%, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period). The expense ratio excludes the expenses of the Underlying PIMCO Funds, which based upon the allocation of the Portfolio's assets among the Underlying PIMCO Funds are indirectly borne by the shareholders of the Portfolio. The Underlying PIMCO Fund expenses attributable to advisory and supervisory and administrative fees indirectly borne by the Portfolio are currently capped at 0.64% of total assets. The annualized expense ratio of 0.555% for the Administrative Class reflects net annualized expenses after application of an expense waiver of 0.02%. Overall fees and expenses of investing in the Portfolio will be higher because the example does not reflect Variable Contract fees and expenses.

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

## PIMCO Funds Allocation<sup>†</sup>

Real Return Asset Fund	20.8%
Investment Grade Corporate Bond Fund	14.0%
Short-Term Fund	12.4%
CommodityRealReturn Strategy Fund®	8.7%
Total Return Fund	8.3%
Other	35.8%

<sup>†</sup> % of Total Investments as of 06/30/09

## Portfolio Insights

- » The PIMCO All Asset Portfolio seeks to achieve its investment objective by investing under normal circumstances substantially all of its assets in Institutional Class shares of the Underlying PIMCO Funds. Though it is anticipated that the Portfolio will not currently invest in the StocksPLUS® TR Short Strategy Fund, the Portfolio may invest in this Underlying PIMCO Fund in the future, without shareholder approval, at the discretion of PIMCO. The Portfolio invests its assets in shares of the Underlying PIMCO Funds and does not invest directly in stocks or bonds of other issuers.
- » Exposure to high-yield securities, through an allocation to the PIMCO High Yield Fund, benefited performance as the Fund outperformed the Barclays Capital U.S. TIPS 1-10 Year Index ("the Portfolio's benchmark") during the period.
- » An allocation to convertible securities, through the PIMCO Convertible Fund, benefited performance as the Fund outperformed the Portfolio's benchmark during the period.
- » Exposure to emerging market currencies and locally issued emerging market bonds, through the PIMCO Developing Local Markets Fund and PIMCO Emerging Local Bond Fund, benefited performance as both Funds outperformed the Portfolio's benchmark.
- » Exposure to emerging market bonds, through the PIMCO Emerging Markets Bond Fund, benefited performance as the Fund outperformed the Portfolio's benchmark.
- » Commodities exposure, through exposure to the PIMCO CommodityRealReturn Strategy Fund®, benefited performance as the Fund outperformed the Portfolio's benchmark.
- » Exposure to the PIMCO Income Fund detracted from performance as the Fund underperformed the Portfolio's benchmark.
- » An allocation to Real Estate Investment Trusts ("REITs"), through the PIMCO RealEstateRealReturn Strategy Fund, detracted from performance as the Fund underperformed the Portfolio's benchmark.

# Financial Highlights All Asset Portfolio

Selected Per Share Data for the Year or Period Ended:	06/30/2009+	12/31/2008	12/31/2007	12/31/2006	12/31/2005	12/31/2004
<b>Administrative Class</b>						
Net asset value beginning of year or period	\$ 9.20	\$ 11.72	\$ 11.67	\$ 11.81	\$ 11.62	\$ 10.77
Net investment income (a)	0.17	0.54	0.86	0.63	0.83	1.50
Net realized/unrealized gain (loss) on investments	0.67	(2.36)	0.09	(0.10)	(0.11)	(0.27)
Total income (loss) from investment operations	0.84	(1.82)	0.95	0.53	0.72	1.23
Dividends from net investment income	(0.14)	(0.60)	(0.90)	(0.64)	(0.49)	(0.37)
Distributions from net realized capital gains	0.00	(0.03)	0.00	(0.03)	(0.04)	(0.01)
Tax basis return of capital	0.00	(0.07)	0.00	0.00	0.00	0.00
Total distributions	(0.14)	(0.70)	(0.90)	(0.67)	(0.53)	(0.38)
Net asset value end of year or period	\$ 9.90	\$ 9.20	\$ 11.72	\$ 11.67	\$ 11.81	\$ 11.62
Total return	9.24%	(15.84)%	8.33%	4.66%	6.23%	11.49%
Net assets end of year or period (000s)	\$ 196,386	\$ 168,540	\$ 255,691	\$ 251,076	\$ 251,482	\$ 102,183
Ratio of expenses to average net assets (b)	0.555%*(e)	0.555%(e)	0.555%(e)	0.585%(d)	0.59%(c)	0.57%(c)
Ratio of expenses to average net assets excluding interest expense (b)	0.555%*(e)	0.555%(e)	0.555%(e)	0.585%(d)	0.59%(c)	0.57%(c)
Ratio of net investment income to average net assets	3.65%*	4.92%	7.06%	5.39%	6.98%	13.02%
Portfolio turnover rate	73%	91%	101%	66%	75%	93%

+ Unaudited

\* Annualized

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

(b) Ratio of expenses to average net assets excluding underlying PIMCO Funds' expenses in which the Portfolio invests.

(c) If the investment manager had not reimbursed expenses, the ratio of expenses to average net assets would have been 0.60%.

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

(e) If the investment manager had not reimbursed expenses, the ratio of expenses to average net assets would have been 0.575%.

