PIMCO STRATEGIC GLOBAL GOVERNMENT FUND INC
Form DEF 14A
June 16, 2011

SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant þ
Filed by a Party other than the Registrant o
Check the appropriate box:

o Preliminary Proxy Statement
o Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
þ Definitive Joint Proxy Statement
o Definitive Additional Materials
o Soliciting Material Under Rule 14a-12

AGIC CONVERTIBLE & INCOME FUND
AGIC CONVERTIBLE & INCOME FUND II
AGIC EQUITY & CONVERTIBLE INCOME FUND
AGIC INTERNATIONAL & PREMIUM STRATEGY FUND
NFJ DIVIDEND, INTEREST & PREMIUM STRATEGY FUND
PIMCO GLOBAL STOCKSPLUS & INCOME FUND
PIMCO STRATEGIC GLOBAL GOVERNMENT FUND, INC.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

þ No fee required.
o Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

o Fee paid previously with preliminary materials:

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

1) Amount previously paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

NOTICE OF JOINT ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON JULY 20, 2011

c/o Allianz Global Investors Fund Management LLC
1633 Broadway
New York, New York 10019

To the Shareholders of AGIC Convertible & Income Fund (NCV), AGIC Convertible & Income Fund II (NCZ), AGIC Equity & Convertible Income Fund (NIE), AGIC International & Premium Strategy Fund (NAI), NFJ Dividend, Interest & Premium Strategy Fund (NFJ), PIMCO Global StocksPLUS® & Income Fund (PGP) and PIMCO Strategic Global Government Fund, Inc. (RCS) (each a Fund and, collectively, the Funds):

Notice is hereby given that a Joint Annual Meeting of Shareholders (the Meeting) of the Funds will be held at the offices of Allianz Global Investors Fund Management LLC (AGIFM or the Manager), at 1633 Broadway, between West 50th and West 51st Streets, 42nd Floor, New York, New York 10019, on Wednesday, July 20, 2011 at 10:30 A.M., Eastern Time, for NCV, NCZ, NIE and NAI, at 11:30 A.M., Eastern Time, for NFJ, and at 12:00 P.M., Eastern Time, for PGP and RCS, for the following purposes, which are more fully described in the accompanying Proxy Statement:

1. To elect Trustees/Directors of each Fund, each to hold office for the term indicated and until his or her successor shall have been elected and qualified; and

2. To transact such other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

The Board of Trustees/Directors of each Fund has fixed the close of business on May 12, 2011 as the record date for the determination of shareholders entitled to notice of, and to vote at, the Meeting or any adjournment or postponement thereof. The enclosed proxy is being solicited on behalf of the Board of Trustees/Directors of each Fund.

By order of the Board of Trustees/Directors of each Fund

Thomas J. Fuccillo
Secretary

New York, New York
June 16, 2011

It is important that your shares be represented at the Meeting in person or by proxy, no matter how many shares you own. If you do not expect to attend the Meeting, please complete, date, sign and return the applicable enclosed proxy or proxies in the accompanying envelope, which requires no postage if mailed in the United States. Please mark and mail your proxy or proxies promptly in order to save the Funds any additional costs of further proxy solicitations and in order for the Meeting to be held as scheduled.

AGIC CONVERTIBLE & INCOME FUND (NCV)
AGIC CONVERTIBLE & INCOME FUND II (NCZ)
AGIC EQUITY & CONVERTIBLE INCOME FUND (NIE)
AGIC INTERNATIONAL & PREMIUM STRATEGY FUND (NAI)
NFJ DIVIDEND, INTEREST & PREMIUM STRATEGY FUND (NFJ)
PIMCO GLOBAL STOCKSPLUS® & INCOME FUND (PGP)
PIMCO STRATEGIC GLOBAL GOVERNMENT FUND, INC. (RCS)
c/o Allianz Global Investors Fund Management LLC
1633 Broadway
New York, New York 10019

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE JOINT ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON JULY 20, 2011

This 2011 Proxy Statement and the Annual Reports to Shareholders for the fiscal years ended January 31, 2011 for NIE, NFJ and RCS, February 28, 2011 for NCV, NCZ and NAI, and March 31, 2011 for PGP are also available at www.allianzinvestors.com.

PROXY STATEMENT

JUNE 16, 2011

FOR THE JOINT ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON JULY 20, 2011

INTRODUCTION

This Proxy Statement is furnished in connection with the solicitation by the Board of Trustees/Directors (the Board) of the shareholders of AGIC Convertible & Income Fund (NCV), AGIC Convertible & Income Fund II (NCZ), AGIC Equity & Convertible Income Fund (NIE), AGIC International & Premium Strategy Fund (NAI), NFJ Dividend, Interest & Premium Strategy Fund (NFJ), PIMCO Global StocksPLUS® & Income Fund (PGP) and PIMCO Strategic Global Government Fund, Inc. (RCS) (each a Fund and, collectively, the Funds) of proxies to be voted at the Joint Annual Meeting of Shareholders of the Funds and any adjournment(s) or postponement(s) thereof (the Meeting). The Meeting will be held at the offices of Allianz Global Investors Fund Management LLC (AGIFM or the Manager), at 1633 Broadway, between West 50th and West 51st Streets, 42nd Floor, New York, New York 10019, on Wednesday, July 20, 2011 at 10:30 A.M., Eastern Time, for NCV, NCZ, NIE and NAI, at 11:30 A.M., Eastern Time, for NFJ, and at 12:00 P.M., Eastern Time, for PGP and RCS.

The Notice of Joint Annual Meeting of Shareholders (the Notice), this Proxy Statement and the enclosed proxy cards are first being sent to Shareholders on or about June 16, 2011.

The Meeting is scheduled as a joint meeting of the holders of common shares of each Fund (the Common Shareholders) and preferred shares of NCV and NCZ (the Preferred Shareholders and, together with the Common Shareholders, the Shareholders). The Shareholders of each Fund are expected to consider and vote on similar matters. Shareholders of each Fund will vote on the applicable proposal set forth herein (the Proposal) and on any other matters that may arise for that Fund. An unfavorable vote on a Proposal by the Shareholders of one Fund will not affect the implementation of the Proposal by another Fund if the Proposal is approved by the Shareholders of such other Fund.

The Board of each Fund has fixed the close of business on May 12, 2011 as the record date (the Record Date) for the determination of Shareholders of each Fund entitled to notice of, and to vote at, the Meeting. Shareholders of each Fund on the Record Date will be entitled to one vote per share on each matter to which they are entitled to vote and that is to be voted on by Shareholders of the Fund, and a fractional vote with respect to fractional shares, with no cumulative voting rights in the election of Trustees/Directors. The following table sets forth the number of common shares (Common Shares) and preferred shares (Preferred Shares and, together with the Common Shares, the Shares) issued and outstanding of each Fund at the close of business on the Record Date:

	Outstanding Common Shares	**Outstanding Preferred Shares**
NCV	74,734,988	14,280
NCZ	62,016,949	10,960
NIE	22,304,189	N/A
NAI	9,949,161	N/A
NFJ	94,524,325	N/A
PGP	10,160,056	N/A
RCS	39,725,390	N/A

The classes of Shares listed for each Fund in the table above are the only classes of Shares currently authorized by that Fund.

At the Meeting, the election of certain Trustees (the Preferred Shares Trustees) of NCV and NCZ will be voted on exclusively by the Preferred Shareholders of each Fund. On each other proposal to be brought before the Meeting (including the election of the other nominees), such Preferred Shareholders will have equal voting rights (*i.e.*, one vote per Share) with such Fund s Common Shareholders and, will vote together with Common Shareholders as a single class. As summarized in the table below,

NCV:

The Common and Preferred Shareholders of NCV, voting together as a single class, have the right to vote on the election of Bradford K. Gallagher and Deborah A. Zoullas as Trustees of NCV; the Preferred Shareholders of the Fund, voting as a separate class, have the right to vote on the re-election of James A. Jacobson as a Preferred Shares Trustee of NCV.

NCZ:

The Common and Preferred Shareholders of NCZ, voting together as a single class, have the right to vote on the election of Bradford K. Gallagher and Deborah A. Zoullas as Trustees of NCZ; the Preferred Shareholders of the Fund, voting as a separate class, have the right to vote on the re-election of James A. Jacobson as a Preferred Shares Trustee of NCZ.

NIE:

The Shareholders of NIE, voting as a single class, have the right to vote on the re-election of Hans W. Kertess, William B. Ogden, IV and Alan Rappaport and the election of Bradford K. Gallagher and Deborah A. Zoullas as Trustees of NIE.

NAI:

The Shareholders of NAI, voting as a single class, have the right to vote on the re-election of John C. Maney and Alan Rappaport and the election of Bradford K. Gallagher and Deborah A. Zoullas as Trustees of NAI.

NFJ:

The Shareholders of NFJ, voting as a single class, have the right to vote on the re-election of John C. Maney and Alan Rappaport and the election of Bradford K. Gallagher and Deborah A. Zoullas as Trustees of NFJ.

PGP:

The Shareholders of PGP, voting as a single class, have the right to vote on the re-election of John C. Maney and Alan Rappaport and the election of Bradford K. Gallagher and Deborah A. Zoullas as Trustees of PGP.

RCS:

The Shareholders of RCS, voting as a single class, have the right to vote on the re-election of Hans W. Kertess and John C. Maney and the election of Bradford K. Gallagher and Deborah A. Zoullas as Directors of RCS.

Summary

Proposal	**Common Shareholders**	**Preferred Shareholders**
Election of Trustees/Directors		
NCV		
Independent Trustees/Nominees*		
Election of Bradford K. Gallagher	ü	ü
Re-election of James A. Jacobson	N/A	ü
Election of Deborah A. Zoullas	ü	ü
NCZ		
Independent Trustees/Nominees*		
Election of Bradford K. Gallagher	ü	ü
Re-election of James A. Jacobson	N/A	ü
Election of Deborah A. Zoullas	ü	ü
NIE		
Independent Trustees/Nominees*		
Election of Bradford K. Gallagher	ü	N/A
Re-election of Hans W. Kertess	ü	N/A
Re-election of William B. Ogden, IV	ü	N/A
Re-election of Alan Rappaport	ü	N/A
Election of Deborah A. Zoullas	ü	N/A
NAI		
Independent Trustees/Nominees*		
Election of Bradford K. Gallagher	ü	N/A
Re-election of Alan Rappaport	ü	N/A
Election of Deborah A. Zoullas	ü	N/A
Interested Trustee /Nominee		
Re-election of John C. Maney	ü	N/A
NFJ		
Independent Trustees/Nominees*		
Election of Bradford K. Gallagher	ü	N/A
Re-election of Alan Rappaport	ü	N/A
Election of Deborah A. Zoullas	ü	N/A
Interested Trustee /Nominee		
Re-election of John C. Maney	ü	N/A

PGP		
Independent Trustees/Nominees*		
Election of Bradford K. Gallagher	ü	N/A
Re-election of Alan Rappaport	ü	N/A
Election of Deborah A. Zoullas	ü	N/A
Interested Trustee /Nominee		
Re-election of John C. Maney	ü	N/A

Proposal	Common Shareholders	Preferred Shareholders
RCS		
Independent Directors/Nominees*		
Election of Bradford K. Gallagher	ü	N/A
Re-election of Hans W. Kertess	ü	N/A
Election of Deborah A. Zoullas	ü	N/A
Interested Director /Nominee		
Re-election of John C. Maney	ü	N/A

* Independent Trustees Independent Directors or Independent Nominees are those Trustees/Directors or nominees who are not interested persons, as defined in the Investment Company Act of 1940, as amended (the 1940 Act), of each Fund.

Mr. Maney is an interested person of each Fund, as defined in Section 2(a)(19) of the 1940 Act, due to his position as Chief Executive Officer of the Manager, among other positions with the Manager and various affiliated entities.

You may vote by mail by returning a properly executed proxy card, by Internet, by going to the website listed on the proxy card, by telephone using the toll-free number listed on the proxy card or in person by attending the Meeting. Shares represented by duly executed and timely delivered proxies will be voted as instructed on the proxy. If you execute and mail the enclosed proxy and no choice is indicated for the election of Trustees/Directors listed in the attached Notice, your proxy will be voted in favor of the election of all nominees. At any time before it has been voted, your proxy may be revoked in one of the following ways: (i) by delivering a signed, written letter of revocation to the Secretary of the appropriate Fund at 1633 Broadway, New York, New York 10019, (ii) by properly executing and submitting a later-dated proxy vote, or (iii) by attending the Meeting and voting in person. Please call 1-800-254-5197 for information on how to obtain directions to be able to attend the Meeting and vote in person. If any proposal, other than the Proposals set forth herein, properly comes before the Meeting, including any adjournment thereof, the persons named as proxies will vote in their sole discretion.

The principal executive offices of the Funds are located at 1633 Broadway, New York, New York 10019. AGIFM serves as the investment manager of each Fund and retains its affiliates, NFJ Investment Group LLC (NFJ Group) to serve as a sub-adviser with respect to a portion of the assets of NFJ, Allianz Global Investors Capital LLC (AGIC) to serve as a sub-adviser to NIE, NAI, NCV and NCZ and with respect to a portion of the assets of NFJ, and Pacific Investment Management Company LLC (PIMCO), to serve as the sub-adviser to PGP and RCS. NFJ Group, AGIC and PIMCO are collectively referred to as the Sub-Advisers. Additional information regarding the Manager and the Sub-Advisers may be found under Additional Information Investment Manager and Sub-Advisers below.

The solicitation will be primarily by mail and the cost of soliciting proxies for a Fund will be borne individually by each Fund. Certain officers of the Funds and certain officers and employees of the Manager or its affiliates (none of whom will receive additional compensation therefore) may solicit proxies by telephone, mail, e-mail and personal interviews. Any out-of pocket expenses incurred in connection with the solicitation will be borne by each Fund based on its relative net assets.

As of the Record Date, the Trustees/Directors and nominees and the officers of each Fund as a group and individually beneficially owned less than one percent (1%) of each Fund s outstanding Shares and, to the knowledge of the Funds, the following entities beneficially owned more than five percent (5%) of a Class of a Fund as indicated:

Beneficial Owner	Fund	Percentage of Ownership of Class
UBS AG Bahnhofstrasse 45 PO Box CH-8021 Zurich, Switzerland	NCV	55.34% of Preferred Shares

Beneficial Owner	Fund	Percentage of Ownership of Class
First Trust Portfolios L.P. First Trust Advisors L.P. The Charger Corporation 120 East Liberty Drive, Suite 400 Wheaton, Illinois 60187	NCV	6.5% of Common Shares
UBS AG Bahnhofstrasse 45 PO Box CH-8021 Zurich, Switzerland	NCZ	51.15% of Preferred Shares
First Trust Portfolios L.P. First Trust Advisors L.P. The Charger Corporation 120 East Liberty Drive, Suite 400 Wheaton, Illinois 60187	NCZ	5.5% of Common Shares
First Trust Portfolios L.P. First Trust Advisors L.P. The Charger Corporation 120 East Liberty Drive, Suite 400 Wheaton, Illinois 60187	NIE	23.9% of Common Shares
First Trust Portfolios L.P. First Trust Advisors L.P. The Charger Corporation 120 East Liberty Drive, Suite 400 Wheaton, Illinois 60187	NAI	21.3% of Common Shares
Morgan Stanley Morgan Stanley Smith Barney LLC 1585 Broadway New York, New York 10036	NFJ	6.8% of Common Shares

PROPOSAL: ELECTION OF TRUSTEES/DIRECTORS

In accordance with RCS Articles of Incorporation, as amended (the Articles), and with each of the other Funds Amended and Restated Agreement and Declaration of Trust (each a Declaration), the Trustees/Directors have been divided into the following three classes (each a Class): Class I, Class II and Class III. On March 7, 2011, Deborah A. Zoullas was appointed to serve as a Trustee/Director to fill a Class II vacancy on NCZ, NAI, NFJ and PGP and to fill a Class III vacancy on NCV, NIE and RCS. In September 2010, the Board of each Fund appointed Bradford K. Gallagher to serve as a Trustee/Director to fill a Class II vacancy on NCV, NCZ, NAI, NFJ, PGP and RCS and a Class III vacancy on NIE, resulting from the retirement of R. Peter Sullivan III, who formerly served as a Trustee/Director of each Fund. Accordingly, the Nominating Committee has recommended Ms. Zoullas and Mr. Gallagher for election as a Trustee/Director by the Shareholders of each Fund. The Nominating Committee has also recommended the other nominees listed herein for re-election by the Shareholders as Trustees/Directors to the applicable Funds.

NCV. With respect to NCV, the term of office of the Class II Trustees will expire at the Meeting; the term of office of the Class III Trustees will expire at the 2012 annual meeting of shareholders; and the term of office of the Class I Trustees will expire at the 2013 annual meeting of shareholders. Currently, Bradford K. Gallagher and James A.

