PIMCO

PIMCO All Asset All Authority 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

Portfolio Performance

The All Asset All Authority Fund can allocate to most liquid asset classes but strategically emphasizes a range of out-of-mainstream, inflation-sensitive asset classes, collectively referred to as “Diversifiers”, which include TIPS, commodities, REITs, EM bonds and equities, credit, and liquid alternative strategies in pursuit of three key outcomes:

1) Long-term real return consistent with its secondary benchmark of CPI+6.5%

2) Diversification away from US equities

3) Inflation mitigation to complement the disinflationary bias of mainstream stocks and bonds

CONTRIBUTORS

- Positions in relative value equity strategies within liquid alternatives
- Allocations to developed ex-US equities
- Exposures to commodities

DETRACTORS

- Inverse exposure to U.S. large-cap equities as a risk hedge
- Allocations to long duration bonds
- Exposures to emerging markets bonds

Performance periods ended 31 Mar '24	3 mos.	6 mos.	1 yr.	3 yrs.	5 yrs.	10 yrs.	SI
Fund after fees	0.39	7.45	2.44	-0.84	2.33	1.61	4.37
Benchmark*	-0.08	4.62	0.45	-0.53	2.49	2.21	3.60
Secondary Benchmark**	2.53	4.74	9.67	12.18	10.69	9.32	9.09

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

- In pursuit of an attractive return profile that diversifies away from U.S. equities and mitigates inflation risks, the Fund allocates to most liquid asset classes but strategically emphasizes a range of out-of-mainstream, inflation-sensitive asset classes, collectively referred to as “Diversifiers”, which include TIPS, commodities, REITs, EM bonds and equities, credit, and liquid alternative strategies.
- While the Fund’s asset allocation mix is anchored by our long-term yield and growth forecasts across asset classes, the growth and inflation outlook coupled with some tactical signals also influence All Asset All Authority’s current allocation.
- All Asset All Authority currently offers a yield of 6.71%[1] primarily driven by diversifier and core bond allocations, which are areas of strategic and tactical emphasis for the strategy.

*Bloomberg U.S. TIPS Index; **Consumer Price Index + 650 Basis Points. Data has a one-month lag due to data availability.

[1]Yield comprised of the estimated yield to maturity for the underlying fixed income funds and dividend yield for the underlying equity funds based on the Fund’s holdings weighted allocation at time of calculation. Yield to Maturity (YTM) is the estimated total return of a bond if held to maturity. YTM accounts for the present value of a bond's future coupon payments. Refer to the Important Disclosures at the conclusion of this report for additional important information.

Class:	**INST**
Inception date:	**31 Oct '03**
Fund assets (in millions):	**$1,467.27**
Gross expense ratio:	**3.55%**
Net expense ratio:	**3.51%**

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.

Adjusted expense ratio:	**1.24%**

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.

Summary information	31 Mar '24
30 Day SEC Yield	
Subsidized	3.13%
Unsubsidized	3.13%

Asset allocation	Market value
Diversifiers	**60.9%**
US TIPS	6.32%
Liquid Alternatives	14.29%
Credit Strategies	7.96%
Emerging Markets Bonds	6.61%
Commodities	7.44%
REITs & MLPs	11.23%
Emerging Markets Equities	7.01%
Mainstream Equities	**-0.9%**
Developed ex-U.S. Equities	6.40%
U.S. Small Equities	0.88%
U.S. Equities, Short	-8.16%
Core Bonds	**64.6%**
Short-Term Bonds	26.20%
U.S. & Global Core Bonds	27.98%
Long Duration Bonds	10.41%
Leverage versus Net Assets	**1.41x**

Market Summary

Q1 Market Recap: Mixed performance across asset classes to start the year

Against a backdrop of resilient corporate earnings and economic growth, financial markets were mixed in Q1 as markets digested the path of potential rate cuts along with the risks that inflation may remain stickier than anticipated. With this, we saw mainstream equities and diversifiers move higher while core bonds fell as developed sovereign bond yields rose.

