

## NEWS RELEASE

For information on PIMCO Closed-End Funds:

Financial Advisors: (800) 628-1237

Shareholders: (844) 337-4626 or (844) 33-PIMCO

PIMCO Media Relations: (212) 597-1054

### **PIMCO CLOSED-END FUND DECLARES SPECIAL YEAR-END DISTRIBUTION**

NEW YORK, NY, December 19, 2024 – The Board of Trustees of the PIMCO closed-end fund below (the “Fund”) has declared a special year-end distribution for the Fund’s common shares as summarized below. The distribution is payable on January 13, 2025 to shareholders of record on December 30, 2024, with an ex-dividend date of December 30, 2024. In addition to the regular monthly dividends, this special year-end distribution is being paid to allow the Fund to meet its 2024 distribution requirements for federal excise tax purposes. The Fund’s total distributions will be taxable to shareholders in 2024.

Fund	NYSE Symbol	Distribution Per Share			Total
		Net Income	Short- Term Capital Gains	Long- Term Capital Gains	
PIMCO Dynamic Income Strategy Fund	PDX	\$0.000000	\$0.330000	\$0.040000	\$0.370000

Distributions may include ordinary income, net realized capital gains and/or returns of capital. Generally, a return of capital occurs when the amount distributed by the Fund includes a portion of (or is comprised entirely of) your investment in the Fund in addition to (or rather than) your pro-rata portion of the Fund’s net income or capital gains. The Fund’s distributions in any period may be more or less than the net return earned by the Fund on its investments, and therefore should not be used as a measure of performance or confused with “yield” or “income.” A return of capital is not taxable; rather it reduces a shareholder’s tax basis in his or her shares of the Fund.

If the Fund estimates that a portion of a distribution may be comprised of amounts from sources other than net investment income, as determined in accordance with its policies, internal accounting records and related accounting practices, the Fund will notify shareholders of the estimated composition of such distribution through a Section 19 Notice. For these purposes, the Fund estimates the source or sources from which a distribution is paid, to the close of the period as of which it is paid, in reference to its internal accounting records and related accounting practices. If, based on such accounting records and practices, it is estimated that a particular distribution does not include capital gains or paid-in surplus or other capital sources, a Section 19 Notice generally would not be issued. It is important to note that differences exist between the Fund’s daily internal accounting records and practices, the Fund’s financial statements presented in accordance with U.S. GAAP, and recordkeeping practices under income tax regulations. For instance, the Fund’s internal accounting records and practices may take into account, among other factors, tax-related characteristics of certain sources of distributions that differ from treatment under U.S. GAAP. Examples of such differences may include, among others, the treatment of paydowns on mortgage-backed securities purchased at a discount and periodic payments under interest rate swap contracts. Accordingly, among other consequences, it is possible that the Fund may not issue a Section 19 Notice in situations where

the Fund's financial statements prepared later and in accordance with U.S. GAAP and/or the final tax character of those distributions might later report that the sources of those distributions included capital gains and/or a return of capital. Please visit [www.pimco.com](http://www.pimco.com) for the most recent Section 19 Notice, if applicable, and the Fund's most recent shareholder report for additional information regarding the estimated composition of distributions. Final determination of a distribution's tax character will be provided to shareholders when such information is available.

The tax treatment and characterization of the Fund's distributions may vary significantly from time to time because of the varied nature of the Fund's investments. For example, the Fund may enter into opposite sides of multiple interest rate swaps or other derivatives with respect to the same underlying reference instrument (e.g., a 10-year U.S. treasury) that have different effective dates with respect to interest accrual time periods for the principal purpose of generating distributable gains (characterized as ordinary income for tax purposes) that are not part of the Fund's duration or yield curve management strategies. In such a "paired swap transaction", the Fund would generally enter into one or more interest rate swap agreements whereby the Fund agrees to make regular payments starting at the time the Fund enters into the agreements equal to a floating interest rate in return for payments equal to a fixed interest rate (the "initial leg"). The Fund would also enter into one or more interest rate swap agreements on the same underlying instrument, but take the opposite position (i.e., in this example, the Fund would make regular payments equal to a fixed interest rate in return for receiving payments equal to a floating interest rate) with respect to a contract whereby the payment obligations do not commence until a date following the commencement of the initial leg (the "forward leg").

The Fund may engage in investment strategies, including those that employ the use of derivatives, to, among other things, seek to generate current, distributable income, even if such strategies could potentially result in declines in the Fund's net asset value ("NAV"). The Fund's income and gain-generating strategies, including certain derivatives strategies, may generate current income and gains taxable as ordinary income sufficient to support monthly distributions even in situations when the Fund has experienced a decline in net assets due to, for example, adverse changes in the broad U.S. or non-U.S. equity markets or the Fund's debt investments, or arising from its use of derivatives. Because some or all of these transactions may generate capital losses without corresponding offsetting capital gains, portions of the Fund's distributions recognized as ordinary income for tax purposes (such as from paired swap transactions) may be economically similar to a taxable return of capital when considered together with such capital losses. The tax treatment of certain derivatives in which the Fund invests may be unclear and thus subject to recharacterization. Any recharacterization of payments made or received by the Fund pursuant to derivatives potentially could affect the amount, timing or character of Fund distributions. In addition, the tax treatment of such investment strategies may be changed by regulation or otherwise.