# Statement of Assets and Liabilities All Asset Portfolio

(Amounts in thousands, except per share amounts)

	<b>June 30, 2009</b> <i>(Unaudited)</i>
<b>Assets:</b>	
Investments in Affiliates, at value	\$ 1,834,258
Repurchase agreements, at value	1,765
Cash	1
Receivable for investments in Affiliates sold	30,588
Receivable for Portfolio shares sold	135
Interest and dividends receivable from Affiliates	6,761
	<b>1,873,508</b>
<b>Liabilities:</b>	
Payable for investments in Affiliates purchased	\$ 39,114
Payable for Portfolio shares redeemed	441
Accrued investment advisory fee	259
Accrued supervisory and administrative fee	370
Accrued distribution fee	302
Accrued servicing fee	25
Recoupment payable to Manager	6
	<b>40,517</b>
<b>Net Assets</b>	<b>\$ 1,832,991</b>
<b>Net Assets Consist of:</b>	
Paid in capital	\$ 2,096,367
Undistributed net investment income	4,686
Accumulated undistributed net realized (loss)	(325,517)
Net unrealized appreciation	57,455
	<b>\$ 1,832,991</b>
<b>Net Assets:</b>	
Institutional Class	\$ 807
Administrative Class	196,386
Advisor Class	1,597,047
Class M	38,751
<b>Shares Issued and Outstanding:</b>	
Institutional Class	81
Administrative Class	19,839
Advisor Class	160,715
Class M	3,897
<b>Net Asset Value and Redemption Price Per Share (Net Asset Per Share Outstanding)</b>	
Institutional Class	\$ 9.94
Administrative Class	9.90
Advisor Class	9.94
Class M	9.94
<b>Cost of Investments in Affiliates Owned</b>	<b>\$ 1,776,803</b>
<b>Cost of Repurchase Agreements Owned</b>	<b>\$ 1,765</b>

# Statement of Operations All Asset Portfolio

(Amounts in thousands)

	<b>Six Months Ended June 30, 2009 <i>(Unaudited)</i></b>
<b>Investment Income:</b>	
Dividends from Affiliate investments	\$ 33,215
Total Income	33,215
<b>Expenses:</b>	
Investment advisory fees	1,384
Supervisory and administrative fees	1,977
Servicing fees – Administrative Class	126
Distribution and/or servicing fees – Advisor Class	1,720
Distribution and/or servicing fees – Class M	83
Interest expense	5
Total Expenses	5,295
Reimbursement by Manager	(167)
Net Expenses	5,128
<b>Net Investment Income</b>	<b>28,087</b>
<b>Net Realized and Unrealized Gain (Loss):</b>	
Net realized (loss) on Affiliate investments	(205,511)
Net change in unrealized appreciation on Affiliate investments	330,726
Net Gain	125,215
<b>Net Increase in Net Assets Resulting from Operations</b>	<b>\$ 153,302</b>

# Statements of Changes in Net Assets All Asset Portfolio

(Amounts in thousands)

	Six Months Ended June 30, 2009 <i>(Unaudited)</i>	Year Ended December 31, 2008
<b>Increase in Net Assets from:</b>		
<b>Operations:</b>		
Net investment income	\$ 28,087	\$ 90,601
Net realized (loss) on Affiliate investments	(205,511)	(132,432)
Net capital gain distributions received from Underlying Funds	0	19,987
Net change in unrealized appreciation (depreciation) on Affiliate investments	330,726	(274,042)
Net increase (decrease) resulting from operations	153,302	(295,886)
<b>Distributions to Shareholders:</b>		
From net investment income		
Institutional Class	(11)	(35)
Administrative Class	(2,672)	(11,494)
Advisor Class	(20,244)	(76,721)
Class M	(474)	(2,392)
From net realized capital gains		
Institutional Class	0	(2)
Administrative Class	0	(553)
Advisor Class	0	(4,469)
Class M	0	(144)
Tax basis return of capital		
Institutional Class	0	(3)
Administrative Class	0	(1,485)
Advisor Class	0	(8,271)
Class M	0	(306)
Total Distributions	(23,401)	(105,875)
<b>Portfolio Share Transactions:</b>		
Receipts for shares sold		
Institutional Class	314	706
Administrative Class	44,979	104,348
Advisor Class	168,916	618,789
Class M	7,858	33,776
Issued as reinvestment of distributions		
Institutional Class	11	40
Administrative Class	2,672	13,532
Advisor Class	20,244	89,461
Class M	474	2,842
Cost of shares redeemed		
Institutional Class	(231)	(339)
Administrative Class	(34,004)	(149,388)
Advisor Class	(66,906)	(137,555)
Class M	(13,186)	(25,189)
Net increase resulting from Portfolio share transactions	131,141	551,023
<b>Total Increase in Net Assets</b>	<b>261,042</b>	<b>149,262</b>
<b>Net Assets:</b>		
Beginning of period	1,571,949	1,422,687
End of period*	\$ 1,832,991	\$ 1,571,949
*Including undistributed net investment income of:	\$ 4,686	\$ 0