Jacobson are Class II Trustees and Deborah A. Zoullas is a Class III Trustee. The Nominating Committee has recommended to the Board that Mr. Gallagher be nominated for election by the Common and Preferred Shareholders, voting as a single class, as a Class II Trustee, Mr. Jacobson be nominated for re-election by the Preferred Shareholders, voting as a separate class, as a Class II Preferred Shares Trustee and Ms. Zoullas be nominated for election by the Common and Preferred Shareholders, voting as a single class, as a Class III Trustee at the Meeting. Consistent with the Fund s Declaration, if elected, the nominees shall hold office for terms coinciding with the Classes of Trustees to which they have been designated. Therefore, if elected at the Meeting, Messrs. Gallagher and Jacobson will serve a term consistent with the Class II Trustees, which will expire at the Fund s 2014 annual meeting. If elected at the Meeting, Ms. Zoullas will serve a term consistent with the Class III Trustees, which will expire at the Fund s 2012 annual meeting.

NCZ. With respect to NCZ, the term of office of the Class II Trustees will expire at the Meeting; the term of office of the Class III Trustees will expire at the 2012 annual meeting of shareholders; and the term of office of the Class I Trustees will expire at the 2013 annual meeting of shareholders. Currently, Bradford K. Gallagher, James A. Jacobson and Deborah A. Zoullas are Class II Trustees. The Nominating Committee has recommended to the Board that Ms. Zoullas and Mr. Gallagher be nominated for election by the Common and Preferred Shareholders, voting as a single class, as Class II Trustees and Mr. Jacobson be nominated for re-election by the Preferred Shareholders, voting as a separate class, as a Class II Preferred Shares Trustee. Consistent with the Fund s Declaration, if elected, the nominees shall hold office for terms coinciding with the Classes of Trustees to which they have been designated. Therefore, if elected at the Meeting, Messrs. Jacobson and Gallagher and Ms. Zoullas will serve a term consistent with the Class II Trustees, which will expire at the Fund s 2014 annual meeting.

NIE. With respect to NIE, the term of office of the Class I Trustees will expire at the Meeting; the term of office of the Class II Trustees will expire at the 2012 annual meeting of shareholders; and the term of office of the Class III Trustees will expire at the 2013 annual meeting of shareholders. Currently, Hans W. Kertess, William B. Ogden, IV and Alan Rappaport are Class I Trustees and Bradford K. Gallagher and Deborah A. Zoullas are Class III Trustees. The Nominating Committee has recommended to the Board that Messrs. Kertess, Ogden and Rappaport be nominated for re-election as Class I Trustees and Mr. Gallagher and Ms. Zoullas be nominated for election by Shareholders as Class III Trustees at the Meeting. Consistent with the Fund s Declaration, if elected, the nominees shall hold office for terms coinciding with the Classes of Trustees to which they have been designated. Therefore, if elected at the Meeting, Messrs. Kertess, Ogden and Rappaport will serve a term consistent with the Class I Trustees, which will expire at the Fund s 2014 annual meeting. If elected at the Meeting, Mr. Gallagher and Ms. Zoullas will serve a term consistent with the Class III Trustees, which will expire at the Fund s 2013 annual meeting.

NAI. With respect to NAI, the term of office of the Class III Trustees will expire at the Meeting; the term of office of the Class I Trustees will expire at the 2012 annual meeting of shareholders; and the term of office of the Class II Trustees will expire at the 2013 annual meeting of shareholders. Currently, John C. Maney and Alan Rappaport are Class III Trustees and Bradford K. Gallagher and Deborah A. Zoullas are Class II Trustees. The Nominating Committee has recommended to the Board that Messrs. Maney and Rappaport be nominated for re-election by Shareholders as Class III Trustees and Mr. Gallagher and Ms. Zoullas be nominated for election by Shareholders as Class II Trustees at the Meeting. Consistent with the Fund s Declaration, if elected, the nominees shall hold office for terms coinciding with the Classes of Trustees to which they have been designated. Therefore, if elected at the Meeting, Messrs. Maney and Rappaport will serve a term consistent with the Class III Trustees, which will expire at the Fund s 2014 annual meeting. If elected at the Meeting, Mr. Gallagher and Ms. Zoullas will serve a term consistent with the Class II Trustees, which will expire at the Fund s 2013 annual meeting.

NFJ. With respect to NFJ, the term of office of the Class III Trustees will expire at the Meeting; the term of office of the Class I Trustees will expire at the 2012 annual meeting of shareholders; and the term of office of the Class II Trustees will expire at the 2013 annual meeting of shareholders. Currently, John C. Maney and Alan Rappaport are Class III Trustees and Bradford K. Gallagher and Deborah A. Zoullas are Class II Trustees. The Nominating Committee has recommended to the Board that Messrs. Maney and Rappaport be nominated for re-election and Mr. Gallagher and Ms. Zoullas be nominated for election by Shareholders as Class II Trustees at the Meeting. Consistent with the Fund s Declaration, if elected, the nominees shall hold office for terms coinciding with the Classes of Trustees to which they have been designated. Therefore, if elected at the Meeting, Messrs. Maney and Rappaport will serve a term consistent with the Class III Trustees, which will expire at the Fund s 2014 annual meeting. If elected at the Meeting, Mr. Gallagher and Ms. Zoullas will serve a term consistent with the Class II Trustees, which will expire at the Fund s 2013 annual meeting.

PGP. With respect to PGP, the term of office of the Class III Trustees will expire at the Meeting; the term of office of the Class I Trustees will expire at the 2012 annual meeting of shareholders; and the term of office of the Class II Trustees will expire at the 2013 annual meeting of shareholders. Currently, John C. Maney and Alan Rappaport are Class III Trustees and Bradford K. Gallagher and Deborah A. Zoullas are Class II Trustees. The Nominating Committee has recommended to the Board that Messrs. Maney and Rappaport be nominated for re-election by Shareholders as Class III Trustees and Mr. Gallagher and Ms. Zoullas be nominated for election by Shareholders as Class II Trustees at the Meeting. Consistent with the Fund s Declaration, if elected, the nominees shall hold office for terms coinciding with the Classes of Trustees to which they have been designated. Therefore, if elected at the Meeting, Messrs. Maney and Rappaport will serve a term consistent with the Class III Trustees, which will expire at the Fund s 2014 annual meeting. If elected at the Meeting, Mr. Gallagher and Ms. Zoullas will serve a term consistent with the Class II Trustees, which will expire at the Fund s 2013 annual meeting.

RCS. With respect to RCS, the term of office of the Class II Directors will expire at the Meeting; the term of office of the Class III Directors will expire at the 2012 annual meeting of shareholders; and the term of office of the Class I Directors will expire at the 2013 annual meeting of shareholders. Currently, Bradford K. Gallagher, Hans W. Kertess and John C. Maney are Class II Directors and Deborah A. Zoullas is a Class III Director. The Nominating Committee has recommended to the Board that Messrs. Kertess and Maney be nominated for re-election by Shareholders as Class II Directors, Mr. Gallagher be nominated for election by Shareholders as a Class II Director and Ms. Zoullas be nominated for election by Shareholders as a Class III Director at the Meeting. Consistent with the Fund s Articles, if elected, the nominees shall hold office for terms coinciding with the Classes of Directors to which they have been designated. Therefore, if elected at the Meeting, Messrs. Gallagher, Kertess and Maney will serve a term consistent with the Class II Directors, which will expire at the Fund s 2014 annual meeting, and Ms. Zoullas will serve a term consistent with the Class III Directors, which will expire at the Fund s 2012 annual meeting.

All members of each Board of NCV, NCZ, NIE, NAI, NFJ and PGP are and will remain, if elected, Continuing Trustees, as such term is defined in the Declarations of those Funds, having either served as Trustee since the inception of the Funds or having been nominated by at least a majority of the Continuing Trustees then members of the Boards.

At any annual meeting of shareholders, any Trustee/Director elected to fill a vacancy that has arisen since the preceding annual meeting of shareholders (whether or not such vacancy has been filled by election of a new Trustee/Director by the Board) shall hold office for a term that coincides with the remaining term of the Class of Trustees/Directors to which such office was previously assigned, if such vacancy arose other than by an increase in the number of Trustees/Directors, and until his or her successor shall be elected and shall qualify. In the event such vacancy arose due to an increase in the number of Trustees/Directors, any Trustee/Director so elected to fill such vacancy at an annual meeting shall hold office for a term which coincides with that of the Class of Trustee/Director to which such office has been apportioned and until his or her successor shall be elected and shall qualify.

The following table summarizes the nominees who will stand for election at the Meeting, the respective Classes of Trustees/Directors to which they have been designated and the expiration of their respective terms if elected:

Trustee/Director/Nominee	Class	Expiration of Term if Elected*
NCV		
Bradford K. Gallagher	Class II	2014 Annual Meeting
James A. Jacobson	Class II	2014 Annual Meeting
Deborah A. Zoullas	Class III	2012 Annual Meeting
NCZ		

Bradford K. Gallagher	Class II	2014 Annual Meeting
James A. Jacobson	Class II	2014 Annual Meeting
Deborah A. Zoullas	Class II	2014 Annual Meeting

Trustee/Director/Nominee	Class	Expiration of Term if Elected*
NIE		
Hans W. Kertess	Class I	2014 Annual Meeting
William B. Ogden, IV	Class I	2014 Annual Meeting
Alan Rappaport	Class I	2014 Annual Meeting
Bradford K. Gallagher	Class III	2013 Annual Meeting
Deborah A. Zoullas	Class III	2013 Annual Meeting
NAI		
Bradford K. Gallagher	Class II	2013 Annual Meeting
Deborah A. Zoullas	Class II	2013 Annual Meeting
John C. Maney	Class III	2014 Annual Meeting
Alan Rappaport	Class III	2014 Annual Meeting
NFJ		
Bradford K. Gallagher	Class II	2013 Annual Meeting
Deborah A. Zoullas	Class II	2013 Annual Meeting
John C. Maney	Class III	2014 Annual Meeting
Alan Rappaport	Class III	2014 Annual Meeting
PGP		
Bradford K. Gallagher	Class II	2013 Annual Meeting
Deborah A. Zoullas	Class II	2013 Annual Meeting
John C. Maney	Class III	2014 Annual Meeting
Alan Rappaport	Class III	2014 Annual Meeting
RCS		
Bradford K. Gallagher	Class II	2014 Annual Meeting
Hans W. Kertess	Class II	2014 Annual Meeting
John C. Maney	Class II	2014 Annual Meeting
Deborah A. Zoullas	Class III	2012 Annual Meeting

* A Trustee of NCV, NCZ, NIE, NAI, NFJ and PGP elected at an annual meeting shall hold office until the annual meeting for the year in which his or her term expires and until his or her successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification or removal from office. A Director of RCS elected at an annual meeting shall hold office until his or her successor is elected and qualified.

Under this classified Board structure, generally only those Trustees/Directors in a single Class may be replaced in any one year, and it would require a minimum of two years to change a majority of the Board under normal circumstances. This structure, which may be regarded as an anti-takeover provision, may make it more difficult for a Fund s Shareholders to change the majority of Trustees/Directors of the Fund, and thus promotes the continuity of management.

Unless authority is withheld, it is the intention of the persons named in the enclosed proxy for a Fund to vote each proxy for the persons listed above for that Fund. Each of the nominees has indicated he or she will serve if elected, but if he or she should be unable to serve for a Fund, the proxy holders may vote in favor of such substitute nominee as the Board may designate (or, alternatively, the Board may determine to leave a vacancy).

Trustees/Directors and Officers

The business of each Fund is managed under the direction of the Fund s Board of Trustees/Directors. Subject to the provisions of each Fund s Declaration/Articles, its By-Laws and applicable state law, the

8

Trustees/Directors have all powers necessary and convenient to carry out this responsibility, including the election and removal of the Fund s officers.

Board Leadership Structure If the nominees are elected as proposed, the Board of Trustees/Directors of each Fund will consist of eight Trustees/Directors, seven of whom are not interested persons (within the meaning of Section 2(a)(19) of the 1940 Act) of the Fund or of the Manager (the Independent Trustees/Directors). An Independent Trustee/Director serves as Chairman and is selected by vote of the majority of the Independent Trustees/Directors. The Chairman presides at meetings of the Board and acts as a liaison with service providers, officers, attorneys and other Trustees/Directors generally between meetings, and performs such other functions as may be requested by the Board from time to time.

The Board of Trustees/Directors meets regularly four times each year to discuss and consider matters concerning the Funds, and also holds special meetings to address matters arising between regular meetings. The Independent Trustees/Directors regularly meet outside the presence of management and are advised by independent legal counsel. Regular meetings generally take place in-person; other meetings may take place in-person or by telephone.

The Board of Trustees/Directors has established four standing Committees to facilitate oversight of the management of the Funds: the Audit Oversight Committee, the Nominating Committee, the Valuation Committee and the Compensation Committee. The functions and role of each Committee are described below under Board Committees and Meetings. The membership of each Committee consists of all of the Independent Trustees/Directors, which the Board believes allows them to participate in the full range of the Board s oversight duties.

The Board reviews its leadership structure periodically and has determined that this leadership structure, including an Independent Chairman, a supermajority of Independent Trustees/Directors and Committee membership limited to Independent Trustees/Directors, is appropriate in light of the characteristics and circumstances of each Fund. In reaching this conclusion, the Board considered, among other things, the predominant role of the Manager and Sub-Advisers in the day-to-day management of Fund affairs, the extent to which the work of the Board is conducted through the Committees, the number of portfolios that comprise the Fund Complex (defined below), the variety of asset classes those portfolios include, the net assets of each Fund, and the Fund Complex and the management and other service arrangements of each Fund and the Fund Complex. The Board also believes that its structure, including the presence of one Trustee/Director who is an executive with various Manager-affiliated entities, facilitates an efficient flow of information concerning the management of each Fund to the Independent Trustees/Directors.

Risk Oversight Each of the Funds has retained the Manager and the applicable Sub-Adviser to provide investment advisory services, and, in the case of the Manager, to oversee the Fund s business affairs and administrative matters, and these service providers are principally responsible for the management of risks that may arise from Fund investments and operations. Some employees of the Manager serve as the Funds officers, including the Funds principal executive officer and principal financial and accounting officer. The Board oversees the performance of these functions by the Manager and Sub-Advisers, both directly and through the Committee structure it has established. The Board receives from the Manager and Sub-Advisers a wide range of reports, both on a regular and as-needed basis, relating to the Funds activities and to the actual and potential risks of the Funds. These include reports on investment risks, compliance with applicable laws, and the Funds financial accounting and reporting. In addition, the Board meets periodically with the individual portfolio managers of the Funds to receive reports regarding the portfolio management of the Funds and their performance, including their investment risks.

In addition, the Board has appointed a Chief Compliance Officer (CCO). The CCO oversees the development of compliance policies and procedures that are reasonably designed to minimize the risk of violations of the federal securities laws (Compliance Policies). The CCO reports directly to the Independent Trustees/Directors, and provides presentations to the Board at its quarterly meetings and an annual report on the application of the Compliance Policies.

The Board periodically discusses relevant risks affecting the Funds with the CCO at these meetings. The Board has approved the Compliance Policies and reviews the CCO s reports. Further, the Board annually reviews the sufficiency of the Compliance Policies, as well as the appointment and compensation of the CCO.

Information Regarding Trustees/Directors and Nominees.

The following table provides information concerning the Trustees/Directors /Nominees of the Funds.