Mainstream Equities

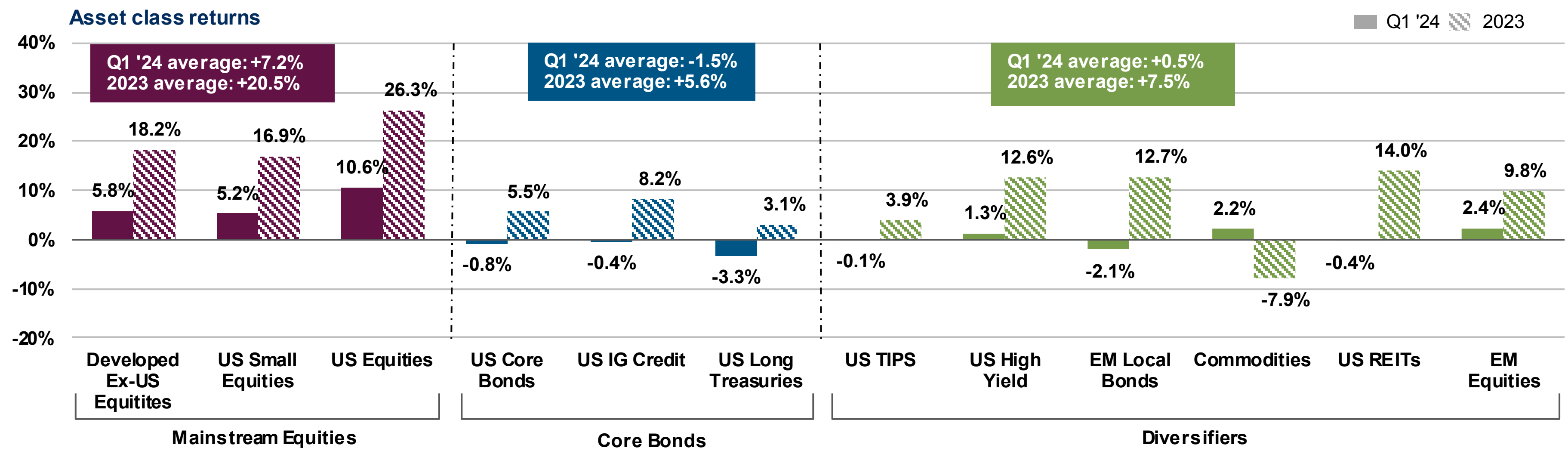
Mainstream equities ended +7.2% higher in the first quarter, driven by optimism around interest rate cuts, easing inflationary pressures, and economic growth. Both developed ex-U.S. equities and U.S. small-cap equities gained over the quarter returning +5.8% and +5.2%, respectively.

Core Bonds

In Q1, developed market sovereign yields broadly rose as markets weighed the potential for rate cuts and the path of inflation. In the U.S., the 10 and 30-year Treasury yields rose by 32 basis points (bps) and 31 bps, respectively. With this, we saw core bonds fall over the quarter returning -1.5%.

Diversifiers

Diversifiers posted mixed results across most major asset classes in the "Third Pillar" during the first quarter. TIPS moved lower (-0.1%) while more offensive, growth-oriented diversifier exposures like EM equities and U.S. high yield bonds moved higher (+2.4% and +1.3%, respectively).

