

NEWS RELEASE

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PIMCO MUNICIPAL CLOSED-END FUNDS ANNOUNCE CHANGE TO NON-FUNDAMENTAL INVESTMENT POLICY

NEW YORK, NY, June 15, 2018 – PIMCO Municipal Income Fund (NYSE: PMF), PIMCO Municipal Income Fund II (NYSE: PML), PIMCO Municipal Income Fund III (NYSE: PMX), PIMCO New York Municipal Income Fund (NYSE: PNF), PIMCO New York Municipal Income Fund II (NYSE: PNI), PIMCO New York Municipal Income Fund III (NYSE: PYN), PIMCO California Municipal Income Fund (NYSE: PCQ), PIMCO California Municipal Income Fund II (NYSE: PCK) and PIMCO California Municipal Income Fund III (NYSE: PZC) (each, a “Fund” and, collectively, the “Funds”), announced that, effective July 16, 2018, the Funds will rescind the following non-fundamental investment policy relating to residual interest bonds, also known as tender option bonds, or “TOBs” (the “TOB Policy”):

The Fund may also invest up to 15% of its total assets in Residual Interest Municipal Bonds (RIBS).

Pacific Investment Management Company LLC (“PIMCO”), the Fund’s investment manager, recommended the proposed changes to the Fund’s Board of Trustees as being in the best interests of the Fund and its shareholders. PIMCO believes that TOBs represent a relatively efficient and cost-effective way for the Funds to add incremental leverage to their portfolios, and that rescinding the TOB Policy would provide the Funds with increased flexibility to utilize TOBs, which PIMCO believes may provide a number of potential benefits to the Funds.

Although rescinding the TOB Policy would eliminate each Fund’s current self-imposed 15% limit on TOBs, the Funds will remain subject to limits on leverage imposed by the “Basic Maintenance Amount” asset coverage test imposed by Moody’s Investors Service, Inc., as set forth in each Fund’s bylaws with respect to each Fund’s auction rate preferred shares, as well as asset coverage requirements to avoid categorization of TOBs as senior securities under the Investment Company Act of 1940, as amended. Additionally, each Fund may be limited in its use of TOBs by the risk characteristics of the Fund.

To the extent that the Funds increase their use of TOBs as a result of the rescission of the TOB Policy, shareholders would have increased exposure to the risks associated with TOBs transactions. These include, for example, risks associated with the use of leverage (both TOBs and other forms of leverage) and interest rate risk. Please refer to the Fund’s reports to shareholders for a discussion of such risks.

The Funds’ daily New York Stock Exchange closing market prices, net asset values per share, as well as other information, including updated portfolio statistics and performance are available at pimco.com/closedendfunds or by calling the Funds’ shareholder servicing agent at (844) 33-PIMCO. Updated portfolio holdings information about a Fund will be available approximately 15 calendar days after such Fund’s most recent fiscal quarter end, and will remain accessible until such Fund files a Form N-Q or a shareholder report for the period which includes the date of the information.

About PIMCO

PIMCO is one of the world's premier fixed income investment managers. With our launch in 1971 in Newport Beach, California, PIMCO introduced investors to a total return approach to fixed income investing. In the 45+ years since, we have continued to bring innovation and expertise to our partnership with clients seeking the best investment solutions. Today we have offices across the globe and 2,150+ professionals united by a single purpose: creating opportunities for investors in every environment. PIMCO is owned by Allianz S.E., a leading global diversified financial services provider.

Except for the historical information and discussions contained herein, statements contained in this news release constitute forward-looking statements. These statements may involve a number of risks, uncertainties and other factors that could cause actual results to differ materially, including the performance of financial markets, the investment performance of PIMCO's sponsored investment products and separately managed accounts, general economic conditions, future acquisitions, competitive conditions and government regulations, including changes in tax laws. Readers should carefully consider such factors. Further, such forward-looking statements speak only on the date at which such statements are made. PIMCO undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statement.

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