Name, Address*, Date of Birth and Class	Position(s) Held with the Funds	Term of Office and Length of Time Served	Principal Occupation(s) During the Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee/ Director Nominee	Other Directorships Held by Trustee/ Director Nominee
Independent Trustees/Directors/Nominees					
Paul Belica 09/27/1921 NCV Class III NCZ Class I NIE Class III NAI Class I NFJ Class I PGP Class I RCS Class III	Trustee Trustee Trustee Trustee Trustee Trustee Director	NCV Since March 2003 NCZ Since December 2003 NIE Since inception (February 2007) NAI Since September 2005 NFJ Since September 2005 PGP Since September 2005 RCS Since June 2008	Retired. Formerly, Director, Student Loan Finance Corp., Education Loans, Inc., Goal Funding, Inc., Goal Funding II, Inc. and Surety Loan Fund, Inc.; Manager of Stratigos Fund LLC, Whistler Fund LLC, Xanthus Fund LLC & Wynstone Fund LLC. Trustee/Director of the funds in the Allianz/PIMCO Fund Complex since 2000.	55	None
Bradford K. Gallagher 2/28/1944 NCV Class II	Nominee, Trustee	Since September 2010	Founder, Spyglass Investments LLC, a private investment	55	Formerly, Chairman and Trustee of Grail Advisors ETF Trust (2009-2010) and Trustee of

NCZ	Class II	Nominee, Trustee	vehicle (since 2001); Founder, President and CEO of Cypress Holding Company and Cypress Tree Investment Management Company (since 1995); Trustee, The Common Fund (since 2005); Director, Anchor Point Inc. (since 1995); Chairman and Trustee, Atlantic Maritime Heritage Foundation (since 2007); and Director, Shielding Technology Inc. (since 2006). Trustee/Director of the funds in the Allianz/PIMCO Fund Complex since 2010.	Nicholas-Applegate Institutional Funds (2007-2010)
NIE	Class III	Nominee, Trustee		
NAI	Class II	Nominee, Trustee		
NFJ	Class II	Nominee, Trustee		
PGP	Class II	Nominee, Trustee		
RCS	Class II	Nominee, Director		

Name, Address*, Date of Birth and Class	Position(s) Held with the Funds	Term of Office and Length of Time Served	Principal Occupation(s) During the Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee/ Director Nominee	Other Directorships Held by Trustee/ Director Nominee
James A. Jacobson 02/03/1945 NCV Class II NCZ Class II NIE Class II NAI Class II NFJ Class II PGP Class II RCS Class I	 Nominee, Trustee Nominee, Trustee Trustee Trustee Trustee Trustee Director	 Since December 2009	Retired. Formerly, Vice Chairman and Managing Director of Spear, Leeds & Kellogg Specialists, LLC, a specialist firm on the New York Stock Exchange. Trustee/Director of the funds in the Allianz/PIMCO Fund Complex since 2009.	55	Trustee, Alpine Mutual Funds Complex consisting of 16 funds
Hans W. Kertess 07/12/1939 NCV Class I NCZ Class III NIE Class I NAI Class I	Trustee and Chairman of the Board Trustee Trustee Nominee, Trustee Trustee	 NCV Since February 2004 NCZ Since July 2003 NIE Since inception (February 2007) NAI Since April 2005	President, H. Kertess & Co., a financial advisory company. Formerly, Managing Director, Royal Bank of Canada Capital Markets. Trustee/Director of the funds in the Allianz/PIMCO Fund Complex since 2000.	55	None

NFJ	Class I	Trustee	NFJ Since inception (February 2005)
PGP	Class I	Trustee	PGP Since May 2005
RCS	Class II	Nominee, Director	RCS Since June 2008

11

Name, Address*, Date of Birth and Class	Position(s) Held with the Funds	Term of Office and Length of Time Served	Principal Occupation(s) During the Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee/ Director Nominee	Other Directorships Held by Trustee/ Director Nominee
William B. Ogden, IV 01/11/1945			Asset Management Industry Consultant. Formerly, Managing Director, Investment Banking Division of Citigroup Global Markets Inc. Trustee/Director of the funds in the Allianz/PIMCO Fund Complex since 2007.	55	None
NCV Class I	Trustee	NCV Since September 2006			
NCZ Class I	Trustee	NCZ Since September 2006			
NIE Class I	Nominee, Trustee	NIE Since June 2007			
NAI Class I	Trustee	NAI Since September 2006			
NFJ Class I	Trustee	NFJ Since September 2006			
PGP Class I	Trustee	PGP Since September 2006			
RCS Class I	Director	RCS Since June 2008			
Alan Rappaport 03/13/1953			Vice Chairman, Roundtable Investment Partners (since 2009); Chairman (formerly President), Private Bank of Bank of America; Vice Chairman, US Trust (2001-2008). Trustee /Director of the funds in	55	None
NCV Class I	Trustee	Since June 2010			
NCZ Class I	Trustee				
NIE Class I	Nominee, Trustee				
NAI Class III	Nominee, Trustee				

			the Allianz/PIMCO Fund Complex since 2010.
NFJ	Class III	Nominee, Trustee	
PGP	Class III	Nominee, Trustee	
RCS	Class III	Director	

12

Name, Address*, Date of Birth and Class	Position(s) Held with the Funds	Term of Office and Length of Time Served	Principal Occupation(s) During the Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee/ Director Nominee	Other Directorships Held by Trustee/ Director Nominee
Deborah A. Zoullas 11/13/1952			Advisory Director, Morgan Stanley & Co., Inc. (since 1996); Director, Helena Rubenstein Foundation (since 1997); Co-Chair Special Projects Committee, Memorial Sloan Kettering (since 2005); Board Member and Member of the Investment and Finance Committees, Henry Street Settlement (since 2007); Trustee, Stanford University (since 2010). Formerly, Advisory Council, Stanford Business School (2002-2008) and Director, Armor Holdings, a manufacturing company (2002-2007).	51	None
NCV Class III	Nominee, Trustee	Since March 2011			
NCZ Class II	Nominee, Trustee				
NIE Class III	Nominee, Trustee				
NAI Class II	Nominee, Trustee				
NFJ Class II	Nominee, Trustee				
PGP Class II	Nominee, Trustee				
RCS Class III	Nominee, Director				
Interested Trustee/Director/Nominee					
John C. Maney 08/03/1959			Management Board, Managing Director and Chief Executive Officer of Allianz Global Investors	80	None
NCV Class III	Trustee	NCV Since December 2006			

NCZ	Class III	Trustee	NCZ Since December 2006	Fund Management LLC; Management Board and Managing Director of Allianz Global Investors of America L.P. since January 2005 and also Chief Operating Officer of Allianz Global Investors of America L.P. since November 2006. Trustee/Director of the funds in the Allianz/PIMCO Fund Complex since 2006.
NIE	Class II	Trustee	NIE Since inception (February 2007)	
NAI	Class III	Nominee, Trustee	NAI Since December 2006	
NFJ	Class III	Nominee, Trustee	NFJ Since December 2006	
PGP	Class III	Nominee, Trustee	PGP Since December 2006	
RCS	Class II	Director	RCS Since June 2008	

* Unless otherwise indicated, the business address of the persons listed above is c/o Allianz Global Investors Fund Management LLC, 1633 Broadway, New York, New York 10019.

13

Mr. Maney is an interested person of each Fund, as defined in Section 2(a)(19) of the 1940 Act, due to his position as Chief Executive Officer of the Manager, among other positions with the Manager and various affiliated entities.

The following table states the dollar range of equity securities beneficially owned as of the Record Date by each Trustee/Director and nominee of each Fund and, on an aggregate basis, of any registered investment companies overseen by the Trustee/Director or nominee in the family of investment companies, including the Funds.

Name of Trustee/Director/Nominee	Dollar Range of Equity Securities in the Funds*	Aggregate Dollar Range of Equity Securities in all Registered Investment Companies Overseen by Trustee/Directors/Nominee in the Family of Investment Companies*
Independent Trustees/ Directors/Nominees		
Paul Belica	None	None
Bradford K. Gallagher	None	Over $100,000
James A. Jacobson	None	Over $100,000
Hans W. Kertess	None	Over $100,000
William B. Ogden, IV	None	Over $100,000
Alan Rappaport	None	Over $100,000
Deborah A. Zoullas	None	None
Interested Trustee/ Director/Nominee		
John C. Maney	None	Over $100,000

* Securities are valued as of May 12, 2011.

To the knowledge of the Funds, as of the Record Date, Trustees/Directors and nominees who are Independent Trustees/Directors or Independent Nominees and their immediate family members did not own securities of an investment adviser or principal underwriter of the Funds or a person (other than a registered investment company) directly or indirectly controlling, controlled by, or under common control with an investment adviser or principal underwriter of the Funds.

Compensation.

Each of the Independent Trustees/Directors also serves as a trustee/director of PIMCO Municipal Income Fund, PIMCO California Municipal Income Fund, PIMCO New York Municipal Income Fund, PIMCO Municipal Income Fund II, PIMCO California Municipal Income Fund II, PIMCO New York Municipal Income Fund II, PIMCO Municipal Income Fund III, PIMCO California Municipal Income Fund III, PIMCO New York Municipal Income Fund III, PIMCO Corporate Income Fund, PIMCO Corporate Opportunity Fund, PIMCO High Income Fund, PIMCO Income Opportunity Fund, PIMCO Income Strategy Fund, PIMCO Income Strategy Fund II, AGIC Global Equity & Convertible Income Fund, and PCM Fund, Inc., each a closed-end fund for which the Manager serves as investment manager and affiliates of the Manager serve as sub-adviser (together, the Allianz Closed-End Funds) and certain other open-end investment companies for which the Manager serves as investment manager and administrator and affiliates of the Manager serve as investment sub-advisers (together with the Allianz Closed-End Funds, the Allianz Managed Funds). As indicated below, the officers of the Funds are affiliated with the Manager.

Each of the Allianz Managed Funds are expected to hold joint meetings of their Boards of Trustees/Directors whenever possible. Each Trustee/Director, other than any Trustee/Director who is a director, officer, partner or employee of the Manager, AGIC, NFJ Group, PIMCO or any entity controlling, controlled by or under common control with the Manager, AGIC, NFJ Group or PIMCO receives annual compensation of $250,000, which is payable quarterly. The Independent Chairman of the Boards receives an additional $75,000 per year, payable quarterly. The Audit Oversight Committee Chairman receives an additional $50,000 per year, payable quarterly. Trustees/Directors will also be reimbursed for meeting-related expenses.

Each Trustee/Director s compensation and other costs of joint meetings will be allocated pro rata among the Allianz Managed Funds for which such Trustee/Director serves as Trustee/Director based on the complexity of issues relating to each such Fund and relative time spent by the Trustees/Directors in addressing them, and secondarily, on each such Fund s relative net assets (including assets attributable to any outstanding preferred shares issued by an Allianz Closed-End Fund).

Trustees/Directors do not currently receive any pension or retirement benefits from the Funds or the Fund Complex.

The following table provides information concerning the compensation paid to the Trustees/Directors and nominees for the fiscal years ended January 31, 2011 for NFJ, NIE and RCS, February 28, 2011 for NCV, NCZ and NAI, and March 31, 2011 for PGP. For the calendar year ended December 31, 2010, the Trustees/Directors received the compensation set forth in the table below for serving as Trustees/Directors of the Funds and other funds in the same Fund Complex as the Funds. Each officer and each Trustee/Director who is a director, officer, partner, member or employee of the Manager or the Sub-Advisers, or of any entity controlling, controlled by or under common control with the Manager or the Sub-Advisers, including any Interested Trustee/Director, serves without any compensation from the Funds.

Compensation Table

Name of Trustees/Directors/Nominees	**Aggregate Compensation from NFJ for the Fiscal Year Ended January 31, 2011**	**Aggregate Compensation from NIE for the Fiscal Year Ended January 31, 2011**	**Aggregate Compensation from RCS for the Fiscal Year Ended January 31, 2011**	**Aggregate Compensation from NAI for the Fiscal Year Ended February 28, 2011**
Independent Trustees/Directors/Nominees				
Paul Belica	$ 26,206	$ 6,704	$ 6,010	$ 2,093
Robert E. Connor(1)	$ 6,172	$ 3,053	$ 1,338	$ 527
Bradford K. Gallagher(2)	$ 6,391	$ 158	$ 1,503	$ 487
James A. Jacobson	$ 23,341	$ 4,180	$ 5,415	$ 1,856
Hans W. Kertess	$ 29,752	$ 7,290	$ 6,844	$ 2,371
William B. Ogden, IV	$ 22,879	$ 5,608	$ 5,267	$ 1,824
R. Peter Sullivan III(3)	$ 13,601	$ 4,813	$ 3,058	$ 1,350
Alan Rappaport(2)	$ 11,668	$ 1,369	$ 2,769	$ 897
Deborah A. Zoullas(2)	$ 0	$ 0	$ 0	$ 0
Interested Trustee/Director/Nominee				
John C. Maney	$ 0	$ 0	$ 0	$ 0

15

Name of Trustees/Directors /Nominees	Aggregate Compensation from NCV for the Fiscal Year Ended February 28, 2011	Aggregate Compensation from NCZ for the Fiscal Year Ended February 28, 2011	Aggregate Compensation from PGP for the Fiscal Year Ended March 31, 2011	Total Compensation from the Funds and Fund Complex Paid to Trustees/Directors/ Nominees for the Calendar Year Ended December 31, 2010*
Independent Trustees/Directors/Nominees				
Paul Belica	$ 15,802	$ 11,999	$ 1,919	$ 286,141
Robert E. Connor(1)	$ 3,769	$ 2,865	$ 0	$ 62,500
Bradford K. Gallagher(2)	$ 3,798	$ 2,881	$ 992	$ 70,720
James A. Jacobson	$ 14,185	$ 10,771	$ 1,902	$ 247,542
Hans W. Kertess	$ 17,962	$ 13,639	$ 2,294	$ 325,000
William B. Ogden, IV	$ 13,824	$ 10,497	$ 1,764	$ 250,000
R. Peter Sullivan III(3)	$ 8,264	$ 6,277	$ 562	$ 126,972
Alan Rappaport(2)	$ 7,024	$ 5,331	$ 1,388	$ 145,833
Deborah A. Zoullas(2)	$ 0	$ 0	$ 0	$ 0
Interested Trustee/Director/Nominee				
John C. Maney	$ 0	$ 0	$ 0	$ 0

* In addition to the AGIFM Closed-End Funds, during each Fund s most recently completed fiscal year, all of the Trustees/Directors served as Trustees/Directors of three open-end investment companies (each consisting of separate investment portfolios) (one such open-end investment company liquidated as of April 30, 2010) advised by the Manager. These investment companies are considered to be in the same Fund Complex as the Funds.

(1) Robert E. Connor served as a Trustee/Director of the Funds until his death on April 8, 2010.

(2) Bradford K. Gallagher, Alan Rappaport and Deborah A. Zoullas were appointed as Trustees/Director to each Fund effective September 21, 2010, June 22, 2010 and March 7, 2011, respectively.

(3) R. Peter Sullivan III retired as a Trustee/Director of each Fund effective July 31, 2010.

The Funds have paid no employees. The Funds officers and Mr. Maney are compensated by the Manager, the Sub-Advisers or one of their affiliates.

Trustee Qualifications The Board has determined that each Trustee/Director should continue to serve as such based on several factors (none of which alone is decisive). With the exception of Messrs. Gallagher, Jacobson and Rappaport and Ms. Zoullas, who became Board members in September 2010, December 2009, June 2010 and March 2011, respectively, each Trustee/Director has served in such role for several years and is knowledgeable about the Funds business and service provider arrangements, and has also served for several years as trustee/director to a number of other investment companies advised by the Manager and its affiliates. Among the factors the Board considered when concluding that an individual should serve on the Board were the following: (i) the individual s business and professional experience and accomplishments; (ii) the individual s ability to work effectively with other members of the Board; (iii) the individual s prior experience, if any, serving on the boards of public companies (including, where relevant, other investment companies) and other complex enterprises and organizations; and (iv) how the individual s skills, experiences and attributes would contribute to an appropriate mix of relevant skills and experience on the Board.

In respect of each current Trustee/Director, the individual s substantial professional accomplishments and prior experience, including, in some cases, in fields related to the operations of the Funds, were a significant factor in the determination that the individual should serve as a Trustee/Director of the Funds. Following is a summary of various qualifications, experiences and skills of each Trustee/Director (in addition to business experience during the past five years set forth in the table above) that contributed to the Board s conclusion that an individual should serve on the Board:

Paul Belica Mr. Belica has substantial executive and board experience in the financial services and investment management industries. He formerly served as director to several other investment companies. Having served as Director, Senior Vice President and Managing Director of Smith Barney, Harris Upham & Co, he provides the Funds with significant financial expertise and has been determined by the Board to be an audit committee financial expert. He also brings significant public sector experience, having formerly served as Chairman of the State of New York Mortgage Agency and as executive director of several related public authorities.

Bradford K. Gallagher Mr. Gallagher has substantial executive and board experience in the financial services and investment management industries. He has served as director to several other investment companies. Having served on the Operating Committee of Fidelity Investments and as a Managing Director and President of Fidelity Investments Institutional Services Company, he provides the Funds with significant asset management industry expertise. He also brings significant securities industry experience, having served as a developer and founder of several enterprises and private investment vehicles.

James A. Jacobson Mr. Jacobson has substantial executive and board experience in the financial services industry. He served for more than 15 years as a senior executive at a New York Stock Exchange (the NYSE) specialist firm. He has also served on the NYSE Board of Directors, including terms as Vice Chair. As such, he provides significant expertise on matters relating to portfolio brokerage and trade execution. He also provides the Funds with significant financial expertise and serves as the Audit Oversight Committee s Chair and has been determined by the Board to be an audit committee financial expert. He has expertise in investment company matters through his service as a trustee of another fund family.

Hans W. Kertess Mr. Kertess has substantial executive experience in the investment management industry. He is the president of a financial advisory company, H. Kertess & Co., and formerly served as a Managing Director of Royal Bank of Canada Capital Markets. He has significant expertise in the investment banking industry.

John C. Maney Mr. Maney has substantial executive and board experience in the investment management industry. He has served in a variety of senior-level positions with investment advisory firms affiliated with the Manager. Because of his familiarity with the Manager and affiliated entities, he serves as an important information resource for the Independent Trustees/Directors and as a facilitator of communication with the Manager.

