

As of 31 December 2021

PIMCO Closed-End Funds

PIMCO California Municipal Income Fund III (PZC)

A tax-sensitive approach to investing can provide tangible advantages to investors seeking current income, especially those in higher tax brackets. Investing primarily in California municipal bonds, the fund seeks to provide current income exempt from federal and California income tax.

- Under normal circumstances, the fund will invest at least 90% of its net assets in municipal bonds which pay interest that is exempt from regular federal and California income taxes (i.e., excluded from gross income for federal and California income tax purposes but not necessarily exempt from the federal alternative minimum tax). The fund may invest up to 20% of its total assets in investments the interest from which is subject to the federal alternative minimum tax.
- The fund invests at least 80% of its net assets in municipal bonds that at the time of investment are investment grade quality (Baa or higher by Moody's Investors Service, Inc. ("Moody's") or BBB or better by S&P Global Ratings ("S&P") or Fitch, Inc. ("Fitch")), or bonds that are unrated but determined to be of comparable quality by PIMCO). The fund may invest up to 20% of its net assets in municipal bonds that are, at the time of investment, rated Ba/BB or B by Moody's, S&P or Fitch or lower or that are unrated but judged to be of comparable quality by PIMCO.
- The portfolio manager also aims to preserve and enhance the value of the fund's holdings relative to the municipal bond market, generally, using proprietary analytical models that test and evaluate the sensitivity of those holdings to changes in interest rates and yield relationships.
- PIMCO is qualified to respond to recent changes in the municipal bond market, with an extensive network of credit research capabilities to address concerns about creditworthiness, which is critical to municipal bond investing. Additionally, PIMCO has the market presence to provide access to the new issue and secondary markets.

Description

Seeks to provide current income exempt from federal and California income tax

Fund Inception Date.....31 October 2002

Assets (in millions)¹

- Common Net Assets.....\$228.73
- Outstanding Preferred Shares.....\$124.98
- Total Managed Assets.....\$395.36

Management Firm.....PIMCO

Portfolio Manager.....David Hammer

Dividend Frequency.....Monthly

Market Price / Net Asset Value (NAV) at inception..\$15.00 / \$14.33

Market Price / NAV (as of 12/31/21).....\$11.10 / \$10.20

High / Low Ranges (52-week)

- High / Low Market Price.....\$11.74 / \$10.09
- High / Low NAV.....\$10.43 / \$10.03

Premium / (Discount) to NAV.....8.82%

Fund Data (Preferred share)

- Shares Outstanding.....3,915
- Share Price.....\$31,922
- Average Monthly Rate (ann.).....0.12%
- Average Maturity (Days).....7

Fund Data (Common shares)

- Shares Outstanding.....22,419,245
- Average Daily Volume.....21,871

Expenses

- Management Fee².....0.715%
- Total Expense Ratio (incl. interest exp.)³.....1.68%

¹ Total Managed Assets include Net Assets Applicable to Common Shareholders ("Total Common Assets") + Preferred Assets + Reverse Repurchase Agreements + Credit Default Swaps + Floating Rate Notes Issued in Tender Option Bond ("TOB") transactions, as applicable. In TOB transactions, a fund sells a fixed rate municipal bond to a broker who places that bond in a Special Purpose Trust from which Floating Rate Notes and Inverse Floaters are issued.

² The Management Fee is applied to the Fund's total managed assets. The fee rate and definition of managed assets are as of the most recent proxy for the Fund.

³ Expense ratios are calculated as a percentage of common net assets, and are as of the most recent annual report.

