

PCM FUND, INC.
Form DEF 14A
March 08, 2019

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

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Joint Proxy Statement

Definitive Additional Materials

Soliciting Material Under Rule 14a-12

PCM Fund, Inc. (PCM)

PIMCO Corporate & Income Strategy Fund (PCN)

PIMCO Corporate & Income Opportunity Fund (PTY)

PIMCO Income Opportunity Fund (PKO)

PIMCO Dynamic Credit and Mortgage Income Fund (PCI)

(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):

No fee required.

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:

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- (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 APRIL 26, 2019

PCM FUND, INC. (PCM)

PIMCO CORPORATE & INCOME STRATEGY FUND (PCN)

PIMCO CORPORATE & INCOME OPPORTUNITY FUND (PTY)

PIMCO INCOME OPPORTUNITY FUND (PKO)

PIMCO DYNAMIC CREDIT AND MORTGAGE INCOME FUND (PCI)

1633 Broadway

New York, New York 10019

To the Shareholders of PCM Fund, Inc. (PCM), PIMCO Corporate & Income Strategy Fund (PCN), PIMCO Corporate & Income Opportunity Fund (PTY), PIMCO Income Opportunity Fund (PKO) and PIMCO Dynamic Credit and Mortgage Income Fund (PCI) (each, a Fund and, collectively, the Funds):

Notice is hereby given that a Joint Annual Meeting of Shareholders of each Fund (the Meeting) will be held at the offices of Pacific Investment Management Company LLC (PIMCO or the Manager), at 1633 Broadway, between West 50th and West 51st Streets, 42nd Floor, New York, New York 10019, on Friday, April 26, 2019, with the Meeting to be held at 10:30 A.M., Eastern Time, for the following purposes, which are more fully described in the accompanying Proxy Statement:

1. To elect Trustees/Directors¹ 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 of each Fund has fixed the close of business on February 25, 2019 as the record date for the determination of shareholders entitled to receive notice of, and to vote at, the Meeting or any adjournment(s) or postponement(s) thereof. The enclosed proxy is being solicited on behalf of the Board of Trustees of each Fund.

¹ Hereinafter, the terms Trustee or Trustees shall refer to a Director or Directors of PCM, as well as a Trustee or Trustees of PCN, PTY, PKO and PCI, as applicable.

By order of the Board of Trustees of each
Fund

Wu-Kwan Kit
Secretary

New York, New York

March 8, 2019

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 any additional costs of further proxy solicitations and in order for the Meeting to be held as scheduled.

PCM FUND, INC. (PCM)

PIMCO CORPORATE & INCOME STRATEGY FUND (PCN)

PIMCO CORPORATE & INCOME OPPORTUNITY FUND (PTY)

PIMCO INCOME OPPORTUNITY FUND (PKO)

PIMCO DYNAMIC CREDIT AND MORTGAGE INCOME FUND (PCI)

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 APRIL 26, 2019

This Proxy Statement and the Annual Reports to Shareholders for the fiscal year ended June 30, 2018 for PCM, PKO and PCI and for the fiscal year ended July 31, 2018 for PTY and PCN are also available at pimco.com/closedendfunds.

PROXY STATEMENT

March 8, 2019

FOR THE JOINT ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON APRIL 26, 2019

INTRODUCTION

This Proxy Statement is furnished in connection with the solicitation by the Boards of Trustees/Directors¹ (each, a Board) of the shareholders of each of PCM Fund, Inc. (PCM), PIMCO Corporate & Income Strategy Fund (PCN), PIMCO Corporate & Income Opportunity Fund (PTY), PIMCO Income Opportunity Fund (PKO) and PIMCO Dynamic Credit and Mortgage Income Fund (PCI) (each, a Fund and, collectively, the Funds) of proxies to be voted at the Joint Annual Meeting of Shareholders of each Fund and any adjournment(s) or postponement(s) thereof. The term Meeting is used throughout this joint Proxy Statement to refer to the Annual Meeting of Shareholders of each Fund, as dictated by the context. The Meeting will be held

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Hereinafter, the terms Trustee or Trustees shall refer to a Director or Directors of PCM, as well as a Trustee or Trustees of PCN, PTY, PKO and PCI, as applicable.

at the offices of Pacific Investment Management Company LLC (PIMCO or the Manager), at 1633 Broadway, between West 50th and West 51st Streets, 42nd Floor, New York, New York 10019, on Friday, April 26, 2019, at 10:30 A.M. Eastern Time.