William B. Ogden, IV Mr. Ogden has substantial senior executive experience in the investment banking industry. He served as Managing Director at Citigroup, where he established and led the firm s efforts to raise capital for and provide mergers and acquisition advisory services to asset managers and investment advisers. He also has significant expertise with fund products through his senior-level responsibility for originating and underwriting a broad variety of such products.

Alan Rappaport Mr. Rappaport has substantial senior executive experience in the banking industry. He formerly served as Chairman and President of the Private Bank of Bank of America and as Vice Chairman of U.S. Trust. He is currently the Vice Chairman of a private investment firm.

Deborah A. Zoullas Ms. Zoullas has substantial senior executive experience in the investment banking industry, having served as a Managing Director for Morgan Stanley. She has extensive board experience and/or experience in oversight of investment management functions through her experience as a Director of the Helena Rubenstein Foundation, Stanford Graduate School of Business and Armor Holdings.

Board Committees and Meetings.

Audit Oversight Committee. The Board of each Fund has established an Audit Oversight Committee in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the Exchange Act). Each Fund s Audit Oversight Committee currently consists of Messrs. Belica, Gallagher, Jacobson, Kertess, Ogden, Rappaport and Ms. Zoullas. Mr. Jacobson is the Chairman of each Fund s Audit Oversight Committee. Each Fund s Audit Oversight Committee provides oversight with respect to the internal and external accounting and auditing procedures of each Fund and, among other things, determines the selection of the independent registered public accounting firm for each Fund and considers the scope of the audit, approves all audit and permitted non-audit services proposed to be performed by those auditors on behalf of each Fund, and approves services to be performed by the auditors for certain affiliates, including the Manager, the Sub-Advisers and entities in a control relationship with the Manager or the Sub-Advisers that provide services to each Fund where the engagement relates directly to the operations and financial reporting of the Fund. The Committee considers the possible effect of those services on the independence of the Funds independent registered public accounting firm.

Each member of each Fund s Audit Oversight Committee is independent, as independence for audit committee members is defined in the currently applicable listing standards of the NYSE, on which the Common Shares of each Fund are listed.

The Board of each Fund has adopted a written charter for its Audit Oversight Committee. A copy of the written charter for each Fund, as amended through April 6, 2010 is attached to this Proxy Statement as Exhibit A. A report of the Audit Oversight Committee of NFJ, NIE and RCS, dated March 23, 2011, is attached to this Proxy Statement as Exhibit B-1. A report of the Audit Oversight Committee of NCV, NCZ and NAI, dated April 19, 2011, is attached to this Proxy Statement as Exhibit B-2. A report of the Audit Oversight Committee of PGP, dated May 24, 2011, is attached to this Proxy Statement as Exhibit B-3.

Nominating Committee. The Board of each Fund has a Nominating Committee composed solely of Independent Trustees/Directors, currently consisting of Messrs. Belica, Gallagher, Jacobson, Kertess, Ogden, Rappaport and Ms. Zoullas. The Nominating Committee is responsible for reviewing and recommending qualified candidates to the Board in the event that a position is vacated or created or when Trustees/Directors are to be nominated for election by shareholders. The Nominating Committee of each Fund has adopted a charter, which is posted on the following website: http://www.allianzinvestors.com.

Each member of each Fund s Nominating Committee is independent, as independence for nominating committee members is defined in the currently applicable listing standards of the NYSE, on which the Common Shares of each Fund are listed.

Qualifications, Evaluation and Identification of Trustee/Director Nominees. The Nominating Committee of each Fund requires that Trustee/Director candidates have a college degree or equivalent business experience. When evaluating candidates, each Fund s Nominating Committee may take into account a wide variety of factors including, but not limited to: (i) availability and commitment of a candidate to attend meetings and perform his or her responsibilities on the Board, (ii) relevant industry and related experience, (iii) educational background, (iv) financial expertise, (v) an assessment of the candidate s ability, judgment and expertise and (vi) overall Board composition. The process of identifying nominees involves the consideration of candidates recommended by one or more of the following sources: (i) the Fund s current Trustees/Directors, (ii) the Fund s officers, (iii) the Fund s Shareholders and (iv) any other source the Committee deems to be appropriate. The Nominating Committee of each Fund may, but is not required to, retain a third party search firm at the Fund s expense to identify potential candidates.

Consideration of Candidates Recommended by Shareholders. The Nominating Committee of each Fund will review and consider nominees recommended by Shareholders to serve as Trustees/Directors, provided that the recommending Shareholder follows the Procedures for Shareholders to Submit Nominee Candidates for the Allianz Global Investors Fund Management Sponsored Closed-End Funds, which are set forth as Appendix B to the Funds Nominating Committee Charter. Among other requirements, these procedures provide that the recommending Shareholder must submit any recommendation in writing to the Fund, to the attention of the Fund s Secretary, at the address of the principal executive offices of the Fund and that such submission must be received at such offices not less than 45 days nor more than 75 days prior to the date of the Board or shareholder meeting at which the nominee would be elected. Any recommendation must include certain biographical and other information regarding the candidate and the recommending Shareholder, and must include a written and signed consent of the candidate to be named as a nominee and to serve as a Trustee/Director if elected. The foregoing description of the requirements is only a summary. Please refer to Appendix B to the Nominating Committee Charter for each Fund, which is available at http://www.allianzinvestors.com, for details.

The Nominating Committee has full discretion to reject nominees recommended by Shareholders, and there is no assurance that any such person properly recommended and considered by the Committee will be nominated for election to the Board of each Fund.

Diversity. The Nominating Committee takes diversity of a particular nominee and overall diversity of the Board into account when considering and evaluating nominees for Trustee/Director. While the Committee has not adopted a particular definition of diversity, when considering a nominee s and the Board s diversity, the Committee generally considers the manner in which each nominee s professional experience, education, expertise in matters that are relevant to the oversight of the Funds (*e.g.*, investment management, distribution, accounting, trading, compliance, legal), general leadership experience, and life experience are complementary and, as a whole, contribute to the ability of the Board to oversee the Funds.

Valuation Committee. The Board of each Fund has a Valuation Committee currently consisting of Messrs. Belica, Gallagher, Jacobson, Kertess, Ogden, Rappaport and Ms. Zoullas. The Board of each Fund has delegated to the Committee the responsibility to determine or cause to be determined the fair value of each Fund s portfolio securities and other assets when market quotations are not readily available. The Valuation Committee reviews and approves procedures for the fair valuation of each Fund s portfolio securities and periodically reviews information from the Manager and the Sub-Advisers regarding fair value and liquidity determinations made pursuant to Board-approved procedures, and makes related recommendations to the full Board and assists the full Board in resolving particular fair valuation and other valuation matters.

Compensation Committee. The Board of each Fund has a Compensation Committee currently consisting of Messrs. Belica, Gallagher, Jacobson, Kertess, Ogden, Rappaport and Ms. Zoullas. The Compensation Committee meets as the Board deems necessary to review and make recommendations regarding compensation payable to the Trustees/Directors of the Fund who are not directors, officers, partners or employees of the Manager, the Sub-Advisers or any entity controlling, controlled by or under common control with the Manager or the Sub-Advisers.

Meetings. With respect to NFJ, during the fiscal year ended January 31, 2011, the Board of Trustees held four regular meetings and three special meetings. The Audit Oversight Committee met in separate session four times, the Nominating Committee met in separate session three times, the Valuation Committee met in separate session four times and the Compensation Committee did not meet in separate sessions. Each Trustee attended in person or via teleconference at least 75% of the regular meetings of the Board and meetings of the committees on which such Trustee served for NFJ that were held during the fiscal year ended January 31, 2011, except Messrs. Gallagher and Rappaport and Ms. Zoullas who were not appointed to the Board until September 21, 2010, June 22, 2010 and September 7, 2011, respectively. Mr. Maney attended all of the Fund s regularly scheduled quarterly meetings but did not attend 75% of the total number of regular meetings (including regularly scheduled and special meetings) held during the fiscal year.

With respect to NCV, during the fiscal year ended February 28, 2011, the Board of Trustees held four regular meetings and three special meetings. The Audit Oversight Committee met in separate session four times, the Nominating Committee met in separate session three times, the Valuation Committee met in separate session four times and the Compensation Committee did not meet in separate sessions. Each Trustee attended in person or via teleconference at least 75% of the regular meetings of the Board and meetings of the committees on which such Trustee served for NCV that were held during the fiscal year ended February 28, 2011, except Messrs. Gallagher and Rappaport and Ms. Zoullas who were not appointed to the Board until September 21, 2010, June 22, 2010 and March 7, 2011, respectively.

With respect to NCZ, during the fiscal year ended February 28, 2011, the Board of Trustees held four regular meetings and three special meetings. The Audit Oversight Committee met in separate session four times, the Nominating Committee met in separate session three times, the Valuation Committee met in separate session four times and the Compensation Committee did not meet in separate sessions. Each Trustee attended in person or via teleconference at least 75% of the regular meetings of the Board and meetings of the committees on which such Trustee served for NCZ that were held during the fiscal year ended February 28, 2011, except Messrs. Gallagher and Rappaport and Ms. Zoullas who were not appointed to the Board until September 21, 2010, June 22, 2010 and March 7, 2011, respectively.

With respect to NIE, during the fiscal year ended January 31, 2011, the Board of Trustees held four regular meetings and three special meetings. The Audit Oversight Committee met in separate session four times, the Nominating Committee met in separate session three times, the Valuation Committee met in separate session four times, and the Compensation Committee did not meet in separate sessions. Each Trustee attended in person or via teleconference at least 75% of the regular meetings of the Board and meetings of the committees on which such Trustee served for NIE that were held during the fiscal year ended January 31, 2011, except Messrs. Gallagher and Rappaport and Ms. Zoullas who were not appointed to the Board until September 21, 2010, June 22, 2010 and March 7, 2011, respectively. Mr. Maney attended all of the Fund s regularly scheduled quarterly meetings but did not attend 75% of the total number of regular meetings (including regularly scheduled and special meetings) held during the fiscal year.

With respect to NAI, during the fiscal year ended February 28, 2011, the Board of Trustees held four regular meetings and three special meetings. The Audit Oversight Committee met in separate session four times, the Nominating Committee met in separate session three times, the Valuation Committee met in separate session four times and the Compensation Committee did not meet in separate sessions. Each Trustee attended in person or via teleconference at least 75% of the regular meetings of the Board and meetings of the committees on which such Trustee served for NAI that were held during the fiscal year ended February 29, 2011, except Messrs. Gallagher and Rappaport and Ms. Zoullas who were not appointed to the Board until September 21, 2010, June 22, 2010 and March 7, 2011, respectively.

With respect to PGP, during the fiscal year ended March 31, 2011, the Board of Trustees held five regular meetings and two special meetings. The Audit Oversight Committee met in separate session twice, the Nominating Committee met in separate session four times, the Valuation Committee met in separate session five times and the Compensation Committee did not meet in separate sessions. Each Trustee attended in person or via teleconference at least 75% of the regular meetings of the Board and meetings of the committees on which such Trustee served for PGP that were held during the fiscal year ended March 31, 2011, except Messrs. Gallagher and Rappaport and Ms. Zoullas who were not appointed to the Board until September 21, 2010, June 22, 2010 and March 7, 2011, respectively.

With respect to RCS, during the fiscal year ended January 31, 2011, the Board of Directors held four regular meetings and three special meetings. The Audit Oversight Committee met in separate session four times, the Nominating Committee met in separate session three times, the Valuation Committee met in separate session four times and the Compensation Committee did not meet in separate sessions. Each Director attended in person or via teleconference at least 75% of the regular meetings of the Board and meetings of the committees on which such Director served for RCS that were held during the fiscal year ended January 31, 2011, except Messrs. Gallagher and Rappaport and Ms. Zoullas who were not appointed to the Board until September 21, 2010, June 22, 2010 and March 7, 2011, respectively. Mr. Maney attended all of the Fund s regularly scheduled quarterly meetings but did not attend 75% of the total number of regular meetings (including regularly scheduled and special meetings) held during the fiscal year.

The Trustees/Directors do not attend the annual shareholder meetings of the Funds.

Shareholder Communications with the Board of Trustees/Directors. The Board of Trustees/Directors of each Fund has adopted procedures by which Fund Shareholders may send communications to the Board. Shareholders may mail written communications to the Board to the attention of the Board of Trustees/Directors, [name of Fund], c/o Thomas J. Fuccillo, Chief Legal Officer (CLO), Allianz Global Investors Fund Management LLC, 1633

Broadway, New York, New York 10019. Shareholder communications must (i) be in writing and be signed by the Shareholder and (ii) identify the class and number of Shares held by the Shareholder. The CLO or his designee of each Fund is responsible for reviewing properly submitted shareholder communications. The CLO shall either (i) provide a copy of each properly submitted shareholder communication to the Board at its next regularly scheduled Board meeting or (ii) if the CLO determines that the communication requires more immediate attention, forward the communication to the Trustees/Directors promptly after receipt. The CLO may, in good faith, determine that a shareholder communication should not be provided to the Board because it does not reasonably relate to a Fund or its operations, management, activities, policies, service providers, Board, officers, shareholders or other matters relating to an investment in the Fund or is otherwise routine or ministerial in nature. These procedures do not apply to (i) any communication from an officer or Trustee/Director of a Fund, (ii) any communication from an employee or agent of a Fund, unless such communication is made solely in such employee s or agent s capacity as a shareholder, or (iii) any shareholder proposal submitted pursuant to Rule 14a-8 under the Exchange Act or any communication made in connection with such a proposal. A Fund s Trustees/Directors are not required to attend the Fund s annual shareholder meetings or to otherwise make themselves available to shareholders for communications, other than by the aforementioned procedures.

Section 16(a) Beneficial Ownership Reporting Compliance. Each Fund s Trustees/Directors and certain officers, investment advisers, certain affiliated persons of the investment advisers and persons who own more than 10% of any class of outstanding securities of a Fund (*i.e.*, a Fund s Common Shares or Preferred Shares) are required to file forms reporting their affiliation with the Fund and reports of ownership and changes in ownership of the Fund s securities with the Securities and Exchange Commission (the SEC) and the NYSE. These persons and entities are required by SEC regulation to furnish the Fund with copies of all such forms they file. Based solely on a review of these forms furnished to each Fund, each Fund believes that each of the Trustees/Directors and relevant officers, investment advisers and relevant affiliated persons of the investment advisers has complied with all applicable filing requirements during each Fund s respective fiscal years except, due to administrative oversight, (1) a late Form 4 covering one transaction was filed in September 2010 for Alan Rappaport, a trustee of NCV, (2) a late Form 4 filing covering one transaction was filed in September 2010 for UBS AG, which is a holder of more than 10% of the outstanding Preferred Shares of NCV, (3) a late Form 4 filing covering one transaction was filed in September 2010 for UBS AG, which is a holder of more than 10% of the outstanding Preferred Shares of NCZ, (4) a late Form 4 filing covering two transactions was filed in March 2011 for Merrill Lynch, Pierce, Fenner & Smith Incorporated, an indirect, wholly owned subsidiary of Bank of America Corporation, which is a holder of more than 10% of the outstanding Common Shares of NCV, and (5) a late Form 4 filing covering eleven transactions was filed in March 2011 for Merrill Lynch, Pierce, Fenner & Smith Incorporated, an indirect, wholly owned subsidiary of Bank of America Corporation, which is a holder of more than 10% of the outstanding Common Shares of NCZ.

Required Vote. The election of Mr. Gallagher and Ms. Zoullas to the Boards of Trustees of NCV and NCZ will require the affirmative vote of a plurality of the votes of the Common and Preferred Shareholders (voting as a single class) of the relevant Fund cast in the election of Trustees at the Meeting, in person or by proxy. The re-election of Mr. Jacobson to the Boards of Trustees of NCV and NCZ will require the affirmative vote of a plurality of the votes of the Preferred Shareholders (voting as a separate class) of the relevant Fund cast in the election of Trustees at the Meeting, in person or by proxy. The election of Mr. Gallagher and Ms. Zoullas and the re-election of Messrs. Maney and Rappaport to the Boards of NFJ, NAI and PGP will require the affirmative vote of a plurality of the votes of the Shareholders of the relevant Fund cast at the Meeting, in person or by proxy. The election of Mr. Gallagher and Ms. Zoullas and the re-election of Messrs. Kertess, Ogden and Rappaport to NIE will require the affirmative vote of a plurality of the votes of the Shareholders of the relevant Fund cast in the election of Trustees at the meeting, in person or by proxy. The election of Mr. Gallagher and Ms. Zoullas and the re-election of Messrs. Kertess and Maney to the Board of Directors of RCS will require the affirmative vote of a plurality of the votes validly cast at the Meeting, in person or by proxy.

THE BOARD OF TRUSTEES/DIRECTORS OF THE FUNDS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THIS PROPOSAL.

