

December 31, 2009

Dear PIMCO Funds Shareholder:

Enclosed please find your 2009 Form 1099-DIV and Form 1099-B relating to the PIMCO Exchange Traded Funds. Please note that we have included the Average Cost Basis along with the amount and character of the Gains/(Losses) on the Form 1099-B for eligible accounts. For those accounts that had transactions that were impacted by a wash sale in January, a second Average Cost Statement will be mailed in mid-February providing corrected Gain/Loss information. We recommend you keep this letter with your other tax paperwork, as it may help you determine the appropriate amount of income to report on your federal and state tax returns.

**Capital Gains Paid as a Dividend Distribution (Form 1099-DIV)**

Exchange traded funds may realize capital gains as a result of the buying and selling of assets within the fund portfolio. Those gains are passed on to shareholders in the form of a capital gain dividend distribution. These are reported to shareholders on Form 1099-DIV and are taxable to shareholders as a capital gain. Short-term capital gain distributions are included with income dividends in box (1) of Form 1099-DIV and are taxable as ordinary income. Long-term capital gain distributions are reported in box (2a) of Form 1099-DIV. Nontaxable distributions are reported in box (3) and represent a reclassification of income dividends received during the year.

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

Each time you sell shares in your fund, you realize a capital gain or loss 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 the tax year. For those accounts that are eligible, we have included the Average Cost Basis along with the amount and character of gain/loss on each redemption. Be aware that any realized loss on a December redemption may be disallowed due to a subsequent purchase in January that falls within the 30-day wash sale window. As noted above, in order to fully report the impact of wash sales, we will mail a second Average Cost Statement to applicable accounts no later than February 12, 2009. You must report gains or losses on sales of fund shares on Schedule D (Form 1040) of your tax return. Short-Term Capital Gains/(Losses) are recorded in Part I of Schedule D. Long-Term Capital Gains/(Losses) are recorded in Part II of Schedule D.

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 (888) 400-4383 should you have questions or if we may be of any assistance.

Sincerely,



Erik C. Brown  
Assistant Treasurer

*Investors should consider the investment objectives, risks, charges and expenses of the funds carefully before investing. This and other information are contained in the Fund's prospectus, which may be obtained by contacting your PIMCO representative. Please read the prospectus carefully before you invest or send money.*

This material has been distributed for informational purposes only and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. No part of this material may be reproduced in any form, or referred to in any other publication, without express written permission. Pacific Investment Management Company LLC. ©2010, PIMCO.

ETF Shares are distributed by **Allianz Global Investors Distributors LLC**, 840 Newport Center Drive, Newport Beach, CA, 92660 888-400-4ETF.