

PIMCO CORPORATE OPPORTUNITY FUND
Form N-CSRS
July 30, 2009

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 November 30, 2009
end:

Date of reporting period: May 31, 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

July 15, 2009

Dear Shareholder:

Please find enclosed the semi-annual report for the PIMCO Corporate Opportunity Fund (the Fund) for the fiscal six-month period ended May 31, 2009.

During the reporting period, central banks around the globe reduced or maintained their key-lending rates at historic lows and added significant liquidity to shore up money markets. The Federal Reserve maintained the Federal Funds Rate within a range of 0% to 0.25% and purchased large amounts of securities (such as mortgage-backed securities and U.S. Treasuries) to encourage bank lending to consumers and businesses. Yields on U.S. Treasuries increased towards the latter part of the six-month period, due partly in response to these U.S. Government asset purchase programs.

Corporate bond performance was negatively impacted in the first part of the reporting period as investors generally avoided risk sectors in favor of U.S. Treasuries and other safe-haven investments. During the second part of the semiannual period, however, increased liquidity and attractive yields on corporate bonds relative to U.S. Treasuries encouraged investors to return to the corporate bond market, thus benefiting performance. The Barclays Capital U.S. Credit Index, an unmanaged index generally representative of the investment grade corporate bond market, returned 10.89% for the six-month period. This compares favorably to the return of the Barclays Capital U.S. Aggregate Index, a broad unmanaged index generally representative of the domestic taxable investment-grade fixed income market, which posted a return of 5.10%.

The unprecedented liquidity constraints and resulting imbalances in the financial markets during the reporting period initiated the following important actions by the Fund:

- In three separate actions in December and March, the Fund redeemed portions of its ARPS. In total, \$240 million of ARPS were redeemed at the full liquidation preference of \$25,000 per share. The redemptions were intended to resolve issues that served as impediments to the goal of regular, uninterrupted dividend payments on the Fund's common shares.
- On March 20, 2009, the Fund announced payment of its previously declared but postponed February 2009 common share dividend and the delayed declaration of its March 2009 dividend. Severe market disruptions negatively impacted prices for securities in the Fund's portfolios, causing the asset ratio to decline below an asset coverage level of at 200%. The

PIMCO Corporate Opportunity Fund Letter to Shareholders

Fund is not permitted to pay or declare common share dividends unless the Fund's Auction Rate Preferred Shares (ARPS) have asset coverage of at least 200% after the payment or the declaration of the common share dividend.

- On April 6, 2009, the Fund issued a press release to make explicit that the Fund's investment policies permit the holding of common stock received from conversion of other portfolio securities, such that common stock may represent up to 20% of total assets. The Fund may invest in preferred stock and convertible securities, which may allow for conversion into common stock. The policy enables the Fund to hold common stock received in such conversions until adequate value can be realized or it otherwise deems it appropriate to dispose of the common stock.

Press releases that include further information on these Fund actions, including more detailed descriptions of potential benefits and risks, are available at www.allianzinvestors.com/closedendfunds.

For specific information on the Fund as well as a discussion of the factors that most affected performance, please review the following pages. If you have any questions regarding the information provided, we encourage you to contact your financial advisor or call the Fund's shareholder servicing agent at (800) 254-5197. In addition, a wide range of information and resources is available on our website, www.allianzinvestors.com/closedendfunds.

