

PIMCO CORPORATE OPPORTUNITY FUND  
Form N-CSR  
February 04, 2010

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

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED  
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number 811-21238

PIMCO Corporate Opportunity Fund  
(Exact name of registrant as specified in charter)

1345 Avenue of the Americas, New York, NY  
(Address of principal executive offices)

10105  
(Zip code)

Lawrence G. Altadonna - 1345 Avenue of the Americas, New York, NY 10105  
(Name and address of agent for service)

Registrant's telephone number, including area code: 212-739-3371

Date of fiscal year end: November 30, 2009

Date of reporting period: November 30, 2009

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-2001. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

**Item 1. Report to Shareholders**

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**PIMCO Corporate Opportunity Fund Letter to Shareholders**

January 15, 2010

Dear Shareholder:

Please find enclosed the annual report for PIMCO Corporate Opportunity Fund (the Fund) for the fiscal year ended November 30, 2009.

The U.S. bond market provided positive returns during the fiscal year amid subdued inflationary pressures, significant government-supplied liquidity and shifting investor sentiment. The Federal Reserve (the Fed) sought to inject liquidity into the economy through multiple initiatives during the reporting period. The Federal Funds Rate, the key target rate on loans between member banks, was reduced to the record-low target range of 0% - 0.25%. The Fed also engaged in quantitative easing, purchasing significant amounts of securities from banks in order to add to the supply of cash available for lending. These initiatives resulted in yields approaching zero on money market securities, causing investors to migrate to riskier assets.

Corporate credit securities benefited from the sentiment-powered tailwind as a significant portion of the period's outflows from money market funds moved into the bond market, increasing demand for both investment-grade and high-yield corporate bonds. In this economic environment, corporate bonds and stocks significantly outperformed U.S. Treasury and agency issues. The unmanaged Barclays Capital U.S. Credit Index returned 24.56% and the unmanaged Barclays Capital High Yield Index returned 64.95% during the fiscal year, outperforming the unmanaged Barclays Capital Government Bond Index, which returned 3.51%. The broad bond market, as represented by the unmanaged Barclays Capital U.S. Aggregate Index, returned 11.63% during the 12-months ended November 30, 2009.

Effective December 15, 2009, Mr. William H. Gross assumed primary responsibility for the day-to-day portfolio management of the Fund. Mr. Gross founded Pacific Investment Management Company LLC (PIMCO) more than 38 years ago and is a managing director and co-Chief Investment Officer of the company. He has 40 years of investment experience and holds an MBA from the Anderson School of Management at the University of California, Los Angeles. He received his undergraduate degree from Duke University.

For specific information on the Fund and its performance, please review the following pages. If you have any questions regarding the information provided, we encourage you to contact your financial advisor or to call the Fund's shareholder servicing agent at (800) 254-5197. In addition, a wide range of information and resources is available on our Web site, [www.allianzinvestors.com/closedendfunds](http://www.allianzinvestors.com/closedendfunds).

Together with Allianz Global Investors Fund Management LLC, the Fund's investment manager, and PIMCO, the Fund's sub-adviser, we thank you for investing with us.

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We remain dedicated to serving your investment needs.

Sincerely,

Hans W. Kertess

*Chairman*

Brian S. Shlissel

*President & Chief Executive Officer*

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**PIMCO Corporate Opportunity Fund Fund Insights/Performance & Statistics**

November 30, 2009 (unaudited)

- For the fiscal year ended November 30, 2009, PIMCO Corporate Opportunity Fund (the Fund ) returned 83.82% on net asset value ( NAV ) and 111.56% on market price.
- The investment-grade credit and high-yield markets, as measured by the Barclays Capital U.S. Credit and U.S. High Yield Bond Indices (unmanaged indices generally representative of the U.S. investment grade and non-investment grade corporate bond markets, respectively) generated returns of 24.56% and 64.95%, respectively, for the fiscal 12-month period ended November 30, 2009.
- Exposure to the banking sector contributed positively to Fund performance alongside the support of fiscal and monetary policy and strong investment demand.
- Exposure to the insurance sector aided performance as insurance issuers advanced in conjunction with improvement in investment portfolios and asset valuations.
- Positions in the energy sector contributed positively to performance alongside policy support to stimulate internal demand.
- Specialty finance issuers contributed positively to the Fund s returns as these companies enjoyed easing market conditions and asset quality improvements.
- The Fund s underweight position in textile and automotive sectors detracted from returns as cyclical consumer credits outperformed the market.
- The Fund s underweight position in building materials issuers detracted from returns as the capital goods sector outperformed the market.
- The quality shift towards higher-rated issues detracted from performance as lower-quality issuers outperformed the market.