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 March 11, 2019.

The Meeting is scheduled as a joint meeting of the holders of all shares of the Funds, which consist of holders of common shares of each Fund (the Common Shareholders) and holders of preferred shares of PCN and PTY (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. The Shareholders of each Fund will vote on the applicable proposal set forth herein (the Proposal) and on any other matters that may properly be presented for vote by the Shareholders of that Fund. The outcome of voting by the Shareholders of one Fund does not affect the outcome for the other Funds.

The Board of each Fund has fixed the close of business on February 25, 2019 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. The 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. 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
PCM	11,591,437	N/A
PTY	86,723,382	9,518
PCN	39,516,630	2,221
PKO	15,911,822	N/A
PCI	137,415,231	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 one Trustee (the Preferred Shares Trustee) of each of PTY and PCN will be voted on exclusively by the Preferred Shareholders of that Fund voting as a separate class. On each other proposal to

be brought before the Meeting (including the election of the nominees other than the Preferred Shares Trustees by all Shareholders), the Preferred Shareholders, if any, will have equal voting rights (*i.e.*, one vote per Share) with the applicable Fund's Common Shareholders and will vote together with Common Shareholders as a single class. As summarized in the table below:

PCM:

The Common Shareholders of PCM, voting as a single class, have the right to vote on the election of Sarah E. Cogan and David N. Fisher, and the re-election of James A. Jacobson, William B. Ogden, IV and John C. Maney, as Directors of PCM.²

PTY:

The Common and Preferred Shareholders of PTY, voting together as a single class, have the right to vote on the election of Sarah E. Cogan and David N. Fisher, and the re-election of John C. Maney and William B. Ogden, IV, as Trustees of PTY; and the Preferred Shareholders of PTY, voting as a separate class, have the right to vote on the re-election of Alan Rappaport as a Trustee of PTY.

PCN:

The Common and Preferred Shareholders of PCN, voting together as a single class, have the right to vote on the election of Sarah E. Cogan and David N. Fisher, and the re-election of James A. Jacobson and John C. Maney, as Trustees of PCN; and the Preferred Shareholders of PCN, voting as a separate class, have the right to vote on the re-election of Deborah A. DeCotis as a Trustee of PCN.³

² Mr. Ogden, who is currently a Class I Director of PCM, is being nominated as a Class II Director of PCM. Mr. Maney, who is currently a Class II Director of PCM, is being nominated as a Class I Director of PCM.

³ Mr. Maney, who is currently a Class I Trustee of PCN, is being nominated as a Class II Trustee of PCN. Ms. DeCotis, who was previously elected as a Trustee of PCN by the Common and Preferred Shareholders of PCN, voting together as a single class, is being nominated for re-election as a Trustee of PCN by the Preferred Shareholders of PCN, voting as a separate class. Mr. Jacobson, who was previously elected as a Trustee of PCN by the Preferred Shareholders of PCN, voting as a separate class, is being nominated for re-election as a Trustee of PCN by the Common and Preferred Shareholders of PCN, voting together as a single class.