The common shares of the Fund trade on the New York Stock Exchange. As with any stock, the price of the Fund's common shares will fluctuate with market conditions and other factors. If you sell your common shares of the Fund, the price received may be more or less than your original investment. Shares of closed-end investment management companies, such as the Fund, frequently trade at a discount from their net asset value and may trade at a price that is less than the initial offering price and/or the net asset value of such shares. Further, if the Fund's shares trade at a price that is more than the initial offering price and/or the net asset value of such shares, including at a substantial premium and/or for an extended period of time, there is no assurance that any such premium will be sustained for any period of time and will not decrease, or that the shares will not trade at a discount to net asset value thereafter.

The Fund's 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](http://pimco.com/closedendfunds) or by calling the Fund's shareholder servicing agent at (844) 33-PIMCO. Updated portfolio holdings information about the Fund will be available approximately 15 calendar days

after the Fund's most recent fiscal quarter end, and will remain accessible until the Fund files a shareholder report or a publicly available Form N-PORT for the period that includes the date of the information.

The Fund's shares do not represent a deposit or obligation of, and are not guaranteed or endorsed by, any bank or other insured depository institution, and are not insured by the FDIC, the Federal Reserve Board or any other government agency. You may lose money by investing in the Fund. Certain risks associated with investing in the Fund are summarized below.

**An investor should consider, among other things, the Fund's investment objectives, risks, charges and expenses carefully before investing. The Fund's annual report contains this and other information about the Fund.**

**A word about risk:**

Investing in the **bond market** is subject to risks, including market, interest rate, issuer, credit, inflation risk, and liquidity risk. The value of most bonds and bond strategies are impacted by changes in interest rates. Bonds and bond strategies with longer durations tend to be more sensitive and volatile than those with shorter durations; bond prices generally fall as interest rates rise, and low interest rate environments increase this risk. Reductions in bond counterparty capacity may contribute to decreased market liquidity and increased price volatility. Bond investments may be worth more or less than the original cost when redeemed. **Mortgage and asset-backed securities** may be sensitive to changes in interest rates, subject to early repayment risk, and their value may fluctuate in response to the market's perception of issuer creditworthiness; while generally supported by some form of government or private guarantee there is no assurance that private guarantors will meet their obligations. Investing in **foreign-denominated and/or -domiciled securities** may involve heightened risk due to currency fluctuations, and economic and political risks, which may be enhanced in emerging markets. **Corporate debt securities** are subject to the risk of the issuer's inability to meet principal and interest payments on the obligation and may also be subject to price volatility due to factors such as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity. **Bank loans** are often less liquid than other types of debt instruments and general market and financial conditions may affect the prepayment of bank loans, and as such the prepayments cannot be predicted with accuracy. There is no assurance that the liquidation of any collateral from a secured bank loan would satisfy the borrower's obligation, or that such collateral could be liquidated. **Contingent Convertible ("Co-co") Bonds** are bonds that are converted into equity of the issuing company if a pre-specified trigger occurs. Co-cos are subject to a different type of risk from traditional bonds and may result in a partial or total loss of value or may be converted into shares of the issuing company which may also have suffered a loss in value. **Collateralized loan obligations (CLOs)** may involve a high degree of risk and are intended for sale to qualified investors only. Investors may lose some or all of the investment and there may be periods where no cash flow distributions are received. CLOs are exposed to risks such as credit, default, liquidity, management, volatility, interest rate, and credit risk. **Convertible securities** may be called before intended, which may have an adverse effect on investment objectives. **Floating rate loans** are not traded on an exchange and are subject to significant credit, valuation and liquidity risk. The Fund may invest without limit in below investment grade debt securities (commonly referred to as "high yield" securities or "junk bonds"), including securities of stressed and distressed issuers. **High-yield, lower-rated, securities** involve greater risk than higher-rated securities; portfolios that invest in them may be subject to greater levels of credit and liquidity risk than portfolios that do not. **Real estate investment trusts (REITs)** are subject to risk, such as poor performance by the manager, adverse changes to tax laws or failure to qualify for tax-free pass-through of income. Investments in **residential/commercial mortgage loans and commercial real estate debt** are subject to risks that include prepayment, delinquency, foreclosure, risks of loss, servicing risks and adverse regulatory developments, which risks may be heightened in the case of non-performing loans. Investing in **distressed loans** and bankrupt companies is speculative and the repayment of default obligations contains significant uncertainties. **Distressed and Defaulted Securities** involve