<b>Total Return(1):</b>	<b>Market Price</b>	<b>Net Asset Value ( NAV )</b>
1 Year	111.56%	83.82%
3 Year	5.69%	7.91%
5 Year	8.36%	8.09%
Commencement of Operations (12/27/02) to 11/30/09	11.10%	11.70%

<b>Common Share Market Price/NAV Performance:</b>	<b>Market Price/NAV:</b>	
Commencement of Operations (12/27/02) to 11/30/09	Market Price	\$14.00
NAV	NAV	\$13.63
Market Price	Premium to NAV	2.71%
	Market Price Yield(2)	9.86%



**PIMCO Corporate Opportunity Fund Fund Insights/Performance & Statistics**

November 30, 2009 (unaudited) (continued)

(1) **Past performance is no guarantee of future results.** Total return is calculated by determining the percentage change in NAV or market price (as applicable) in the specified period. The calculation assumes that all income dividends and capital gain distributions, if any, have been reinvested. Total return does not reflect broker commissions or sales charges. Total return for a period of more than one year represents the average annual total return.

Performance at market price will differ from its results at NAV. Although market price returns typically reflect investment results over time, during shorter periods returns at market price can also be influenced by factors such as changing views about the Fund, market conditions, supply and demand for the Fund's shares, or changes in Fund dividends.

An investment in the Fund involves risk, including the loss of principal. Total return, market price, market yield and NAV will fluctuate with changes in market conditions. This data is provided for information purposes only and is not intended for trading purposes. Closed-end funds, unlike open-end funds, are not continuously offered. There is a onetime public offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. NAV is equal to total assets attributable to common shareholders less total liabilities divided by the number of common shares outstanding. Holdings are subject to change daily.

(2) Market Price Yield is determined by dividing the annualized current monthly per share dividend (comprised of net investment income) payable to common shareholders by the market price per common share at November 30, 2009.