# Schedule of Investments All Asset Portfolio

(Unaudited)  
June 30, 2009

	SHARES	MARKET VALUE (000s)
<b>PIMCO FUNDS (a)(b) 100.1%</b>		
CommodityRealReturn Strategy Fund®	22,334,239	\$ 159,466
Convertible Fund	3,612,987	35,841
Developing Local Markets Fund	3,456,531	32,077
Diversified Income Fund	4,217,723	39,858
Emerging Local Bond Fund	8,136,940	72,988
Emerging Markets Bond Fund	4,493,287	42,102
EM Fundamental IndexPLUS™ TR Strategy Fund	2,165,113	31,286
Floating Income Fund	7,197,537	56,429
Foreign Bond Fund (Unhedged)	5,402	49
Fundamental Advantage Total Return Strategy Fund	9,336,251	45,654
Fundamental IndexPLUS™ Fund	295,076	1,714
Fundamental IndexPLUS™ TR Fund	2,771,874	17,629
Global Advantage Strategy Bond Fund	706,803	7,513
High Yield Fund	7,584,923	57,039
Income Fund	3,251,963	29,365
International StocksPLUS® TR Strategy Fund (Unhedged)	597,128	3,732
International StocksPLUS® TR Strategy Fund (U.S. Dollar-Hedged)	2,195,004	18,109
Investment Grade Corporate Bond Fund	24,751,588	257,169
Long Duration Total Return Fund	5,102,594	53,373
Long-Term U.S. Credit Fund	3,273,681	34,799
Long-Term U.S. Government Fund	1,931,233	21,572
Low Duration Fund	254	3
Real Return Asset Fund	36,378,247	382,335
Real Return Fund	2,569,817	26,546
RealEstateRealReturn Strategy Fund	4,657,304	13,366
Short-Term Fund	23,694,508	228,652
Small Cap StocksPLUS® TR Fund	1,322,236	9,732
StocksPLUS® Total Return Fund	693,645	4,224
Total Return Fund	14,510,576	151,636
<b>Total PIMCO Funds (Cost \$1,776,803)</b>		<b>1,834,258</b>
	PRINCIPAL AMOUNT (000s)	
<b>SHORT-TERM INSTRUMENTS 0.1%</b>		
<b>REPURCHASE AGREEMENTS 0.1%</b>		
State Street Bank and Trust Co. 0.010% due 07/01/2009	\$ 1,765	\$ 1,765
(Dated 06/30/2009. Collateralized by U.S. Treasury Bills 0.000% due 08/27/2009 valued at \$1,805. Repurchase proceeds are \$1,765.)		
<b>Total Short-Term Instruments (Cost \$1,765)</b>		<b>1,765</b>
<b>Total Investments 100.2% (Cost \$1,778,568)</b>		<b>\$ 1,836,023</b>
<b>Other Assets and Liabilities (Net) (0.2%)</b>		<b>(3,032)</b>
<b>Net Assets 100.0%</b>		<b>\$ 1,832,991</b>

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

- \* A zero balance may reflect actual amounts rounding to less than one thousand.
- (a) Affiliated to the Portfolio.  
(b) Institutional Class Shares of each PIMCO Fund.  
(c) Fair Value Measurements +

The following is a summary of the fair valuations according to the inputs used as of June 30, 2009 in valuing the Portfolio's assets and liabilities:

	Quoted Prices in Active Markets for Identical Investments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value at 06/30/2009
PIMCO Funds	\$1,834,258	\$ 0	\$0	\$1,834,258
Short-Term Instruments	0	1,765	0	1,765
Investments, at value	\$1,834,258	\$1,765	\$0	\$1,836,023

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

# Notes to Financial Statements

## 1. ORGANIZATION

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

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

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

## 2. SIGNIFICANT ACCOUNTING POLICIES

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

The Portfolio has adopted the following new accounting standard and position issued by the Financial Accounting Standards Board ("FASB"):

- FASB Staff Position No. 157-4 ("FAS 157-4"), *Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly*

FAS 157-4 provides additional guidance for estimating fair value in accordance with FAS 157 when the volume and level of activity for the asset or liability have significantly decreased. FAS 157-4 also includes guidance on identifying circumstances that indicate a transaction is not orderly. FAS 157-4 emphasizes that even if there has been a significant decrease in the volume and level of activity for the asset or liability and regardless of the valuation technique(s) used, the objective of a fair value measurement remains the same. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. In accordance with the requirements of FAS 157-4, the inputs and valuation technique(s) used to measure fair value are included in the Notes to Schedule of Investments for the Portfolio.

- FASB Statement of Financial Accounting Standards No. 165, *Subsequent Events*, ("FAS 165")

FAS 165 requires the Portfolio to recognize in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet through the date that the financial statements are available to be issued, including the estimates inherent in the process of preparing financial statements.

**(a) Determination of Net Asset Value** The Net Asset Value ("NAV") of the Portfolio's shares is valued as of the close of regular trading (normally 4:00 p.m., Eastern time) (the "NYSE Close") on each day that the New York Stock Exchange ("NYSE") is open. Information that becomes known to the Portfolio or its agents after the NAV has been calculated on a particular day will not generally be used to retroactively adjust the price of a security or the NAV determined earlier that day.

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

FAS 157 defines fair value as the price that the Portfolio would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. It establishes and requires disclosure of a fair value hierarchy, separately for each major category of assets and liabilities, that segregates fair value measurements into levels (Levels 1, 2, and 3). Categorization of fair value measurements is determined by the nature of the inputs as follows: inputs using quoted prices in active markets for identical assets or liabilities ("Level 1"), significant other observable inputs ("Level 2"), and significant unobservable inputs ("Level 3"). Valuation levels are not necessarily an indication of the risk associated with investing in those securities. For fair valuations using significant unobservable inputs, FAS 157 requires a reconciliation of the beginning to ending balances for reported market values that presents changes attributable to total realized and unrealized gains or losses, purchases and sales, and transfers in/out of the Level 3 category during the period. In accordance with the requirements of FAS 157, a fair value hierarchy and Level 3 reconciliation have been included in the Notes to the Schedule of Investments for the Portfolio.

**(c) Securities Transactions and Investment Income** Securities transactions are recorded as of the trade date for financial reporting purposes. Securities

purchased or sold on a when-issued or delayed-delivery basis may be settled a month or more after the trade date. Realized gains and losses from securities sold are recorded on the identified cost basis. Dividend income is recorded on the ex-dividend date. Interest income, adjusted for the accretion of discounts and amortization of premiums, is recorded on the accrual basis.

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

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

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

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

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

### 3. PRINCIPAL RISKS

In the normal course of business the Portfolio trades financial instruments and enters into financial transactions where risk of potential loss exists due to changes in the market (market risk), or failure or inability of the other party to a transaction to perform (credit and counterparty risk).