PKO:

The Common Shareholders of PKO, voting as a single class, have the right to vote on the election of Sarah E. Cogan and David N. Fisher, and the re-election of James A. Jacobson, John C. Maney and William B. Ogden, IV as Trustees of PKO.⁴

PCI:

The Common Shareholders of PCI, voting as a single class, have the right to vote on the election of Sarah E. Cogan and David N. Fisher, and the re-election of Deborah A. DeCotis, John C. Maney and William B. Ogden, IV, as Trustees of PCI.⁵

Summary

Proposal	Common Shareholders	Preferred Shareholders
Election of Trustees		
PCM		
<i>Independent Trustees/Nominees*</i>		
Election of Sarah E. Cogan		N/A
Re-election of James A. Jacobson		N/A
Re-election of William B. Ogden, IV		N/A
<i>Interested Trustee/Nominees</i>		
Election of David N. Fisher**		N/A
Re-election of John C. Maney***		N/A
PTY		
<i>Independent Trustees/Nominees*</i>		
Election of Sarah E. Cogan		
Re-election of William B. Ogden, IV		
Re-election of Alan Rappaport		
<i>Interested Trustee/Nominees</i>		
Election of David N. Fisher**		
Re-election of John C. Maney***		

⁴ Mr. Jacobson, who is currently a Class II Trustee of PKO, is being nominated as a Class I Trustee of PKO. Mr. Ogden, who is currently a Class I Trustee of PKO, is being nominated as a Class II Trustee of PKO.

⁵ Mr. Maney, who is currently a Class III Trustee of PCI, is being nominated as a Class I Trustee of PCI. Mr. Ogden, who is currently a Class I Trustee of PCI, is being nominated as a Class III Trustee of PCI.

Proposal	Common Shareholders	Preferred Shareholders
PCN		
<i>Independent Trustees/Nominees*</i>		
Election of Sarah E. Cogan		
Re-election of Deborah A. DeCotis		
Re-election of James A. Jacobson		
<i>Interested Trustee/Nominee</i>		
Election of David N. Fisher**		
Re-election of John C. Maney***		
PKO		
<i>Independent Trustee/Nominees*</i>		
Election of Sarah E. Cogan		N/A
Re-election of James A. Jacobson		N/A
Re-election of William B. Ogden, IV		N/A
<i>Interested Trustee/Nominees</i>		
Election of David N. Fisher**		N/A
Re-election of John C. Maney***		N/A
PCI		
<i>Independent Trustee/Nominees*</i>		
Election of Sarah E. Cogan		N/A
Re-election of Deborah A. DeCotis		N/A
Re-election of William B. Ogden, IV		N/A
<i>Interested Trustee/Nominee</i>		
Election of David N. Fisher**		N/A
Re-election of John C. Maney***		N/A

* Independent Trustees or Independent Nominees are those Trustees 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. Fisher is an interested person of each Fund, as defined in Section 2(a)(19) of the 1940 Act (Interested Trustee), due to his affiliation with PIMCO and its affiliates.

*** Mr. Maney is an Interested Trustee of each Fund due to his affiliation with Allianz Asset Management of America L.P. and its affiliates.

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 or re-election of Trustees listed in the attached Notice, your proxy will be voted in favor of the election or re-election, as applicable, of all nominees. At any time before it has been voted, your proxy may be revoked in one of the following ways: (i) by timely delivering a signed,

written letter of revocation to the Secretary of the applicable Fund at 650 Newport Center Drive, Newport Beach, CA 92660, (ii) by properly executing and timely submitting a later-dated proxy vote, or (iii) by attending the Meeting and voting in person. Please call 1-(877) 732-3620 for information on how to obtain directions to be able to attend the Meeting and vote in person or for information or assistance regarding how to vote by telephone, mail or by internet. If any proposal, other than the Proposal set forth herein, properly comes before the Meeting, 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. PIMCO serves as the investment manager of each Fund. Additional information regarding the Manager may be found under **Additional Information Investment Manager** below.

The solicitation will be primarily by mail and by telephone and the cost of soliciting proxies for each Fund will be borne by PIMCO. Certain officers of the Funds and certain officers and employees of the Manager or its affiliates (none of whom will receive additional compensation therefor) 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 PIMCO.