## PIMCO Corporate Opportunity Fund Schedule of Investments

November 30, 2009

Principal Amount (000)		Credit Rating (Moody s/S&P)*	Value
<b>CORPORATE BONDS &amp; NOTES 77.6%</b>			
<b>Airlines 4.6%</b>			
\$7,000	American Airlines Pass Through Trust, 7.858%, 10/1/11	Ba1/BBB-	\$6,965,000
3,000	10.375%, 7/2/19	Baa3/A-	3,333,750
1,197	Continental Airlines, Inc., 6.545%, 8/2/20	Baa2/A-	1,154,673
2,928	6.703%, 12/15/22	Baa2/BBB	2,738,004
1,842	7.373%, 6/15/17	Ba1/BB	1,694,661
7,827	7.707%, 10/2/22	Baa2/BBB	7,356,945
1,688	9.798%, 4/1/21	Ba1/BB-	1,384,456
12,214	Northwest Airlines, Inc., 7.041%, 4/1/22	NR/BBB-	10,870,625
17,875	7.15%, 4/1/21 (MBIA)	Ba3/BBB-	15,461,662
4,000	Southwest Airlines Co., 10.50%, 12/15/11 (a) (d)	NR/BBB+	4,324,736
6,000	United Air Lines, Inc., 10.40%, 11/1/16	Ba1/BBB	6,180,000
2,886	United Air Lines Pass Through Trust, 7.336%, 1/2/21 (a) (b) (d) (l)		
	(original cost-\$2,886,295; purchased 6/19/07)	B1/B+	1,933,817
			63,398,329
<b>Banking 15.3%</b>			
11,300	BAC Capital Trust XIV, 5.63%, 3/15/12 (h)	Ba3/B	7,542,750
300	BankAmerica Capital II, 8.00%, 12/15/26	Baa3/B	281,250
8,600	Barclays Bank PLC, 7.434%, 12/15/17 (a) (d) (h)	Baa2/BBB+	8,041,000
14,480	10.179%, 6/12/21 (a) (d)	Baa1/A	19,368,129
£600	14.00%, 6/15/19 (h)	Baa2/BBB+	1,265,289
\$4,700	CBA Capital Trust II, 6.024%, 3/15/16 (a) (d) (h)	Aa3/A+	3,942,304
4,000	First Union Capital I, 7.935%, 1/15/27	Baa2/A-	3,954,540
12,400	HBOS Capital Funding L.P., 6.071%, 6/30/14 (a) (d) (h)	Ba3/BB-	7,936,000
	HBOS PLC (a) (d), 5.375%, 11/1/13 (h)	Ba2/CC	5,740,000
7,000	6.75%, 5/21/18	Baa2/BBB-	3,727,408
4,000	HSBC Capital Funding L.P. (h), 4.61%, 6/27/13 (a) (d)	A3/A-	6,714,056
8,000	10.176%, 6/30/30	A3/A-	2,410,000
2,000	JPMorgan Chase Bank N.A., 0.630%, 6/13/16, FRN (k)	Aa2/NR	5,436,528
6,000	Lloyds Banking Group PLC (a) (d) (h), 6.267%, 11/14/16	B3/CC	832,592
1,540	6.413%, 10/1/35	B3/CC	4,329,120
8,000	6.657%, 5/21/37	B3/CC	3,451,923
6,500	Rabobank Nederland NV, 11.00%, 6/30/19 (a) (d) (h) (k)	Aa2/AA-	27,361,161
22,050	Regions Financial Corp., 7.375%, 12/10/37	Ba1/BBB-	2,827,152
3,600	7.75%, 11/10/14	Baa3/BBB	6,641,375
6,600	Resona Bank Ltd., 5.85%, 4/15/16 (a) (d) (h)	A2/BBB	5,307,764
6,200		Baa1/BBB	11,246,000
10,000			

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	RSHB Capital S.A. for OJSC Russian Agricultural Bank, 9.00%, 6/11/14 (a) (d)		
10,100	State Street Capital Trust III, 8.25%, 3/15/42, (converts to FRN on 3/15/11)	A3/BBB+	10,113,635
12,200	USB Capital IX, 6.189%, 4/15/11 (h)	A2/BBB+	9,638,000
27,000	Wells Fargo & Co., 7.98%, 3/15/18 (h)	Ba1/A-	25,177,500
7,100	Wells Fargo Capital X, 5.95%, 12/15/86, (converts to FRN on 12/15/36)	Baa2/A-	6,035,000
24,700	Wells Fargo Capital XIII, 7.70%, 3/26/13 (h)	Ba1/A-	22,600,500
			211,920,976

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**PIMCO Corporate Opportunity Fund Schedule of Investments**

November 30, 2009 (continued)