ADDITIONAL INFORMATION

Executive and Other Officers of the Funds. The table below provides certain information concerning the executive officers of the Funds and certain other officers who perform similar duties. Officers of NFJ, NCV, NCZ, NIE, NAI and PGP hold office at the pleasure of the Board and until their successors are chosen and qualified, or in each case until he or she sooner dies, resigns, is removed with or without cause or becomes disqualified. Officers of RCS hold office until the next annual meeting of the Board of Directors and until his successor shall have been elected and qualified. Officers and employees of the Funds who are principals, officers, members or employees of the Manager or the Sub-Advisers are not compensated by the Funds.

Name, Address* and Date of Birth	Position(s) Held with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During the Past 5 Years
Brian S. Shlissel 11/14/1964	President & Chief Executive Officer	NCV Since March 2003 NCZ Since July 2003 NIE Since inception (February 2007) NAI Since inception (April 2005) NFJ Since inception (February 2005) PGP Since inception (May 2005) RCS Since June 2008	Management Board, Managing Director and Head of Mutual Fund Services of Allianz Global Investors Fund Management LLC; President and Chief Executive Officer of 29 funds in the Fund Complex; President of 51 funds in the Fund Complex; and Treasurer, Principal Financial and Accounting Officer of The Korea Fund, Inc. Formerly, Treasurer, Principal Financial and Accounting Officer of 51 funds in the Fund Complex.
Lawrence G. Altadonna 03/10/1966	Treasurer, Principal Financial and Accounting Officer	NCV Since March 2003 NCZ Since July 2003 NIE Since inception (February 2007) NAI Since inception (April 2005) NFJ Since inception (February 2005) PGP Since inception (May 2005) RCS Since June 2008	Senior Vice President, Director of Fund Administration of Allianz Global Investors Fund Management LLC; Treasurer, Principal Financial and Accounting Officer of 80 funds in the Fund Complex; and Assistant Treasurer of The Korea Fund, Inc. Formerly, Assistant Treasurer of 50 funds in the Fund complex.
Thomas J. Fuccillo 03/22/1968	Vice President, Secretary and Chief Legal Officer	NCV Since December 2004 NCZ Since December 2004 NIE Since inception (February 2007) NAI Since inception (April 2005) NFJ Since inception (February 2005)	Executive Vice President, Chief Legal Officer and Secretary of Allianz Global Investors Fund Management LLC; Executive Vice President of Allianz Global Investors of America L.P.: Vice President, Secretary and Chief Legal Officer

	PGP	Since inception (May 2005)	of 80 funds in the Fund Complex; and Secretary and Chief Legal
	RCS	Since June 2008	Officer of The Korea Fund, Inc.

Name, Address* and Date of Birth	Position(s) Held with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During the Past 5 Years
Youse Guia 680 Newport Center Drive Suite 250 Newport Beach, CA 92660 09/03/1972	Chief Compliance Officer	NCV Since October 2004 NCZ Since October 2004 NIE Since inception (February 2007) NAI Since inception (April 2005) NFJ Since inception (February 2005) PGP Since inception (May 2005) RCS Since June 2008	Senior Vice President, Chief Compliance Officer, Allianz Global Investors of America L.P.; Chief Compliance Officer of 80 funds in the Fund Complex and of The Korea Fund, Inc.
Richard J. Cochran 01/23/1961	Assistant Treasurer	NCV Since May 2008 NCZ Since May 2008 NIE Since May 2008 NAI Since May 2008 NFJ Since May 2008 PGP Since May 2008 RCS Since June 2008	Vice President, Allianz Global Investors Fund Management LLC; Assistant Treasurer of 80 funds in the Fund Complex and of The Korea Fund, Inc. Formerly, Tax Manager, Teachers Insurance Annuity Association/College Retirement Equity Fund (TIAA-CREF) (2002-2008).
Orhan Dzemaili 04/18/1974	Assistant Treasurer	Since January 2011	Vice President, Allianz Global Fund Management LLC; and Assistant Treasurer of 80 funds in the Fund Complex. Formerly, Accounting Manager, Prudential Investments LLC (2004-2007).
Lagan Srivastava 09/20/1977	Assistant Secretary	NCV Since December 2006 NCZ Since December 2006 NIE Since inception (February 2007) NAI Since December 2006 NFJ Since December 2006 PGP Since December 2006 RCS Since June 2008	Vice President, Allianz Global Investors of America L.P.: Assistant Secretary of 80 funds in the Fund Complex and of The Korea Fund, Inc.

* Unless otherwise noted, the address of the Funds officers is Allianz Global Investors Fund Management LLC, 1633 Broadway, New York, New York 10019.

Each of the Fund s executive officers is an interested person of each Fund (as defined in Section 2(a)(19) of the 1940 Act) as a result of his or her position(s) set forth in the table above.

Investment Manager and Sub-Advisers. The Manager, located at 1633 Broadway, New York, New York 10019, serves as the investment manager of the Funds. The Manager retains its affiliates AGIC as Sub-Adviser to NCV, NCZ, NIE, NAI and a portion of NFJ, NFJ Group as Sub-Adviser to a portion of NFJ, and PIMCO as Sub-Adviser to PGP and RCS. AGIC, the indirect parent company of NFJ Group, is an investment adviser based in New York, Dallas and San Diego and is a wholly-owned subsidiary of Allianz Global Investors. NFJ Group is located at 2100 Ross Avenue, Suite 1840, Dallas, Texas 75201. PIMCO is located at 800 Newport Center Drive, Newport Beach, CA 92660. The Manager and the Sub-Advisers are each majority-owned indirect subsidiaries of Allianz SE, a publicly traded European insurance and financial services company.

Legal Proceedings. In June and September 2004, the Manager and certain of its affiliates (including PEA Capital LLC (PEA), Allianz Global Investors Distributors LLC and AGI), agreed to settle, without admitting or denying the allegations, claims brought by the SEC and the New Jersey Attorney General alleging violations of federal and state securities laws with respect to certain open-end funds for which the Manager serves as investment adviser. The settlements related to an alleged market timing arrangement in certain open-end funds formerly sub-advised by PEA. The Manager and its affiliates agreed to pay a total of $68 million to settle the claims. In addition to monetary payments, the settling parties agreed to undertake certain corporate governance, compliance and disclosure reforms related to market timing, and consented to cease and desist orders and censures. Subsequent to these events, PEA deregistered as an investment adviser and dissolved. None of the settlements alleged that any inappropriate activity took place with respect to the Funds.

Since February 2004, the Manager, and certain of its affiliates and their employees have been named as defendants in a number of pending lawsuits concerning market timing, which allege the same or similar conduct underlying the regulatory settlements discussed above. The market timing lawsuits have been consolidated in a multidistrict litigation proceeding in the U.S. District Court for the District of Maryland (the MDL Court). After a number of claims in the lawsuits were dismissed by the MDL Court, the parties entered into a stipulation of settlement, which was publicly filed with the MDL Court in April 2010, resolving all remaining claims. In April 2011, the MDL Court granted final approval of the settlement.

In addition, in a lawsuit filed in the Northern District of Illinois Eastern Division, plaintiffs challenged certain trades by PIMCO in the June 2005 10 year futures contract. PIMCO s position is that all such trades were properly designed to secure best execution for its clients. The parties resolved this matter through settlement, which resolves all of the claims against PIMCO. In settling this matter, PIMCO denies any liability. This settlement is purely private in nature and not a regulatory matter.

Beginning in May 2010, several closed-end funds managed by the Manager, including NCV and NCZ and certain other funds sub-advised by the Sub-Advisers, each received a demand letter from a law firm on behalf of certain common shareholders. The demand letters allege that the Manager and certain officers and trustees of the funds breached their fiduciary duties in connection with the redemption at par of a portion of the funds auction rate preferred shares and demand that the boards of trustees take certain action to remedy those alleged breaches. After conducting an investigation, in August 2010 the independent trustees of the Funds rejected the demands made in the demand letters.

The Manager and the Sub-Advisers believe that these matters are not likely to have a material adverse effect on the Funds or on their ability to perform their respective investment advisory activities relating to the Funds.

The foregoing speaks only as of the date of this document.

Independent Registered Public Accounting Firm. The Audit Oversight Committee of each Fund s Board unanimously selected PricewaterhouseCoopers LLP (PwC) as the independent registered public accounting firm for the fiscal years ending January 31, 2012 for NIE, NFJ and RCS, February 29, 2012 for NCV, NCZ and NAI and March 31, 2012 for PGP. PwC served as the independent registered public accounting firm of each Fund for the last fiscal year and also serves as the independent registered public accounting firm of various other investment companies for which the Manager and the Sub-Advisers serve as investment adviser or sub-advisers. PwC is located at 300 Madison Avenue, New York, New York 10017 and at 1100 Walnut Street, Suite 1300, Kansas City, MO 64106-2197 (RCS only). None of the Funds knows of any direct financial or material indirect financial interest of PwC in the Funds.

A representative of PwC, if requested by any Shareholder, will be present at the Meeting via telephone to respond to appropriate questions from Shareholders and will have an opportunity to make a statement if he or she chooses to do so.

Pre-approval Policies and Procedures. Each Fund s Audit Oversight Committee has adopted written policies relating to the pre-approval of audit and permitted non-audit services to be performed by the Fund s independent registered public accounting firm. Under the policies, on an annual basis, a Fund s Audit Oversight Committee reviews and pre-approves proposed audit and permitted non-audit services to be performed by the independent registered public accounting firm on behalf of the Fund. The President of each Fund also pre-approves any permitted non-audit services to be provided to the Fund.

In addition, each Fund s Audit Oversight Committee pre-approves annually any permitted non-audit services (including audit-related services) to be provided by the independent registered public accounting firm to the Manager, the Sub-Adviser and any entity controlling, controlled by, or under common control with the Manager that provides ongoing services to the Fund (together, the Accounting Affiliates), provided, in each case, that the engagement relates directly to the operations and financial reporting of the Fund. Although the Audit Oversight Committee does not pre-approve all services provided by the independent registered public accounting firm to Accounting Affiliates (for instance, if the engagement does not relate directly to the operations and financial reporting of the Fund), the Committee receives an annual report from the independent registered public accounting firm showing the aggregate fees paid by Accounting Affiliates for such services.

Each Fund s Audit Oversight Committee may also from time to time pre-approve individual non-audit services to be provided to the Fund or an Accounting Affiliate that were not pre-approved as part of the annual process described above. The Chairman of each Fund s Audit Oversight Committee (or any other member of the Committee to whom this responsibility has been delegated) may also pre-approve these individual non-audit services, provided that the fee for such services does not exceed certain pre-determined dollar thresholds. Any such pre-approval by the Chairman (or by a delegate) is reported to the full Audit Oversight Committee at its next regularly scheduled meeting.

The pre-approval policies provide for waivers of the requirement that the Audit Oversight Committee pre-approve permitted non-audit services provided to the Funds or their Accounting Affiliates pursuant to de minimis exceptions described in Section 10A of the Exchange Act and applicable regulations (referred to herein as the de minimis exception).

Audit Fees. Audit Fees are fees related to the audit and review of the financial statements included in annual reports and registration statements, and other services that are normally provided in connection with statutory and regulatory filings or engagements. For each Fund s last two fiscal years, the Audit Fees billed by PwC are shown in the table below:

Fund	**Fiscal Year Ended**	**Audit Fees**
NIE	January 31, 2011	$ 54,000
	January 31, 2010	$ 54,000
NFJ	January 31, 2011	$ 67,000
	January 31, 2010	$ 67,000
RCS	January 31, 2011	$ 70,000
	January 31, 2010	$ 70,000
NCV	February 28, 2011	$ 54,000
	February 28, 2010	$ 54,000
NCZ	February 28, 2011	$ 54,000
	February 28, 2010	$ 54,000
NAI	February 28, 2011	$ 50,000
	February 28, 2010	$ 50,000
PGP	March 31, 2011	$ 70,000
	March 31, 2010	$ 70,000

Audit-Related Fees. Audit-Related Fees are fees related to assurance and related services that are reasonably related to the performance of the audit or review of financial statements, but not reported under Audit Fees above, and that include accounting consultations, agreed-upon procedure reports (inclusive of annual review of basic maintenance testing associated with the Preferred Shares), attestation reports and comfort letters. The table below shows, for each

Fund s last two fiscal years, the Audit-Related Fees billed by PwC to that Fund. During those fiscal years, there were no Audit-Related Fees billed by PwC to the Funds Accounting Affiliates for audit-related services related directly to the operation and financial reporting of the Funds.

Fund	Fiscal Year Ended	Audit-Related Fees
NIE	January 31, 2011	$ 0
	January 31, 2010	$ 0
NFJ	January 31, 2011	$ 0
	January 31, 2010	$ 0
RCS	January 31, 2011	$ 0
	January 31, 2010	$ 0
NCV	February 28, 2011	$ 10,000
	February 28, 2010	$ 10,000
NCZ	February 28, 2011	$ 16,000
	February 28, 2010	$ 16,000
NAI	February 28, 2011	$ 0
	February 28, 2010	$ 0
PGP	March 31, 2011	$ 0
	March 31, 2010	$ 0

Tax Fees. Tax Fees are fees associated with tax compliance, tax advice and tax planning, including services relating to the filing or amendment of federal, state or local income tax returns, regulated investment company qualification reviews, and tax distribution and analysis reviews. The table below shows, for each Fund s last two fiscal years, the aggregate Tax Fees billed by PwC to each Fund. During those fiscal years, there were no Tax Fees billed by PwC to the Funds Accounting Affiliates for audit-related services related directly to the operation and financial reporting of the Funds:

Fund	Fiscal Year Ended	Tax Fees
NIE	January 31, 2011	$ 12,980
	January 31, 2010	$ 12,600
NFJ	January 31, 2011	$ 14,700
	January 31, 2010	$ 14,175
RCS	January 31, 2011	$ 14,340
	January 31, 2010	$ 14,175
NCV	February 28, 2011	$ 14,110
	February 28, 2010	$ 13,650
NCZ	February 28, 2011	$ 14,110
	February 28, 2010	$ 13,650
NAI	February 28, 2011	$ 13,520
	February 28, 2010	$ 13,125
PGP	March 31, 2011	$ 14,700
	March 31, 2010	$ 14,175

All Other Fees. All Other Fees are fees related to services other than those reported above under Audit Fees, Audit-Related Fees and Tax Fees. For each Fund s last two fiscal years, no such fees were billed by PwC to the Fund or the Fund s Accounting Affiliates.

During the periods indicated in the tables above, no services described under Audit-Related Fees, Tax Fees or All Other Fees were approved pursuant to the de minimis exception.

Aggregate Non-Audit Fees. The aggregate non-audit fees billed by PwC, during each Fund s last two fiscal years, for services rendered to each Fund and the Fund s Accounting Affiliates are shown in the table below:

Fund	Fiscal Year Ended	Aggregate Non-Audit Fees for Fund	Non-Audit Fees for Accounting Affiliates	Aggregate Non-Audit Fees
NIE	January 31, 2011	$ 12,980	$ 2,491,654	$ 2,504,634
	January 31, 2010	$ 12,600	$ 554,190	$ 566,790
NFJ	January 31, 2011	$ 14,700	$ 2,491,654	$ 2,506,354
	January 31, 2010	$ 14,175	$ 554,190	$ 568,365
RCS	January 31, 2011	$ 14,340	$ 5,189,030	$ 5,203,370
	January 31, 2010	$ 14,175	$ 2,063,450	$ 2,077,625
NCV	February 28, 2011	$ 24,110	$ 2,688,210	$ 2,712,320
	February 28, 2010	$ 23,650	$ 543,140	$ 566,790
NCZ	February 28, 2011	$ 30,110	$ 2,682,210	$ 2,712,320
	February 28, 2010	$ 29,650	$ 537,140	$ 566,790
NAI	February 28, 2011	$ 13,520	$ 2,698,210	$ 2,711,730
	February 28, 2010	$ 13,125	$ 553,665	$ 566,790
PGP	March 31, 2011	$ 14,700	$ 4,912,869	$ 4,927,569
	March 31, 2010	$ 14,175	$ 4,180,453	$ 4,194,628

Each Fund s Audit Oversight Committee has determined that the provision by PwC of non-audit services to the Fund s Accounting Affiliates that were not pre-approved by the Committee was compatible with maintaining the independence of PwC as the Fund s principal auditors.

Other Business. As of the date of this Proxy Statement, each Fund s officers and the Manager know of no business to come before the Meeting other than as set forth in the Notice. If any other business is properly brought before the Meeting, including any adjournment thereof, the persons named as proxies will vote in their sole discretion.