**Market Risks** The Portfolio's investments in derivatives and other financial instruments expose the Portfolio to various risks such as, but not limited to, interest rate, foreign currency, equity and commodity risks.

Interest rate risk is the risk that fixed income securities will decline in value because of changes in interest rates. As nominal interest rates rise, the value of certain fixed income securities held by the Portfolio is likely to decrease. A nominal interest rate can be described as the sum of a real interest rate and an expected inflation rate. Fixed income securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. Duration is useful primarily as a measure of the sensitivity of a fixed income's market price to interest rate (i.e. yield) movements.

If the Portfolio invests directly in foreign currencies or in securities that trade in, and receive revenues in, foreign currencies, or in derivatives that provide exposure to foreign currencies, it will be subject to the risk that those currencies will decline in value relative to the base currency of the Portfolio, or, in the case of hedging positions, that the Portfolio's base currency will decline in value relative to the currency being hedged. Currency rates in foreign countries may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates, intervention (or the failure to intervene) by U.S. or foreign governments, central banks or supranational entities such as the International Monetary Fund, or by the imposition of currency controls or other political developments in the United States or abroad. As a result, the Portfolio's investments in foreign currency denominated securities may reduce the returns of the Portfolio.

The market values of equities, such as common stocks and preferred stocks or equity related investments such as futures, options, may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Equity securities and equity related investments generally have greater market price volatility than fixed income securities.

**Credit and Counterparty Risks** The Portfolio will be exposed to credit risk on parties with whom it trades and will also bear the risk of settlement default. The Portfolio minimizes concentrations of credit risk by undertaking transactions with a large number of customers and counterparties on recognized and reputable exchanges. The Portfolio could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivatives contract, repurchase agreement or a loan of portfolio securities, is unable or unwilling to make timely principal and/or interest payments, or to otherwise honor its obligations. Securities are subject to varying degrees of credit risk, which are often reflected in credit ratings.

Similar to credit risk, the Portfolio may be exposed to counterparty risk, or the risk that an institution or other entity with which the Portfolio has unsettled or open transactions will default. Financial assets, which potentially expose the Portfolio to credit risk, consist principally of cash due from counterparties and investments. PIMCO, as the investment advisor, minimizes credit risks to the Portfolio by

performing extensive reviews of each counterparty and obtaining approval from the Counterparty Risk Committee prior to entering into transactions with a third party. All transactions in listed securities are settled/paid for upon delivery using approved counterparties. The risk of default is considered minimal, as delivery of securities sold is only made once the Portfolio has received payment. Payment is made on a purchase once the securities have been delivered by the counterparty. The trade will fail if either party fails to meet its obligation.

The Portfolio is subject to various Master Agreements, which govern the terms of certain transactions with select counterparties. These Master Agreements reduce the credit risk associated with relevant transactions by allowing the Portfolio to net contracts in the event of default. All amounts with the counterparty are terminated and settled on a net basis. The Portfolio's overall exposure to credit risk can change substantially within a short period, as it is affected by each transaction subject to the relevant Master Agreement.

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

Master Securities Forward Transaction Agreements ("Master Forward Agreements") govern the considerations and factors surrounding the settlement of certain purchases and sales made on a delayed-delivery basis by and between the Portfolio and select counterparties. The Master Forward Agreements maintain provisions for, among other things, initiation and confirmation, payment and transfer, events of default, termination, and maintenance of collateral.

#### 4. FEES AND EXPENSES

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

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

**(b) Supervisory and Administrative Fee** PIMCO serves as administrator (the "Administrator"), and provides supervisory and administrative services to the Trust for which it receives a monthly supervisory and administrative fee based on each share class's average daily net assets (the "Supervisory and Administrative Fee"). As the Administrator, PIMCO bears the costs of various third-party services, including audit, custodial, portfolio accounting, legal, transfer agency and printing costs. The Supervisory and Administrative Fee for all classes is charged at the annual rate of 0.25%.

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

The Trust has adopted separate Distribution Plans for the Advisor Class and Class M shares of the Portfolio. The Distribution Plans have been adopted pursuant to Rule 12b-1 under the Act. The Distribution Plans permit payments for expenses in connection with the distribution and marketing of Advisor Class and Class M shares and/or the provision of shareholder services to Advisor Class and Class M shareholders which permits the Portfolio to make total payments at an annual rate of 0.25% of its average daily net assets attributable to its Advisor Class and Class M shares. The Trust has also adopted Administrative Services Plans ("Service Plans") for the Class M shares of the Portfolio. The Service Plans allows the Portfolio to use its Class M assets to compensate or reimburse financial intermediaries that provide services relating to Class M shares which permits the Portfolio to make total payments at an annual rate of 0.20% of its average daily net assets attributable to its Class M shares.

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

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

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

PIMCO has contractually agreed, through May 1, 2010, to reduce its Investment Advisory Fee to the extent that the Acquired Fund Fees and Expenses attributable to Investment Advisory and Supervisory and Administrative Fees exceed 0.64% of the total assets invested in Underlying PIMCO Funds. The waiver is reflected in the Statement of Operations as a component of Reimbursement by Manager. For the period ended June 30, 2009, the amount was \$167,083. PIMCO may recoup these waivers in future periods, not exceeding three years, provided total expenses, including such recoupment, do not exceed the annual expense limit.

## 5. RELATED PARTY TRANSACTIONS

The Adviser, Administrator, and Distributor are related parties as defined by FASB Statement of Financial Accounting Standards No. 57, *Related Party Disclosures*. Fees payable to these parties are disclosed in Note 4.