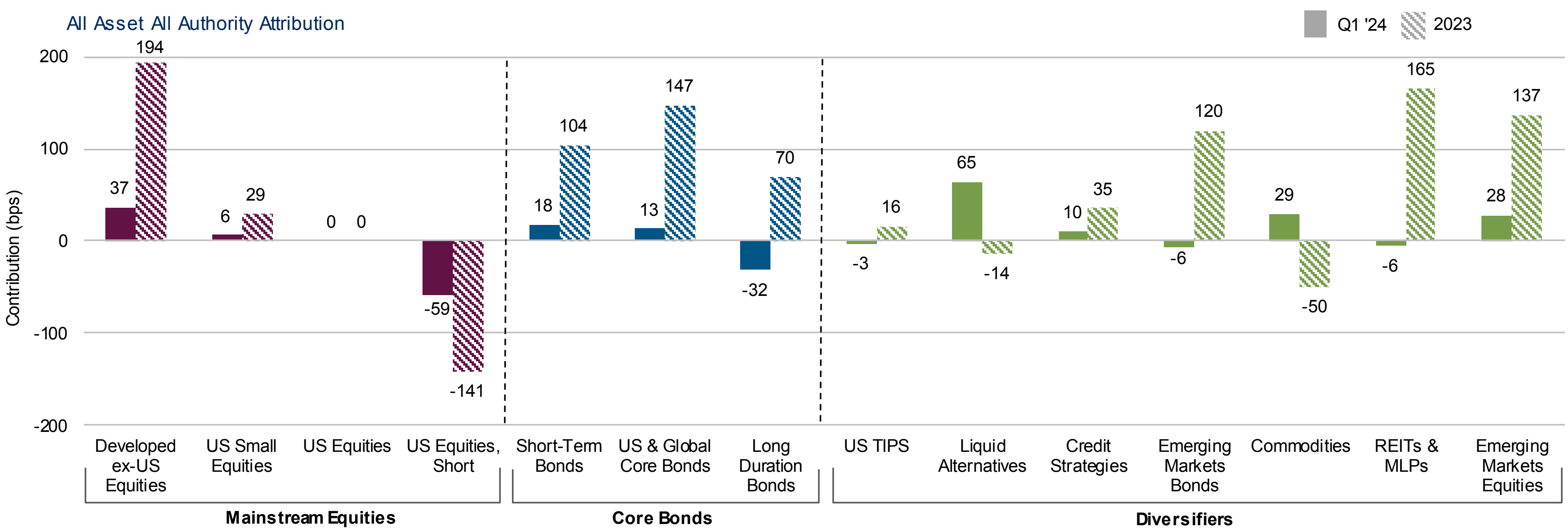


Source: Barclays, BofA, JPMorgan, Bloomberg. Developed market stocks represented by MSCI World Index; Developed market value stocks represented by Russell 2000 Value Index; Developed market growth stocks represented by MSCI World Growth Index; US equities represented by the S&P 500 Index; US Small Equities represented by the Russell 2000 Index; Developed ex.-US equities represented by the MSCI EAFE Net Dividend Index (USD Unhedged); US Core Bonds represented by the Bloomberg US Aggregate Index; US Long Treasuries represented by the Bloomberg Long-Term Treasury Index; US Investment Grade Credit represented by the Bloomberg US Credit Index; US High Yield represented by the ICE BofA Merrill Lynch U.S. High Yield, BB-B Rated, Constrained Index; EM local bonds represented by the JPMorgan Government Bond Index- Emerging Markets Global Diversified Index (Unhedged); EM equities represented by the MSCI EM Index; US TIPS represented by the Bloomberg U.S. Treasury Inflation Index; REITs represented by the Dow Jones U.S. Select REIT Total Return Index; Commodities represented by the Bloomberg Commodity Index Total Return. Like-duration Treasuries are calculated by the index provider by comparing the index return to a hypothetical matched position in Treasuries. All Asset All Authority Fund performance shown is for the institutional share class after fees.

Quarter in Review

All Authority performance was positively impacted by exposure to diversifiers and riskier assets in Q1 2024

- Risk assets gained over the quarter amid a boom in technology stocks, and credit spreads broadly tightened. Bond yields sold off as the Fed officially moved the possibility of rate hikes to mid-year and inflation continued to prove sticky.
- Bonds and Diversifiers, which are areas of tactical and strategic emphasis, respectively, were mixed this quarter. Liquid alternatives, developed ex-U.S. equities, and commodities were the largest contributors to All Asset All Authority's Q1 returns. The Fund's main detractors were inverse exposure to U.S. equities, long duration bonds, and emerging markets bonds.
- All Asset All Authority's cautious yet balanced allocation allowed it to generate positive returns in Q1, returning +0.39%.