Quorum, Adjournments and Methods of Tabulation. A quorum for each of NCV, NCZ, NIE, NAI, NFJ and PGP at the Meeting will consist of the presence in person or by proxy of thirty percent (30%) of the total Shares of each of Fund entitled to vote at the Meeting. For RCS, the presence at the Meeting, in person or by proxy, of the holders of a majority of Shares entitled to vote shall be necessary and sufficient to constitute a quorum. In the event that a quorum is not present at the Meeting or, even if a quorum is present, in the event that sufficient votes in favor of the proposal set forth in the Notice are not received by the time scheduled for the Meeting, the persons named as proxies may propose one or more adjournments of the Meeting after the date set for the original Meeting, with no other notice than announcement at the Meeting, to permit further solicitation of proxies with respect to the Proposal. In addition, if, in the judgment of the persons named as proxies, it is advisable to defer action on the proposal, the persons named as proxies may propose one or more adjournments of the Meeting with respect to the proposal for a reasonable time. Any adjournments with respect to the Proposal will require the affirmative vote of a plurality of the Shares of NCV, NCZ, NIE, NAI, NFJ and PGP and the affirmative vote of a majority of the Shares of RCS entitled to vote thereon present in person or represented by proxy at the session of the Meeting to be adjourned. The persons named as proxies will vote in favor of such adjournment those proxies which they are entitled to vote in favor of the proposal. They will vote against any such adjournment those proxies required to be voted against the proposal. The costs of any additional solicitation and of any adjourned session will be borne by the applicable Fund. Any proposals properly before the

Meeting for which sufficient favorable votes have been received by the time of the Meeting will be acted upon and such action will be final regardless of whether the Meeting is adjourned to permit additional solicitation with respect to any other proposal.

Votes cast by proxy or in person at the Meeting will be counted by persons appointed by NCV, NCZ, NIE, NAI, NFJ and PGP as tellers, and by RCS as inspectors (collectively, the Tellers/Inspectors) for the Meeting. For purposes of determining the presence of a quorum for each Fund, the Tellers/Inspectors will count the total number of votes cast for or against approval of the Proposal for that Fund, as well as Shares represented by proxies that reflect abstentions and broker non-votes (*i.e.*, shares held by brokers or nominees as to which instructions have not been received from the beneficial owners or the persons entitled to vote and the broker or nominee does not have the discretionary voting power on a particular matter). Abstentions and broker non-votes will have no effect on the outcome of the Proposal for a Fund.

Reports to Shareholders. Below are the dates on or about which the 2011 Annual Reports to Shareholders of each Fund were mailed:

Fund	**Mail Date for 2011 Annual Report to Shareholders**
NCV	April 21, 2011
NCZ	April 21, 2011
NIE	March 28, 2011
NAI	April 21, 2011
NFJ	March 28, 2011
PGP	May 27, 2011
RCS	March 28, 2011

Additional copies of the Annual Reports and the Funds Semi-Annual Reports may be obtained without charge from the Funds by calling 1-800-254-5197 or by writing to the Funds at 1633 Broadway, New York, New York 10019.

Shareholder Proposals for 2012 Annual Meeting. It is currently anticipated that each Fund s next annual meeting of Shareholders after the Meeting addressed in this Proxy Statement will be held in July 2012. Proposals of Shareholders intended to be presented at that annual meeting of the Fund must be received by the Fund no later than February 16, 2012 for inclusion in the Fund s proxy statement and proxy cards relating to that meeting. The submission by a Shareholder of a proposal for inclusion in the proxy materials does not guarantee that it will be included. Shareholder proposals are subject to certain requirements under the federal securities laws and must be submitted in accordance with the applicable Fund s Bylaws. Shareholders submitting any other proposals for the Fund intended to be presented at the 2012 annual meeting (*i.e.*, other than those to be included in the Fund s proxy materials) must ensure that such proposals are received by the Fund, in good order and complying with all applicable legal requirements and requirements set forth in the Fund s Bylaws, no earlier than April 17, 2012 and no later than May 2, 2012 for each of the Funds. If a Shareholder who wishes to present a proposal fails to notify the Fund within these dates, the proxies solicited for the meeting will have discretionary authority to vote on the Shareholder s proposal if it is properly brought before the meeting. If a Shareholder makes a timely notification, the proxies may still exercise discretionary voting authority under circumstances consistent with the SEC s proxy rules. Shareholder proposals should be addressed to the attention of the Secretary of the applicable Fund, at the address of the principal executive offices of the Fund, with a copy to David C. Sullivan, Ropes & Gray LLP, Prudential Tower, 800 Boylston Street, Boston, Massachusetts 02199-3600.

PLEASE EXECUTE AND RETURN THE ENCLOSED PROXY CARDS PROMPTLY TO ENSURE THAT A QUORUM IS PRESENT AT THE ANNUAL MEETING. A SELF-ADDRESSED, POSTAGE-PAID ENVELOPE IS ENCLOSED FOR YOUR CONVENIENCE.

June 16, 2011

Exhibit A to Proxy Statement

Allianz Global Investors Fund Management Sponsored Closed-End Funds
Audit Oversight Committee Charter

(Adopted as of January 14, 2004,
as amended through
April 6, 2010)

The Board of Trustees (each a Board) of each of the registered investment companies listed in Appendix A hereto (each a Fund and, collectively, the Funds), as the same may be periodically updated, has adopted this Charter to govern the activities of the Audit Oversight Committee (the Committee) of the particular Board with respect to its oversight of the Fund. This Charter applies separately to each Fund and its particular Board and Committee, and shall be interpreted accordingly. This Charter supersedes and replaces any audit committee charter previously adopted by the Board or a committee of the Board.

Statement of Purpose and Functions

The Committee s general purpose is to oversee the Fund s accounting and financial reporting policies and practices and its internal controls, including by assisting with the Board s oversight of the integrity of the Fund s financial statements, the Fund s compliance with legal and regulatory requirements, the qualifications and independence of the Fund s independent auditors, and the performance of the Fund s internal control systems and independent auditors. The Committee s purpose is also to prepare reports required by Item 407(d)(3)(i) of Regulation S-K or otherwise required by Securities and Exchange Commission rules to be included in the Fund s annual proxy statements, if any.

The Committee s function is oversight. While the Committee has the responsibilities set forth in this Charter, it is not the responsibility of the Committee to plan or conduct audits, to prepare or determine that the Fund s financial statements are complete and accurate and are in accordance with generally accepted accounting principles, or to assure compliance with laws, regulations or any internal rules or policies of the Fund. Fund management is responsible for Fund accounting and the implementation and maintenance of the Fund s internal control systems, and the independent auditors are responsible for conducting a proper audit of the Fund s financial statements. Members of the Committee are not employees of the Funds and, in serving on this Committee, are not, and do not hold themselves out to be, acting as accountants or auditors. As such, it is not the duty or responsibility of the Committee or its members to conduct field work or other types of auditing or accounting reviews or procedures. Each member of the Committee shall be entitled to rely on (i) the integrity of those persons and organizations within management and outside the Fund from which the Committee receives information and (ii) the accuracy of financial and other information provided to the Committee by such persons or organizations absent actual knowledge to the contrary.

Membership

The Committee shall be comprised of as many trustees as the Board shall determine, but in any event not less than three (3) Trustees. Each member of the Committee must be a member of the Board. The Board may remove or replace any member of the Committee at any time in its sole discretion. One or more members of the Committee may be designated by the Board as the Committee s chairman or co-chairman, as the case may be.

Each member of the Committee may not be an interested person of the Fund, as defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended (the Investment Company Act), and must otherwise satisfy the standards for independence of an audit committee member of an investment company issuer as set forth in

Rule 10A-3(b) (taking into account any exceptions to those requirements set for in such rule) under the Securities Exchange Act of 1934, as amended, and under applicable listing standards of the New York Stock Exchange (the NYSE). Each member of the Committee must be financially literate (or must become so within a reasonable time after his or her appointment to the Committee) and at least one member of the Committee must have accounting or related financial management expertise, in each case as the Board interprets such qualification in its business judgment under NYSE listing standards.

Responsibilities and Duties

The Committee s policies and procedures shall remain flexible to facilitate the Committee s ability to react to changing conditions and to generally discharge its functions. The following describe areas of attention in broad terms. The Committee shall:

1. Determine the selection, retention or termination of the Fund s independent auditors based on an evaluation of their independence and the nature and performance of the audit and any permitted non-audit services. Decisions by the Committee concerning the selection, retention or termination of the independent auditors shall be submitted to the Board for ratification in accordance with the requirements of Section 32(a) of the Investment Company Act. The Fund s independent auditors must report directly to the Committee, which shall be responsible for resolution of disagreements between management and the independent auditors relating to financial reporting.

2. To consider the independence of the Fund s independent auditors at least annually, and in connection therewith receive on a periodic basis formal written disclosures and letters from the independent auditors as required by the Independence Standards Board Standard (ISB) No. 1.

3. To the extent required by applicable regulations, pre-approve (i) all audit and permitted non-audit services rendered by the independent auditors to the Fund and (ii) all non-audit services rendered by the independent auditors to the Fund s investment advisers (including sub-advisers) and to certain of the investment advisers affiliates. The Committee may implement policies and procedures by which such services are approved other than by the full Committee.

4. Review the fees charged by the independent auditors to the Fund, the investment advisers and certain affiliates of the investment advisers for audit, audit-related and permitted non-audit services.

5. If and to the extent that the Fund intends to have employees, set clear policies for the hiring by the Fund of employees or former employees of the Fund s independent auditors.

6. Obtain and review at least annually a report from the independent auditors describing (i) the accounting firm s internal quality-control procedures and (ii) any material issues raised (a) by the accounting firm s most recent internal quality-control review or peer review or (b) by any governmental or other professional inquiry or investigation performed within the preceding five years respecting one or more independent audits carried out by the firm, and any steps taken to address any such issues.

7. Review with the Fund s independent auditors arrangements for and the scope of the annual audit and any special audits, including the form of any opinion proposed to be rendered to the Board and shareholders of the Fund.

8. Meet with management and the independent auditors to review and discuss the Fund s annual audited financial statements, including a review of any specific disclosures of management s discussion of the Fund s investment performance; and, with respect to the Fund s audited financial statements, discuss with the independent auditors matters required by Statement of Accounting Standards (SAS) No. 61 and any other matters required to be reported to the Committee under applicable law; and provide a statement

whether, based on its review of the Fund s audited financial statements, the Committee recommends to the Board that the audited financial statements be included in the Fund s Annual Report.

Meet with management to review and discuss the Fund s unaudited financial statements included in the semi-annual report, including, if any, a review of any specific disclosure of management s discussion of the Fund s investment performance.

9. Discuss with management and the independent auditors the Fund s unaudited financial statements.

10. Review with the independent auditors any audit problems or difficulties encountered in the course of their audit work and management s responses thereto.

11. Review with management and, as applicable, with the independent auditors the Fund s accounting and financial reporting policies, practices and internal controls, management s guidelines and policies with respect to risk assessment and risk management, including the effect on the Fund of any recommendation of changes in accounting principles or practices by management or the independent auditors.

12. Discuss with management any press releases discussing the Fund s investment performance and other financial information about the Fund, as well as any financial information provided by management to analysts or rating agencies. The Committee may discharge this responsibility by discussing the general types of information to be disclosed by the Fund and the form of presentation (*i.e.*, a case-by-case review is not required) and need not discuss in advance each such release of information.

13. Establish procedures for (i) the receipt, retention, and treatment of complaints received by the Fund regarding accounting, internal accounting controls, or auditing matters; and (ii) the confidential, anonymous submission by employees of the Fund, the Fund s investment advisers, administrator, principal underwriter (if any) or any other provider of accounting-related services for the investment advisers of concerns regarding accounting or auditing matters.

14. Investigate or initiate the investigation of any improprieties or suspected improprieties in the Fund s accounting operations or financial reporting.

15. Review with counsel legal and regulatory matters that have a material impact on the Fund s financial and accounting reporting policies and practices or its internal controls.

16. Report to the Board on a regular basis (at least annually) on the Committee s activities.

17. Perform such other functions consistent with this Charter, the Agreement and Declaration of Trust and Bylaws applicable to the Fund, and applicable law or regulation, as the Committee or the Board deems necessary or appropriate.

The Committee may delegate any portion of its authority and responsibilities as set forth in this Charter to a subcommittee of one or more members of the Committee.

Meetings

At least annually, the Committee shall meet separately with the independent auditors and separately with the representatives of Fund management responsible for the financial and accounting operations of the Fund. The Committee shall hold other regular or special meetings as and when it deems necessary or appropriate.

Outside Resources and Assistance from Management

The appropriate officers of the Fund shall provide or arrange to provide such information, data and services as the Committee may request. The Committee shall have the authority to engage at the Fund s expense independent counsel and other experts and consultants whose expertise the Committee considers necessary to carry out its responsibilities.

The Fund shall provide for appropriate funding, as determined by the Committee, for the payment of: (i) compensation of the Fund s independent auditors for the issuance of an audit report relating to the Fund s financial statements or the performance of other audit, review or attest services for the Fund; (ii) compensation of independent legal counsel or other advisers retained by the Committee; and (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in fulfilling its purposes or carrying out its responsibilities under this Charter.

Annual Evaluations

The Committee shall review and reassess the adequacy of this Charter at least annually and recommend any changes to the Board. In addition, the performance of the Committee shall be reviewed at least annually by the Board.

Adoption and Amendments

The Board shall adopt and approve this Charter and may amend the Charter at any time on the Board s own motion.

Appendix A

Funds Subject to this Charter

(As of April 6, 2010)

NFJ DIVIDEND, INTEREST & PREMIUM STRATEGY FUND (NFJ)
AGIC CONVERTIBLE & INCOME FUND (NCV)
AGIC CONVERTIBLE & INCOME FUND II (NCZ)
AGIC EQUITY & CONVERTIBLE INCOME FUND (NIE)
AGIC GLOBAL EQUITY & CONVERTIBLE INCOME FUND (NGZ)
AGIC INTERNATIONAL & PREMIUM STRATEGY FUND (NAI)
PCM FUND, INC. (PCM)
PIMCO CALIFORNIA MUNICIPAL INCOME FUND (PCQ)
PIMCO CALIFORNIA MUNICIPAL INCOME FUND II (PCK)
PIMCO CALIFORNIA MUNICIPAL INCOME FUND III (PZC)
PIMCO CORPORATE INCOME FUND (PCN)
PIMCO CORPORATE OPPORTUNITY FUND (PTY)
PIMCO INCOME STRATEGY FUND (PFL)
PIMCO INCOME STRATEGY FUND II (PFN)
PIMCO GLOBAL STOCKSPLUS & INCOME FUND (PGP)
PIMCO HIGH INCOME FUND (PHK)
PIMCO INCOME OPPORTUNITY FUND (PKO)
PIMCO MUNICIPAL INCOME FUND (PMF)
PIMCO MUNICIPAL INCOME FUND II (PML)
PIMCO MUNICIPAL INCOME FUND III (PMX)
PIMCO NEW YORK MUNICIPAL INCOME FUND (PNF)
PIMCO NEW YORK MUNICIPAL INCOME FUND II (PNI)
PIMCO NEW YORK MUNICIPAL INCOME FUND III (PYN)
PIMCO STRATEGIC GLOBAL GOVERNMENT FUND, INC. (RCS)

Exhibit B-1 to Proxy Statement

Report of Audit Oversight Committee
of the Board of Trustees of
NFJ Dividend, Interest & Premium Strategy Fund (NFJ)
AGIC Equity & Convertible Income Fund (NIE)
PIMCO Strategic Global Government Fund Inc. (RCS) (each a Fund)
Dated March 23, 2011

The Audit Oversight Committee (the Committee) oversees the Fund s financial reporting process on behalf of the Board of Trustees of the Fund (the Board) and operates under a written Charter adopted by the Board. The Committee meets with the Fund s management (Management) and independent registered public accounting firm and reports the results of its activities to the Board. Management has the primary responsibility for the financial statements and the reporting process, including the system of internal controls. In connection with the Committee s and independent accountant s responsibilities, Management has advised that the Fund s financial statements for the fiscal year ended January 31, 2011 were prepared in conformity with the generally accepted accounting principles.

The Committee has reviewed and discussed with Management and PricewaterhouseCoopers LLP (PwC), the Fund s independent registered public accounting firm, the audited financial statements for the fiscal year ended January 31, 2011. The Committee has discussed with PwC the matters required to be discussed by Statements on Auditing Standard No. 61 (SAS 61). SAS 61 requires independent auditors to communicate to the Committee matters including, if applicable: 1) methods used to account for significant unusual transactions; 2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus; 3) the process used by management in formulating particularly sensitive accounting estimates and the basis for the independent registered public accounting firm s conclusions regarding the reasonableness of those estimates; and 4) disagreements with Management over the application of accounting principles and certain other matters.

With respect to each Fund, the Committee has received the written disclosure and the letter from PwC required by Rule 3526 of the Public Company Accounting Oversight Board (requiring auditors to make written disclosure to and discuss with the Committee various matters relating to the independent registered public accounting firm s independence), and has discussed with PwC their independence. The Committee has also reviewed the aggregate fees billed by PwC for professional services rendered to the Fund and for non-audit services provided to Allianz Global Investors Fund Management LLC (AGIFM), the Fund s investment manager during portions of the last fiscal year, Pacific Investment Management Company LLC (PIMCO), RCS s sub-adviser, Allianz Global Investors Capital LLC (AGIC), NIE s sub-adviser and AGIC and NFJ Investment Group LLC (NFJ LLC), NFJ s sub-advisers and any entity controlling, controlled by or under common control with AGIFM or PIMCO or AGIC or NFJ LLC that provided services to the Fund. As part of this review, the Committee considered, in addition to other practices and requirements relating to selection of the Fund s independent registered public accounting firm, whether the provision of such non-audit services was compatible with maintaining the independence of PwC.

