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PIMCO Investment Grade Credit Fund (Canada)

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 Fund's bottom-up sector and security selection contributed to performance, while macro positioning was neutral to relative performance.

CONTRIBUTORS

- Tactical exposure to securitized credit
- Overweight exposure to banks and brokerage
- Name selection within pipelines

DETRACTORS

- Name selection within healthcare
- Name selection within entertainment/lodging

Performance periods ended 31 Mar '24	3 mos.	6 mos.	1 yr.	3 yrs.	5 yrs.	SI
Fund after fees	-0.13	7.60	3.58	-3.05	0.03	1.91
Benchmark*	-0.41	7.71	4.15	-1.86	1.39	2.45

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all dividends and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

Portfolio strategy

As valuations are below long-term median levels, we are emphasizing a patient approach and are focused on maintaining flexibility and liquidity in portfolios to take advantage of opportunities as they arise

We are finding value in sectors that exhibit resiliency to higher rates and non-cyclicals that may be better anchored in the event of an economic slowdown

We see credit market opportunities in companies with high barriers to entry, growth, pricing power, and asset coverage

We have a preference for financials, telecom/cable/towers, select REITs, and non-Agency mortgages. We remain cautious on industries facing greater headwinds, such as retail.

Series:	**A**
Inception date:	**14 Sep '15**
Fund assets (in CAD millions):	**$374.13**
Series A MER:**	**1.420%**
Series A management fee:**	**1.250%**

Summary information	31 Mar '24
Estimated yield to maturity (Gross of fee)***	5.87%
Effective duration (yrs)	6.33
Benchmark duration - provider (yrs)	6.83
Benchmark duration - PIMCO (yrs)	6.62
Effective maturity (yrs)	9.25
Average coupon	4.19%
Tracking error (5 yrs)	1.35
Information ratio (5 yrs)	0.02

Top 5 overweights (MV%)	Portfolio	BM*
Pipelines	6.25	3.01
Banks	19.20	16.34
Financial Other	4.16	1.69
Gaming	2.39	0.18
Airlines	2.16	0.21

Top 5 underweights (MV%)	Portfolio	BM*
Technology	2.82	7.72
Pharmaceuticals	2.06	4.94
Food & Beverage	0.34	2.88
Retailers	0.09	2.53
Integrated Oil	0.00	1.66

*Bloomberg U.S. Credit Index

**As of 12/31/2023. Management expense ratio is based on total expenses, including the management fee, (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. The Annual Management Fee is used to pay for investment management services and general administration of the fund, this fee does not include taxes.

***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.

Quarter in Review

Persistent inflation pushed yields and year-end rate projections higher

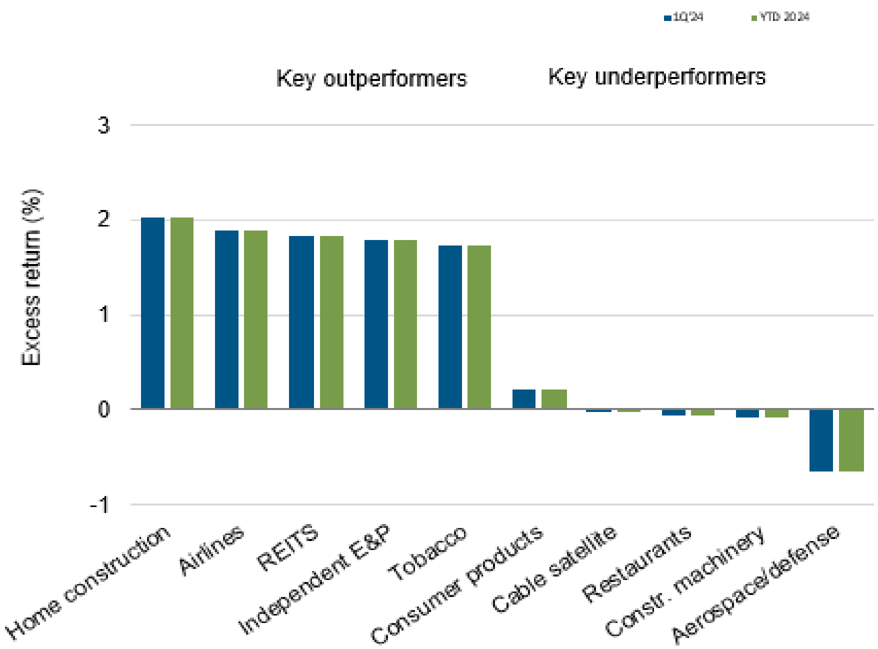
A perceived “last mile” problem in the Fed’s battle against inflation led bond markets to retrace their Q4’23 rally and bring expectations for 2024 cuts in line with the Fed’s dot plot. Risk sentiment remained robust despite the possibility of “higher-for-longer” rates, with the MSCI World finishing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

U.S. credit yields and spreads

U.S. investment grade credit spreads tightened 8 bps, ending the quarter at 85 bps. The sector returned -0.41%, outperforming like-duration treasuries by 0.83%. Credit spreads continued to tighten amid strong earnings results and heavy issuance to start the year.

