PIMCO Global Core Asset Allocation 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.

Executive summary

Portfolio Performance

Over the quarter, the Global Core Asset Allocation Fund had positive absolute returns of 5.36%, outperforming its benchmark by 48 bps (after institutional share class fees). The Fund's overweight exposure to U.S. and South Korean equities, and securitized credit contributed to positive relative performance. Outperformance was partially offset by European duration positioning and an overweight to a basket of biotech stocks that are potential M&A targets.

CONTRIBUTORS

- Overweight to U.S. equities
- Overweight to securitized credit
- Overweight to South Korean equities

DETRACTORS

- Eurozone duration positioning
- Overweight a basket of biotech stocks that are potential M&A targets
- Overweight to U.K. duration

Performance periods ended 31 Mar '24	3 mos.	6 mos.	1 yr.	3 yrs.	5 yrs.	10 yrs.	SI
Fund after fees	5.36	15.68	14.66	2.34	6.05	5.77	5.76
Benchmark*	4.88	14.36	15.37	3.79	7.08	6.27	7.84

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

- The Global Core Asset Allocation Fund uses a globally diversified investment approach, allocating across all liquid asset classes, regions, and sectors to help benefit from global opportunities while also striving to limit downside risks across market environments.
- We are slightly overweight risk as we see early signs of a re-acceleration in the global economy. We believe the economy is “late cycle,” and we expect regional divergence in monetary policy as the outlooks for inflation and growth differ by country. We favor higher quality exposures across asset classes and emphasize diversification in the current environment.

*60% MSCI All Country World Index (ACWI) and 40% Bloomberg Global Aggregate USD Hedged Index

Class:	**INST**
Inception date:	**29 Oct '08**
Fund assets (in millions):	**$223.95**
Gross expense ratio:	**1.16%**
Net expense ratio:	**1.08%**

The Net Expense Ratio reflects a contractual fee waiver and/or expense reduction, which is 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 Net Expense Ratio reflects a contractual fee waiver related to the Fund's subsidiary that will not terminate so long as PIMCO's advisory contract with the Fund's subsidiary is in place.

Adjusted expense ratio: **0.95%**

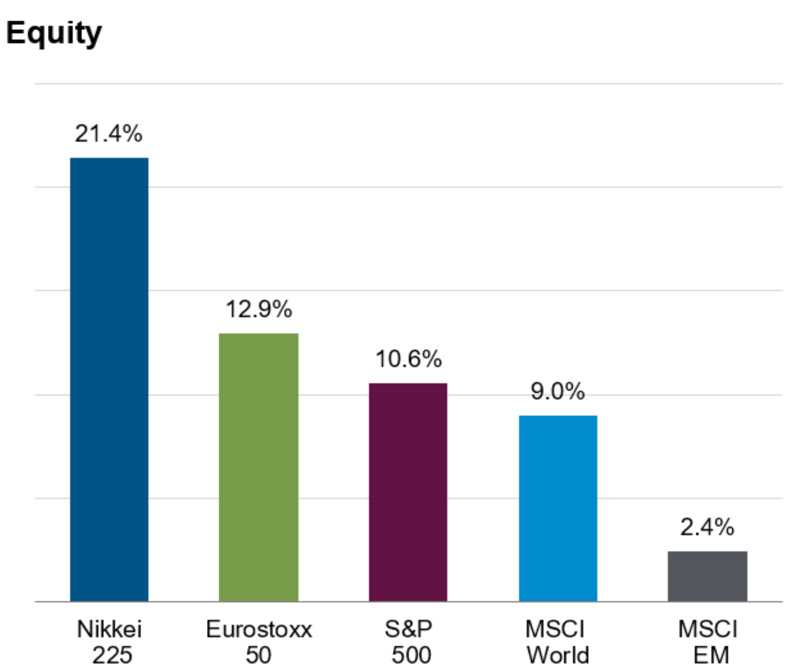
The Adjusted Expense Ratio excludes certain investment expenses, such as interest expense from borrowings and repurchase agreements and dividend expense from investments on short sales, incurred directly by the Fund or indirectly through the Fund's investments in underlying PIMCO Funds (if applicable),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

Sector diversification	Market value
U.S. Equities	43.1%
Developed ex-U.S. Equities	15.0%
Emerging Markets Equities	8.7%
U.S. Fixed Income	38.8%
Developed ex-U.S. Fixed Income	35.0%
Emerging Markets Fixed Income	15.6%
Commodities	-0.5%
Net Other Short Duration Instruments	-55.7%