Unless a Fund receives contrary instructions, only one copy of this Proxy Statement will be mailed to a given address where two or more Shareholders share that address and also share the same surname. Additional copies of the Proxy Statement will be delivered promptly upon request. Requests may be sent to the Secretary of the Fund c/o Pacific Investment Management Company LLC, 650 Newport Center Drive, Newport Beach, California 92660, or by calling 1-(877) 732-3620 on any business day.

As of the Record Date, the Trustees, 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. To the knowledge of the Funds, no person beneficially owned more than five percent (5%) of the outstanding shares of PCM, PKO or PCI and the following entities beneficially owned more than five percent (5%) of a class of shares of a Fund:

Beneficial Owner	Fund	Percentage of Ownership of Class
UBS AG Bahnhofstrasse 45, PO Box CH-8021 Zurich, Switzerland	PCN	21.39% of Preferred Shares
RiverNorth Capital Management, LLC 325 N. LaSalle Street, Suite 645 Chicago, Illinois 60654	PCN	18.48% of Preferred Shares

Beneficial Owner	Fund	Percentage of Ownership of Class
Bank of America Corporation 100 North Tryon Street, Charlotte, North Carolina 28255	PCN	18.78% of Preferred Shares
Bank of America Corporation 100 North Tryon Street, Charlotte, North Carolina 28255	PTY	52.93% of Preferred Shares
UBS AG Bahnhofstrasse 45, PO Box CH-8021 Zurich, Switzerland	PTY	34.06% of Preferred Shares

PROPOSAL: ELECTION OF TRUSTEES

In accordance with PCN s, PTY s, PKO s and PCI s Amended and Restated Agreement and Declaration of Trust (each, a Declaration), and PCM s Articles of Incorporation, as amended (the Articles), the Trustees have been divided into the following three classes (each, a Class): Class I, Class II and Class III. The Nominating Committee and the Board of each applicable Fund have recommended the nominees listed herein for election or re-election, as applicable, as Trustees by the Shareholders of the applicable Funds.

PCM. With respect to PCM, the term of office of the Class I Directors and David N. Fisher, a Class III Director, will expire at the Meeting; the term of office of the Class II Directors will expire at the annual meeting of Shareholders held during the 2019-2020 fiscal year (*i.e.*, the annual meeting held during the fiscal year running from July 1, 2019 through June 30, 2020); and the term of office of the Class III Directors will expire at the annual meeting of Shareholders held during the 2020-2021 fiscal year (*i.e.*, the annual meeting held during the fiscal year running from July 1, 2020 through June 30, 2021). Currently, Sarah E. Cogan, James A Jacobson and William B. Ogden, IV are Class I Directors, John C. Maney is a Class II Director and David N. Fisher is a Class III Director. The Nominating Committee has recommended to the Board that Ms. Cogan be nominated for election by the Common Shareholders as a Class I Director, that Mr. Maney, who currently serves as a Class II Director, and Mr. Jacobson be nominated for re-election by the Common Shareholders as Class I Directors, that Mr. Ogden, who currently serves as a Class I Director, be nominated for re-election by the Common Shareholders as a Class II Director, and that Mr. Fisher be nominated for election by the Common Shareholders as a Class III Director at the Meeting. Consistent with the Fund s Articles, if elected or re-elected, as applicable, the nominees shall hold office for terms coinciding with the Classes of Directors to which they have been designated. Therefore, if elected or re-elected, as applicable at the Meeting, Ms. Cogan and Messrs. Jacobson and

Maney will serve terms consistent with the Class I Directors, which will expire at the Fund's annual meeting of Shareholders for the 2021-2022 fiscal year (*i.e.*, the annual meeting held during the fiscal year running from July 1, 2021 through June 30, 2022), Mr. Ogden will serve a term consistent with the Class II Directors, which will expire at the annual meeting of Shareholders for the 2019-2020 fiscal year (*i.e.*, the annual meeting held during the fiscal year running from July 1, 2019 through June 30, 2020), and Mr. Fisher will serve a term consistent with the Class III Directors, which will expire at the annual meeting of Shareholders for the 2020-2021 fiscal year (*i.e.*, the annual meeting held during the fiscal year running from July 1, 2020 through June 30, 2021).