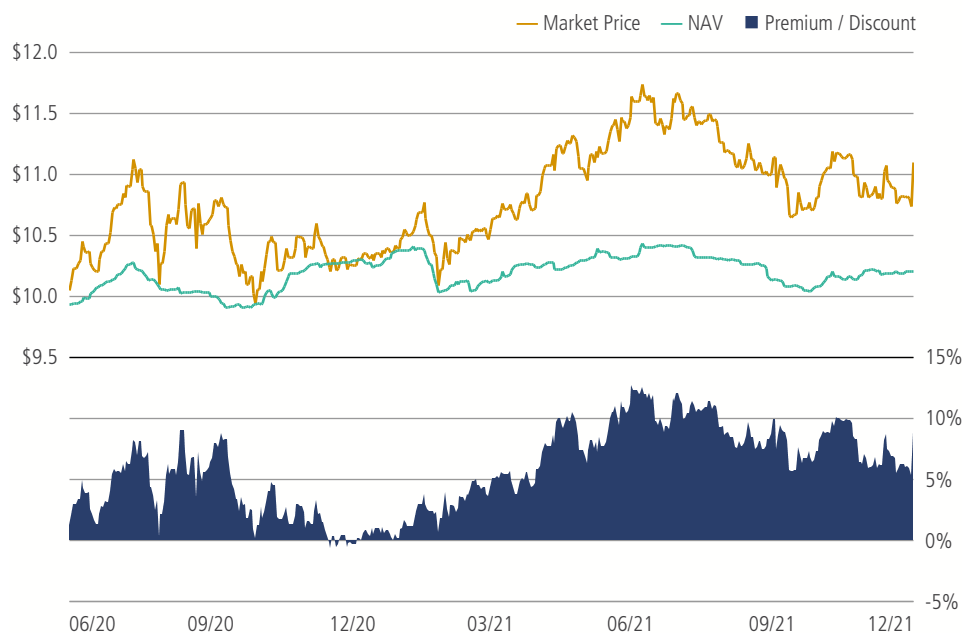
PORTFOLIO MANAGER

**David Hammer**

Years of experience: 18

The fund is managed by David Hammer, a Managing Director and head of municipal bond portfolio management at PIMCO. He is supported by PIMCO's dedicated municipal bond portfolio team, robust credit resources and significant market presence.

MARKET PRICE / NAV – TRAILING 18 MONTHS (DAILY PRICING)



Average annual total returns (%) as of 31 Dec '21	1-yr.	3-yr.	5-yr.	10-yr.	Inception
PIMCO California Municipal Income Fund III at Market Price	13.11	10.18	4.72	7.53	4.96
PIMCO California Municipal Income Fund III at NAV	3.63	7.54	6.53	7.53	4.93

Calendar year returns (%)	'12	'13	'14	'15	'16	'17	'18	'19	'20	'21
PIMCO California Municipal Income Fund III at Market Price	23.71	-12.16	25.17	19.20	1.25	-2.46	-3.50	25.66	-5.85	13.11
PIMCO California Municipal Income Fund III at NAV	20.73	-7.08	22.74	8.77	0.51	10.02	0.29	13.53	5.70	3.63

Past performance is not a guarantee or a reliable indicator of future results. An investment in the fund involves risk, including loss of principal. Investment return and the value of shares will fluctuate. Returns are calculated by determining the percentage change in NAV or market share price (as applicable) with all distributions reinvested. Although market price returns typically reflect investment results over time, during shorter periods returns at market price can also be influenced by factors such as changing views about the fund, market conditions, supply and demand for the fund's shares or changes in fund distributions. NAV returns reflect the deduction of management fees and expenses. NAV and Market Price returns do not reflect broker sales charges or commissions and would be lower if they were deducted.

Performance of less than 1 year is not annualized.

Top 10 municipal sectors (MV%)

State/Local GO	23
Hospital Rev.	18
Ind Dev/Pollution Ctrl	16
Special Tax	9
Education Rev.	8
Transportation	7
Power Rev.	5
Tobacco	4
Water & Sewer	3
Lease Rev.	3

Call structure (% of assets callable per year)

0 - 5 Years	41.20
5 - 10 Years	38.21
10 - 15 Years	1.15
Non Callable	19.45

Leverage

Preferred Shares	31.61%
Total Effective Leverage	42.15%

Duration

Total Leveraged-Adjusted Effective Duration	11.96 years
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Statistics

Standard Deviation of Market Price (3 year)	13.80
Standard Deviation of NAV (3 year)	9.34

Average weighted maturity (MV%)

0-1 yrs	4
1-3 yrs	13
3-5 yrs	21
5-10 yrs	34
10-20 yrs	17
20+ yrs	11
Effective Maturity	9.66 years

Distribution Rates**

NAV Distribution Rate	4.47%
Market Price Distribution Rate	4.11%
Tax Equivalent Distribution Rate	8.95%

Distribution History (last six payments)

Declaration Date	Type	Amount per share
12/01/21	Monthly Distribution	\$0.038
11/01/21	Monthly Distribution	\$0.038
10/01/21	Monthly Distribution	\$0.038
09/01/21	Monthly Distribution	\$0.038
08/02/21	Monthly Distribution	\$0.038
07/01/21	Monthly Distribution	\$0.038

****Distribution rates are not performance and are calculated by annualizing the most recent distribution per share and dividing by the NAV or Market Price, as applicable, as of the reported date. Distributions may be comprised of ordinary income, net capital gains, and/or a return of capital ("ROC") of your investment in the Fund. Because the distribution rate may include a ROC, it should not be confused with yield or income. A negative value for Undistributed Net Investment Income represents the potential for a ROC on an estimated tax basis. If the Fund estimates that a portion of its distribution may be comprised of amounts from sources other than net investment income in accordance with its policies and good accounting practices, the fund will notify shareholders of the estimated composition of such distribution through a Section 19 Notice. Please visit pimco.com/closedendfunds and refer to the Fund's most recent Section 19 Notice, if applicable, 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. Please see the additional disclosures on the following pages and the Fund's most recent shareholder report for more information regarding distributions and the distribution rate.**