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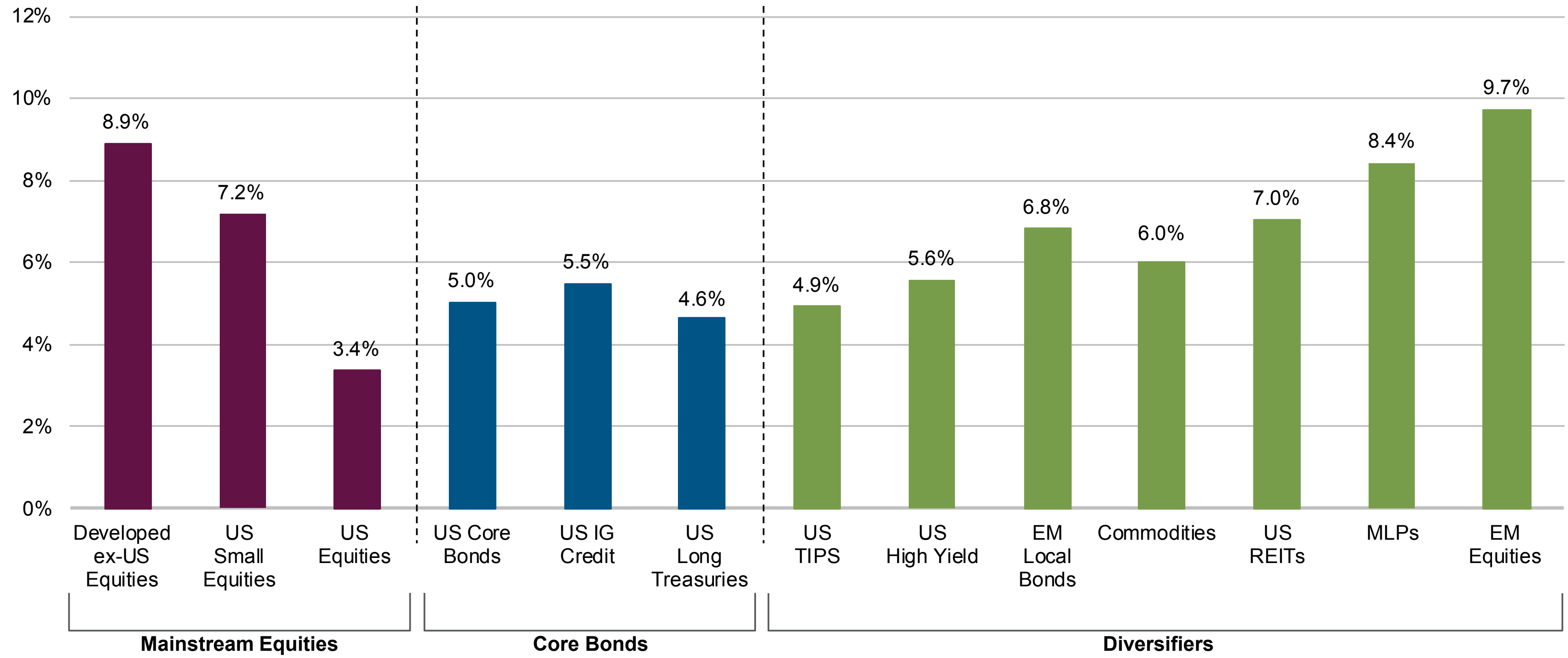
Performance is shown for the institutional share class after fees. The attribution analysis contained herein is calculated by PIMCO and is intended to provide an estimate as to which elements of a strategy contributed (positively or negatively) to a portfolio's performance. Attribution analysis is not a precise measure and should not be relied upon for investment decisions.

Research Affiliates' current long-term nominal return estimates

Key Takeaways

According to Research Affiliates' capital markets assumptions, diversifying assets are currently priced to deliver attractive returns over the next decade and outperform a US 60/40 portfolio by ~3% annualized. This may be further supported by incremental return potential from underlying PIMCO fund alpha and Research Affiliates' tactical allocation shifts. By contrast, while U.S. large-cap equities and core bond returns have improved, they are still priced to deliver lower returns on average compared to diversifiers.

Estimated nominal asset class returns (Annualized, next 10 years)



As of 31 March 2024. **Hypothetical example for illustrative purposes only.**

SOURCE: Research Affiliates, LLC, based on data building blocks, mean reversion and business cycle models. Return estimates listed above may vary from PIMCO Capital Market Assumptions.