Based on the foregoing review and discussions, the Committee presents this Report to the Board and recommends that (1) the audited financial statements for the fiscal year ended January 31, 2011 be included in the Fund s Annual Report to shareholders for such fiscal year, (2) such Annual Report be filed with the Securities and Exchange Commission and the New York Stock Exchange, and (3) PwC be reappointed as the Fund s independent registered public accounting firm for the fiscal year ending January 31, 2012.

Submitted by the Audit Oversight Committee of the Board of Trustees:

Paul Belica

Bradford K. Gallagher
James A. Jacobson
Hans W. Kertess
William B. Ogden, IV
Alan Rappaport
Deborah A. Zoullas

Exhibit B-2 to Proxy Statement

Report of Audit Oversight Committee
of the Board of Trustees of
AGIC Convertible & Income Fund
AGIC Convertible & Income Fund II
AGIC International & Premium Strategy Fund
(each, a Fund)
Dated April 19, 2011

The Audit Oversight Committee (the Committee) oversees the Fund s financial reporting process on behalf of the Board of Trustees of each Fund (the Board) and operates under a written Charter adopted by the Board. The Committee meets with the Fund s management (Management) and independent registered public accounting firm and reports the results of its activities to the Board. Management has the primary responsibility for the financial statements and the reporting process, including the system of internal controls. In connection with the Committee s and independent accountant s responsibilities, Management has advised that the Fund s financial statements for the fiscal year ended February 28, 2011 were prepared in conformity with the generally accepted accounting principles.

The Committee has reviewed and discussed with Management and PricewaterhouseCoopers LLP (PwC), the Fund s independent registered public accounting firm, the audited financial statements for the fiscal year ended February 28, 2011. The Committee has discussed with PwC the matters required to be discussed by Statements on Auditing Standard No. 61 (SAS 61). SAS 61 requires the independent registered public accounting firm to communicate to the Committee matters including, if applicable: 1) methods used to account for significant unusual transactions; 2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus; 3) the process used by management in formulating particularly sensitive accounting estimates and the basis for the auditor s conclusions regarding the reasonableness of those estimates; and 4) disagreements with Management over the application of accounting principles and certain other matters.

With respect to the Fund, the Committee has received the written disclosure and the letter from PwC required by Rule 3526 of the Public Company Accounting Oversight Board (requiring registered public accounting firms to make written disclosure to and discuss with the Committee various matters relating to the auditor s independence), and has discussed with PwC their independence. The Committee has also reviewed the aggregate fees billed by PwC for professional services rendered to the Fund and for non-audit services provided to Allianz Global Investors Fund Management LLC (AGIFM), the Fund s investment manager, Allianz Global Investors Capital Management LLC (AGIC), the Fund s sub-adviser and any entity controlling, controlled by or under common control with AGIFM or AGIC that provided services to the Fund. As part of this review, the Committee considered, in addition to other practices and requirements relating to selection of the Fund s independent registered public accounting firm, whether the provision of such non-audit services was compatible with maintaining the independence of PwC.

Based on the foregoing review and discussions, the Committee presents this Report to the Board and recommends that (1) the audited financial statements for the fiscal year ended February 28, 2011 be included in the Fund s Annual Report to shareholders for such fiscal year, (2) such Annual Report be filed with the Securities and Exchange Commission and the New York Stock Exchange, and (3) PwC be reappointed as the Fund s independent registered public accounting firm for the fiscal year ending February 28, 2012.

Submitted by the Audit Oversight Committee of the Board of Trustees:

Paul Belica
Bradford K. Gallagher

James A. Jacobson
Hans W. Kertess
William B. Ogden, IV
Alan Rappaport
Deborah A. Zoullas

Exhibit B-3 to Proxy Statement

Report of Audit Oversight Committee
of the Board of Trustees of
PIMCO Global StocksPLUS & Income Fund (the Fund)
(the Fund)
Dated May 24, 2011

The Audit Oversight Committee (the Committee) oversees the Fund s financial reporting process on behalf of the Board of Trustees of the Fund (the Board) and operates under a written Charter adopted by the Board. The Committee meets with the Fund s management (Management) and independent registered public accounting firm and reports the results of its activities to the Board. Management has the primary responsibility for the financial statements and the reporting process, including the system of internal controls. In connection with the Committee s and independent accountant s responsibilities, Management has advised that the Fund s financial statements for the fiscal year ended March 31, 2011 were prepared in conformity with the generally accepted accounting principles.

The Committee has reviewed and discussed with Management and PricewaterhouseCoopers LLP (PwC), the Fund s independent registered public accounting firm, the audited financial statements for the fiscal year ended March 31, 2011. The Committee has discussed with PwC the matters required to be discussed by Statements on Auditing Standard No. 61 (SAS 61). SAS 61 requires independent auditors to communicate to the Committee matters including, if applicable: 1) methods used to account for significant unusual transactions; 2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus; 3) the process used by management in formulating particularly sensitive accounting estimates and the basis for the independent registered public accounting firm s conclusions regarding the reasonableness of those estimates; and 4) disagreements with Management over the application of accounting principles and certain other matters.

With respect to the Fund, the Committee has received the written disclosure and the letter from PwC required by Rule 3526 of the Public Company Accounting Oversight Board (requiring auditors to make written disclosure to and discuss with the Committee various matters relating to the independent registered public accounting firm s independence), and has discussed with PwC their independence. The Committee has also reviewed the aggregate fees billed by PwC for professional services rendered to the Fund and for non-audit services provided to Allianz Global Investors Fund Management LLC (AGIFM), the Fund s investment manager during portions of the last fiscal year, Pacific Investment Management Company LLC (PIMCO), the Fund s sub-adviser and any entity controlling, controlled by or under common control with AGIFM or PIMCO that provided services to the Fund. As part of this review, the Committee considered, in addition to other practices and requirements relating to selection of the Fund s independent registered public accounting firm, whether the provision of such non-audit services was compatible with maintaining the independence of PwC.

Based on the foregoing review and discussions, the Committee presents this Report to the Board and recommends that (1) the audited financial statements for the fiscal year ended March 31, 2011 be included in the Fund s Annual Report to shareholders for such fiscal year, (2) such Annual Report be filed with the Securities and Exchange Commission and the New York Stock Exchange, and (3) PwC be reappointed as the Fund s independent registered public accounting firm for the fiscal year ending March 31, 2012.

Submitted by the Audit Oversight Committee of the Board of Trustees:

Paul Belica
Bradford K. Gallagher
James A. Jacobson

Hans W. Kertess
William B. Ogden, IV
Alan Rappaport
Deborah A. Zoullas

PROXY
AGIC CONVERTIBLE & INCOME FUND
COMMON SHARES
PROXY IN CONNECTION WITH THE ANNUAL MEETING OF
SHAREHOLDERS TO BE HELD ON JULY 20, 2011
THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF TRUSTEES OF THE FUND

The undersigned holder of common shares of AGIC Convertible & Income Fund, a Massachusetts business trust (the Fund), hereby appoints Lawrence G. Altadonna, Thomas J. Fuccillo and Brian S. Shlissel, or any of them, as proxies for the undersigned, with full power of substitution in each of them, to attend the Annual Meeting of Shareholders of the Fund (the Annual Meeting) to be held at 10:30 a.m., Eastern Time, July 20, 2011 at the offices of Allianz Global Investors Fund Management LLC, 1633 Broadway, between West 50th and West 51st Streets, 42nd Floor, New York, New York 10019, and any adjournment(s) or postponement(s) thereof, to cast on behalf of the undersigned all votes that the undersigned is entitled to cast at the Annual Meeting and otherwise to represent the undersigned with all powers possessed by the undersigned if personally present at such Annual Meeting. The undersigned hereby acknowledges receipt of the Notice of Meeting and accompanying Proxy Statement and revokes any proxy heretofore given with respect to the Annual Meeting.

IF THIS PROXY IS PROPERLY EXECUTED, THE VOTES ENTITLED TO BE CAST BY THE UNDERSIGNED WILL BE CAST IN THE MANNER DIRECTED ON THE REVERSE SIDE HEREOF, AND WILL BE VOTED IN THE DISCRETION OF THE PROXY HOLDER(S) ON ANY OTHER MATTERS THAT MAY PROPERLY COME BEFORE THE ANNUAL MEETING OR ANY ADJOURNMENT(S) OR POSTPONEMENT(S) THEREOF. IF THIS PROXY IS PROPERLY EXECUTED BUT NO DIRECTION IS MADE AS REGARDS THE PROPOSAL INCLUDED IN THE PROXY STATEMENT, SUCH VOTES ENTITLED TO BE CAST BY THE UNDERSIGNED WILL BE CAST FOR SUCH PROPOSAL.

Please refer to the Proxy Statement for a discussion of the Proposal.

PLEASE VOTE, DATE AND SIGN ON THE REVERSE SIDE HEREOF
AND RETURN THE SIGNED PROXY PROMPTLY IN THE ENCLOSED ENVELOPE.

NOTE: Please sign this proxy exactly as your name(s) appear(s) on the books of the Fund. Joint owners should each sign personally. Trustees and other fiduciaries should indicate the capacity in which they sign, and where more than one name appears, a majority must sign. If a corporation, the signature should be that of an authorized officer who should state his or her title.

HAS YOUR ADDRESS CHANGED? DO YOU HAVE ANY COMMENTS?

Three simple methods to vote your proxy:

Internet: Log on to www.proxyonline.com. Make sure to have this proxy card available when you plan to vote your shares. You will need the control number found in the box at the right at the time you execute your vote.

Consolidated gross profit decreased from $26.7 million in fiscal 2009 to $17.4 million in fiscal 2010. The reduction of $9.3 million or 34.8% was due to a decrease in revenue of $49.0 million and a decrease in gross margins. Gross margins decreased from 14.3% in fiscal 2009 to 12.7% in fiscal 2010. The decline was due to lower margins in the Repair and Maintenance Services segment, where the gross margin decreased to 10.5% in the current fiscal year versus 16.2% in the prior fiscal year. Partially offsetting this decline was an improvement in the Construction Services segment, where gross margins increased to 14.3% in the current year compared to 13.1% in fiscal 2009.

Consolidated SG&A expenses decreased $2.0 million, or 16.4%, in fiscal 2010 to $10.1 million from $12.1 million for fiscal 2009. The decrease in SG&A expense is due to on-going cost reduction efforts related primarily to employee related costs and professional fees. In spite of the reduction in SG&A expense, SG&A as a percentage of revenue increased to 7.3% in fiscal 2010 compared to 6.5% in the prior fiscal year as the effect of the reduction in SG&A expenses did not fully offset the impact of the 26.2% decline in revenues.

Net interest expense was $0.1 million in fiscal 2010. There was no net interest expense in fiscal 2009. Net interest expense was primarily related to the non-cash amortization of deal fees relating to the senior revolving credit facility and cash interest on our capital leases that was partially offset by interest income generated from investing excess cash during the period.

There was $0.1 million of other income in fiscal 2010 compared to $0.7 million in fiscal 2009. The fiscal 2009 income related primarily to insurance proceeds received.

Table of Contents

Income before income tax expense decreased to $7.3 million in fiscal 2010 from $15.3 million in fiscal 2009. This $8.0 million reduction was a result of the unfavorable impact of lower revenues and gross profits partially offset by lower SG&A expenses.

The effective tax rates for fiscal 2010 and fiscal 2009 were 38.1% and 38.0%, respectively.

Net income for fiscal 2010 decreased to $4.5 million, or $0.17 per fully diluted share, versus net income in fiscal 2009 of $9.5 million, or $0.36 per fully diluted share.

Construction Services

Revenues for the Construction Services segment were $77.7 million, compared with $114.8 million in the same period a year earlier. The decrease of $37.1 million, or 32.3%, was due to continued delays in planned projects and a broad based decline in our customers capital spending which has resulted in lower Aboveground Storage Tank revenues, which decreased 43.8% to $31.4 million in fiscal 2010, compared to $55.9 million a year earlier, lower Downstream Petroleum revenues, which decreased $14.1 million to $24.4 million in fiscal 2010, compared to $38.5 million a year earlier, and lower Specialty revenues, which decreased 5.6% to $8.4 million in fiscal 2010 compared to $8.9 million a year earlier. These decreases were partially offset by higher Electrical and Instrumentation revenues, which increased 17.4% to $13.5 million in fiscal 2010 compared to $11.5 million in the prior fiscal year.

At September 30, 2009, the Construction Services segment had a backlog of $167.8 million, as compared to a backlog of $224.3 million as of June 30, 2009. The decrease of $56.5 million is due to declines in Aboveground Storage Tank, Specialty and Downstream Petroleum of $28.1 million, $16.3 million and $13.8 million, respectively. Partially offsetting these declines was an increase in Electrical and Instrumentation backlog of $1.7 million. Project cancellations of $10.1 million and $2.5 million contributed to the backlog reductions in Specialty and Downstream Petroleum.

Gross profit decreased from $15.0 million in fiscal 2009 to $11.1 million in fiscal 2010 due to the reduction in revenues. Gross margins improved to 14.3% in fiscal 2010 compared to 13.1% in fiscal 2009. The gross margin improvement was due to higher direct margins partially offset by unrecovered construction overhead costs caused by a lower volume of business.

Operating income and income before income tax expense were $5.3 million and $5.2 million in fiscal 2010 compared to $7.5 million and $7.7 million in fiscal 2009.

Repair and Maintenance Services

Revenues for the Repair and Maintenance Services segment were $60.0 million in fiscal 2010 compared to $71.9 million in fiscal 2009. The decline was due to the effect of the current economic environment on our markets, which has caused our customers to apply discretion in both the scope and timing of their maintenance programs which has resulted in lower Aboveground Storage Tank revenues, which decreased 44.1% to $26.8 million in fiscal 2010, compared to $47.9 million in the prior fiscal year. This Aboveground Storage Tank decline was partially offset by higher Electrical and Instrumentation revenues, which increased to $5.5 million in fiscal 2010, compared to $2.8 million a year earlier; and higher Downstream Petroleum revenues, which increased 30.7% to $27.7 million in fiscal 2010, compared to $21.2 million in fiscal 2009.

Backlog at September 30, 2009 and June 30, 2009 for the Repair and Maintenance Services segment was $160.3 million and $167.8 million, respectively. The decrease of $7.5 million was due to decreases in Electrical and Instrumentation of $10.4 million and Aboveground Storage Tank of $6.7 million. These reductions were partially offset by the increase in Downstream Petroleum of $9.6 million.

Gross profit decreased from $11.6 million in fiscal 2009 to $6.3 million in fiscal 2010 due to the reduction in revenues and margins. Gross margins were 10.5% in fiscal 2010 and 16.2% in fiscal 2009. The gross margin reduction was due to unrecovered construction overhead costs caused by a lower volume of business.

Operating income and income before income tax expense were both $2.1 million in fiscal 2010 compared to $7.1 million and $7.6 million in fiscal 2009.

Table of Contents

One Month Ended June 30, 2009 Compared to One Month Ended June 30, 2008

Revenues declined $14.2 million, or 23.7%, from $60.0 million in the prior period to $45.8 million in fiscal 2010. The decline was due to lower Construction Services revenues, which decreased $7.8 million from $36.3 million in the prior period to $28.5 million in fiscal 2010, and lower Repair and Maintenance Services revenues, which decreased from $23.7 million in the prior period to $17.3 million in fiscal 2010.

Gross profit decreased $4.7 million to $5.1 million in fiscal 2010 compared to $9.8 million a year earlier. The decline in gross profit was due to lower revenues, which decreased 23.7%, and lower gross margins which decreased from 16.3% in the prior period to 11.2% in fiscal 2010. The decline in gross margins were due to lower margins in the Construction Services segment which decreased from 15.4% to 11.4% and lower margins in the Repair and Maintenance Services segment which decreased to 11.0% compared to 17.6% a year earlier. Gross margins in both segments were negatively affected by a lower volume of business available to recover construction overhead costs in fiscal 2010.

Income before income taxes decreased $4.5 million, from $6.1 million in the prior period to $1.6 million in the current fiscal year. The decline was due to lower gross profit, which decreased $4.7 million, partially offset by lower SG&A expenses.

Net income for fiscal 2010 decreased to $1.0 million, or $0.04 per fully diluted share, versus net income of $3.7 million, or $0.14 per fully diluted share for the prior period.

Backlog

We define backlog as the total dollar amount of revenues that we expect to recognize as a result of performing work that has been awarded to us through a signed contract that we consider firm. The following contract types are considered firm:

- fixed-price arrangements;
- minimum customer commitments on cost plus arrangements; and
- certain time and material contracts in which the estimated contract value is firm or can be estimated with a reasonable amount of certainty in both timing and amounts.

