PIMCO

# PIMCO High Yield Fund

## Quarterly Investment Report | 1Q24

**IMPORTANT NOTICE**
Please note that this material contains the opinions of the manager as of the date noted, and may not have been updated to reflect real time market developments. All opinions are subject to change without notice.

A company of Allianz

# Executive summary

| | |
|---|---|
| **Class:** | **INST** |
| **Inception date:** | **15 Dec '92** |
| **Fund assets (in millions):** | **$8,529.01** |
| **Gross expense ratio:** | **0.57%** |
| **Adjusted expense ratio:** | **0.55%** |

The Adjusted Expense Ratio excludes certain investment expenses, such as interest expense from borrowings and repurchase agreements and dividend expense from investments on short sales, incurred directly by the Fund or indirectly through the Fund's investments in underlying PIMCO Funds (if applicable), none of which are paid to PIMCO.

## Portfolio Performance

During Q1, the High Yield Fund underperformed its benchmark by -18 bps after fees (institutional share class).

**CONTRIBUTORS**

- •Security selection in Transportation
- •Security selection in Healthcare
- •Allocation to Cable & Satellite

**DETRACTORS**

- •Security selection in Wireless
- •Allocation to Wireless
- •Allocation to Retail

| Performance periods ended 31 Mar '24 | 3 mos. | 6 mos. | 1 yr. | 3 yrs. | 5 yrs. | 10 yrs. | SI |
|---|---|---|---|---|---|---|---|
| Fund before fees | 1.26 | 8.94 | 10.25 | 2.45 | 4.15 | 4.62 | 7.52 |
| Fund after fees | 1.12 | 8.65 | 9.65 | 1.89 | 3.59 | 4.05 | 6.96 |
| Benchmark* | 1.30 | 8.51 | 10.13 | 2.07 | 3.98 | 4.36 | 6.76 |

*Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Investment return and the principal value of an investment will fluctuate. Shares may be worth more or less than original cost when redeemed. Current performance may be lower or higher than performance shown. For performance current to the most recent month end, visit pimco.com or call 888.87.PIMCO.*

## Portfolio strategy

We continue to emphasize sectors that are asset-rich and defensive in nature, favoring industries that we expect to benefit from secular trends, have the opportunity to de-lever and may benefit from merger activity. Conversely, we are cautious towards sectors with unfavorable valuations and those that face secular headwinds.

•We like industries with favorable cyclical and secular trends, and favor companies with stable cash flows and strong barriers to entry.

•We are cautious on sectors that are highly levered, asset-lite, and facing secular headwinds.

| Summary information | 31 Mar '24 |
|---|---|
| 30-day SEC yield | 6.32% |
| Distribution yield | 6.02% |
| Effective duration (yrs) | 3.06 |
| Benchmark duration - provider (yrs) | 3.33 |
| Benchmark duration - PIMCO (yrs) | 3.14 |
| Effective maturity (yrs) | 4.69 |
| Average coupon | 5.63% |
| Net currency exposure | 0.01% |
| Tracking error (10 yrs) | 0.81 |
| Information ratio (10 yrs) | -0.39 |

| Top 5 overweights (MV%) | Portfolio | BM* |
|---|---|---|
| Airlines | 2.72 | 1.51 |
| Lodging | 5.28 | 4.26 |
| Media Cable | 6.28 | 5.35 |
| Pipelines | 6.44 | 5.73 |
| Aerospace/Defense | 3.19 | 2.48 |

| Top 5 underweights (MV%) | Portfolio | BM* |
|---|---|---|
| Retailers | 2.00 | 3.95 |
| Metals & Mining | 1.22 | 2.55 |
| Wireless | 0.39 | 1.56 |
| Automotive | 1.07 | 2.23 |
| Home Construction | 0.01 | 1.08 |

*ICE BofAML U.S. High Yield, BB-B Rated, Constrained Index;