The asset classes shown above are represented by the following indices: U.S. Equities represented by S&P 500 Index; U.S. Small Equities represented by the Russell 2000 Index; Developed ex-U.S. Equities represented by MSCI EAFE Index; US Core Bonds represented by Bloomberg U.S. Aggregate Index; U.S. Long Treasuries represented by Bloomberg U.S. Treasury Long Index; U.S. Investment Grade Credit represented by Bloomberg U.S. Intermediate Corporate Index; U.S. High Yield represented by Bloomberg U.S. Corporate High Yield Index; EM Local Bonds represented by JPMorgan GBI-EM Index; EM Equities represented by MSCI EM Index; U.S. TIPS represented by Bloomberg U.S. Treasury U.S. TIPS Index; U.S. REITs represented by FTSE NAREIT All Equity REITs Index; Commodities represented by Bloomberg Commodity Index, MLPs represented by Alerian MLP Index, U.S.

Return assumptions are for illustrative purposes only and are not a prediction or a projection of return. Return assumption is an estimate of what investments may earn on average over the long term. Actual returns may be higher or lower than those shown and may vary substantially over shorter time periods.

Portfolio Outlook

Strategic Positioning

The Fund invests across all major global markets but strategically emphasizes “Diversifier” asset classes in seeking maximum long term-real return in a manner that 1) diversifies U.S. stocks and bonds and 2) provides responsiveness to changes in inflation. Over the quarter, the All Asset All Authority Fund remains cautious given elevated probabilities of a growth slowdown and relative attractiveness of more defensive assets like bonds. Current positioning is summarized below.

Key strategies

TIPS, Commodities, REITs and MLPs

We maintained allocations to REITs & MLPs and decreased allocations to commodities and TIPS. However, we continue to find real yields attractive in this environment and at this stage in the rate cycle.

EM Stocks, EM Bonds, Liquid Alternatives, and Credit

We increased our allocations to credit strategies and maintained our allocation in liquid alternatives, which we both consider part of our defensive allocations. We reduced our positions in EM bonds to emphasize our defensive posture. We continue to look for bouts of market volatility that provide opportunities to add value via tactical trading.

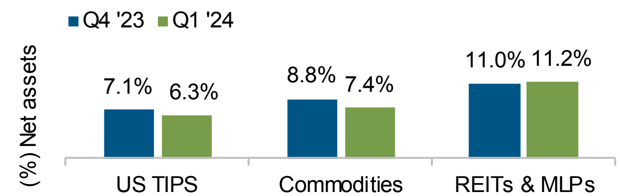
Core Bonds

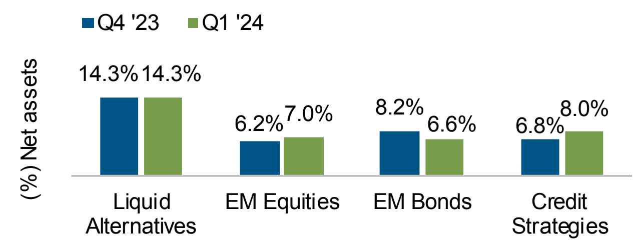
We increased our allocations to short-term and core bonds but decreased our allocations to long duration bonds. We continue to find value in the short to intermediate part of the yield curve given the elevated probability of rate cuts later this year. All Asset All Authority's bond allocation is still near its highest levels in the Fund's history.

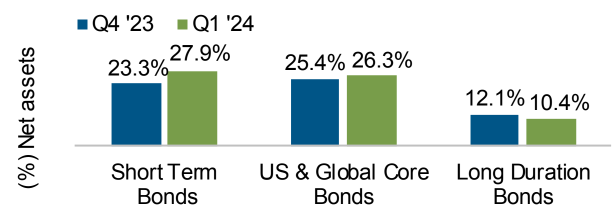
Mainstream Equities

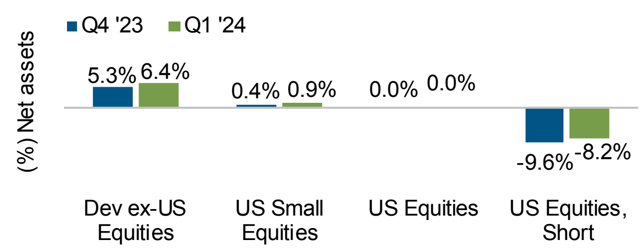
Over the quarter, we modestly increased our allocations to developed ex-U.S. equities. However, we stress caution given the elevated probabilities of an economic slowdown in the coming months. We continue to favor value-style equities, given historic cheapness in value versus growth.

