



PIMCO CommoditiesPLUS® Strategy Fund



Quarterly Investment Report | 3Q22

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

The Fund's active commodities strategies contributed while the Fund's positioning to U.S. interest rates, exposure to developed market (DM) currencies, cash management strategies, exposure to U.S. breakeven inflation and exposure to agency mortgage-backed securities (MBS) detracted from performance.

CONTRIBUTORS

- Active commodities strategies

DETRACTORS

- Positioning in U.S. interest rates
- Exposure to DM currencies
- Cash management strategies
- Exposure to U.S. breakeven inflation
- Exposure to agency mortgage-backed securities (MBS)

Performance periods ended 30 Sep '22	3 mos.	6 mos.	1 yr.	3 yrs.	5 yrs.	10 yrs.	SI
Fund before fees	-8.89	-9.50	20.53	19.01	12.64	1.64	3.96
Fund after fees	-9.06	-9.84	19.64	18.13	11.81	0.89	3.20
Benchmark*	-8.35	-8.66	21.93	19.13	12.41	0.13	2.17

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

Active commodity strategies: Look to take advantage of mispricings across commodity markets at the intersection of fundamental insights and structural opportunities.

Collateral: Overweight duration overall and look to take advantage of attractive opportunities in spread sectors.

Class:	INST
Inception date:	28 May '10
Fund assets (in millions):	\$4,213.38
Gross expense ratio:	0.95%
Net expense ratio:	0.74%

The Net Expense Ratio reflects a contractual fee waiver and/or expense reduction, which is in place through 31 July 2023 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.

Summary information	30 Sep '22
30-day SEC yield	2.15%
Commodity index exposure	97.11%
Effective duration (yrs)	0.95
Benchmark duration - provider (yrs)	0.23
Benchmark duration - PIMCO (yrs)	0.23
Effective maturity (yrs)	1.08
Average coupon	2.36%
Net currency exposure	0.24%
Tracking error (10 yrs)	2.21
Information ratio (10 yrs)	0.44

Commodity exposure (MV%)	Fund	Index*
Energy	48.51	47.25
Agriculture	23.57	24.28
Industrial Metals	12.79	13.98
Precious Metals	6.13	9.87
Livestock	4.22	4.58
Emission	1.88	0

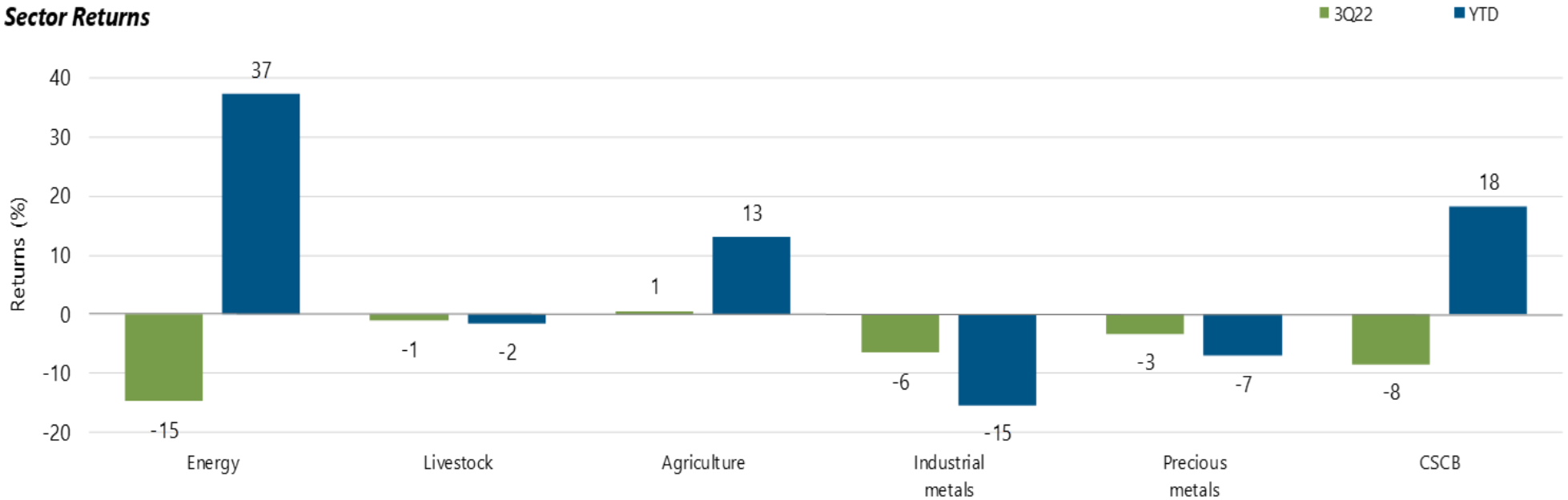
*Credit Suisse Commodity Benchmark;