PTY. With respect to PTY, the term of office of the Class I Trustees, Sarah E. Cogan and David N. Fisher will expire at the Meeting; the term of office of the Class II Trustees will expire at the annual meeting of Shareholders held during the 2019-2020 fiscal year (*i.e.*, the annual meeting held during the fiscal year running from August 1, 2019 through July 31, 2020); and the term of office of the Class III Trustees will expire at the annual meeting of Shareholders held during the 2020-2021 fiscal year (*i.e.*, the annual meeting held during the fiscal year running from August 1, 2020 through July 31, 2021). Currently, John C. Maney, William B. Ogden, IV and Alan Rappaport are Class I Trustees, Sarah E. Cogan is a Class II Trustee and David N. Fisher is a Class III Trustee. The Nominating Committee has recommended to the Board that Messrs. Maney and Ogden be nominated for re-election as Class I Trustees by the Common Shareholders and Preferred Shareholders, voting together as a single class, that Mr. Rappaport be nominated for re-election as a Class I Trustee by the Preferred Shareholders, voting as a separate class, that Ms. Cogan be nominated for election as a Class II Trustee by the Common Shareholders and Preferred Shareholders, voting together as a single class, and that Mr. Fisher be nominated for election as a Class III Trustee by the Common Shareholders and Preferred Shareholders, voting together as a single class, at the Meeting. Consistent with the Fund's Declaration, if re-elected or elected, as applicable, the nominees shall hold office for terms coinciding with the Class of Trustees to which they have been designated. Therefore, if re-elected or elected, as applicable, at the Meeting, Messrs. Maney, Ogden and Rappaport will serve terms consistent with the Class I Trustees, which will expire at the Fund's annual meeting of Shareholders for the 2021-2022 fiscal year (*i.e.*, the annual meeting held during the fiscal year running from August 1, 2021 through July 31, 2022), Ms. Cogan will serve a term consistent with the Class II Trustees, which will expire at the Fund's annual meeting of Shareholders for the 2019-2020 fiscal year (*i.e.*, the annual meeting held during the fiscal year running from August 1, 2019 through July 31, 2020), and Mr. Fisher will serve a term consistent with the Class III Trustees, which

will expire at the annual meeting of Shareholders held during the 2020-2021 fiscal year (*i.e.*, the annual meeting held during the fiscal year running from August 1, 2020 through July 31, 2021).

PCN. With respect to PCN, the term of office of the Class II Trustees and David N. Fisher will expire at the Meeting; the term of office of the Class III Trustees will expire at the annual meeting of Shareholders held during the 2019-2020 fiscal year (*i.e.*, the annual meeting held during the fiscal year running from August 1, 2019 through July 31, 2020); and the term of office of the Class I Trustees will expire at the annual meeting of Shareholders held during the 2020-2021 fiscal year (*i.e.*, the annual meeting held during the fiscal year running from August 1, 2020 through July 31, 2021). Currently, Sarah E. Cogan, Deborah A. DeCotis and James A. Jacobson are Class II Trustees, David N. Fisher is a Class III Trustee and John C. Maney is a Class I Trustee. The Nominating Committee has recommended to the Board that Ms. Cogan be nominated for election as a Class II Trustee by the Common Shareholders and Preferred Shareholders, voting together as a single class, that John C. Maney, who currently serves as a Class I Trustee, be nominated for re-election as a Class II Trustee by the Common Shareholders and Preferred Shareholders, voting together as a single class, that Ms. DeCotis be nominated for re-election as a Class II Trustee by the Preferred Shareholders, voting as a separate class, that Mr. Jacobson, who currently serves as a Class II Trustee, be nominated for re-election as a Class I Trustee by the Common Shareholders and Preferred Shareholders, voting together as a single class, and that David N. Fisher be nominated for election as a Class III Trustee by the Common Shareholders and Preferred Shareholders, voting together as a single class, at the Meeting. Consistent with the Fund's Declaration, if elected or re-elected, as applicable, the nominees shall hold office for terms coinciding with the Classes of Trustees to which they have been designated. Therefore, if elected or re-elected, as applicable, at the Meeting, Mses. Cogan and DeCotis and Mr. Maney will serve terms consistent with the Class II Trustees, which will expire at the Fund's annual meeting of Shareholders for the 2021-2022 fiscal year (*i.e.*, the annual meeting held during the fiscal year running from August 1, 2021 through July 31, 2022), Mr. Jacobson will serve a term consistent with the Class I Trustees, which will expire at the Fund's annual meeting of Shareholders for the 2020-2021 fiscal year (*i.e.*, the annual meeting held during the fiscal year running from August 1, 2020 through July 31, 2021), and Mr. Fisher will serve a term consistent with the Class III Trustees, which will expire at the annual meeting of Shareholders held during the 2019-2020 fiscal year (*i.e.*, the annual meeting held during the fiscal year running from August 1, 2019 through July 31, 2020).