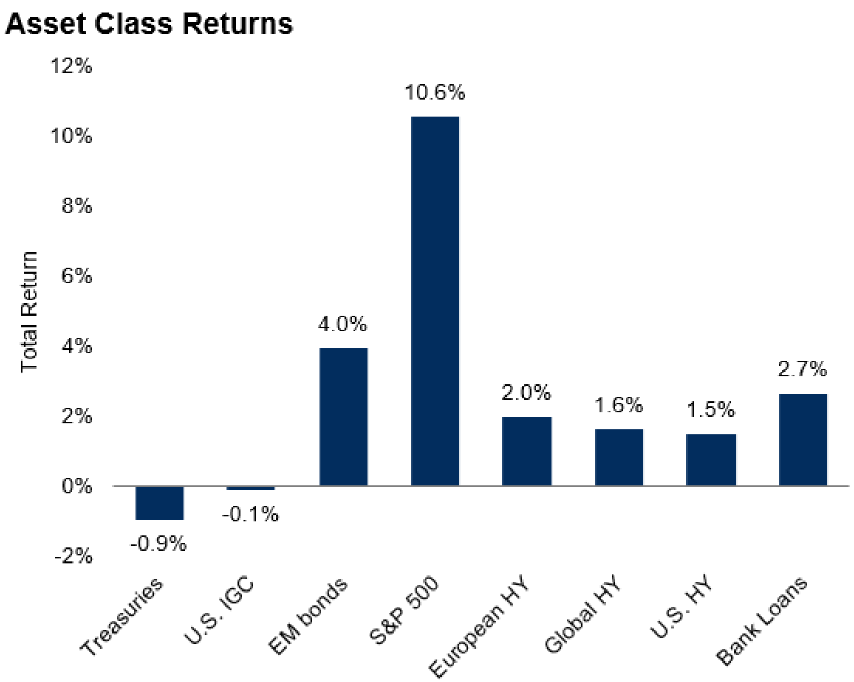


PIMCO

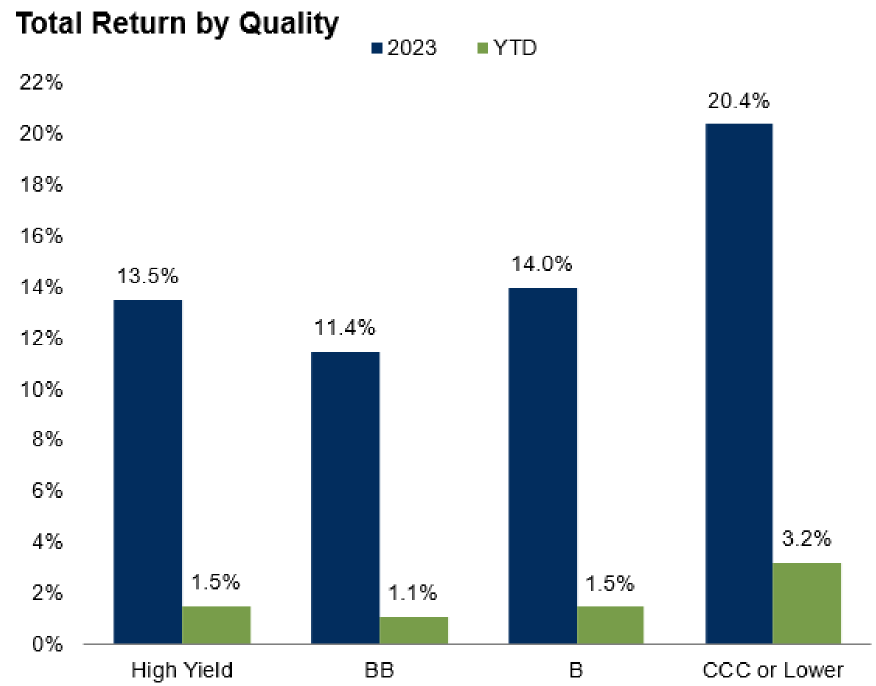
# Quarter in Review

## Persistent inflation pushed yields and year-end rate projections higher

A perceived “last mile” problem in the Fed’s battle against inflation led bond markets to retrace their Q4’23 rally and bring expectations for 2024 cuts in line with the Fed’s dot plot. Risk sentiment remained robust despite the possibility of “higher-for-longer” rates, with the MSCI World finishing the quarter up 9.01% and credit spreads broadly tightening. The Fed paused once again and maintained its forecast for three 25-basis-point rate cuts in 2024. Global developed central banks largely followed suit, with both the ECB and BoE leaving rates on hold. Meanwhile, in Japan, the BoJ raised its policy rate for the first time since 2007, marking the end of negative interest rate policies.




High yield rallied in the first quarter with a total return of +1.5% as spreads tightened from Q4 to Q1.




Lower quality cohorts outperformed this quarter with CCCs outpacing BBs and Bs in Q1.