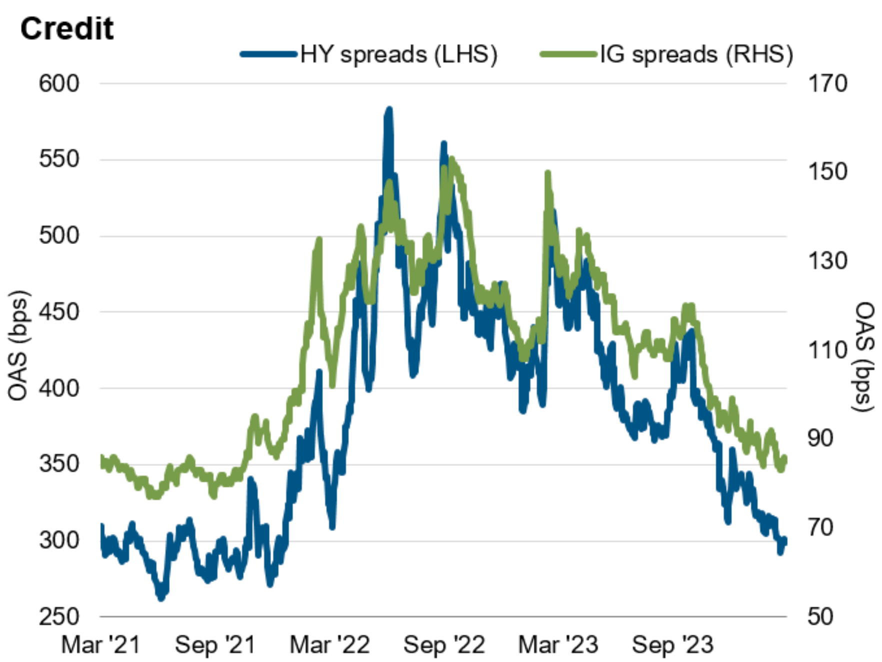
Quarter in Review

Strong economic growth and the prospect of accommodative monetary policy drove equity markets higher in Q1

As we progressed into the new year, optimism around a soft landing continued with U.S. GDP growing at an annualized +3.4% in Q4 and business confidence indicators signaling improving conditions. This supportive backdrop set the scene for equity indices in the U.S. and Japan to reach record highs. In fixed income markets, in the context of a sharp fall in yields over Q4 of last year, expectations over the extent of rate cuts moderated in this first quarter and we saw broad losses across the majority of sovereign bond markets, on the back of concerns over a persistence in inflation.



The first quarter of the year saw a continuation of equity strength with the S&P 500 delivering strong returns over the period, driven by support from large cap tech. Japanese equities reached record highs, as the BOJ ended the era of ultra-accommodative monetary policy amid reflating growth and the return of inflation.



In credit, both investment grade and high yield spreads moved tighter over the quarter, given resilience in economic growth indicators.

Source: Bloomberg.

Source: Bloomberg; "HY spreads" are represented by Bloomberg U.S. High Yield Average OAS index. "IG spreads" are represented by Bloomberg U.S. Aggregate Credit Average OAS index. BOJ: Bank of Japan.

Market Summary

Performance

The Fund had positive absolute returns during Q1 2024. Relative to the benchmark, the Fund outperformed as an overweight to equities, particularly in the U.S. and South Korea, and securitized credit contributed to relative performance. European duration positioning and an overweight to a basket of biotech stocks that are potential M&A targets detracted from relative performance.

Equities

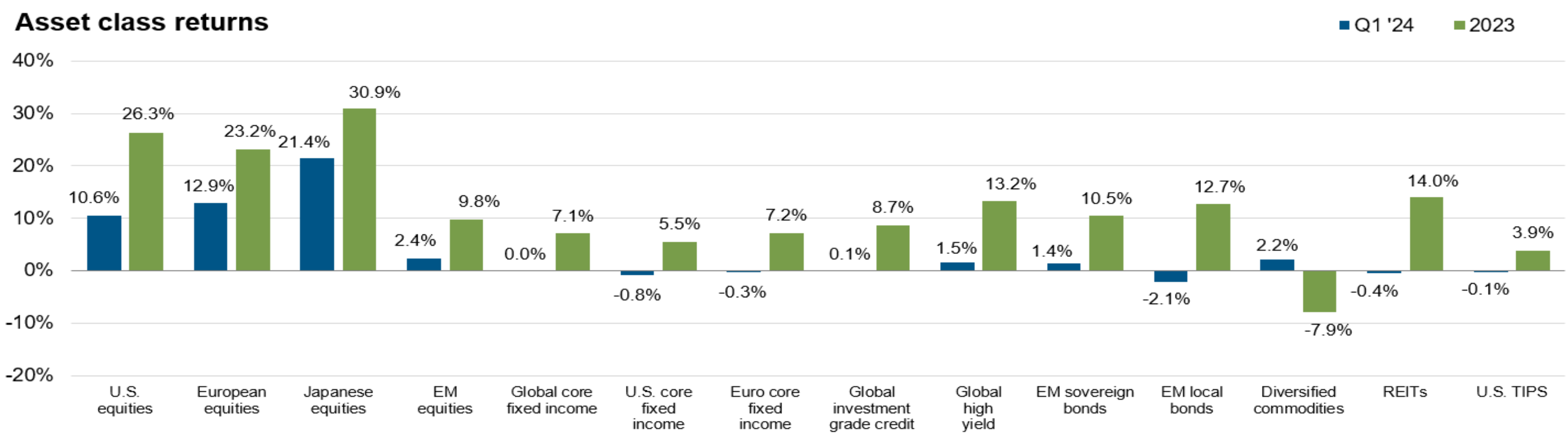
Developed market equities rose in the first quarter, against an improving macro-economic backdrop, AI enthusiasm, and the prospect of interest-rate cuts. Emerging market equities also posted positive returns, following strong performance in South Korea and China.