PKO. With respect to PKO, the term of office of the Class II Trustees and David N. Fisher will expire at the Meeting; the term of office of the Class III

Trustees will expire at the annual meeting of Shareholders held during the 2019-2020 fiscal year (*i.e.*, the annual meeting held during the fiscal year running from July 1, 2019 through June 30, 2020); and the term of office of the Class I Trustees will expire at the annual meeting of Shareholders held during the 2020-2021 fiscal year (*i.e.*, the annual meeting held during the fiscal year running from July 1, 2020 through June 30, 2021). Currently, Sarah E. Cogan, John C. Maney and James A. Jacobson are Class II trustees, William B. Ogden, IV is a Class I Trustee and David N. Fisher is a Class III Trustee. The Nominating Committee has recommended to the Board that Ms. Cogan be nominated for election by the Common Shareholders as a Class II Trustee, that William B. Ogden, IV, who currently serves as a Class I Trustee, and Mr. Maney be nominated for re-election as Class II Trustees by the Common Shareholders, that Mr. Jacobson, who currently serves as a Class II Trustee, be nominated for re-election as a Class I Trustee by the Common Shareholders, and that David N. Fisher be nominated for election as a Class III Trustee by the Common Shareholders at the Meeting. Consistent with the Fund's Declaration, if elected or re-elected, as applicable, the nominees shall hold office for terms coinciding with the Classes of Trustees to which they have been designated. Therefore, if elected or re-elected, as applicable, at the Meeting, Ms. Cogan and Messrs. Maney and Ogden will serve terms consistent with the Class II Trustees, which will expire at the Fund's annual meeting of Shareholders for the 2021-2022 fiscal year (*i.e.*, the annual meeting held during the fiscal year running from July 1, 2021 through June 30, 2022), Mr. Fisher will serve a term consistent with the Class III Trustees, which will expire at the annual meeting of Shareholders held during the 2019-2020 fiscal year (*i.e.*, the annual meeting held during the fiscal year running from July 1, 2019 through June 30, 2020), and Mr. Jacobson will serve a term consistent with the Class I Trustees, which will expire at the annual meeting of Shareholders held during the 2020-2021 fiscal year (*i.e.*, the annual meeting held during the fiscal year running from July 1, 2020 through June 30, 2021).

PCI. With respect to PCI, the term of office of the Class III Trustees and David N. Fisher will expire at the Meeting; the term of office of the Class I Trustees will expire at the annual meeting of Shareholders held during the 2019-2020 fiscal year (*i.e.*, the annual meeting held during the fiscal year running from July 1, 2019 through June 30, 2020); and the term of office of the Class II Trustees will expire at the annual meeting of Shareholders held during the 2020-2021 fiscal year (*i.e.*, the annual meeting held during the fiscal year running from July 1, 2020 through June 30, 2021). Currently Sarah E. Cogan, Deborah A. DeCotis and John C. Maney are Class III Trustees, William B. Ogden, IV is a Class I Trustee and David N. Fisher is a Class II Trustee. The Nominating Committee has recommended to the Board that Ms. Cogan be nominated for election as a Class III Trustee by the Common Shareholders, that William B. Ogden, IV, who currently serves as a Class I Trustee, and Ms. DeCotis be

