

Allianz Global Investors

December 31, 2007

Dear Shareholder:

Please find detailed below and on the back of this page 2007 tax-related information for the PIMCO Funds and Allianz Funds (the "Funds").

**Treasury Interest: PIMCO Funds**

A portion of the ordinary dividends paid in 2007 by each series of the 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 2007.

**Treasury Interest: Allianz Funds**

Please note that 0% of the ordinary dividends for any series of the Allianz Funds were 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 2007.

**Corporate Dividends Received Deduction**

For the benefit of our corporate shareholders only, the percentage of dividends paid out of ordinary income during 2007, 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.

Allianz Funds and PIMCO Funds are distributed by:

Allianz Global Investors Distributors LLC

1345 Avenue of the Americas

New York, NY 10105-4800

## 2007 Tax Related Information

	Percentage of Income Derived From U.S. Gov't Securities	Percentage of Assets Invested in U.S. Gov't Securities as of:				Corporate Dividends Received Deduction
		3/31/07	6/30/07	9/30/07	12/31/07	
<b>PIMCO Funds</b>						
PIMCO All Asset All Authority Fund	9.75%	17.36%	23.06%	14.83%	15.07%	1.24%
PIMCO All Asset Fund	10.29%	23.46%	26.26%	16.90%	13.99%	0.53%
PIMCO California Intermediate Municipal Bond Fund	* 5.58%	0.26%	0.16%	0.17%	0.10%	-
PIMCO California Short Duration Municipal Income Fund	* 1.00%	0.19%	0.09%	0.06%	-	-
PIMCO CommodityRealReturn Strategy Fund®	22.58%	61.66%	59.45%	52.02%	48.93%	0.02%
PIMCO Convertible Fund	0.48%	0.06%	0.01%	2.47%	0.24%	13.04%
PIMCO Developing Local Markets Fund	0.25%	0.05%	1.57%	2.02%	0.17%	-
PIMCO Diversified Income Fund	1.78%	1.57%	1.21%	2.88%	1.42%	0.11%
PIMCO Emerging Local Bond Fund	0.26%	0.01%	1.97%	2.45%	0.04%	-
PIMCO Emerging Markets Bond Fund	0.37%	0.46%	1.28%	2.93%	1.10%	-
PIMCO European StocksPLUS® TR Strategy Fund	1.21%	0.11%	10.47%	7.53%	21.51%	0.51%
PIMCO Extended Duration Fund	74.58%	80.16%	75.00%	72.59%	77.59%	-
PIMCO Far East (ex-Japan) StocksPLUS® TR Strategy Fund	0.87%	4.84%	4.69%	8.50%	19.38%	0.07%
PIMCO Floating Income Fund	4.34%	11.38%	4.19%	11.07%	2.28%	0.19%
PIMCO Foreign Bond Fund (U.S. Dollar-Hedged)	2.36%	7.40%	15.24%	17.12%	15.55%	0.68%
PIMCO Foreign Bond Fund (Unhedged)	2.14%	3.38%	9.40%	8.18%	7.03%	0.08%
PIMCO Fundamental IndexPLUSTM Fund	3.48%	4.97%	2.99%	2.64%	0.82%	-
PIMCO Fundamental IndexPLUSTM TR Fund	3.48%	4.63%	5.53%	9.07%	5.97%	0.49%
PIMCO Global Bond Fund (Unhedged)	11.08%	8.29%	12.69%	10.29%	8.82%	0.25%
PIMCO Global Bond Fund (U.S. Dollar-Hedged)	7.45%	9.52%	10.48%	13.23%	9.74%	2.02%
PIMCO GNMA Fund	0.73%	0.45%	0.41%	1.79%	0.97%	-
PIMCO High Yield Fund	0.44%	1.51%	2.73%	2.08%	0.44%	0.48%
PIMCO High Yield Municipal Bond Fund	* 2.60%	0.08%	0.19%	0.20%	0.25%	-
PIMCO Income Fund	3.01%	N/A	0.77%	21.23%	4.48%	-
PIMCO International StocksPLUS® TR Strategy Fund (U.S. Dollar-Hedged)	1.67%	1.62%	8.66%	8.99%	27.79%	1.50%
PIMCO International StocksPLUS® TR Strategy Fund (Unhedged)	3.34%	3.54%	4.07%	8.92%	4.84%	-
PIMCO Investment Grade Corporate Bond Fund	0.83%	0.58%	4.85%	2.21%	0.66%	0.16%
PIMCO Japanese StocksPLUS® TR Strategy Fund	3.95%	2.31%	8.41%	9.59%	39.85%	-
PIMCO Long Duration Total Return Fund	3.70%	25.12%	5.93%	22.28%	2.50%	-
PIMCO Long-Term U.S. Government Fund	20.54%	31.51%	37.43%	20.98%	19.66%	-
PIMCO Low Duration Fund	1.02%	6.24%	1.15%	6.86%	0.99%	1.39%
PIMCO Low Duration Fund II	1.06%	3.70%	4.30%	14.61%	1.03%	2.66%
PIMCO Low Duration Fund III	0.85%	0.88%	3.72%	4.99%	0.73%	0.67%
PIMCO Moderate Duration Fund	1.17%	1.32%	3.15%	6.77%	0.78%	0.81%
PIMCO Money Market Fund	0.45%	-	-	14.39%	1.95%	-
PIMCO Mortgage-Backed Securities Fund	0.80%	0.74%	0.99%	1.58%	1.36%	-
PIMCO Municipal Bond Fund	* 3.74%	0.09%	0%	0.40%	0.50%	-
PIMCO New York Municipal Bond Fund	* 0.79%	0.08%	0.07%	0.06%	0.21%	-
PIMCO Real Return Asset Fund	71.70%	72.88%	78.38%	62.83%	72.64%	-
PIMCO Real Return Fund	78.08%	87.40%	84.72%	57.44%	45.93%	0.02%
PIMCO RealEstateRealReturn Strategy Fund	22.20%	84.48%	82.10%	68.47%	73.35%	-
PIMCO Short Duration Municipal Income Fund	* 2.64%	0.13%	0.20%	0.06%	0.77%	-
PIMCO Short-Term Fund	3.66%	6.18%	.26%	7.71%	5.67%	0.30%
PIMCO Small Cap StocksPLUS® TR Fund	6.11%	3.16%	5.53%	6.30%	3.97%	0.12%
PIMCO StocksPLUS® Long Duration Fund	8.27%	N/A	N/A	N/A	8.46%	-
PIMCO StocksPLUS® Fund	5.20%	6.66%	8.70%	7.69%	3.17%	1.58%
PIMCO StocksPLUS® Total Return Fund	5.70%	4.78%	6.51%	15.80%	5.27%	0.45%
PIMCO StocksPLUS® TR Short Strategy Fund	6.81%	8.08%	9.08%	9.11%	4.79%	0.82%
PIMCO Total Return Fund	1.81%	4.08%	4.15%	5.84%	4.13%	-
PIMCO Total Return Fund II	2.52%	11.43%	7.82%	17.49%	9.09%	1.12%
PIMCO Total Return Fund III	1.99%	2.10%	5.62%	11.38%	7.25%	0.73%