For long-term maintenance contracts we include only the amounts that we expect to recognize into revenue over the next 12 months. For all other arrangements, we calculate backlog as the estimated contract amount less the revenue recognized as of the reporting date.

The following table provides a summary of changes in our backlog for the June Transition Period and the three months ended September 30, 2009:

	Construction Services	Repair and Maintenance Services	Total
		(In thousands)	
Backlog as of May 31, 2009	$ 233,579	$ 167,494	$ 401,073
New backlog awarded	20,211	17,637	37,848
Revenue recognized on contracts in backlog	(28,531)	(17,294)	(45,825)
Backlog cancelled	(999)		(999)
Backlog as of June 30, 2009	224,260	167,837	392,097
New backlog awarded	33,901	52,408	86,309
Revenue recognized on contracts in backlog	(77,671)	(59,979)	(137,650)
Backlog cancelled	(12,638)		(12,638)

Backlog as of September 30, 2009	$ 167,852	$ 160,266	$ 328,118

-21-

Table of Contents

Non-GAAP Financial Measure

EBITDA is a supplemental, non-GAAP financial measure. EBITDA is defined as earnings before interest expense, income taxes, depreciation and amortization. We have presented EBITDA because it is used by the financial community as a method of measuring our performance and of evaluating the market value of companies considered to be in similar businesses. We believe that the line item on our Consolidated Statements of Income entitled Net Income is the most directly comparable GAAP measure to EBITDA. Since EBITDA is not a measure of performance calculated in accordance with GAAP, it should not be considered in isolation of, or as a substitute for, net earnings as an indicator of operating performance. EBITDA, as we calculate it, may not be comparable to similarly titled measures employed by other companies. In addition, this measure is not necessarily a measure of our ability to fund our cash needs. As EBITDA excludes certain financial information compared with net income, the most directly comparable GAAP financial measure, users of this financial information should consider the type of events and transactions that are excluded. Our non-GAAP performance measure, EBITDA, has certain material limitations as follows:

It does not include interest expense. Because we have borrowed money from time to time to finance our operations, interest expense is a necessary and ongoing part of our costs and has assisted us in generating revenue. Therefore, any measure that excludes interest expense has material limitations.

It does not include income taxes. Because the payment of income taxes is a necessary and ongoing part of our operations, any measure that excludes income taxes has material limitations.

It does not include depreciation or amortization expense. Because we use capital and intangible assets to generate revenue, depreciation and amortization expense is a necessary element of our cost structure. Therefore, any measure that excludes depreciation or amortization expense has material limitations.

A reconciliation of EBITDA to net income follows:

	Three Months Ended		**One Month Ended**
	September 30, 2009	**August 31, 2008**	**June 30, 2009**
Net income	$ 4,509	$ 9,504	$ 994
Interest expense, (net of interest income in fiscal 2009)	174	5	91
Provision for income taxes	2,774	5,836	609
Depreciation and amortization	3,019	2,381	994
EBITDA	$ 10,476	$ 17,726	$ 2,688

Table of Contents

Financial Condition and Liquidity

Overview

We define liquidity as the ongoing ability to pay our liabilities as they become due, fund business operations and meet all monetary contractual obligations. Our primary sources of liquidity for the one month ended June 30, 2009 and the three months ended September 30, 2009 were cash on hand at the beginning of the year and cash flows from operations. Cash on hand at September 30, 2009 totaled $56.5 million and availability under the senior revolving credit facility totaled $65.5 million resulting in total liquidity of $122.0 million. Factors that routinely impact our liquidity include, but are not limited to:

- Changes in working capital
- Contract terms that determine the timing of billings to customers and the collection of those billings
  - Some cost plus and fixed price customer contracts are billed based on milestones which may require us to incur significant expenditures prior to collections from our customers.
  - Time and material contracts are normally billed in arrears. Therefore, we are routinely required to carry these costs until they can be billed and collected.
  - Some of our large construction projects may require significant retentions or security in the form of letters of credit.
- Capital expenditures
- Strategic investments in new operations
- Acquisitions of new businesses
- Purchases of shares under our stock buyback program
- Contract disputes or collection issues resulting from the failure of a significant customer

In fiscal 2009, we funded the acquisitions of S.M. Electric Company, Inc. and the purchase of certain assets, technology and resources for the design and construction of specialty cryogenic tanks with cash on hand. However, in the future we may elect to raise additional capital by issuing common stock, convertible notes, term debt or increase the capacity of our revolving credit facility as necessary to fund our operations or to fund the acquisition of new businesses. We will continue to evaluate our working capital requirements and other factors to maintain sufficient liquidity.

Cash Flow in the Three Months Ended September 30, 2009

Cash Flows from Operating Activities

Cash flow from operations for the three months ended September 30, 2009 totaled $4.5 million. The cash generated from operations was primarily due to profitable operating results, partially offset by an increase in working capital. The cash reduction caused by working capital changes was due primarily to cash paid to reduce accounts payable and accrued expenses and the funding of work to reduce billings in excess. Partially offsetting these cash outflows was a cash increase caused by a reduction in accounts receivable.

Cash Flows from Investing Activities

Investing activities used $1.0 million of cash in the three months ended September 30, 2009 due to capital expenditures of just over $1.0 million partially offset by proceeds from the sale of assets. Capital expenditures included $0.4 million for the purchase of furniture and fixtures, $0.2 million for land and buildings and $0.4 million for construction and transportation equipment. Assets acquired through capital leases totaled less than $0.1 million and are reported as non-cash additions to Property, Plant and Equipment in the Consolidated Statement of Cash Flows. Cash proceeds from asset dispositions were less than $0.1 million.

Table of Contents

Cash Flows from Financing Activities

Financing activities used $0.2 million in cash in the three months ended September 30, 2009 primarily due to capital lease payments.

Cash Flow in the June Transition Period

Cash Flows from Operating Activities

Operations generated $18.9 million in cash in the June Transition Period. The cash generated from operations was due primarily to a decrease in working capital and profitable operating results. The reduction in working capital was primarily due to cash received as a result of a reduction in accounts receivable partially offset by cash paid to reduce accounts payable.

Cash Flows from Investing Activities

Investing activities used $0.3 million of cash in the June Transition Period due to capital expenditures. Capital expenditures included $0.2 million for the purchase of furniture and fixtures and $0.1 million for the purchase of land and buildings. Purchases of construction and transportation equipment were not significant. Assets acquired through capital leases totaled less than $0.1 million and are reported as non-cash additions to Property, Plant and Equipment in the Consolidated Statement of Cash Flows. Cash proceeds from asset dispositions were less than $0.1 million.

Cash Flows from Financing Activities

Financing activities used $0.1 million in cash in the June Transition Period due to capital lease payments.

Senior Revolving Credit Facility

The Company has a five-year, $75.0 million senior revolving credit facility (Credit Facility) that expires on November 30, 2012. The Credit Facility is guaranteed by substantially all of the Company s subsidiaries and is secured by a lien on substantially all of the Company s assets.

The senior revolving credit facility is primarily used to fund short-term changes in working capital and the issuance of letters of credit. At September 30, 2009, $9.5 million of letters of credit were outstanding to support certain workers compensation insurance programs and construction contracts. Availability at September 30, 2009 totaled $65.5 million. We believe the facility provides adequate liquidity and financial flexibility to support our expected growth.

Key provisions of the Credit Facility include the following:

Share repurchases are limited to $25.0 million in any calendar year.

Acquisitions are unlimited so long as the Company s Senior Leverage Ratio on a pro forma basis as of the end of the fiscal quarter immediately preceding the acquisition is below 1.00 to 1.00 and availability under the Credit Facility is at or above 50% after consummation of the acquisition. If the Senior Leverage Ratio on a pro forma basis as of the end of the fiscal quarter immediately preceding the acquisition is over 1.00 to 1.00 but below 1.75 to 1.00, acquisitions will be limited to $25.0 million in a twelve month period, provided there is at least $25.0 million of availability under the Credit Facility after the consummation of the acquisition.

Tangible Net Worth is required to be no less than the sum of $110.0 million, plus the net proceeds of any issuance of equity that occurs after November 30, 2008, plus 50% of all positive quarterly net income after November 30, 2008.

Table of Contents

Amounts borrowed under the Credit Facility will bear interest at LIBOR or an Alternate Base Rate, plus in each case, an additional margin based on the Senior Leverage Ratio.

The additional margin on the LIBOR-based loans is between 2.00% and 2.75% based on the Senior Leverage Ratio.

The additional margin on the Alternate Base Rate loans is between 1.00% and 1.75% based on the Senior Leverage Ratio.

The Alternate Base Rate is the greater of the Prime Rate, Federal Funds Effective Rate plus 0.50% or LIBOR plus 1.00%.

The Unused Revolving Credit Facility Fee is between 0.35% and 0.50% based on the Senior Leverage Ratio.

Other significant financial covenants include the following:

The Senior Leverage Ratio must not exceed 2.50 to 1.00;

The Asset Coverage Ratio must be greater than or equal to 1.45 to 1.00; and,

The Fixed Charge Coverage Ratio must be greater than or equal to 1.25 to 1.00.

The Company is currently in compliance with all affirmative, negative, and financial covenants under the Credit Facility and is at the lowest margin tier for LIBOR and Alternate Base Rate loans and the lowest tier for the Unused Revolving Credit Facility Fee.

Table of Contents

Dividend Policy

We have never paid cash dividends on our Common Stock, and the terms of our credit agreement limits the amount of cash dividends we can pay. We currently intend to retain earnings to finance the growth of our business. Any payment of cash dividends in the future will depend upon our financial condition, capital requirements and earnings as well as other factors the Board of Directors may deem relevant.

Stock Repurchase Program and Treasury Shares

On February 4, 2009 our Board of Directors authorized a stock buyback program (February 2009 Program) that allows the Company to purchase up to 3,000,000 shares of Common Stock provided that such purchases do not exceed $25.0 million in any calendar year commencing in calendar year 2009 and continuing through calendar year 2012. The February 2009 Program replaced the previous stock buyback program that had been in place since October 2000. The Company did not purchase any common shares under the February 2009 Program during either the June Transition Period or the three months ended September 30, 2009. Matrix Service may purchase shares in future periods if sufficient liquidity exists and the Company believes that it is in the best interest of the shareholders.

In addition to any stock buyback program that may be in effect, the Company may withhold shares of Common Stock to satisfy the tax withholding obligations upon vesting of an employee s deferred shares. Matrix Service withheld 660 shares in the three months ended September 30, 2009 to satisfy these obligations. These shares were returned to the Company s pool of treasury shares. There were no shares withheld to satisfy tax withholding obligations in the June Transition Period.

The Company has 1,689,602 treasury shares as of September 30, 2009 and intends to utilize these treasury shares solely in connection with equity awards under the Company s stock incentive plans.

Outlook

The markets in which we operate remain extremely competitive. The economic downturn that began last year continues to impact our customers who have continued to defer capital spending, alter maintenance spending programs and delay or cancel previously approved projects leading to an overall reduction in the level of work available. Increased competition, coupled with the unfavorable market environment has put pressure on us and other contractors to reduce margins and accept additional risk.

Although the current market remains challenging, our long-term outlook has not materially changed and we continue believe that we are well positioned both in the short and long term. We remain committed to organic growth in our core AST and refinery business in North America, and our strengthened capabilities in engineering and fabrication has positioned us to expand these services into select international markets. We also plan further expansion in the power, specialty structures, and renewable energy markets, and our expanded engineering capabilities allow us to pursue more complex projects such as turnkey terminals, thermal vacuum chambers, and nuclear containment and cryogenic vessels. Furthermore, we believe that a greater national emphasis on energy independence, multiple energy sources and the revitalization of the nation s existing infrastructure provides the Company with a significant long-term opportunity

Table of Contents

FORWARD-LOOKING STATEMENTS

This Form 10-Q includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included in this Form 10-Q which address activities, events or developments which we expect, believe or anticipate will or may occur in the future are forward-looking statements. The words believes, intends, expects, anticipates, projects, estimates, predicts and similar expressions are intended to identify forward-looking statements.

These forward-looking statements include, among others, such things as:

- amounts and nature of future revenues and margins from our Construction Services and Repair and Maintenance Services segments;
- our ability to generate sufficient cash from operations or to raise cash in order to meet our short and long-term capital requirements;
- our ability to continue to comply with the covenants in our credit agreement;
- the adequacy of our reserves for contingencies and insurance losses;
- the likely impact of new or existing regulations or market forces on the demand for our services; and
- expansion and other development trends of the industries we serve.

These statements are based on certain assumptions and analyses we made in light of our experience and our perception of historical trends, current conditions and expected future developments as well as other factors we believe are appropriate in the circumstances. However, whether actual results and developments will conform with our expectations and predictions is subject to a number of risks and uncertainties which could cause actual results to differ materially from our expectations, including:

- the risk factors discussed in our Form 10-K for the fiscal year ended May 31, 2009 and listed from time to time in our filings with the Securities and Exchange Commission;
- economic, market or business conditions in general and in the oil and gas, power and petrochemical industries in particular;
- changes in laws or regulations; and
- other factors, many of which are beyond our control.

Consequently, all of the forward-looking statements made in this Form 10-Q are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to or effects on us or our business or operations. We assume no obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or otherwise.

ITEM 3. Quantitative and Qualitative Disclosures about Market Risk

There have been no material changes in market risk faced by us from those reported in our Annual Report on Form 10-K for the fiscal year ended May 31, 2009, filed with the Securities and Exchange Commission. For more information on market risk, see Part II, Item 7A in our fiscal 2009 Annual Report on Form 10-K.

Table of Contents

ITEM 4. Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Securities Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC s rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure based on the definition of disclosure controls and procedures in Rule 13a-15(e). In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of September 30, 2009. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level.

There have been no changes in our internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect our internal controls over financial reporting during the June Transition Period and the quarter ended September 30, 2009.

Table of Contents

PART II

OTHER INFORMATION

ITEM 1. Legal Proceedings

For information regarding legal proceedings, see the discussion under the caption Material Legal Proceeding in Note 7 in Item 1 of Part 1 of this Quarterly Report on Form 10-Q, which information is incorporated by reference into this Part II, Item 1.

ITEM 1A. Risk Factors

There were no material changes in our Risk Factors from those reported in Item IA of Part I of our Annual Report on Form 10-K for the fiscal year ended May 31, 2009.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

On February 4, 2009 our Board of Directors authorized a stock buyback program (February 2009 Program) that allows the Company to purchase up to 3,000,000 shares of Common Stock provided that such purchases do not exceed $25.0 million in any calendar year commencing in calendar year 2009 and continuing through calendar year 2012. The February 2009 Program replaced the previous stock buyback program that had been in place since October 2000. The Company did not purchase any common shares under the February 2009 Program during either the June Transition Period or the three months ended September 30, 2009. Matrix Service may purchase shares in future periods if sufficient liquidity exists and the Company believes that it is in the best interest of the shareholders.

In addition to any stock buyback program that may be in effect, the Company may withhold shares of Common Stock to satisfy the tax withholding obligations upon vesting of an employee s deferred shares. Matrix Service withheld 660 shares in the three months ended September 30, 2009 to satisfy these obligations. These shares were returned to the Company s pool of treasury shares. There were no shares withheld to satisfy tax withholding obligations in the June Transition Period.

The Company has 1,689,602 treasury shares as of September 30, 2009 and intends to utilize these treasury shares solely in connection with equity awards under the Company s stock incentive plans.

	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs
June 1 to June 30, 2009		$		3,000,000
July 1 to July 31, 2009	660	9.97		3,000,000
August 1 to August 31, 2009				3,000,000
September 1 to September 30, 2009				3,000,000
Total	660	$ 9.97		

Dividend Policy

We have never paid cash dividends on our Common Stock, and the terms of our credit agreement limits the amount of cash dividends we can pay. We currently intend to retain earnings to finance the growth of our business. Any payment of cash dividends in the future will depend upon our financial condition, capital requirements and earnings as well as other factors the Board of Directors may deem relevant.

Table of Contents

ITEM 3. Defaults Upon Senior Securities

None

ITEM 4. Submission of Matters to a Vote of Security Holders

None

ITEM 5. Other Information

None

ITEM 6. Exhibits:

Exhibit 31.1:	Certification Pursuant to Section 302 of Sarbanes-Oxley Act of 2002 CEO.
Exhibit 31.2:	Certification Pursuant to Section 302 of Sarbanes-Oxley Act of 2002 CFO.
Exhibit 32.1:	Certification Pursuant to 18 U.S.C. 1350 (section 906 of Sarbanes-Oxley Act of 2002) CEO.
Exhibit 32.2:	Certification Pursuant to 18 U.S.C. 1350 (section 906 of Sarbanes-Oxley Act of 2002) CFO.

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MATRIX SERVICE COMPANY

Date: November 3, 2009

By: /s/ Thomas E. Long
Thomas E. Long Vice President Finance and Chief Financial Officer signing on behalf of the registrant and as the registrant s principal financial officer

Table of Contents

EXHIBIT INDEX

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