

Allianz Global Investors

December 29, 2006

Dear Shareholder:

Please find enclosed your 2006 Form 1099-DIV and Form 1099-B relating to the PIMCO Funds and Allianz Funds.

**Income / Capital Gains Paid as Dividend Distributions (Form 1099-DIV)**

Mutual funds may realize capital gains as a result of the selling of securities within a mutual fund portfolio. These gains are passed on to shareholders in the form of capital gain dividend distributions and are reported to shareholders as a taxable capital gain on Form 1099-DIV. Short-term capital gain distributions are included in box (1) of Form 1099-DIV along with income dividends and are taxable as ordinary income. Long-term capital gain distributions are reported in box (2a) of Form 1099-DIV. Non-taxable dividend distributions are reported in box (3) and represent a reclassification of income and/or dividends received during the year.

**Capital Gains When Selling Your Shares (Form 1099-B)**

Each time mutual fund shares are sold (redeemed), a capital gain or loss is realized if the selling price is different than the cost basis of the shares sold. Included in this packet is a Form 1099-B reporting all redemptions you made during 2006. For those accounts that are eligible, the Average Cost Basis is provided along with the amount and character of Gain (Loss) for each redemption. Please be aware that any realized loss on a December 2006 redemption may be disallowed due to a subsequent purchase in January 2007 that falls within the 30-day wash sale window. In order to fully report the impact of wash sales, a second Average Cost Statement will be mailed to applicable accounts no later than February 20, 2007. Shareholders must report gains or losses on sales of mutual fund shares on their tax return on Schedule D (Form 1040). Short-Term Capital Gains (Losses) are disclosed on Part I of Schedule D and Long-Term Capital Gains (Losses) are disclosed on Part II of Schedule D.

This letter is provided to you for information purposes and does not purport to give tax advice and, therefore, we suggest that you consult a professional tax advisor to determine how this information may apply to your specific tax situation.

Please call us at (800) 426-0107 should you have questions or if we may be of any assistance.

Sincerely,



E. Blake Moore Jr.  
CEO and Managing Director  
Allianz Global Investors U.S. Retail LLC