Source: Treasuries: ICE BofA US Treasury Index; U.S. IGC: ICE BofA US Corporate Index; EM Bonds: ICE BofA High Yield Emerging Markets Corporate Plus Index; European HY: ICE BofA Euro High Yield Index; Global HY: ICE BofA Developed Markets High Yield Index; U.S. HY: ICE BofA US High Yield Index; Bank Loans: JPM Leveraged Loan Index

Source: ICE BofA Merrill Lynch U.S. High Yield Index

# Market Summary

## The Fund's underperformance in the first quarter was primarily driven by security selection in Transportation and Healthcare.

During Q1, the High Yield Fund underperformed its benchmark by -18 bps after fees (institutional share class).

### Transportation

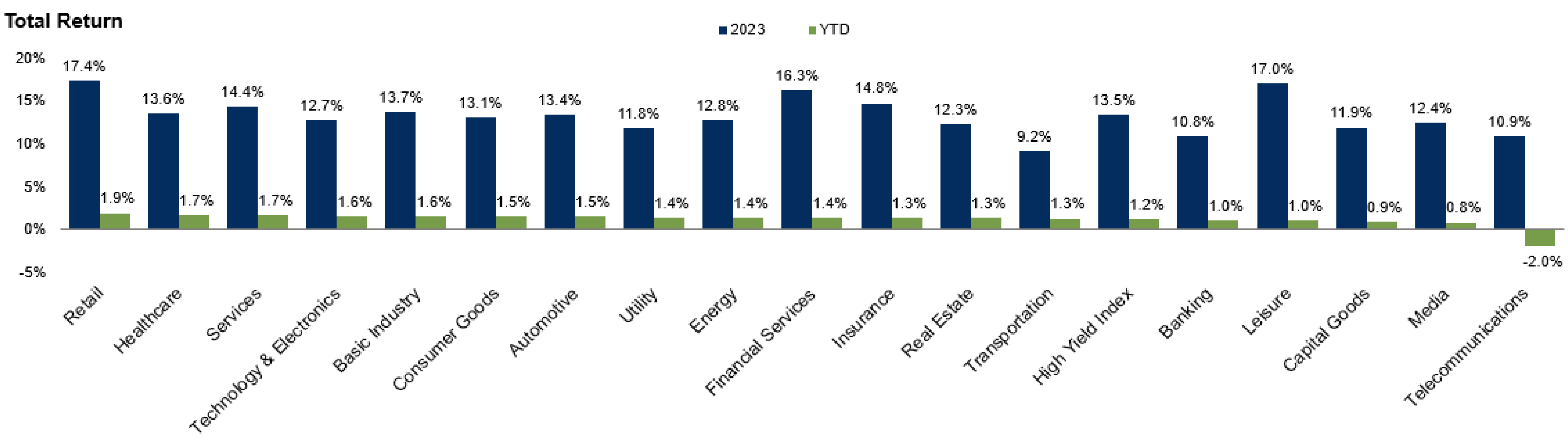
Security selection within the transportation sector contributed to performance, in particular an allocation to a select issuer operating one of the largest ultra-low cost carriers in the United States, operating more than 480 daily flights to 60 destinations in the United States, Caribbean, and Latin America.