Quarter in Review

3Q22: Commodity prices fell modestly

Commodities delivered negative returns for the quarter, driven by losses across sectors. Oil prices fell 23%, settling at \$88/barrel driven by heightened recessionary fears. Natural gas prices rose over 25% driven by cooling demand in the U.S. and supply risks in Europe. Precious metals fell in response to a hawkish Fed and rising real yields. Agriculture commodities were flat. Challenging growing conditions and geopolitical tension placed upward pressure on grain prices, but were offset by losses in soybeans.

Credit Suisse Commodity Benchmark: Sector Returns



Source: Bloomberg. As of 30 September 2022.

Market Summary

3Q22: Commodity prices fell modestly

The Fund's active commodities strategies contributed while the Fund's positioning to U.S. interest rates, exposure to DM currencies, cash management strategies, exposure to U.S. breakeven inflation and exposure to agency mortgage-backed securities (MBS) detracted from performance.

Energy

Oil prices fell 23%, settling at \$88/barrel driven by heightened recessionary fears amid a slowing global economy and weakness in demand. Natural gas prices rose over 25% driven by cooling demand in the U.S. and the shutdown of Nordstream 1, propagating supply risks in Europe. Despite lower flows from Russia, European storage injections have remained above average and are ahead of the target set for November 1st.

Agriculture

In agriculture, prices ended the period little changed. While grains prices rose driven by challenging growing conditions and geopolitical tensions coupled with related supply concerns, soybeans posted losses. Losses were driven by bearish USDA data combined with demand concerns amid recessionary risks.

Metals

Industrial metals fell, driven by recessionary fears and general macroeconomic pressures amid rising rates in the U.S. Aluminum prices fell back to pre-COVID levels as demand waned. Precious metals fell in response to rising real yields and a hawkish Fed, who continued to prioritize addressing elevated inflation risks.