Principal Amount (000)		Credit Rating (Moody's/S&P)*	Value
<b>Building &amp; Construction 0.4%</b>			
\$3,000	Corp GEO SAB de C.V., 8.875%, 9/25/14 (a) (d)	Ba3/BB-	\$3,082,500
3,300	Macmillan Bloedel Pembroke L.P., 7.70%, 2/15/26	Ba1/BBB-	3,051,200
			6,133,700
<b>Chemicals 1.1%</b>			
12,800	Dow Chemical Co., 8.55%, 5/15/19 (k)	Baa3/BBB-	15,163,341
<b>Consumer Products 0.6%</b>			
7,000	Fortune Brands, Inc., 8.625%, 11/15/21	Baa3/BBB-	7,962,332
<b>Containers &amp; Packaging 0.3%</b>			
5,000	Berry Plastics Corp., 8.875%, 9/15/14	Caa1/CCC	4,587,500
<b>Electronics 0.1%</b>			
1,000	Arrow Electronics, Inc., 6.875%, 6/1/18	Baa3/BBB-	1,066,812
<b>Energy 0.1%</b>			
1,780	Salton Sea Funding Corp., 8.30%, 5/30/11	Baa3/BBB-	1,860,270
<b>Financial Services 30.4%</b>			
5,000	AES Red Oak LLC, 9.20%, 11/30/29	B1/BB-	4,575,000
7,735	AIG SunAmerica Global Financing VI, 6.30%, 5/10/11 (a) (d) (k)	A1/A+	7,641,816
	American General Finance Corp., 5.40%, 12/1/15	Baa3/BB+	2,973,846
4,300	6.90%, 12/15/17	Baa3/BB+	1,758,278
2,500	BNP Paribas (h), 5.186%, 6/29/15 (a) (d)	Aa3/A	10,920,858
13,000	7.195%, 6/25/37 (a) (d)	Aa3/A	6,510,000
7,000	7.781%, 7/2/18	Aa3/AA-	3,781,526
2,500	C10 Capital SPV Ltd., 6.722%, 12/31/16 (h)	NR/B-	4,499,502
\$6,000	Capital One Bank USA N.A., 8.80%, 7/15/19	A3/BBB	4,036,106
3,400	Capital One Capital V, 10.25%, 8/15/39	Baa2/BB	2,205,486
2,000	Capital One Capital VI, 8.875%, 5/15/40	Baa2/BB	6,281,037
6,300	Cedar Brakes II LLC, 9.875%, 9/1/13 (a) (d)	Baa3/BBB-	3,458,431
3,377	CIT Group, Inc., 4.25%, 3/17/15 (f)	Ca/D	3,599,488
3,500	Citigroup Capital XXI, 8.30%, 12/21/77, (converts to FRN on 12/21/37)	Baa3/B+	25,149,500
\$28,100	Citigroup, Inc., 4.75%, 2/10/19, (converts to FRN on 2/10/14)	Baa1/A-	386,487
300	4.875%, 5/7/15	Baa1/A-	9,556,660
\$10,000	5.00%, 9/15/14 (k)	Baa1/A-	19,465,860
20,000	Credit Agricole S.A. (a) (d) (h), 6.637%, 5/31/17	Aa3/A-	3,703,000
4,600	8.375%, 10/13/19	Aa3/A-	12,639,588
12,000	Ford Motor Credit Co. LLC, 3.034%, 1/13/12, FRN	B3/B-	1,452,400
1,600	7.00%, 10/1/13	B3/B-	1,954,460
2,000	7.25%, 10/25/11	B3/B-	1,298,253
1,300	7.80%, 6/1/12	B3/B-	7,298,372
7,300	8.00%, 12/15/16	B3/B-	2,493,210
2,500	9.875%, 8/10/11	B3/B-	13,496,665
13,000	12.00%, 5/15/15	B3/B-	4,039,515
3,500	General Electric Capital Corp., 6.375%, 11/15/67, (converts to FRN on 11/15/17) (k)	Aa3/A+	11,037,727
13,400			

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£1,100

6.50%, 9/15/67, (converts to FRN on 9/15/17) (a) (d)

Aa3/A+

1,480,273

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## PIMCO Corporate Opportunity Fund Schedule of Investments

November 30, 2009 (continued)