Rates

Yields rose broadly across developed markets as inflation remained firm and economic activity robust, particularly in the U.S. While central banks generally held policy rates steady, dovish remarks from officials bolstered risk sentiment even as investors adjusted expectations for rate cuts in 2024. In Japan, the BOJ hiked rates for the first time in 17 years, ending its negative interest rate policy.

Credit

Investment grade, high yield, and emerging markets spreads tightened over the quarter. Emerging markets spreads outperformed relative to investment grade and high yield credit.



Source: BofA, JPMorgan, Bloomberg; U.S. equities: S&P 500 Index; European equities: Eurostoxx 50 Index; Japanese equities: Nikkei 225 Index; EM Equities: MSCI EM Index; Global core fixed income: Blomberg Global Aggregate Index; U.S. core fixed income: Bloomberg U.S Aggregate Index; Euro core fixed income: Bloomberg Euro Aggregate Index; Global investment grade credit: Bloomberg Global Aggregate Credit Index; U.S. high yield: ICE BofAML BB-B Rated Developed Markets High Yield Constrained Index; EM sovereign bonds: JP Morgan EMBI Index; EM local bonds: JPMorgan GBI-EM Global Diversified Index; U.S. TIPS: Bloomberg U.S. Treasury Inflation; REITs: Dow Jones U.S. Select REIT Total Return Index; Diversified commodities: Bloomberg Commodity Total Return 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

We are more constructive on overall risk as a soft landing appears achievable in the U.S. Continued economic resilience supports this possibility, though we continue to see both up- and downside risks – namely the risks of reaccelerating inflation and possible recession. We expect the trajectories of developed market economies to diverge over the cyclical horizon as we see greater dispersion in growth, inflation, and the paths of monetary policy across regions. We believe the traditional negative correlation between equity and fixed income will re-assert itself, resulting in improved diversification benefits for multi-asset portfolios. We remain focused on up-in-quality exposures, risk factor diversification, and flexibility given the wide distribution of possible macro outcomes.

Key strategies

Equities

Given macro resilience, we are overweight the U.S. as we expect earnings growth to broaden out beyond mega-cap tech in 2024. We are neutral Europe given weaker earnings expectations and less insulation from Chinese import competition. We are slightly overweight EM equities as we become more constructive on select Asian markets, particularly in Korea given the recovery in semiconductor sales and reasonable valuations.

Rates

We remain slightly overweight duration over the cyclical timeframe as DM central banks are signaling a mid-year start to rate cuts. Given U.S. growth resilience compared to other regions, we favor developed ex-U.S. duration as we believe the pace of cuts may be faster outside the U.S. Therefore, we flattened our overweight to U.S. duration, moving to neutral.

Credit

We remain overweight credit with an emphasis on higher-quality segments of the market. We are overweight securitized credit, with a preference for non-agency MBS, given support from resilient fundamentals, attractive valuations, and robust household balance sheets.

Currency

We are overweight the U.S. Dollar given high carry and more reasonable valuations. In emerging markets, we continue to take overweight exposures to select high-yielding currencies that offer compelling valuation and quality profiles.

Source: PIMCO.

Portfolio characteristics

Equities (market value %)

	Portfolio		Benchmark
	31 Dec '23	31 Mar '24	31 Mar '24
US Equities	**40.98**	**43.18**	**38.93**
Developed ex-US Equities	**15.62**	**14.96**	**14.40**
Eurozone	4.78	5.27	4.69
Japan	3.45	3.36	3.17
Other Developed	7.39	6.34	6.54
Emerging Markets Equities	**7.00**	**8.65**	**6.62**
Total	**63.60**	**66.79**	**59.96**

Spreads (years)

	Portfolio		Benchmark
	31 Dec '23	31 Mar '24	31 Mar '24
Spread Duration	**2.84**	**1.16**	**1.35**
Corporate IG	0.58	0.51	0.45
Corporate HY	0.00	0.01	0.00
Mortgage	1.52	1.30	0.26
Emerging Markets	0.48	0.46	0.40
Other	0.26	-1.13	0.24