The All Asset Portfolio invests substantially all of its assets in Institutional Class shares of PIMCO Funds, an affiliated open-end investment company. The Underlying PIMCO Funds are considered to be affiliated with the Portfolio. The table below shows the transactions in and earnings from investments in these affiliated Funds for the period ended June 30, 2009 (amounts in thousands):

Underlying PIMCO Funds	Market Value 12/31/2008	Purchases at Cost	Proceeds from Sales	Unrealized Appreciation/ (Depreciation)	Market Value 06/30/2009	Dividend Income	Net Capital and Realized (Loss)
CommodityRealReturn Strategy Fund®	\$ 43,301	\$ 133,233	\$ 33,016	\$ 13,133	\$ 159,466	\$ 3,227	\$ (22,825)
Convertible Fund	123,536	23,869	117,263	5,072	35,841	113	(16,842)
Developing Local Markets Fund	125,684	13,042	111,733	(255)	32,077	1,386	(24,330)
Diversified Income Fund	40,372	8,115	11,927	(4,099)	39,858	1,169	(3,163)
Emerging Local Bond Fund	154,229	4,389	94,892	(2,078)	72,988	3,964	(15,146)
Emerging Markets Bond Fund	111,756	4,337	80,482	(1,656)	42,102	3,146	(13,818)
EM Fundamental IndexPLUS™ TR Strategy Fund	1,125	20,403	0	9,806	31,286	403	0
Floating Income Fund	55,995	45,955	52,820	6,155	56,429	1,771	(12,192)
Foreign Bond Fund (Unhedged)	45	1	0	(4)	49	1	0
Fundamental Advantage Total Return Strategy Fund	17,998	26,073	0	(4,020)	45,654	0	0
Fundamental IndexPLUS™ Fund	13,494	1,303	12,943	(1,355)	1,714	0	(10,977)
Fundamental IndexPLUS™ TR Fund	43,478	51,946	78,915	4,892	17,629	0	(17,984)
Global Advantage Strategy Bond Fund	0	7,460	0	53	7,513	14	0
Global Bond Fund (Unhedged)	7	0	6	0	0	0	(2)
High Yield Fund	69,430	77,992	106,413	9,123	57,039	4,451	(3,829)
Income Fund	34,734	8,470	14,485	(1,766)	29,365	844	(1,730)
International StocksPLUS® TR Strategy Fund (Unhedged)	2,208	988	0	(1,188)	3,732	0	0
International StocksPLUS® TR Strategy Fund (U.S. Dollar-Hedged)	31,963	0	16,705	(6,707)	18,109	0	(5,581)
Investment Grade Corporate Bond Fund	162,684	179,705	100,960	17,729	257,169	5,797	(1,549)
Long Duration Total Return Fund	12,314	80,227	39,868	2,328	53,373	1,115	(872)
Long-Term Credit Fund	0	33,603	0	1,197	34,799	137	0
Long-Term U.S. Government Fund	0	21,620	0	(48)	21,572	112	0
Low Duration Fund	2	0	0	0	3	0	0
Real Return Asset Fund	395,273	86,689	125,184	6,400	382,335	3,206	(25,358)
Real Return Fund	1,231	26,170	1,236	366	26,546	77	(79)
RealEstateRealReturn Strategy Fund	62,488	1,438	45,567	(637)	13,366	0	(20,754)
Short-Term Fund	2	228,481	0	169	228,652	68	0
Small Cap StocksPLUS® TR Fund	67,533	59,209	113,480	2,649	9,732	0	(8,359)
StocksPLUS® Total Return Fund	2,816	1,061	0	(2,100)	4,224	0	0
Total Return Fund	0	170,713	23,253	4,296	151,636	2,214	(121)
<b>Totals</b>	<b>\$ 1,573,698</b>	<b>\$ 1,316,492</b>	<b>\$ 1,181,148</b>	<b>\$ 57,455</b>	<b>\$ 1,834,258</b>	<b>\$ 33,215</b>	<b>\$ (205,511)</b>

## 6. GUARANTEES AND INDEMNIFICATIONS

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

## 7. PURCHASES AND SALES OF SECURITIES

The length of time the Portfolio has held a particular security is not generally a consideration in investment decisions. A change in the securities held by the Portfolio is known as "portfolio turnover". The Portfolio may engage in frequent and active trading of portfolio securities to achieve its investment objective, particularly during periods of volatile market movements. High portfolio turnover (e.g., over 100%) involves correspondingly greater expenses to the Portfolio, including brokerage commissions or dealer mark-ups and other transaction costs on the sale of securities and reinvestments in other securities. Such sales may also result in realization of taxable capital gains, including short-term capital gains

## Notes to Financial Statements (Cont.)

(which are generally taxed at ordinary income tax rates). The trading costs and tax effects associated with portfolio turnover may adversely affect the Portfolio's performance. The portfolio turnover rates are reported in the Financial Highlights.