Source: Bloomberg U.S. Credit Index

U.S. credit excess returns by industry



Credit returns were mostly flat to positive across sectors over the quarter due to strong economic performance. Cyclical sectors such as home construction and airlines outperformed over the quarter due to consumer resiliency. REITS also outperformed over the quarter as select sectors benefitted from favorable demographics supporting demand. Conversely, aerospace/defense underperformed due to slowing domestic air traffic growth and earnings headwinds. Retail sectors including restaurants and consumer products also underperformed as wage inflation forced companies to raise prices, decreasing its customer base.

Source: Bloomberg U.S. Credit Index

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Market Summary

Q1’24: credit spreads tightened amid continued strong earnings results

The Fund’s bottom-up sector and security selection contributed to performance, while macro positioning was neutral to relative performance.

Securitized Credit

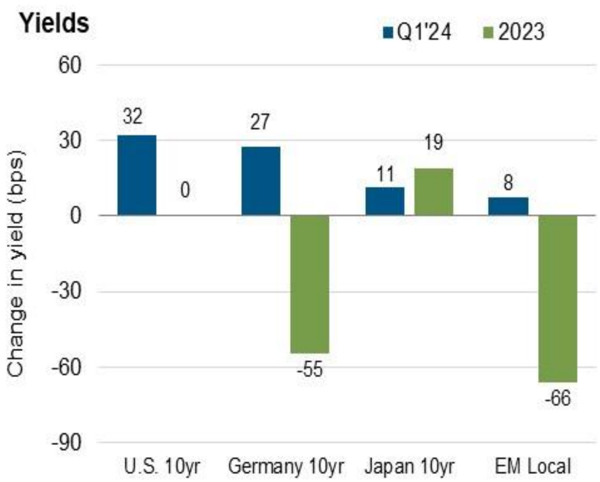
Securitized credit spreads remain attractive on a risk adjusted basis, and senior positions offer healthy downside risk mitigation.

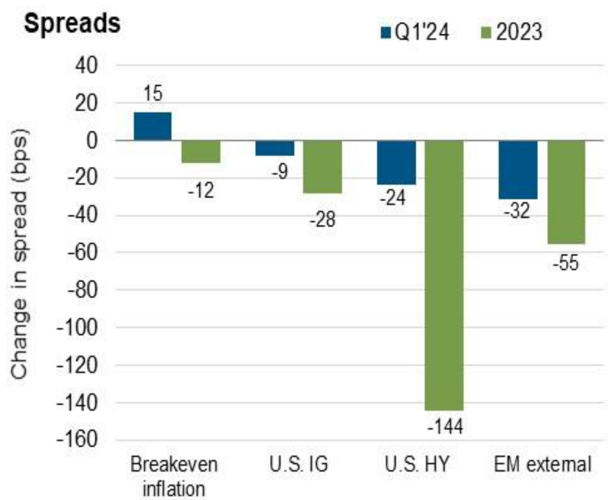
Banks and Brokerage

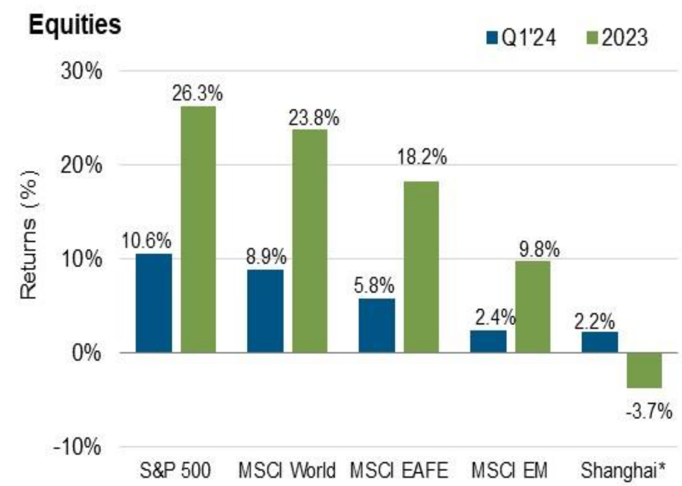
Bank fundamentals remain strong and banks’ ability to weather periods of volatility remains largely intact, as evidenced by continued strength in earning results. There have now been a few quarters of system-wide data following the crisis in March 2023 showing that the turmoil has not spread broadly and that the vulnerability of the failed US regional banks is not shared broadly across the financial sector; recent volatility stemming from NYCB remains contained, and the recent end to the Bank Term Funding Program signals the confidence regulators have in the stability of the financial sector.