Country exposure by currency of settlement (duration in years)

	Portfolio		Benchmark
	31 Dec '23	31 Mar '24	31 Mar '24
Developed Markets	**2.70**	**2.44**	**2.31**
United States	1.20	1.12	1.06
Japan	0.36	0.39	0.38
Eurozone	0.66	0.57	0.58
United Kingdom	0.20	0.19	0.13
Other	0.28	0.16	0.14
Emerging markets	**0.42**	**0.41**	**0.34**
Total	**3.12**	**2.84**	**2.64**

Real assets (market value % and years)

	Portfolio		Benchmark
	31 Dec '23	31 Mar '24	31 Mar '24
Commodities (MV)	0.09%	-0.50%	0.00%
REITs (MV)	1.35%	1.35%	0.20%
Real duration (years)	0.15	0.07	0.00

Currency exposure (market value %)

	Portfolio		Benchmark
	31 Dec '23	31 Mar '24	31 Mar '24
United States	**78.11**	**79.48**	**78.46**
Non-U.S. developed	**13.33**	**11.78**	**15.09**
Eurozone	3.98	3.77	4.83
Japan	3.86	4.04	3.17
Other Non-U.S. developed	5.49	3.96	7.10
Emerging markets	**8.56**	**8.74**	**6.44**
Brazil	1.57	1.84	0.31
Hong Kong	1.57	1.38	1.41
India	2.37	2.48	1.06
Other EM	3.05	3.05	3.66

Benchmark: 60% MSCI All Country World Index (ACWI) and 40% Bloomberg Global Aggregate USD Hedged Index

Additional share class performance

PIMCO Global Core Asset Allocation 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)	5.50	1.00	1.61	1.53	1.40	USD	29 Oct '08	5.19	15.43	14.08	1.88	5.56	5.26	5.21
Class A (at MOP)	5.50	1.00	1.61	1.53	1.40	USD	29 Oct '08	-0.61	9.09	7.77	-0.02	4.37	4.66	4.95
Class C (at NAV)	-	1.00	2.36	2.28	2.15	USD	29 Oct '08	4.98	14.93	13.16	1.10	4.76	4.47	4.42
Class C (at MOP)	-	1.00	2.36	2.28	2.15	USD	29 Oct '08	3.98	13.93	12.16	1.10	4.76	4.47	4.42
Class I-2	-	-	1.26	1.18	1.05	USD	29 Oct '08	5.36	15.59	14.43	2.22	5.93	5.66	5.65
Class INST	-	-	1.16	1.08	0.95	USD	29 Oct '08	5.36	15.68	14.66	2.34	6.05	5.77	5.76
60% MSCI All Country World Index (ACWI) and 40% Bloomberg Global Aggregate USD Hedged Index								4.88	14.36	15.37	3.79	7.08	6.27	7.84

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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 5.50%.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%.

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.

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: The Fund invests in other funds and performance is subject to underlying investment weightings which will vary. The cost of investing in the Fund will generally be higher than the cost of investing in a fund that invests directly in individual stocks and bonds. **Absolute return portfolios** may not fully participate in strong positive market rallies. 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. **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. **Equities** may decline in value due to both real and perceived general market, economic, and industry conditions. **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. Income from municipal bonds may be subject to state and local taxes and at times the alternative minimum tax. The Fund may seek exposure to commodities through commodity-linked derivatives through the PIMCO Cayman Commodity Fund II Ltd., a wholly-owned subsidiary of the Fund organized under the laws of the Cayman Islands (the ”Subsidiary”). The Subsidiary is advised by PIMCO and may invest without limitation in commodity-linked swap agreements and other commodity-linked derivative instruments. **Commodities** contain heightened risk including market, political, regulatory, and natural conditions, and may not be appropriate for all investors. **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. **Derivatives and commodity-linked 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. Commodity-linked derivative instruments may involve additional costs and risks such as changes in commodity index volatility or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. Investing in derivatives could lose more than the amount invested. Entering into short sales includes the potential for loss of more money than the actual cost of the investment, and the risk that the third party to the short sale may fail to honor its contract terms, causing a loss to the portfolio. 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. **Diversification** does not ensure against loss.

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Important Disclosures

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.

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.

The benchmark is a blend of 60% MSCI All Country World Index (ACWI) and 40% Bloomberg Global Aggregate USD Hedged Index. The MSCI All Country World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The Index consists of a group of country indices comprising developed and emerging market country indices. Bloomberg Global Aggregate (USD Hedged) Index provides a broad-based measure of the global investment-grade fixed income markets. The three major components of this index are the U.S. Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds, Canadian Government securities, and USD investment grade 144A securities. 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.

Important Disclosures

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 ©2024 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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