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

Sincerely,

Hans W. Kertess
Chairman

Brian S. Shlissel
President & Chief Executive Officer

PIMCO Corporate Opportunity Fund Fund Insights/Performance & Statistics

May 31, 2009 (unaudited)

- For the fiscal six-months ended May 31, 2009, PIMCO Corporate Opportunity Fund (the Fund) returned 27.83% on net asset value (NAV) and 52.07% on market price.
- The Barclays Capital U.S. Credit and U.S. High Yield Indices (unmanaged indices generally representative of the U.S. investment grade and non-investment grade corporate bond markets, respectively) generated total returns of 10.89% and 36.55%, respectively, for the six-month period ended May 31, 2009.
- The Fund s average duration of 5.82 years detracted from total return as U.S. interest rates rose during the six-month period.
- The Fund s weighting in the banking sector detracted from performance as banking issuers posted relatively weaker returns compared to the broader credit market.
- The Fund s exposure to non-bank finance companies detracted from returns as non-bank finance issuers underperformed most other credit sectors during the period.
- The Fund s weighting in communications issues contributed positively to performance as these bonds outperformed the broader market during the period.
- The Fund s exposure to natural gas issues contributed positively to performance as these issues outperformed most other credit sectors during the period.
- The Fund s emphasis on A-rated securities, which underperformed all lower-rated tiers of the quality spectrum, detracted from performance during the period.

Total Return(1):	Market Price	Net Asset Value (NAV)
Six Months	52.07%	27.83%
1 Year	(16.44)%	(14.92)%
5 Year	3.84%	2.56%
Commencement of Operations (12/27/02) to 5/31/09	6.41%	6.48%

Common Share Market Price/NAV Performance:	Market Price/NAV:	
Commencement of Operations (12/27/02) to 5/31/09	Market Price	\$10.63
NAV	NAV	\$10.05
Market Price	Premium to NAV	5.77%
	Market Price Yield(2)	12.98%

PIMCO Corporate Opportunity Fund Fund Insights/Performance & Statistics

May 31, 2009 (unaudited) (continued)

(1) **Past performance is no guarantee of future results.** Total return is calculated by determining the percentage change in net asset value or market share price (as applicable) in the specified period. The calculation assumes that all income dividends and capital gain distributions have been reinvested. Total return does not reflect broker commissions or sales charges. Total return for a period of less than one year is not annualized. 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 distributions.

An investment in the Fund involves risk, including the loss of principal. Total return, market price, market yield and net asset value will fluctuate with changes in market conditions. This data is provided for information 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. Net asset value 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 May 31, 2009.

PIMCO Corporate Opportunity Fund Schedule of Investments

May 31, 2009 (unaudited)

Principal Amount (000)		Credit Rating (Moody s/S&P)	Value
CORPORATE BONDS & NOTES 72.0%			
Airlines 4.6%			
\$7,000	American Airlines, Inc., 7.858%, 4/1/13	Ba1/BBB	\$6,405,000
1,448	Continental Airlines, Inc., 6.545%, 8/2/20	Baa2/A-	1,302,858
2,928	6.703%, 12/15/22	Baa2/BBB	2,284,110
1,695	7.056%, 3/15/11	Baa2/A-	1,669,575
1,891	7.373%, 6/15/17	Ba1/BB	1,285,927
8,039	7.707%, 10/2/22	Baa2/BBB	6,270,595
1,732	9.798%, 4/1/21	Ba1/BB-	1,039,133
466	Delta Air Lines, Inc., 6.619%, 9/18/12	Ba2/BBB	442,569
12,862	Northwest Airlines, Inc., 7.041%, 10/1/23	NR/BBB-	9,260,763
18,418	7.15%, 4/1/21 (MBIA)	Baa1/BBB+	14,734,222
4,000	Southwest Airlines Co., 10.50%, 12/15/11 (a)(b)(c)	NR/A-	4,205,284
2,936	United Air Lines, Inc., 7.336%, 1/2/21 (a)(c)	B1/B+	1,467,899
			50,367,935
Banking 19.4%			
10,000	American Express Bank FSB, 5.55%, 10/17/12	A2/A+	9,837,460
11,300	BAC Capital Trust XIV, 5.63%, 3/15/12, FRN (f)	Ba3/B	5,214,554
300	BankAmerica Capital II, 8.00%, 12/15/26	Baa3/B	231,530
	Barclays Bank PLC, FRN (a)(c)(f),		