

Allianz Global Investors

December 29, 2006

Dear Shareholder:

Please find detailed below and on the back of this page 2006 tax-related information for the PIMCO Funds and Allianz Funds (the "Funds").

Treasury Interest: PIMCO Funds

A portion of the ordinary dividends paid in 2006 by each series of the PIMCO Funds may be attributable to investment income from U.S. Government securities. All or part of the interest on these securities may be exempt from state and/or local taxation. Please consult your tax advisor as laws in various jurisdictions may differ.

The table reflects the percentage of ordinary dividends derived from U.S. Government securities and the percentage of assets invested in U.S. Government securities at the close of each quarter during 2006.

Treasury Interest: Allianz Funds

Please note that 0% of the ordinary dividends for any series of the Allianz Funds was attributable to investment income from U.S. Government securities.

In addition, no series of the Allianz Funds held assets invested in U.S. Government securities at the close of any quarter during 2006.

Corporate Dividends Received Deduction

For the benefit of our corporate shareholders only, the percentage of dividends paid out of ordinary income during 2006, which qualify for the corporate dividends-received deduction, is identified in the table on the back of this page.

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

| 2006 Tax Related Information | Percentage of Income Derived From U.S. Securities | Percentage of Assets Invested in U.S. Gov't/Gov't Securities as of: | | | | Corporate Dividends Received Deduction |
|---|--|--|---------|---------|----------|---|
| | | 3/31/06 | 6/30/06 | 9/30/06 | 12/31/06 | |
| PIMCO Funds | | | | | | |
| PIMCO All Asset All Authority Fund | 24.81% | 37.96% | 55.66% | 34.61% | 23.25% | 0.17% |
| PIMCO All Asset Fund | 22.94% | 40.45% | 49.25% | 40.89% | 29.30% | 0.29% |
| PIMCO California Intermediate Municipal Bond Fund | * 19.12% | 0.25% | 0.19% | 0.41% | 0.60% | — |
| PIMCO California Short Duration Municipal Income Fund | * 11.32% | N/A | N/A | 0.31% | 0.30% | — |
| PIMCO CommodityRealReturn Strategy Fund® | 49.46% | 73.03% | 61.62% | 65.33% | 67.93% | — |
| PIMCO Developing Local Markets Fund | 7.81% | 0.82% | 6.13% | 0.29% | 0.75% | — |
| PIMCO Diversified Income Fund | 2.11% | 0.96% | 2.58% | 1.96% | 2.39% | 0.09% |
| PIMCO Emerging Markets Bond Fund | 3.48% | 1.10% | 3.09% | 2.68% | 1.82% | — |
| PIMCO Floating Income Fund | 14.92% | 9.63% | 16.74% | 19.96% | 9.86% | 0.36% |
| PIMCO Foreign Bond Fund (U.S. Dollar-Hedged) | 7.13% | 19.12% | 12.71% | 13.98% | 11.19% | 0.56% |
| PIMCO Foreign Bond Fund (Unhedged) | 6.57% | 3.42% | 9.71% | 4.88% | 5.38% | — |
| PIMCO Fundamental IndexPLUSTM Fund | 1.38% | 1.09% | 1.23% | 1.52% | 2.27% | — |
| PIMCO Fundamental IndexPLUSTM TR Fund | 2.17% | 1.15% | 5.85% | 4.57% | 5.03% | — |
| PIMCO Global Bond Fund (U.S. Dollar-Hedged) | 16.16% | 17.31% | 18.46% | 20.75% | 12.23% | 7.17% |
| PIMCO GNMA Fund | 0.44% | 0.01% | 0.02% | 0.01% | 0.02% | — |
| PIMCO High Yield Fund | 1.21% | 0.82% | 1.07% | 1.29% | 0.85% | 0.45% |
| PIMCO High Yield Municipal Bond Fund | * 4.94% | N/A | N/A | 0.51% | 0.17% | — |