Purchases and sales of securities (excluding short-term investments) for the period ended June 30, 2009, were as follows (amounts in thousands):

U.S. Government/Agency		All Other	
Purchases	Sales	Purchases	Sales
\$ 0	\$ 0	\$ 1,316,492	\$ 1,181,148

### 8. SHARES OF BENEFICIAL INTEREST

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

	Six Months Ended 06/30/2009		Year Ended 12/31/2008	
	Shares	Amount	Shares	Amount
<b>Receipts for shares sold</b>				
Institutional Class	34	\$ 314	64	\$ 706
Administrative Class	4,975	44,979	9,274	104,348
Advisor Class	18,362	168,916	55,111	618,789
Class M	860	7,858	2,996	33,776
<b>Issued as reinvestment of distributions</b>				
Institutional Class	1	11	4	40
Administrative Class	286	2,672	1,340	13,532
Advisor Class	2,154	20,244	9,040	89,461
Class M	51	474	285	2,842
<b>Cost of shares redeemed</b>				
Institutional Class	(25)	(231)	(29)	(339)
Administrative Class	(3,743)	(34,004)	(14,108)	(149,388)
Advisor Class	(7,350)	(66,906)	(12,344)	(137,555)
Class M	(1,450)	(13,186)	(2,449)	(25,189)
<b>Net increase resulting from Portfolio share transactions</b>	<b>14,155</b>	<b>\$ 131,141</b>	<b>49,184</b>	<b>\$ 551,023</b>

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

	Number of Shareholders	% of Portfolio Held
Institutional Class	3	100
Administrative Class	2	86*
Advisor Class	3	99
Class M	4	98

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

### 9. REGULATORY AND LITIGATION MATTERS

Since February 2004, PIMCO, AGI (PIMCO's parent company), and certain of their affiliates, including PIMCO Funds (a complex of mutual funds managed by PIMCO) and Allianz Funds (formerly known as PIMCO Funds: Multi-Manager Series) (a complex of mutual funds managed by affiliates of PIMCO), certain trustees of PIMCO Funds, and certain employees of PIMCO have been named as defendants in eleven lawsuits filed in various jurisdictions. These lawsuits concern "market

timing," and they have been transferred to and consolidated for pre-trial proceedings in a multi-district litigation proceeding in the U.S. District Court for the District of Maryland. The lawsuits have been commenced as putative class actions on behalf of investors who purchased, held or redeemed shares of the various series of PIMCO Funds and Allianz Funds during specified periods, or as derivative actions on behalf of PIMCO Funds and Allianz Funds. These lawsuits seek, among other things, unspecified compensatory damages, plus interest, and in some cases, punitive damages, the rescission of investment advisory contracts, the return of fees paid under those contracts and restitution.

These actions generally allege that certain hedge funds were allowed to engage in "market timing" in certain funds of PIMCO Funds and Allianz Funds and this alleged activity was not disclosed. Pursuant to tolling agreements dated January 14, 2005 entered into with the derivative and class action plaintiffs, PIMCO, certain trustees of PIMCO Funds, and certain employees of PIMCO who were previously named as defendants have all been removed as defendants in the market timing actions; however, the plaintiffs continue to assert claims on behalf of the shareholders of PIMCO Funds or on behalf of PIMCO Funds itself against other defendants. By order dated November 3, 2005, the U.S. District Court for the District of Maryland granted PIMCO Funds' motion to dismiss claims asserted against it in a consolidated amended complaint where PIMCO Funds was named as a nominal defendant. Thus, at present PIMCO Funds is not a party to any "market timing" lawsuit.

PIMCO, a subsidiary of AGI and PIMCO Funds are the subject of a lawsuit in the Northern District of Illinois Eastern Division in which the complaint alleges that plaintiffs each purchased and sold a 10-year Treasury note futures contract and suffered damages from an alleged shortage when PIMCO held both physical and futures positions in 10-year Treasury notes for its client accounts. In July 2007, the court granted class certification of a class consisting of those persons who purchased futures contracts to offset short positions between May 9, 2005 and June 30, 2005. Management currently believes that the complaint is without merit and PIMCO and PIMCO Funds intend to vigorously defend against this action.

In April 2006, certain registered investment companies and other funds managed by PIMCO were served in an adversary proceeding brought by the Official Committee of Asbestos Claimants of G-I Holdings, Inc. in G-I Holdings, Inc.'s bankruptcy in the District of New Jersey. In July 2004, PIMCO was named in this lawsuit and remains a defendant. The plaintiff seeks to recover for the bankruptcy estate assets that were transferred by the predecessor entity of G-I Holdings, Inc. to a wholly-owned subsidiary in 1994. The subsidiary has since issued notes, of which certain registered investment companies and other funds managed by PIMCO are alleged to be holders. The complaint alleges that in 2000, more than two hundred noteholders—including certain registered investment companies and other funds managed by PIMCO—were granted a second priority lien on the assets of the subsidiary in exchange for their consent to a refinancing transaction and the granting of a first priority lien to the lending banks. The plaintiff is seeking invalidation of the lien in favor of the noteholders and/or the value of the lien. A Plan of Reorganization (the "Plan") is currently under consideration by the Court in the underlying bankruptcy case. If the Plan is approved, it is expected that the adversary proceeding to which PIMCO and other funds managed by PIMCO ("PIMCO Entities") are parties will be dismissed. It is not known at this time when the Plan may be approved, if at all. In the meantime, the adversary proceeding is stayed. This matter is not expected to have a material adverse effect on the relevant PIMCO Entities.

## 10. FEDERAL INCOME TAX MATTERS

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

In accordance with provisions set forth in the FASB issued Interpretation No. 48, *Accounting for Uncertainty in Income Taxes, an Interpretation of FASB Statement No. 109* ("FIN 48"), management has reviewed the Portfolio's tax positions for all open tax years and concluded that adoption had no effect on the Portfolio's financial position or results of operations. As of June 30, 2009, the Portfolio has recorded no liability for net unrecognized tax benefits relating to uncertain income tax positions it has taken or expects to take in future tax returns.