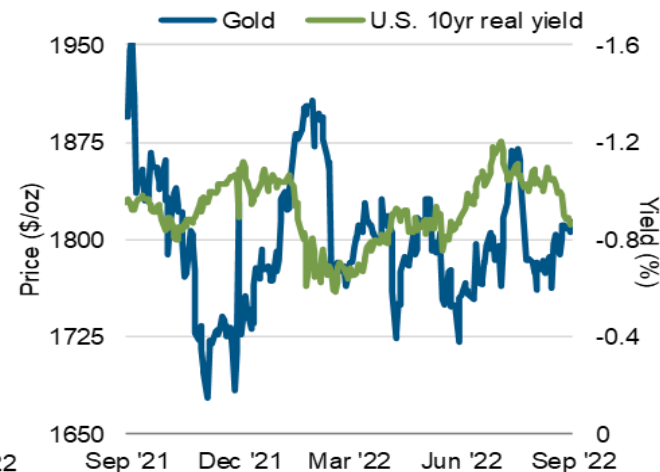
Brent front-month contracts



Wheat front-month contracts



Gold vs. 10yr real yields

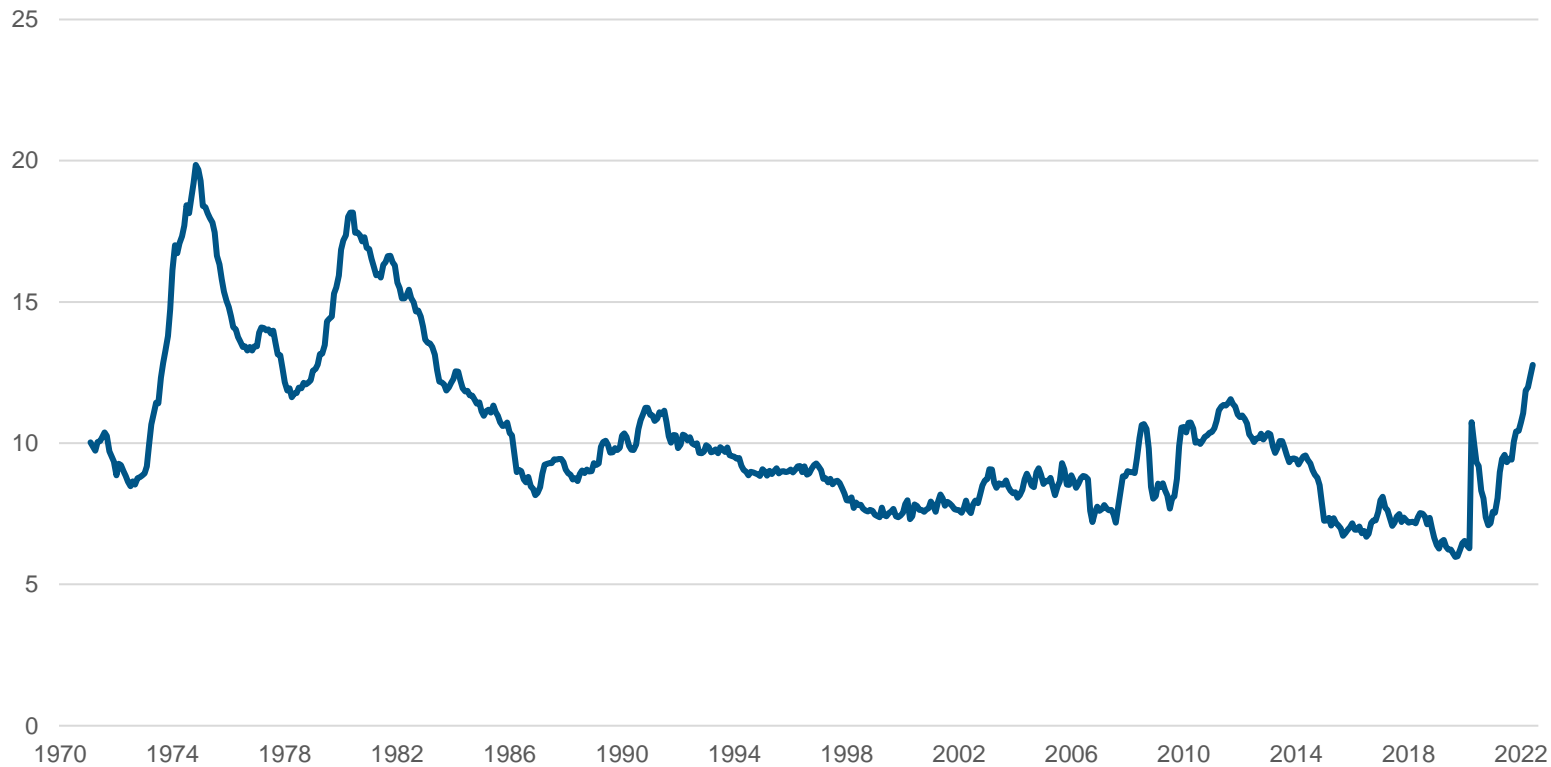


Source: Bloomberg, PIMCO. As of 30 September 2022. Oil: front-month Brent futures contract. Wheat: front-month wheat futures contract. Gold: front-month gold futures contract.

Cyclical Outlook: Prevailing Under Pressure

With yields now higher, we believe bonds offer compelling value in this challenging macro environment

Misery Index – Developed Markets



We believe:

Shallow but longer recession

Inflation is sticky

Monetary policy: tighter for longer

Source: Haver, Arthur Okun, PIMCO calculations as of September 2022.

The misery index displays the sum of inflation and unemployment rates. Developed market data encompasses the U.S., U.K., Japan, Canada, and Euro area.

Portfolio Outlook

Outlook and Strategic Positioning

Commodity markets may offer a potent hedge for inflation risks. The opposing forces of slowing economies and continued supply constraints create significant uncertainty in the outlook for commodity prices. A precipitous drop in piped natural gas supplies has not only been a powerful catalyst to consumer inflation, but has also passed through directly to other commodity markets. While Russia's ability to shock the gas and power markets is diminished given the already large drop in supplies, the upcoming sanctions on petroleum trade have the potential to force Russian supplies even lower. Commodity indices such as BCOM currently offer a positive carry in excess of 10% as of September 2022. Given the contribution of commodities to overall inflation and their influence on central bank policy, the case for using commodity exposures as a hedge for inflation risks has rarely been stronger.

Key strategies

Energy strategies

Crude oil geographic arbs: We are trading relative value between different grades of crude oil as dislocations in price differentials should incentivize adjustments to global trade flow.

Refined products: Opportunities to trade refinery margins as well as RV between refined products given stretched valuations.

Overweight carbon allowances: Compelling opportunity given tight forward balances, robust program design, and attractive valuations.

Agriculture strategies

Wheat relative value: Disruptions in exports of wheat should drive substitute demand for high protein wheat globally.