### Healthcare

Security selection within the healthcare sector contributed to performance, in particular an allocation to a select issuer that operates as a pharmaceutical company focused on the gastrointestinal, dermatology, and branded generics product segments.

### Wireless

Security selection within the wireless sector detracted from performance, in particular an allocation to a select issuer that provides broadband communications and video services.




Source: ICE BofA Merrill Lynch U.S. High Yield Index

## Investment implications:
## Opportune time to consider going active in global fixed income

| | |
|---|---|
| **Look global** | Greater-than-usual focus on bond markets outside of the U.S. |
| **Lock in elevated yields** | Intermediate maturities can offer a “sweet spot” with markets expecting cash rates to fall |
| **Favor high quality** | Up-in-quality bias in both public and private credit markets |
| **Go active** | Differentiated macro paths present compelling opportunities for active investors |

Source: PIMCO

# Portfolio Outlook

## Strategic Outlook

Tight financial conditions are expected to weigh on strong fundamentals with a lag, yet defaults should remain in-line with historical averages, while loss-adjusted yields remain relatively attractive. Variation in sector and company fundamentals should translate into increased sectoral dispersion and ratings decompression, creating opportunities for active management. The high yield market size should decrease on low net supply while demand will likely remain sensitive to broader macro developments, creating a potential technical bid for the asset class.

**Key strategies**

**Cautiously Constructive**

While we continue to favor defensive sectors with stable cash flows and strong barriers to entry. For example, healthcare is one of our larger overweight positions.

**Industry Weightings**

We continue to focus on industries with strong asset coverage, manageable leverage levels, and favorable secular and cyclical trends, such as building materials and healthcare. We are cautious on industries that are facing meaningful secular challenges such as wirelines and retail.

**Regional Exposure**

We favor U.S. high yield as the U.S. market offers greater liquidity, higher yields on an absolute level, and a broader and more diverse buyer base.

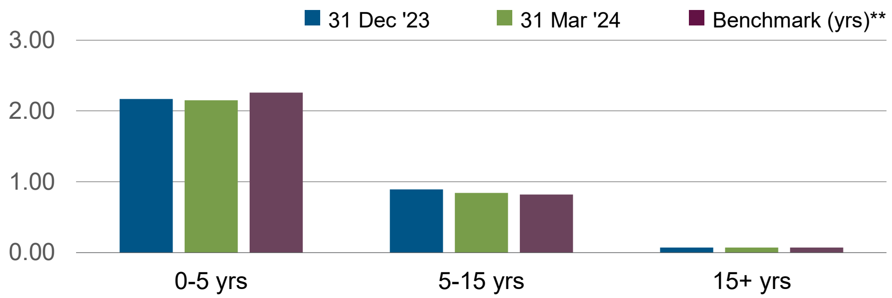
**Credit Opportunities**

We continue to look for credits that have resilient operating trends and have relatively attractive valuations.

Fallen angels: Companies downgraded from investment grade to high yield.

# Portfolio characteristics

Key rate duration exposure




| | Portfolio (yrs) | | Benchmark (yrs)** |
|---|---|---|---|
| | 31 Dec '23 | 31 Mar '24 | 31 Mar '24 |
| 0-5 yrs | 2.17 | 2.15 | 2.26 |
| 5-15 yrs | 0.89 | 0.84 | 0.82 |
| 15+ yrs | 0.07 | 0.07 | 0.07 |
| **Total** | **3.13** | **3.06** | **3.15** |