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

One of the requirements for favorable tax treatment as a regulated investment company under the Code is that the Portfolio derive at least 90% of its gross income from certain qualifying sources of income. The IRS has issued a revenue ruling which holds that income derived from commodity index-linked swaps is not qualifying income under Subchapter M of the Code. Subsequently, the IRS issued a private letter ruling to the CRRS Fund in which the IRS specifically concluded that income from certain commodity index-linked notes is qualifying income. In addition, the IRS issued another private letter ruling to the CRRS Fund in which the IRS specifically concluded that income derived from the CRRS Fund's investment in

the Subsidiary, which invests primarily in commodity index-linked swaps, will also constitute qualifying income to the CRRS Fund. Based on such rulings, the CRRS Fund will continue to seek to gain exposure to the commodity markets primarily through investments in commodity-linked notes and through investments in its subsidiary.

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

As of June 30, 2009, the aggregate cost of investments was the same for federal income tax and financial statement purposes. The net unrealized appreciation/(depreciation) of investment securities for federal income tax purposes is as follows (amounts in thousands):

Aggregate Gross Unrealized Appreciation	Aggregate Gross Unrealized (Depreciation)	Net Unrealized Appreciation
\$ 83,367	\$ (25,912)	\$ 57,455

## 11. SUBSEQUENT EVENTS

In accordance with the provisions set forth in FAS 165, PIMCO has evaluated the possibility of subsequent events existing in the Portfolio's financial statements through August 18, 2009, the date that the financial statements were available to be issued. PIMCO has determined that there are no additional material events that would require disclosure in the Portfolio's financial statements through this date.

# GLOSSARY: (abbreviations that may be used in the preceding statements)

## Counterparty Abbreviations:

<b>ABN</b>	ABN AMRO Bank, N.V.	<b>CBA</b>	Commonwealth Bank of Australia	<b>MLP</b>	Merrill Lynch & Co., Inc.
<b>AIG</b>	AIG International, Inc.	<b>CITI</b>	Citigroup, Inc.	<b>MSC</b>	Morgan Stanley
<b>BCLY</b>	Barclays Bank PLC	<b>CSFB</b>	Credit Suisse First Boston	<b>RBC</b>	Royal Bank of Canada
<b>BEAR</b>	Bear Stearns & Co., Inc. (acquired by JPMorgan & Co.)	<b>DUB</b>	Deutsche Bank AG	<b>RBS</b>	Royal Bank of Scotland Group PLC
<b>BNP</b>	BNP Paribas Bank	<b>GSC</b>	Goldman Sachs & Co.	<b>SOG</b>	Societe Generale
<b>BOA</b>	Bank of America	<b>HSBC</b>	HSBC Bank USA	<b>UBS</b>	UBS Warburg LLC
<b>BSN</b>	Bank of Nova Scotia	<b>JPM</b>	JPMorgan Chase & Co.	<b>WAC</b>	Wachovia Bank N.A.

## Currency Abbreviations:

<b>AED</b>	UAE Dirham	<b>HKD</b>	Hong Kong Dollar	<b>PLN</b>	Polish Zloty
<b>ARS</b>	Argentine Peso	<b>HUF</b>	Hungarian Forint	<b>RON</b>	Romanian New Leu
<b>AUD</b>	Australian Dollar	<b>IDR</b>	Indonesian Rupiah	<b>RUB</b>	Russian Ruble
<b>BRL</b>	Brazilian Real	<b>ILS</b>	Israeli Shekel	<b>SAR</b>	Saudi Riyal
<b>CAD</b>	Canadian Dollar	<b>INR</b>	Indian Rupee	<b>SEK</b>	Swedish Krona
<b>CHF</b>	Swiss Franc	<b>JPY</b>	Japanese Yen	<b>SGD</b>	Singapore Dollar
<b>CLP</b>	Chilean Peso	<b>KRW</b>	South Korean Won	<b>THB</b>	Thai Baht
<b>CNY</b>	Chinese Renminbi	<b>KWD</b>	Kuwaiti Dinar	<b>TRY</b>	Turkish New Lira
<b>COP</b>	Colombian Peso	<b>MXN</b>	Mexican Peso	<b>TWD</b>	Taiwanese Dollar
<b>CZK</b>	Czech Koruna	<b>MYR</b>	Malaysian Ringgit	<b>UAH</b>	Ukrainian Hryvnia
<b>DKK</b>	Danish Krone	<b>NOK</b>	Norwegian Krone	<b>USD</b>	United States Dollar
<b>EGP</b>	Egyptian Pound	<b>NZD</b>	New Zealand Dollar	<b>UYU</b>	Uruguayan Peso
<b>EUR</b>	Euro	<b>PEN</b>	Peruvian New Sol	<b>ZAR</b>	South African Rand
<b>GBP</b>	British Pound	<b>PHP</b>	Philippine Peso		

## Exchange Abbreviations:

<b>AMEX</b>	American Stock Exchange	<b>ICE</b>	IntercontinentalExchange®	<b>NYBEX</b>	New York Board of Trade
<b>CBOE</b>	Chicago Board Options Exchange	<b>ICEX</b>	Iceland Stock Exchange	<b>NYMEX</b>	New York Mercantile Exchange
<b>CBOT</b>	Chicago Board of Trade	<b>KCBT</b>	Kansas City Board of Trade	<b>NYFE</b>	New York Futures Exchange
<b>CME</b>	Chicago Mercantile Exchange	<b>LIFFE</b>	London International Financial Futures Exchange	<b>NYSE</b>	New York Stock Exchange
<b>FTSE</b>	Financial Times Stock Exchange	<b>LMEX</b>	London Metal Exchange	<b>OTC</b>	Over-the-Counter