Soy vs corn: Trading relative value between, soy, wheat, and corn based on balances and pricing.

Metals strategies

Gold vs. duration: We are tactically trading relative value between gold, which we view as a long duration real asset, and rates.

Collateral portfolio positioning

Overweight duration overall and look to take advantage of attractive opportunities in spread sectors.

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

Sector exposure

	Portfolio			
	% of Market value		Duration in years	
	30 Jun '22	30 Sep '22	30 Jun '22	30 Sep '22
US Government Related	9.46	7.61	0.51	0.49
Government - Treasury	6.70	7.80	0.46	0.49
US Agency	0.15	0.13	0.01	0.00
Swaps and Liquid Rates	2.61	-0.33	0.04	-0.01
Securitized*	10.76	10.22	0.38	0.44
Invest. Grade Credit	5.02	5.02	0.02	0.04
High Yield Credit	0.00	0.00	0.00	0.00
Non-USD Developed	0.50	0.11	-0.06	-0.06
Emerging Markets	0.03	0.01	0.00	0.00
Bonds and Other Long Duration Instruments	0.03	0.00	0.00	0.00
EM Short Duration Instruments	0.01	0.01	0.00	0.00
Other	0.00	0.15	0.00	0.00
Net Other Short Duration Instruments**	74.22	76.89	0.06	0.04
Commingled Cash Vehicles	0.37	0.34	0.00	0.00
Certificate of Deposit/Commercial Paper/STIF	0.19	0.40	0.00	0.00
Government Related	26.06	23.74	0.04	0.02
MBS/ABS	10.54	8.71	0.02	0.02
Credit	1.57	1.12	0.00	0.00
Bankers Acceptance	0.00	0.13	0.00	0.00
Other***	19.01	45.40	0.00	0.00
Short Duration Derivatives and Derivative Offsets	34.46	33.83	0.00	-0.01
Net Unsettled Trades	-17.99	-36.78	0.00	0.00
Total	100	100	0.92	0.95

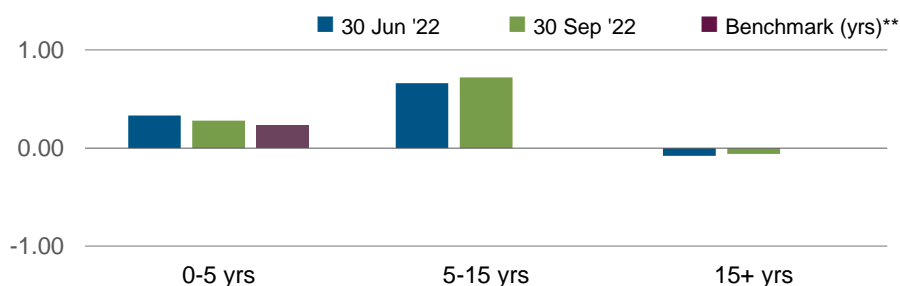
*Securitized includes Agency MBS, non-Agency MBS, CMBS, ABS, CDO, CLO, and Pooled Funds.

**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.

***Investment vehicles not listed, allowed by prospectus.

Portfolio characteristics

Key rate duration exposure



	Portfolio (yrs)		Benchmark (yrs)**
	30 Jun '22	30 Sep '22	30 Sep '22
0-5 yrs	0.33	0.28	0.23
5-15 yrs	0.66	0.72	0.00
15+ yrs	-0.08	-0.06	0.00
Total	0.92	0.95	0.23

Interest rate exposure

	Portfolio (yrs)		Benchmark (yrs)**
	30 Jun '22	30 Sep '22	30 Sep '22
Effective duration	0.92	0.95	0.23
Bull market duration	0.87	0.98	0.24
Bear market duration	0.99	1.02	0.23
Spread duration			
Mortgage spread duration	0.67	0.69	0.00
Corporate spread duration	0.14	0.15	0.00
Emerging markets spread duration	0.00	0.00	0.00
Swap spread duration	0.02	-0.03	0.00
Covered bond spread duration	0.00	0.00	0.00
Sovereign related spread duration	0.01	0.02	0.00

Derivative exposure (duration in yrs)

	30 Jun '22	30 Sep '22
Commodity exposure*	100.05	97.11
Government futures	-0.43	-0.21
Interest rate swaps	-0.02	-0.02
Credit default swaps*	0.09	0.09
Purchased swaps	0.00	0.00
Written swaps	0.09	0.09
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	-0.01	-0.01
Mmkt Fut US	0.00	0.00
Futures	0.00	0.00
Futures	-0.01	-0.01
Interest rate swaps	0.00	0.00
Other Derivatives	0.09	0.07

