

Allianz Global Investors

March 24, 2008

Dear Valued Client,

The financial markets have experienced significant turmoil over the past several weeks. Auction-rate preferred shares (ARPS) issued by many closed-end funds, including those of Allianz Global Investors Fund Management LLC (“Allianz Global Investors”)*, have been directly affected. The disruptions in the financial markets have included a number of failed auctions and an ensuing unprecedented lack of liquidity for holders of ARPS. Understandably, this has raised questions and concerns among some of the funds’ ARPS shareholders.

We want to assure you that Allianz Global Investors is acutely aware of these concerns and is committed to acting in the best interests of all of our fund shareholders. We would like to share with you our current efforts to address the ARPS liquidity concerns and some of the alternatives we are exploring. While these possible solutions are specific to restoring liquidity in our own closed-end fund ARPS, Allianz Global Investors is also in communication with other market participants to develop workable long-term solutions to the ARPS liquidity freeze.

In order to address the illiquidity of ARPS broadly across both taxable and municipal closed-end funds, we are exploring the feasibility of making ARPS of our municipal and/or taxable closed-end funds eligible for purchase by a broader institutional audience, in particular money market funds, via the addition of a “put” in the form of a demand feature. Another alternative being considered, targeted more narrowly at our taxable closed-end funds, is debt financing or other forms of leverage to replace all or a portion of the ARPS. However, while the use of debt financing may be a viable option for our taxable closed-end funds, it is not practical for our municipal closed-end funds because the use of taxable debt financing would greatly increase the leverage costs for these funds.

We continue to believe that we can create innovative solutions and Allianz Global Investors remains committed to finding one or more solutions to restore liquidity for our ARPS shareholders consistent with our duty to act in the best interest of the funds’ common shareholders as well. Just as the overall contraction of liquidity was not within our control, our ability to restore liquidity to ARPS shareholders is contingent upon a variety of factors, many of which are also beyond our control. As a result, we cannot guarantee that we will implement the alternatives that we are exploring for our closed-end funds, or that we will do so in a timely manner.

As the situation unfolds, we will keep you informed about our ongoing efforts to look for ways to restore liquidity for ARPS shareholders while also managing the costs of leverage for our funds and the common shareholders. We plan to host a conference call to provide a status update on April 3. Please continue to check our website for regular updates and details on any upcoming conference calls at www.allianzinvestors.com. In the meantime, we encourage you to talk to your financial advisor or to call us at (800) 285-4086.

While we cannot predict exactly when or if the liquidity of ARPS will be restored, please be assured that we will continue to work hard to explore options to deal with the current situation and to act in the best interests of our closed-end funds and all of their shareholders.

Sincerely,



E. Blake Moore, Jr.
CEO, Allianz Global Investors U.S. Retail

FORWARD LOOKING STATEMENTS

Statements made 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 Allianz Global Investors funds 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 Allianz Global Investors funds to negotiate and obtain from third parties the necessary debt facilities and other commitments and agreements necessary for the Allianz Global Investors 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 Allianz Global Investors 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 Allianz Global Investors funds and in a timely manner; (4) the acceptance by the market, and demand for, ARPS with a demand feature in amounts sufficient for the Allianz Global Investors 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 Allianz Global Investors funds’ plan to restructure their leverage; and (6) the ability of such Allianz Global Investors funds to structure and create other forms of leverage for their portfolios.

* Allianz Global Investors Fund Management is a wholly owned subsidiary of Allianz Global Investors U.S. Retail LLC.