nominated for re-election by the Common Shareholders as Class III Trustees, that Mr. Maney, who currently serves as a Class III Trustee, be nominated for re-election as a Class I Trustee by the Common Shareholders, and that David N. Fisher be nominated for election as a Class II Trustee by the Common Shareholders at the Meeting. Consistent with the Fund's Declaration, if elected or re-elected, as applicable, the nominees shall hold office for terms coinciding with the Classes of Trustees to which they have been designated. Therefore, if elected or re-elected, as applicable, at the Meeting, Mes. Cogan and DeCotis and Mr. Ogden will serve terms consistent with the Class III Trustees, which will expire at the Fund's annual meeting of Shareholders held during the 2021-2022 fiscal year (*i.e.*, the annual meeting held during the fiscal year running from July 1, 2021 through June 30, 2022), Mr. Maney will serve a term consistent with the Class I Trustees, which will expire at the annual meeting of Shareholders held during the 2019-2020 fiscal year (*i.e.*, the annual meeting held during the fiscal year running from July 1, 2019 through June 30, 2020), and Mr. Fisher will serve a term consistent with the Class II Trustees, which will expire at the annual meeting of Shareholders held during the 2020-2021 fiscal year (*i.e.*, the annual meeting held during the fiscal year running from July 1, 2020 through June 30, 2021).

All members of the Board of each of PCN, PTY, PKO and PCI are and will remain, if elected, Continuing Trustees, as such term is defined in the Declaration of the applicable Fund, having either served as Trustee since the inception of the Fund or for thirty-six months, or having been nominated by at least a majority of the Continuing Trustees then members of the Board. Pursuant to the Declaration of PCN, PTY, PKO and PCI, certain corporate actions and/or transactions involving the Fund outside of the ordinary course of business (including, among others, mergers, consolidations, significant dispositions of Fund assets, any shareholder proposals as to specific investment decisions and the conversion of the Fund to an open-end fund) would require the approval of 75% of the Fund's outstanding shares, unless approved by both a majority of the Board of Trustees and 75% of the Continuing Trustees (in which case shareholders have only the voting rights required by the 1940 Act with respect to such transaction or corporate action, if any).

At any annual meeting of Shareholders, any Trustee 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 by the Board) shall hold office for a term that coincides with the term (or any remaining term) of the Class of Trustees to which such office was previously assigned, if such vacancy arose other than by an increase in the number of Trustees, 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, any Trustee 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 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 or re-election at the Meeting, the respective Classes of Trustees to which they have been designated and the expiration of their respective terms if elected or re-elected, as applicable:

Trustee/Director/Nominee	Class	Expiration of Term if Elected/Re-Elected*
PCM		
Sarah E. Cogan	Class I	Annual Meeting held during the 2021-2022 fiscal year
David N. Fisher**	Class III	Annual Meeting held during the 2020-2021 fiscal year
James A. Jacobson	Class I	Annual Meeting held during the 2021-2022 fiscal year
William B. Ogden, IV	Class II	Annual Meeting held during the 2019-2020 fiscal year
John C. Maney**	Class I	Annual Meeting held during the 2021-2022 fiscal year
PTY		
Sarah. E. Cogan	Class II	Annual Meeting held during the 2019-2020 fiscal year
David N. Fisher**	Class III	Annual Meeting held during the 2020-2021 fiscal year
John C. Maney**	Class I	Annual Meeting held during the 2021-2022 fiscal year
William B. Ogden, IV	Class I	Annual Meeting held during the 2021-2022 fiscal year
Alan Rappaport	Class I	Annual Meeting held during the 2021-2022 fiscal year
PCN		
Sarah. E. Cogan	Class II	Annual Meeting held during the 2021-2022 fiscal year
David N. Fisher**	Class III	Annual Meeting held during the 2019-2020 fiscal year
Deborah A. DeCotis	Class II	Annual Meeting held during the 2021-2022 fiscal year
James A. Jacobson	Class I	Annual Meeting held during the 2020-2021 fiscal year
John C. Maney**	Class II	Annual Meeting held during the 2021-2022 fiscal year