substantial risks, including the risk of default. Such investments may be in default at the time of investment. In addition, these securities may fluctuate more in price, and are typically less liquid. **Commodities** contain heightened risk, including market, political, regulatory and natural conditions, and may not be appropriate for all investors. Many energy sector **master limited partnerships (MLPs)** and other companies in which the Fund invests operate natural gas, natural gas liquids, crude oil, refined products, coal, or other facilities within the **energy sector** and will be susceptible to adverse economic, environmental, or regulatory occurrences affecting the sector, including sharp decreases in crude oil or natural gas prices. **Energy Sector Risk.** The Fund is concentrated in the energy sector, and will therefore be susceptible to adverse economic, environmental, or regulatory occurrences affecting that sector. **Concentration** of assets in one or a few sectors may entail greater risk than a fully diversified portfolio and should be considered as only part of a diversified portfolio. **Private credit** involves an investment in non-publicly traded securities which may be subject to illiquidity risk. Portfolios that invest in private credit may be leveraged and may engage in speculative investment practices that increase the risk of investment loss. Income from **municipal bonds** is exempt from federal income tax and may be subject to state and local taxes and at times the alternative minimum tax; a strategy concentrating in a single or limited number of states is subject to greater risk of adverse economic conditions and regulatory changes. **Structured products** such as **collateralized debt obligations** are highly complex instruments, typically involving a high degree of risk; use of these instruments may involve derivative instruments that could lose more than the principal amount invested. **Sovereign securities** are generally backed by the issuing government, obligations of U.S. Government agencies and authorities are supported by varying degrees but are generally not backed by the full faith of the U.S. Government; portfolios that invest in such securities are not guaranteed and will fluctuate in value. Leveraging transactions, including borrowing, typically will cause a portfolio to be more volatile than if the portfolio had not been leveraged. Leveraging transactions typically involve expenses, which could exceed the rate of return on investments purchased by a fund with such leverage and reduce fund returns. The use of **leverage** may cause a portfolio to liquidate positions when it may not be advantageous to do so. Leveraging transactions may increase a fund's duration and sensitivity to interest rate movements. **Derivatives** may involve certain costs and risks, such as liquidity, interest rate, market, credit, management and the risk that a position could not be closed when most advantageous. Investing in derivatives could lose more than the amount invested. The Fund is **non-diversified**, which means that it may invest its assets in a smaller number of issuers than a diversified fund.

**Limited Term Risk.** Unless the limited term provision of the Fund's Amended and Restated Agreement and Declaration of Trust (the "Declaration of Trust") is amended by shareholders in accordance with the Declaration of Trust, or unless the Fund completes a tender offer, as of a date within twelve months preceding the Dissolution Date (as defined below), to all common shareholders to purchase 100% of the then outstanding common shares of the Fund at a price equal to the NAV per common share on the expiration date of the tender offer (an "Eligible Tender Offer"), and converts to perpetual existence, the Fund will terminate. **The Fund will terminate on or about January 29, 2031** (the "Dissolution Date"). The Fund is not a "target term" fund whose investment objective is to return its original net asset value on the Dissolution Date or in an Eligible Tender Offer. Because the assets of the Fund will be liquidated in connection with the dissolution, the Limited Term Fund will incur transaction costs in connection with dispositions of portfolio securities. The Fund does not limit its investments to securities having a maturity date prior to the applicable Dissolution Date and may be required to sell portfolio securities when it otherwise would not, including at times when market conditions are not favorable, which may cause the Fund to lose money. In particular, the Fund's portfolio may still have large exposures to illiquid securities as its Dissolution Date approaches, and losses due to portfolio liquidation may be significant. Beginning one year before the Dissolution Date (the "Wind-Down Period"), the Fund may begin liquidating all or a portion of its portfolio, and may deviate from its investment strategy and may not achieve its investment objectives. As a result, during the Wind-Down Period, the Fund's distributions may

decrease, and such distributions may include a return of capital. The Fund's investment objectives and policies are not designed to seek to return investors' original investment upon termination of the Fund, and investors may receive more or less than their original investment upon termination of the Fund. As the assets of the Fund will be liquidated in connection with its termination, the Fund may be required to sell portfolio securities when it otherwise would not, including at times when market conditions are not favorable, which may cause it to lose money.

Closed-end funds, unlike open-end funds, are not continuously offered. After the initial public offering, shares are sold on the open market through a stock exchange. Closed-end funds may be leveraged and carry various risks depending upon the underlying assets owned by a fund. Investment policies, management fees and other matters of interest to prospective investors may be found in each closed-end fund annual and semi-annual report. For additional information, please contact your investment professional or call 1-844-337-4626.

## **About PIMCO**

PIMCO was founded in 1971 in Newport Beach, California and is one of the world's premier fixed income investment managers. Today we have offices across the globe and 3,000+ 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.*

*This material has been distributed for informational purposes only and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. No part of this material may be reproduced in any form, or referred to in any other publication, without express written permission. PIMCO is a trademark of Allianz Asset Management of America LLC in the United States and throughout the world. PIMCO Investments LLC, 1633 Broadway, New York, NY 10019, is a company of PIMCO. ©2024, PIMCO.*