* Shown as a percentage of market value

**Benchmark duration is calculated by PIMCO
Benchmark: Credit Suisse Commodity Benchmark

Country and currency exposure

Country exposure by currency of settlement

	30 Jun '22		30 Sep '22	
	Duration (yrs)	FX (%)	Duration (yrs)	FX (%)
United States	0.98	99.93	1.01	99.76
Japan	0.00	0.01	0.00	0.01
Eurozone	-0.01	0.49	-0.01	0.51
Euro Currency	0.00	0.49	0.00	0.51
Germany	-0.02	0.00	-0.02	0.00
Italy	0.01	0.00	0.01	0.00
United Kingdom	-0.06	-0.42	-0.06	-0.27
Europe non-EMU	0.00	0.00	0.00	0.00
Dollar Block	0.00	-0.01	0.00	0.00
Canada	0.00	-0.01	0.00	-0.01
Other Industrialized Countries	0.00	0.00	0.00	0.00
EM - Asia	0.00	0.00	0.00	0.00
EM - Latin America	0.00	0.01	0.00	0.01
Brazil	0.00	0.01	0.00	0.01
EM - CEEMEA	0.00	0.00	0.00	0.00
Total	0.92	100	0.95	100

Emerging markets exposure by country of risk

	30 Jun '22			30 Sep '22		
	% of MV short duration Instruments	% of MV bonds	Duration (yrs)	% of MV short duration Instruments	% of MV bonds	Duration (yrs)
Brazil	0.01	0.00	0.00	0.01	0.00	0.00
India	0.00	0.03	0.00	0.00	0.00	0.00
Total	0.01	0.03	0.00	0.01	0.00	0.00

Additional share class performance

PIMCO CommoditiesPLUS® Strategy Fund (net of fees performance)

Performance periods ended: 30 Sep '22	Gross expense ratio	Net expense ratio	NAV currency	Class Inception date	3 mos.	6 mos.	1 yr.	3 yrs.	5 yrs.	10 yrs.	SI
Class A (at NAV)	1.40	1.19	USD	28 May '10	-9.19	-9.95	19.11	17.59	11.32	0.42	2.71
Class A (at MOP)	1.40	1.19	USD	28 May '10	-14.17	-14.91	12.51	15.39	10.06	-0.15	2.24
Class C (at NAV)	2.15	1.94	USD	28 May '10	-9.37	-10.31	18.23	16.76	10.51	-0.32	1.95
Class C (at MOP)	2.15	1.94	USD	28 May '10	-10.19	-11.04	17.34	16.76	10.51	-0.32	1.95
Class I-2	1.05	0.84	USD	28 May '10	-9.10	-9.79	19.47	17.96	11.69	0.78	3.09
Class I-3	1.15	0.89	USD	27 Apr '18	-9.14	-9.84	19.46	17.92	11.64	0.74	3.04
Class INST	0.95	0.74	USD	28 May '10	-9.06	-9.84	19.64	18.13	11.81	0.89	3.20
Credit Suisse Commodity Benchmark					-8.35	-8.66	21.93	19.13	12.41	0.13	2.17

The Net Expense Ratio reflects a contractual fee waiver and/or expense reduction, which is in place through 31 July 2023 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 2023 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.

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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.

A word about risk: 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. The fund will seek exposure to commodities through **commodity-linked derivatives** and through the PIMCO Cayman Commodity Fund III 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 has the same investment objective as the Fund. The Subsidiary (unlike the Fund) may invest without limitation in commodity-linked swap agreements and other commodity-linked derivative instruments. **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. 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. **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 Fund is **non-diversified**, which means that it may concentrate its assets in a smaller number of issuers than a diversified fund.

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.

Important Disclosures

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 Credit Suisse Commodity Benchmark is an unmanaged index composed of futures contracts on a number of physical commodities. The objective of the benchmark is to gain exposure to the broad commodity universe while maintaining sufficient liquidity. Commodities were chosen based on world production levels, sufficient open interest, and volume of trading. The index is designed to be a highly liquid and diversified benchmark for commodities as an asset class. It is not possible to directly invest into 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 L.P. in the United States and throughout the world. **PIMCO Investments LLC**, distributor, 1633 Broadway, New York, NY, 10019 is a company of PIMCO ©2022 PIMCO.

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.

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.

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.

"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.

The **SEC yield** is an annualized yield based on the most recent 30 day period.

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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