Position









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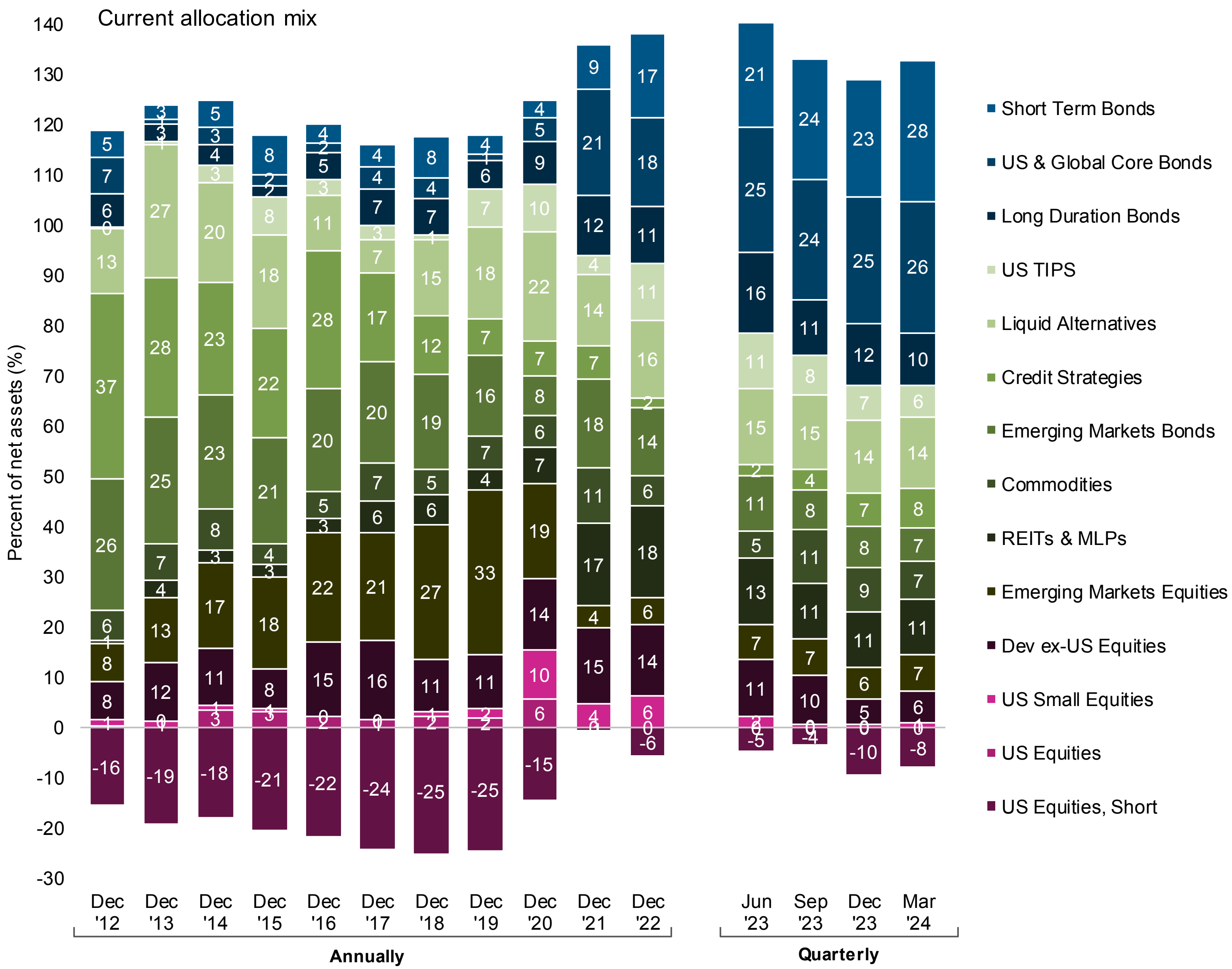
Historical Asset Allocations



Please note each column may not equal 100% due to rounding.