Interest rate exposure

| | Portfolio (yrs) | | Benchmark (yrs)** |
|---|---|---|---|
| | 31 Dec '23 | 31 Mar '24 | 31 Mar '24 |
| Effective duration | 3.13 | 3.06 | 3.14 |
| Bull market duration | 3.01 | 2.94 | 3.00 |
| Bear market duration | 3.22 | 3.16 | 3.25 |
| **Spread duration** | | | |
| Mortgage spread duration | 0.00 | 0.00 | 0.00 |
| Corporate spread duration | 3.44 | 3.44 | 3.35 |
| Emerging markets spread duration | 0.00 | 0.00 | 0.02 |
| Swap spread duration | -0.00 | -0.00 | 0.00 |
| Covered bond spread duration | 0.00 | 0.00 | 0.00 |
| Sovereign related spread duration | 0.00 | 0.00 | 0.00 |

Derivative exposure (% of duration)

| | 31 Dec '23 | 31 Mar '24 |
|---|---|---|
| **Government futures** | -0.53 | -2.78 |
| **Interest rate swaps** | 0.00 | 0.00 |
| **Credit default swaps*** | 8.07 | 5.15 |
| Purchased swaps | 0.00 | 0.00 |
| Written swaps | 8.07 | 5.15 |
| **Options** | 0.00 | 0.00 |
| Purchased Options | 0.00 | 0.00 |
| Written Options | 0.00 | 0.00 |
| **Mortgage Derivatives** | 0.00 | 0.00 |
| **Money Market Derivatives** | 0.00 | 0.00 |
| Futures | 0.00 | 0.00 |
| Interest rate swaps | 0.00 | 0.00 |
| **Other Derivatives** | 0.00 | 0.00 |

* Shown as a percentage of market value

**Benchmark duration is calculated by PIMCO
Benchmark: ICE BofAML U.S. High Yield, BB-B Rated, Constrained Index

# Additional share class performance

PIMCO High Yield Fund (net of fees performance)

| Performance periods ended: 31 Mar '24 | Maximum Sales Charge (Load) | Maximum Deferred Sales Charge (Load) | Gross expense ratio | Net expense ratio | Adjusted expense ratio | NAV currency | Class Inception date | 3 mos. | 6 mos. | 1 yr. | 3 yrs. | 5 yrs. | 10 yrs. | SI |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Class A (at NAV) | 3.75 | 1.00 | 0.92 | - | 0.90 | USD | 13 Jan '97 | 1.04 | 8.46 | 9.27 | 1.53 | 3.22 | 3.69 | 6.57 |
| Class A (at MOP) | 3.75 | 1.00 | 0.92 | - | 0.90 | USD | 13 Jan '97 | -2.75 | 4.39 | 5.18 | 0.25 | 2.44 | 3.29 | 6.41 |
| Class ADMIN | - | - | 0.82 | - | 0.80 | USD | 16 Jan '95 | 1.06 | 8.51 | 9.38 | 1.63 | 3.33 | 3.79 | 6.70 |
| Class C (at NAV) | - | 1.00 | 1.67 | - | 1.65 | USD | 13 Jan '97 | 0.85 | 8.06 | 8.47 | 0.78 | 2.45 | 2.92 | 5.78 |
| Class C (at MOP) | - | 1.00 | 1.67 | - | 1.65 | USD | 13 Jan '97 | -0.15 | 7.06 | 7.47 | 0.78 | 2.45 | 2.92 | 5.78 |
| Class I-2 | - | - | 0.67 | - | 0.65 | USD | 30 Apr '08 | 1.10 | 8.59 | 9.54 | 1.79 | 3.48 | 3.95 | 6.85 |
| Class I-3 | - | - | 0.77 | 0.72 | 0.70 | USD | 27 Apr '18 | 1.08 | 8.57 | 9.49 | 1.73 | 3.43 | 3.90 | 6.77 |
| Class INST | - | - | 0.57 | - | 0.55 | USD | 15 Dec '92 | 1.12 | 8.65 | 9.65 | 1.89 | 3.59 | 4.05 | 6.96 |
| Class R | - | - | 1.17 | - | 1.15 | USD | 31 Dec '02 | 0.97 | 8.33 | 9.00 | 1.28 | 2.97 | 3.43 | 6.30 |
| ICE BofAML U.S. High Yield, BB-B Rated, Constrained Index | | | | | | | | 1.30 | 8.51 | 10.13 | 2.07 | 3.98 | 4.36 | 6.76 |

The Net Expense Ratio for the I-3 Class reflects a contractual supervisory and administrative fee waiver and/or expense reduction in place through 31 July 2024 and renews automatically for a full year unless terminated by PIMCO in accordance with the terms of the agreement. See the Fund's prospectus for more information.