## Index Abbreviations:

<b>ABX.HE</b>	Asset-Backed Securities Index - Home Equity	<b>DJAIGCI</b>	Dow Jones-AIG Commodity Index	<b>eRAFI EM</b>	eRAFI Emerging Markets Index
<b>CDX.EM</b>	Credit Derivatives Index - Emerging Markets	<b>DJAIGTR</b>	Dow Jones-AIG Total Return Commodity Index	<b>FRCPXTOB</b>	France Consumer Price ex-Tobacco Index
<b>CDX.HV</b>	Credit Derivatives Index - High Volatility	<b>DJAIHGTR</b>	Dow Jones-AIG Copper Total Return Sub-Index	<b>GSCITR</b>	Goldman Sachs Commodity Total Return Index
<b>CDX.HY</b>	Credit Derivatives Index - High Yield	<b>DJAIWHTR</b>	Dow Jones-AIG Wheat Total Return Sub-Index	<b>HICP</b>	Harmonized Index of Consumer Prices
<b>CDX.IG</b>	Credit Derivatives Index - Investment Grade	<b>DJUBHGTR</b>	Dow Jones-UBS Copper Subindex Total Return	<b>LCDX</b>	Liquid Credit Derivative Index
<b>CDX.NA</b>	Credit Derivatives Index - North America	<b>DJUBS</b>	Dow Jones-UBS Commodity Index	<b>MCDX</b>	Municipal Bond Credit Derivative Index
<b>CDX.XO</b>	Credit Derivatives Index - Crossover	<b>DJUBSTR</b>	Dow Jones-UBS Commodity Index Total Return	<b>SPGCCLP</b>	S&P GSCI Crude Oil Index
<b>CMBX</b>	Commercial Mortgage-Backed Index	<b>DWRRT</b>	Dow Jones Wilshire REIT Total Return Index	<b>TUCPI</b>	Turkey Consumer Price Index
<b>CPI</b>	Consumer Price Index	<b>EAFE</b>	Europe, Australasia, and Far East Stock Index	<b>UKRPI</b>	United Kingdom Retail Price Index
<b>CPTFEMU</b>	Eurozone HICP ex-Tobacco Index	<b>eRAFI</b>	enhanced Research Affiliates Fundamental Index	<b>USSP</b>	USD Swap Spread

## Municipal Bond or Agency Abbreviations:

<b>ACA</b>	American Capital Access Holding Ltd.	<b>FHLMC</b>	Federal Home Loan Mortgage Corporation	<b>MAIA</b>	Michigan Association of Insurance Agents
<b>AGC</b>	Assured Guaranty Corp.	<b>FNMA</b>	Federal National Mortgage Association	<b>MBIA</b>	Municipal Bond Investors Assurance
<b>AMBAC</b>	American Municipal Bond Assurance Corp.	<b>FSA</b>	Financial Security Assurance, Inc.	<b>PSF</b>	Public School Fund
<b>BHAC</b>	Berkshire Hathaway Assurance Corporation	<b>GNMA</b>	Government National Mortgage Association	<b>Q-SBLF</b>	Qualified School Bond Loan Fund
<b>CM</b>	California Mortgage Insurance	<b>GTD</b>	Guaranteed	<b>Radian</b>	Radian Guaranty, Inc.
<b>CR</b>	Custodial Receipts	<b>HUD</b>	U.S. Department of Housing and Urban Development	<b>ST</b>	State
<b>FGIC</b>	Financial Guaranty Insurance Co.	<b>ICR</b>	Insured Custodial Receipts	<b>VA</b>	Department of Veterans Affairs
<b>FHA</b>	Federal Housing Administration	<b>IBC</b>	Insured Bond Certificate	<b>XLCA</b>	XL Capital Assurance

## Other Abbreviations:

<b>ABS</b>	Asset-Backed Security	<b>HIBOR</b>	Hong Kong Interbank Offered Rate	<b>PRIBOR</b>	Prague Interbank Offered Rate
<b>BRIBOR</b>	Bratislava Interbank Offered Rate	<b>ISDA</b>	International Swaps and Derivatives Association, Inc.	<b>REIT</b>	Real Estate Investment Trust
<b>CDI</b>	Brazil Interbank Deposit Rate	<b>JIBOR</b>	Johannesburg Interbank Offered Rate	<b>SIFMA</b>	Securities Industry and Financial Markets Association
<b>CLO</b>	Collateralized Loan Obligation	<b>JSC</b>	Joint Stock Company	<b>SPDR</b>	Standard & Poor's Depository Receipts
<b>CMBS</b>	Collateralized Mortgage-Backed Security	<b>KLIBOR</b>	Kuala Lumpur Interbank Offered Rate	<b>STIBOR</b>	Stockholm Interbank Offered Rate
<b>CMM</b>	Constant Maturity Mortgage Rate	<b>LIBOR</b>	London Interbank Offered Rate	<b>THBFIX</b>	Thai Baht Floating-Rate Fix
<b>CMO</b>	Collateralized Mortgage Obligation	<b>MBS</b>	Mortgage-Backed Security	<b>TIIE</b>	Tasa de Interés Interbancaria de Equilibrio
<b>EURIBOR</b>	Euro Interbank Offered Rate	<b>MSCI</b>	Morgan Stanley Capital International	<b>WIBOR</b>	Warsaw Interbank Offered Rate
<b>FFR</b>	Federal Funds Rate	<b>NSERO</b>	India National Stock Exchange Interbank Offer Rate	<b>WTI</b>	West Texas Intermediate

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

## Obtaining Personal Information

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

## Respecting Your Privacy

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

## Sharing Information with Third Parties

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

## Sharing Information with Affiliates

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

## Procedures to Safeguard Private Information

The Portfolio takes seriously the obligation to safeguard shareholder non-public personal information. In addition to this policy, the Portfolio has also implemented procedures that are designed to restrict access to a shareholder's non-public personal information only to internal personnel who need to know that information in order to provide products or services to such shareholders. In order to guard a shareholder's non-public personal information, physical, electronic and procedural safeguards are in place.

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