

Allianz Global Investors Fund Management

October 30, 2009

Dear Shareholder,

The ongoing financial crisis has dramatically affected the liquidity available in large parts of the financial markets, including substantially causing the continued failure of auctions for auction rate preferred securities (“ARPS”) issued by closed-end funds.

We believe it is important for fund shareholders to understand this situation is the direct result of the extreme disruptions in the financial markets. ARPS continue to be an industry-wide issue that in our opinion calls for a systemic solution which may require a joint effort between the private and public sectors. We would support such an approach.

Approximately 44% of the ARPS issued by our closed-end funds have been redeemed. For the ARPS outstanding, we continue to monitor market alternatives but have not found a solution that we believe is viable and in the best interest of both common and preferred shareholders.

We understand that the continued lack of liquidity resulting from the failed auctions that began in February 2008 remains a significant concern among preferred shareholders. However, we do not know how long it may be before conditions improve or if and when a solution will be identified. We will continue to keep you apprised.

Sincerely,

Allianz Global Investors Fund Management LLC

FORWARD LOOKING STATEMENTS

Statements in this letter that look forward in time involve risks and uncertainties and are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Actual future outcomes may differ from the results anticipated in the forward-looking statements. The following factors, among others, could cause actual results to differ materially from forward-looking statements or historical occurrences: (1) the ability of the funds managed by Allianz Global Investors Fund Management LLC (“AGIFM”) that have issued ARPS to develop and finalize fund-by-fund specific proposals to restructure the leverage of such funds; (2) the ability of such funds to negotiate and obtain from third parties the necessary debt facilities and other commitments and agreements necessary for the funds to refinance all or a portion of their leverage at an appropriate cost and on terms and conditions acceptable to the funds and in a timely manner; (3) the ability of such funds to negotiate and obtain from broker-dealers or other financial institutions the demand features necessary to make the ARPS eligible for purchase by money market funds on terms acceptable to the funds and in a timely manner; (4) the acceptance by the market, and demand for, ARPS with a demand feature in amounts sufficient for such funds to attract sufficient investors for the ARPS to avoid future failed auctions; (5) the need to obtain any necessary regulatory approvals to make the ARPS eligible for purchase by money market funds or for the implementation of such funds’ plan to restructure their leverage; and (6) the ability of such funds to structure and create other forms of leverage for their portfolios.