The Adjusted Expense Ratio excludes certain investment expenses, such as interest expense from borrowings and repurchase agreements and dividend expense from investments on short sales, incurred directly by the Fund or indirectly through the Fund's investments in underlying PIMCO Funds (if applicable), none of which are paid to PIMCO.

Class A shares are subject to an initial sales charge (as a percentage of offering price). A CDSC (as a percentage of the lower of the original purchase price or redemption price) may be imposed in certain circumstances on Class A shares that are purchased without an initial sales charge and then redeemed during the first 12 months after purchase. Class C shares are subject to a CDSC, which may apply in the first year.

*Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Investment return and the principal value of an investment will fluctuate. Shares may be worth more or less than original cost when redeemed. Current performance may be lower or higher than performance shown. For performance current to the most recent month end, visit pimco.com or call 888.87.PIMCO.The maximum offering price (MOP) returns take into account the Class A maximum initial sales charge of 3.75%.The maximum offering price (MOP) returns take into account the contingent deferred sales charge (CDSC) for Class C shares, which for this fund is 1.00%.*

For the periods prior to the inception date of a share class, performance information is based on the performance of the Fund's oldest class shares, adjusted to reflect the fees and expenses paid by that class of shares.

# Important Disclosures

*This material is authorized for use only when preceded or accompanied by the current PIMCO funds prospectus or summary prospectus, if available.*

**Past performance is not a guarantee or a reliable indicator of future results.** The performance figures presented reflect the total return performance, unless otherwise noted, after fees and reflect changes in share price and reinvestment of dividend and capital gain distributions. All periods longer than one year are annualized. Periods less than one year are cumulative. The minimum initial investment for Institutional, I-2, I-3 and Administrative class shares is $1 million; however, it may be modified for certain financial intermediaries who submit trades on behalf of eligible investors.

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.

Differences in the Fund's performance versus the index and related attribution information with respect to particular categories of securities or individual positions may be attributable, in part, to differences in the pricing methodologies used by the Fund and the index.

Investments made by a Fund and the results achieved by a Fund are not expected to be the same as those made by any other PIMCO-advised Fund, including those with a similar name, investment objective or policies. A new or smaller Fund's performance may not represent how the Fund is expected to or may perform in the long-term. New Funds have limited operating histories for investors to evaluate and new and smaller Funds may not attract sufficient assets to achieve investment and trading efficiencies. A Fund may be forced to sell a comparatively large portion of its portfolio to meet significant shareholder redemptions for cash, or hold a comparatively large portion of its portfolio in cash due to significant share purchases for cash, in each case when the Fund otherwise would not seek to do so, which may adversely affect performance.

**A word about risk: 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. 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. 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. **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. **Equities** may decline in value due to both real and perceived general market, economic, and industry conditions. **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. **Diversification** does not ensure against loss.

Portfolio allocations and other information in the charts in this Quarterly Investment Report are based on the fund's net assets. These percentages may differ from those used for the fund's compliance calculations, including the fund's prospectus, regulatory, and other investment limitations and policies, which may be based on total assets of the fund or other measurements, may include or exclude various categories of investments from those covered in the portfolio allocation categories shown in this report, and may be based on different classifications and measurements of the fund's investments and other criteria. All funds are separately monitored for compliance with prospectus and regulatory requirements.

Statements concerning financial market trends or portfolio strategies are based on current market conditions, which will fluctuate. There is no guarantee that these investment strategies will work under all market conditions or are appropriate for all investors and each investor should evaluate their ability to invest for the long term, especially during periods of downturn in the market. Outlook and strategies are subject to change without notice.