Trustee/Director/Nominee	Class	Expiration of Term if Elected/Re-Elected*
PKO		
Sarah. E. Cogan	Class II	Annual Meeting held during the 2021-2022 fiscal year
David N. Fisher**	Class III	Annual Meeting held during the 2019-2020 fiscal year
John C. Maney**	Class II	Annual Meeting held during the 2021-2022 fiscal year
James A. Jacobson	Class I	Annual Meeting held during the 2020-2021 fiscal year
William B. Ogden, IV	Class II	Annual Meeting held during the 2021-2022 fiscal year
PCI		
Sarah. E. Cogan	Class III	Annual Meeting held during the 2021-2022 fiscal year
David N. Fisher**	Class II	Annual Meeting held during the 2020-2021 fiscal year
Deborah A. DeCotis	Class III	Annual Meeting held during the 2021-2022 fiscal year
John C. Maney**	Class I	Annual Meeting held during the 2019-2020 fiscal year
William B. Ogden, IV	Class III	Annual Meeting held during the 2021-2022 fiscal year

* A Trustee elected or re-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.

** Each of Mr. Fisher and Mr. Maney is an Interested Trustee/Nominee.

Under this classified Board structure, generally only those Trustees 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 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 save a vacancy).

Trustees and Officers

The business of each Fund is managed under the direction of the Fund's Board. Subject to the provisions of each Fund's Declaration or Articles, its Bylaws and applicable state law, the Trustees have all powers necessary and convenient to carry out their responsibilities, including the election and removal of the Fund's officers.

Board Leadership Structure Currently, and assuming the nominees are elected as proposed, the Board of Trustees of each Fund consists and will continue to consist of nine Trustees, seven of whom are Independent Trustees. An Independent Trustee serves as Chair of the Board and is selected by a vote of the majority of the Independent Trustees. The Chair of the Board presides at meetings of the Board and acts as a liaison with service providers, officers, attorneys and other Trustees generally between meetings, and performs such other functions as may be requested by the Board from time to time.

The Board of each Fund 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 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 has established six standing Committees to facilitate oversight of the management of the Funds: the Audit Oversight Committee, the Nominating Committee, the Valuation Oversight Committee, the Compensation Committee, the Contracts Committee and the Performance 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, which the Board believes allows them to participate in the full range of the Board's oversight duties. In addition, the Performance Committee consists of all the Trustees.

The Board reviews its leadership structure periodically and has determined that this leadership structure, including an Independent Chair, a supermajority of Independent Trustees and Committee membership limited to Independent Trustees (with the exception of the Performance Committee), 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 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 overseen by the Board that are advised by the Manager or have an investment adviser that is an affiliated person of the Manager (the Fund

Complex), the variety of asset classes those portfolios include, the assets of each Fund and the other portfolios overseen by the Board in the Fund Complex and the management and other service arrangements of each Fund and such other portfolios. The Board also believes that its structure, including the presence of two Trustees who are executives with the Manager or Manager-affiliated entities, facilitates an efficient flow of information concerning the management of each Fund to the Independent Trustees.

Risk Oversight Each of the Funds has retained the Manager to provide investment advisory services and administrative services. Accordingly, the Manager is immediately 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, chief compliance officer and chief legal officer. The Manager and the Funds' other service providers have adopted policies, processes, and procedures to identify, assess and manage different types of risks associated with each Fund's activities. The Board oversees the performance of these functions by the Manager and the Funds' other service providers, both directly and through the Committee structure it has established. The Board receives from the Manager 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 i