Preferred Shares consists of Preferred Assets divided by Total Net Assets. Total Effective Leverage consists of Preferred Assets + Reverse Repurchase Agreements + Credit Default Swaps + Floating Rate Notes Issued, as applicable, divided by Total Net Assets. Total Leverage-Adjusted Effective Duration represents the fund's effective portfolio duration taking into account its use of leverage, including both portfolio leverage (i.e. reverse repos, credit default swaps, and tender option bonds), and any structural leverage, such as auction-rate preferred shares, if any, issued by the fund. Duration is the measure of a bond's price sensitivity to interest rates and is expressed in years. Effective duration is the duration for a bond with an embedded option when the value is calculated to include the expected change in cash flow caused by the option as interest rates change. Standard deviation is a measure of the dispersion of a set of data from its mean. The more spread apart the data, the higher the deviation.

The rate shown is based on a federal tax rate of 43.40% (Federal tax of 39.60% and Medicare Tax Rate of 3.80%) and a California State tax rate of 13.30%, for a combined rate of 50.83% for single/ married payers with \$400,000/ \$450,000 or greater in taxable income, after taking into consideration the deductibility of California State taxes for Federal tax purpose. Call feature allows the issuer to "call" or repurchase certain securities before maturity, at a specified price and/or point in time.

A word about risk: The value of most bond funds and fixed income securities are impacted by **changes in interest rates**. Bonds and bond funds with longer durations tend to be more sensitive and more volatile than securities with shorter durations; bond prices generally fall as interest rates rise. Income from **municipal bonds** may be subject to state and local taxes and at times the alternative minimum tax; a fund **concentrating in a single state** is subject to greater risk of adverse economic conditions and regulatory changes. The use of **leverage** may cause a portfolio to liquidate positions when it may not be advantageous to do so to satisfy its obligations or to meet segregation requirements. Leverage, including borrowing, may cause a portfolio to be more volatile than if the portfolio had not been leveraged. **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. **Distribution Risk.** Although the fund may seek to maintain stable distributions, the fund's distribution rate may be affected by numerous factors, including but not limited to changes in realized and projected market returns, fluctuations in market interest rates, fund performance, and other factors. There can be no assurance that a change in market conditions or other factors will not result in a change in the fund's distribution rate or that the rate will be sustainable in the future.

Distribution rates are not a measure of performance and are calculated by annualizing the most recent distribution per share and dividing by the NAV or Market Price, as applicable, as of the reported date. Distributions may be comprised of ordinary income, net capital gains, and/or a return of capital ("ROC") of your investment in the Fund. Because the distribution rate may include a ROC, it should not be confused with yield or income. If the Fund estimates that a portion of its distribution may be comprised of amounts from sources other than net investment income in accordance with its policies and good accounting practices, the fund will notify shareholders of the estimated composition of such distribution through a Section 19 Notice. Please visit pimco.com/closedendfunds and refer to the Fund's most recent Section 19 Notice, if applicable, for additional information regarding the estimated composition of distributions. The amounts and composition of distributions reported on any Section 19 Notice issued by the Fund are only estimates and should not be used for tax reporting purposes. The actual amounts and composition of distributions for tax reporting purposes will depend upon the Fund's investment experience during its entire fiscal year and may be subject to changes based on tax regulations. Final determination of a distribution's tax character will be provided to shareholders when such information is available.

It is important to note that differences exist between the fund's daily internal accounting records and practices, the fund's financial statements prepared in accordance with U.S. GAAP, and reporting practices under income tax regulations. 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 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 see the fund's most recent shareholder report for more details.

There is no assurance that any fund, including any fund that has experienced **high or unusual performance** for one or more periods, will experience similar levels of performance in the future. High performance is defined as a significant increase in either 1) a fund's total return in excess of that of the fund's benchmark between reporting periods or 2) a fund's total return in excess of the fund's historical returns between reporting periods. Unusual performance is defined as a significant change in a fund's performance as compared to one or more previous reporting periods.

As with any stock, the price of the fund's common shares will fluctuate with market conditions and other factors. Shares of closed-end management investment companies frequently trade at a price that is less than (a "discount") or more than (a "premium") their net asset value. If the fund's shares trade at a premium to net asset value, 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. Additionally, the fund's distribution rate may be affected by numerous factors, including changes in realized and projected market returns, fund performance, and other factors. There can be no assurance that a change in market conditions or other factors will not result in a change in the fund distribution rate at a future time.

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ABOUT PIMCO

PIMCO is one of the world's premier fixed income investment managers. Since our founding in 1971 in Newport Beach, California, we have continued to bring innovation and expertise to our partnership with clients seeking the best investment solutions. Today our professionals work in 20 offices across the globe, united by a single purpose: creating opportunities for investors in every environment.

pimco.com

Investment Products

Not FDIC Insured	May Lose Value	Not Bank Guaranteed
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