# Important Disclosures

Forecasts, estimates and certain information contained herein are based upon proprietary research and should not be interpreted as investment advice, as an offer or solicitation, nor as the purchase or sale of any financial instrument. Forecasts and estimates have certain inherent limitations, and unlike an actual performance record, do not reflect actual trading, liquidity constraints, fees, and/or other costs. In addition, references to future results should not be construed as an estimate or promise of results that a client portfolio may achieve.

ICE BofAML U.S. High Yield, BB-B Rated, Constrained Index tracks the performance of BB-B Rated U.S. Dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Qualifying bonds are capitalization-weighted provided the total allocation to an individual issuer (defined by Bloomberg tickers) does not exceed 2%. Issuers that exceed the limit are reduced to 2% and the face value of each of their bonds is adjusted on a pro-rata basis. Similarly, the face value of bonds of all other issuers that fall below the 2% cap are increased on a pro-rata basis. It is not possible to invest directly in an unmanaged index.

The following defined terms are used throughout the report. Emerging market short duration instruments includes an emerging market security or other instrument economically tied to an emerging market country by country of risk with an effective duration less than one year and rated investment grade or higher or if unrated, determined to be similar quality by PIMCO. Net other short duration instruments includes securities and other instruments (except instruments tied to emerging markets by country of risk) with an effective duration less than one year and rated investment grade or higher or, if unrated, determined by PIMCO to be of comparable quality, commingled liquidity funds, uninvested cash, interest receivables, net unsettled trades, broker money and derivatives offset. With respect to certain categories of short duration securities, the Adviser reserves the discretion to require a minimum credit rating higher than investment grade for inclusion in this category. Short duration derivatives and derivatives offsets include: 1) derivatives with an effective duration less than one year and where the country of risk is not an emerging market country (for example, Eurodollar futures) and 2) offsets associated with investments in futures, swaps and other derivatives. Such offsets may be taken at the notional value of the derivative position which in certain instances may exceed the actual amount owed on such positions. Municipals/Other may include convertibles, preferred and yankee bonds.

**The performance figures presented reflect the performance for the institutional class unless otherwise noted.**

**A note about Sector exposure:** Other indicates swaps and securities issued in euros.

**A note about Emerging markets exposure by country of risk:** country of risk reflects the country of incorporation of the ultimate parent company.

PIMCO uses an internal model for calculating effective duration, which may result in a different value for the duration of an index compared to the duration calculated by the index provider or another third party.

PIMCO as a general matter provides services to qualified institutions, financial intermediaries and institutional investors. Individual investors should contact their own financial professional to determine the most appropriate investment options for their financial situation. This material contains the current opinions of the manager and such opinions are subject to change without notice. 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. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed. 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, distributor**, 1633 Broadway, New York, NY, 10019 is a company of PIMCO 

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# Important Disclosures

Acronyms and definitions of investment terms used throughout the report:

**Alpha** is a measure of performance on a risk-adjusted basis calculated by comparing the volatility (price risk) of a portfolio vs. its risk-adjusted performance to a benchmark index; the excess return relative to the benchmark is alpha.

**Average coupon** is the average of the coupon payments of the underlying bonds within the portfolio.

**Average effective maturity** is a weighted average of all the maturities of the bonds in a portfolio, computed by weighting each bond's effective maturity by the market value of the security.

**"Bend-but-not-break"** refers to credits that PIMCO would not expect to default in a credit-stressed environment.

**Beta** is a measure of price sensitivity to market movements. Market beta is 1.

**Breakeven inflation rate** (or expectation) is a market-based measure of expected inflation or the difference between the yield of a nominal and an inflation-linked bond of the same maturity.

**Carry** is the rate of interest earned by holding the respective securities.

The terms **"cheap" and "rich"** as used herein generally refer to a security or asset class that is deemed to be substantially under- or overpriced compared to both its historical average as well as to the investment manager's future expectations. There is no guarantee of future results or that a security's valuation will ensure a profit or protect against a loss.