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Additional share class performance

PIMCO All Asset All Authority 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	4.00	3.96	1.69	USD	29 Jul '05	0.29	7.04	2.00	-1.31	1.84	1.13	3.83
Class A (at MOP)	5.50	1.00	4.00	3.96	1.69	USD	29 Jul '05	-5.23	1.15	-3.61	-3.16	0.69	0.56	3.64
Class C (at NAV)	-	1.00	4.75	4.71	2.44	USD	29 Jul '05	-0.03	6.57	1.23	-2.06	1.07	0.38	3.06
Class C (at MOP)	-	1.00	4.75	4.71	2.44	USD	29 Jul '05	-1.03	5.57	0.24	-2.06	1.07	0.38	3.06
Class I-2	-	-	3.65	3.61	1.34	USD	10 Jul '08	0.36	7.22	2.34	-0.98	2.19	1.49	4.23
Class I-3	-	-	3.75	3.66	1.39	USD	27 Apr '18	0.20	7.19	2.29	-1.04	2.15	1.43	4.21
Class INST	-	-	3.55	3.51	1.24	USD	31 Oct '03	0.39	7.45	2.44	-0.84	2.33	1.61	4.37
Bloomberg U.S. TIPS Index								-0.08	4.62	0.45	-0.53	2.49	2.21	3.60

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 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.

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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.

Yield to Maturity (YTM) is the estimated total return of a bond if held to maturity. YTM accounts for the present value of a bond's future coupon payments. PIMCO calculates a Fund's Estimated YTM by averaging the YTM of each security held in the Fund on a market-weighted basis. PIMCO pulls each security's YTM from PIMCO's Portfolio Analytics database. In general, the calculation will incorporate the yield based on the notional value of all derivative instruments held by a Fund. The measure does not reflect the deduction of fees and expenses and is not necessarily indicative of the Fund's actual performance. A portfolio's actual yield or distribution rate may be significantly lower than its estimated YTM in practice. Also, estimated YTM is not intended to indicate that a portfolio will actually hold any or all of its portfolio securities to maturity in practice, and various securities may be sold or otherwise disposed of prior to maturity. Estimated YTM is not a projection or prediction of the actual yield or return that a portfolio may achieve or any other future performance results. There can be no assurance that a portfolio will achieve any particular level of yield or return and actual results may vary significantly from estimated YTM.

A word about risk: The fund invests in other PIMCO funds and performance is subject to underlying investment weightings which will vary. 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 counter party 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. **Commodities** contain heightened risk including market, political, regulatory, and natural conditions, and may not be appropriate for all investors. **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. **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 securities of smaller companies tends to be more volatile and less liquid than securities of larger companies. **Inflation-linked bonds**(ILBs) issued by a government are fixed-income securities whose principal value is periodically adjusted according to the rate of inflation; ILBs decline in value when real interest rates rise. **Equities** may decline in value due to both real and perceived general market, economic, and industry conditions. **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. 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. The Fund is **non-diversified,** which means that it may invest its assets in a smaller number of issuers than a diversified fund. The fund typically uses **leverage** by borrowing for investment purposes to purchase additional shares of other PIMCO funds in an effort to increase portfolio returns. Leveraging transactions, including borrowing, may cause a portfolio to be more volatile than if the portfolio had not been leveraged. Leveraging transactions typically involve expenses. When these interest expenses exceed the rate of return on investments purchased by the fund, with such leverage can reduce fund returns. The use of leverage may cause a portfolio to liquidate positions when it may not be advantageous to do so. Leveraging transactions may increase the fund's sensitivity to interest rate movements.

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.

Bloomberg U.S. TIPS Index is an unmanaged market index comprised of all U.S. Treasury Inflation-Protected Securities rated investment grade (Baa3 or better), have at least one year to final maturity, and at least $500 million par amount outstanding. It is not possible to invest directly in an unmanaged index.

CPI + 650 Basis Points benchmark is created by adding 6.5% to the annual percentage change in the Consumer Price Index (CPI). This index reflects seasonally adjusted returns. The Consumer Price Index is an unmanaged index representing the rate of inflation of the U.S. consumer prices as determined by the U.S. Bureau of Labor Statistics. There can be no guarantee that the CPI or other indexes will reflect the exact level of inflation at any given time. 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

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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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