| PIMCO International StocksPLUS® TR Strategy Fund (U.S. Dollar-Hedged) | 2.88% | 9.62% | 14.33% | 0.52% | 2.53% | 0.31% |
| PIMCO International StocksPLUS® TR Strategy Fund (Unhedged) | 5.66% | N/A | N/A | N/A | 13.49% | — |
| PIMCO Investment Grade Corporate Bond Fund | 1.63% | 0.38% | 2.94% | 0.44% | 0.35% | 0.39% |
| PIMCO Long-Term U.S. Government Fund | 43.30% | 75.80% | 60.29% | 61.68% | 31.35% | — |
| PIMCO Low Duration Fund | 7.82% | 4.81% | 2.13% | 4.88% | 4.66% | 1.43% |
| PIMCO Money Market Fund | 0.72% | — | — | — | — | — |
| PIMCO Municipal Bond Fund | * 8.00% | 0.16% | 0.19% | 0.24% | 0.16% | — |
| PIMCO New York Municipal Bond Fund | * 6.01% | 0.40% | 0.34% | 0.37% | 0.27% | — |
| PIMCO Real Return Fund | 64.32% | 83.50% | 84.94% | 78.91% | 86.85% | — |
| PIMCO RealEstateRealReturn Strategy Fund | 6.22% | 81.66% | 70.80% | 78.41% | 90.85% | — |
| PIMCO Short Duration Municipal Income Fund | * 26.94% | 9.26% | 0.09% | 0.15% | 0.14% | — |
| PIMCO Short-Term Fund | 13.21% | 11.79% | 7.54% | 6.24% | 6.81% | — |
| PIMCO Small Cap StocksPLUS® TR Fund | 34.78% | N/A | 22.94% | 29.95% | 34.41% | — |
| PIMCO StocksPLUS® Fund | 9.10% | 6.13% | 9.56% | 9.53% | 10.09% | 2.21% |
| PIMCO StocksPLUS® Total Return Fund | 10.35% | 6.50% | 11.42% | 11.38% | 17.87% | 0.44% |
| PIMCO StocksPLUS® TR Short Strategy Fund | 14.19% | 8.60% | 9.05% | 10.94% | 14.07% | 0.03% |
| PIMCO Total Return Fund | 7.47% | 7.50% | 5.31% | 5.72% | 7.16% | 0.04% |
| PIMCO Total Return Mortgage Fund | 0.47% | 0.27% | 0.40% | 0.27% | 0.57% | — |
| Allianz Funds | | | | | | |
| Allianz CCM Capital Appreciation Fund | | | | | | 100.00% |
| Allianz CCM Focused Growth Fund | | | | | | 100.00% |
| Allianz CCM Mid Cap Fund | | | | | | 81.78% |
| Allianz Global Investors Multi-Style Fund | | | | | | 100.00% |
| Allianz NACM Emerging Markets Opportunities Fund | | | | | | 0.00% |
| Allianz NACM Flex Cap Value Fund | | | | | | 73.06% |
| Allianz NACM Global Fund | | | | | | 10.18% |
| Allianz NACM Growth Fund | | | | | | 48.88% |
| Allianz NACM International Fund | | | | | | 0.00% |
| Allianz NACM Pacific Rim Fund | | | | | | 0.00% |
| Allianz NFJ Dividend Value Fund | | | | | | 74.00% |
| Allianz NFJ International Value Fund | | | | | | 0.00% |
| Allianz NFJ Large Cap Value Fund | | | | | | 61.00% |
| Allianz NFJ Mid Cap Value Fund | | | | | | 100.00% |
| Allianz NFJ Small Cap Value Fund | | | | | | 77.00% |
| Allianz OCC Core Equity Fund | | | | | | 74.35% |
| Allianz OCC Equity Premium Strategy Fund | | | | | | 100.00% |
| Allianz OCC Growth Fund | | | | | | 0.00% |
| Allianz OCC Opportunity Fund | | | | | | 0.00% |
| Allianz OCC Renaissance Fund | | | | | | 52.71% |
| Allianz OCC Target Fund | | | | | | 0.00% |
| Allianz OCC Value Fund | | | | | | 51.58% |
| Allianz RCM Biotechnology Fund | | | | | | 0.00% |
| Allianz RCM Global Resources Fund | | | | | | 12.48% |
| Allianz RCM Global Small Cap Fund | | | | | | 0.00% |
| Allianz RCM Healthcare Fund | | | | | | 0.00% |
| Allianz RCM International Growth Equity Fund | | | | | | 0.00% |
| Allianz RCM Large Cap Growth Fund | | | | | | 100.00% |
| Allianz RCM Mid Cap Growth Fund | | | | | | 5.95% |
| Allianz RCM Small Cap Growth Fund | | | | | | 11.90% |
| Allianz RCM Strategic Growth Fund | | | | | | 0.00% |
| Allianz RCM Technology Fund | | | | | | 0.00% |