\* Percent of taxable income.

Allianz Funds	Corporate Dividends Received Deductions	Allianz Funds	Corporate Dividends Received Deductions
Allianz CCM Capital Appreciation Fund	33.00%	Allianz OCC Core Equity Fund	29.00%
Allianz CCM Emerging Companies Fund	100.00%	Allianz OCC Equity Premium Strategy Fund	19.00%
Allianz CCM Focused Growth Fund	100.00%	Allianz OCC Growth Fund	0.00%
Allianz CCM Mid Cap Fund	20.00%	Allianz OCC Opportunity Fund	1.00%
Allianz Global Investors Multi-Style Fund	100.00%	Allianz OCC Renaissance Fund	12.00%
Allianz NACM Emerging Markets Opportunities Fun	0.00%	Allianz OCC Small Cap Value Fund	0.00%
Allianz NACM Global Fund	7.00%	Allianz OCC Target Fund	8.00%
Allianz NACM Growth Fund	1.00%	Allianz OCC Value Fund	35.00%
Allianz NACM Income & Growth Fund	0.00%	Allianz RCM Biotechnology Fund	0.00%
Allianz NACM International Fund	0.00%	Allianz RCM Global Resources Fund	31.00%
Allianz NACM Mid Cap Growth Fund	0.00%	Allianz RCM Global Small Cap Fund	0.00%
Allianz NACM Pacific Rim Fund	0.00%	Allianz RCM Healthcare Fund	0.00%
Allianz NFJ All-Cap Value Fund	22.00%	Allianz RCM International Growth Equity Fund	0.00%
Allianz NFJ Dividend Value Fund	49.00%	Allianz RCM Large Cap Growth Fund	6.00%
Allianz NFJ International Value Fund	0.00%	Allianz RCM Mid Cap Fund	0.00%
Allianz NFJ Large Cap Value Fund	92.00%	Allianz RCM Strategic Growth Fund	35.00%
Allianz NFJ Mid Cap Value Fund	53.00%	Allianz RCM Technology Fund	0.00%
Allianz NFJ Small Cap Value Fund	92.00%	Allianz RCM Global EcoTrends Fund	0.00%