**CPI** is the Consumer Price Index.

The **credit quality** of a particular security or group of securities does not ensure the stability or safety of an overall portfolio. The quality ratings of individual issues/issuers are provided to indicate the credit-worthiness of such issues/issuer and generally range from AAA, Aaa, or AAA (highest) to D, C, or D (lowest) for S&P, Moody's, and Fitch respectively.

**Dividend yield** is represented by the weighted average coupon divided by the weighted average price.

**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.

**Forward curve** is a function graph that defines the prices at which a contract for future delivery or payment can be concluded today.

**Fallen angel** is a bond that was initially given an investment grade rating but has since been reduced to below investment grade status.

**GFC** is the Global Financial Crisis.

**Information ratio** is a ratio of portfolio returns above the returns of a benchmark to the volatility of those returns.

**Like-duration Securities** are calculated by the index provider by comparing the index return to a hypothetical matched position in the security.

**LNG** is Liquefied Natural Gas.

The **Option Adjusted Spread (OAS)** measures the spread over a variety of possible interest rate paths. A security's OAS is the average return an investor will earn over Treasury returns, taking all possible future interest rate scenarios into account. The OAS is the net spread over the swap curve that will on average be earned if the security is held to maturity.

**Rising star** is the term given to a bond that was rated high yield but has since been upgraded to investment grade.

**"Risk assets"** are any financial security or instrument that are likely to fluctuate in price.

**Risk premia** is the return in excess of the risk-free rate of return an investment is expected to yield.

**Roll yield** is the yield that a futures investor captures as their long position in a futures contract converges to the spot price.

**"Safe haven"** is an investment that is expected to retain or increase in value during times of market turbulence.

**"Safe Spread"** is defined as sectors that we believe are most likely to withstand the vicissitudes of a wide range of possible economic scenarios. All investments contain risk and may lose value.

The **SEC yield** is an annualized yield based on the most recent 30 day period. The subsidized yield includes contractual expense reimbursements and it would be lower without those reimbursements. The **Unsubsidized 30 day SEC Yield** excludes contractual expense reimbursements.

**Tracking error** measures the dispersion or volatility of excess returns relative to a benchmark.

To relate the price sensitivity of ILBs to changes in nominal yields, yield beta is applied to nominal changes to arrive at a price sensitivity of ILBs to changes in nominal rates. A **yield beta** of 0.90 implies that if nominal yields move 100 basis points, real yields will move 90 basis points. ILBs with long maturity may respond differently to changes in nominal rates than shorter maturity ILBs.

The distribution yield for monthly paying Funds is calculated by annualizing actual dividends distributed for the monthly period ended on the date shown and dividing by the net asset value on the last business day for the same period. The distribution yield for quarterly paying Funds is calculated by taking the average of the prior four quarterly distribution yields. The quarterly distribution yields are calculated by annualizing actual dividends distributed for the quarterly period ended on the most recent quarterly distribution date and dividing by the net asset value for the same date. The yield does not include long- or short-term capital gains distributions.

Asset-Backed Security (ABS); Bank of England (BOE); Bank of Japan (BOJ); Breakeven Inflation (BEI); Collateralized Debt Obligation (CDO); Collateralized Loan Obligation (CLO); Commercial Mortgage-Backed Security (CMBS); Developed Markets (DM); Emerging Markets (EM); Federal Reserve Board (The Fed); Europe Central Bank (ECB); Federal Open Market Committee (FOMC); Foreign Exchange (FX); Gross Domestic Product (GDP); Gulf Cooperation Council (GCC); High Yield (HY); Inflation-Linked Bond (ILS); Investment Grade (IG); Leveraged-buyout (LBO); Loan-to-Value (LTV); Master Limited Partnership (MLP); Mortgage-Backed Security (MBS); Market Weighted Spread (MWS); Real Estate Investment Trust (REIT); Residential Mortgage-Backed Security (RMBS); Treasury Inflation-Protected Security (TIPS); Year-over-Year (YoY)

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