Principal Amount (000)		Credit Rating (Moody's/S&P)*	Value
<b>Financial Services (continued)</b>			
\$2,000	GMAC, Inc., 2.561%, 12/1/14, FRN	Ca/CCC	\$1,507,500
1,000	6.875%, 9/15/11	Ca/CCC	960,521
3,300	7.00%, 2/1/12	Ca/CCC	3,141,907
250	7.25%, 3/2/11	Ca/CCC	244,173
3,685	7.50%, 12/31/13 (a) (d)	Ca/CCC	3,427,050
	Goldman Sachs Group, Inc.,		
2,500	5.95%, 1/15/27	A2/A-	2,422,920
6,000	6.45%, 5/1/36	A2/A-	5,973,168
7,209	6.75%, 10/1/37 (k)	A2/A-	7,452,830
2,350	Green Valley Ltd., 4.343%, 1/10/11, FRN (a) (b) (d) (l) (original cost-\$3,452,973; purchased 12/11/07)	NR/BB+	3,398,401
	International Lease Finance Corp.,		
\$2,600	0.634%, 7/13/12, FRN	Baa3/BBB+	2,010,611
2,000	5.00%, 9/15/12	Baa3/BBB+	1,612,544
2,000	5.30%, 5/1/12	Baa3/BBB+	1,705,952
1,000	5.40%, 2/15/12	Baa3/BBB+	853,135
2,000	5.625%, 9/20/13	Baa3/BBB+	1,575,562
3,500	5.65%, 6/1/14	Baa3/BBB+	2,669,698
3,500	5.75%, 6/15/11	Baa3/BBB+	3,253,642
2,000	5.875%, 5/1/13	Baa3/BBB+	1,585,604
8,000	6.375%, 3/25/13	Baa3/BBB+	6,443,752
8,500	6.625%, 11/15/13	Baa3/BBB+	6,868,476
19,000	JPMorgan Chase & Co., 7.90%, 4/30/18 (h)	A2/BBB+	18,638,126
16,400	JPMorgan Chase Capital XVIII, 6.95%, 8/17/36, (converts to FRN on 8/17/36) (k)	A1/BBB+	16,266,209
	Lehman Brothers Holdings, Inc. (f),		
10,000	5.50%, 4/4/16	NR/NR	2,000,000
20,000	6.875%, 5/2/18	NR/NR	4,350,000
	Merrill Lynch & Co., Inc.,		
1,800	5.00%, 1/15/15	A2/A	1,848,595
10,200	5.45%, 2/5/13 (k)	A2/A	10,723,107
2,600	5.45%, 7/15/14 (k)	A2/A	2,737,927
16,708	6.05%, 8/15/12 (k)	A2/A	17,991,341
14,100	MUFG Capital Finance 1 Ltd., 6.346%, 7/25/16 (h) (k)	A2/BBB+	12,742,466
£2,450	MUFG Capital Finance 5 Ltd., 6.299%, 1/25/17 (h)	A2/BBB+	3,256,765
	Royal Bank of Scotland Group PLC (h),		
\$21,300	6.99%, 10/5/17 (a) (d)	Ba3/CC	12,369,826
13,500	7.648%, 9/30/31	Ba3/B-	8,386,416
	Santander Perpetual S.A. Unipersonal (h),		
3,500	4.375%, 12/10/14	A1/A-	4,650,433
\$7,600	6.671%, 10/24/17 (a) (d)	A1/A-	6,968,683
6,000	SG Capital Trust I LLC, 7.875%, 2/22/10 (h)	A1/BBB+	8,647,779
	SLM Corp.,		
\$2,000	0.716%, 6/15/13, FRN	Ba1/BBB-	1,399,340
1,795	0.816%, 11/1/13, FRN	Ba1/BBB-	1,249,679
2,600	4.75%, 3/17/14	Ba1/BBB-	3,142,327
\$1,200	SMFG Preferred Capital 1 Ltd., 6.078%, 1/25/17 (a) (d) (h)		

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12,000	Societe Generale (h), 7.756%, 5/22/13	A2/BBB+	999,564
7,050	9.375%, 9/4/19	A1/BBB+	16,574,909
\$4,000	TransCapitalInvest Ltd. for OJSC AK Transneft, 8.70%, 8/7/18 (a) (d)	A1/BBB+	11,751,761
9,200	UBS Preferred Funding Trust V, 6.243%, 5/15/16 (h)	Baa1/BBB	4,533,480
		Baa3/BBB-	7,176,000

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**PIMCO Corporate Opportunity Fund Schedule of Investments**

November 30, 2009 (continued)

Principal Amount (000)		Credit Rating (Moody s/S&P)*	Value
<b>Financial Services</b> (continued)			
\$1,000	Vita Capital III Ltd., 1.390%, 1/1/11, FRN (a) (b) (d) (l) (original cost-\$1,000,000; purchased 12/12/06)	A1/A	\$954,000
7,000	Wachovia Capital Trust III, 5.80%, 3/29/49 (h)	Ba1/A-	4,865,000
2,000	Wachovia Capital Trust V, 7.965%, 6/1/27 (a) (d)	Baa2/A-	1,981,034
			421,005,557
<b>Food &amp; Beverage 0.0%</b>			
100			