Healthcare

Despite moderating margin headwinds, cautious amid uncertainty on Medicare policy and on areas where post-COVID growth headwinds could drive incremental M&A and releveraging risks.







Source: U.S. 10yr, Germany 10yr, Japan 10yr, Breakeven inflation (Bloomberg); EM local (JPMorgan GBI-EM Global Diversified Composite Yield to Maturity Index); U.S. investment grade credit (Bloomberg U.S. Credit Index); U.S. high yield credit (ICE BofA High Yield Constrained Index); EM external (JPMorgan Emerging Bond Index Global Sovereign Spread); S&P 500 (S&P 500 Total Return Index); MSCI EAFE (MSCI EAFE Net Total Return USD Index); MSCI EM (MSCI Emerging Net Total Return USD Index); *Shanghai (Shanghai Stock Exchange Composite Index).

1: Bloomberg US Credit Index

2: MSCI World 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

Credit market technicals remain strong as demand continues to be supported by high yields, although net new supply has risen due to receding recession fears and growing expectation amongst issuers for yields to stay higher for longer. Valuations are below long-term median levels which warrants a patient approach and focus on maintaining liquidity and flexibility in portfolios, capitalizing on opportunities as they present themselves.

We continue to seek out high conviction opportunities, with a preference for sectors that have historically been more resilient to higher rates and non-cyclical sectors that may be better anchored in an economic slowdown. Our bottom-up positioning emphasizes companies with high barriers to entry, pricing power, asset coverage, and management teams that favor bondholders in the capital structure.

Key strategies

Non-cyclicals

We are finding opportunities in non-cyclical sectors, such as utilities, that may be better anchored during an economic slowdown.

Housing-related sectors

The Fund maintains exposure to industries tied to housing, specifically building materials, and non-Agency MBS where fundamentals remain strong with higher homeowner equity.

Banks/financials

Our focus remains on large, high quality, “national champion” banks in the US and Europe that benefit from over a decade of regulatory driven capital rebuild, balance sheet de-risking, and deleveraging. We favor senior bonds issued by strong banks given attractive risk-adjusted valuations due to repricing in the sector across the capital structure.

Retail

We are less constructive on retail, which faces continued margin pressure from online competitors as well as increased input costs, weak cash flow projections, and high leverage.

Sector exposure

	Portfolio				Benchmark	
	% of Market value		Duration in years		% of Market value	Duration in years
	31 Dec '23	31 Mar '24	31 Dec '23	31 Mar '24	31 Mar '24	31 Mar '24
Government Related	12.21	6.27	1.73	0.93	11.38	0.58
Securitized*	9.97	15.09	0.49	0.69	-	-
Invest. Grade Credit	67.27	71.26	4.39	4.45	85.51	5.99
High Yield Credit	3.19	3.82	0.11	0.12	-	-
Emerging Markets**	2.25	2.81	0.12	0.14	3.11	0.26
Municipal/Other	0.14	0.13	0.01	0.01	-	-
Net Other Short Duration Instruments******	4.98	0.61	0.00	0.00	-	-
Total	**100**	**100**	**6.85**	**6.34**	**100**	**6.83**

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

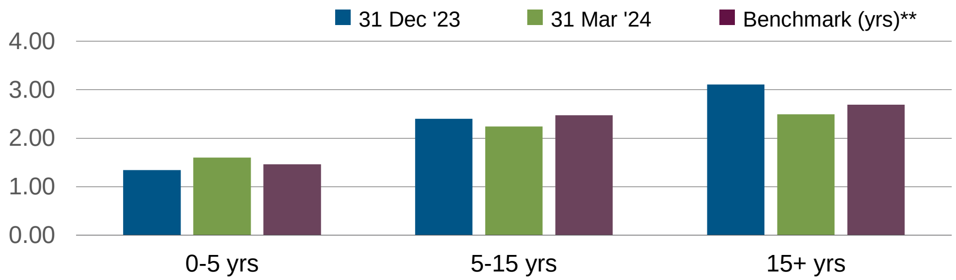
**Emerging markets instruments includes an emerging market security or other instrument economically tied to an emerging market country by country of risk with an effective duration less than one year and rated investment grade or higher or if unrated, determined to be similar quality by PIMCO. Emerging Markets includes the value of short duration emerging markets instruments previously reported in another category.

****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.

Benchmark: Bloomberg U.S. Credit Index

Portfolio characteristics

Key rate duration exposure



	Portfolio (yrs)		Benchmark (yrs)**
	31 Dec '23	31 Mar '24	31 Mar '24
0-5 yrs	1.34	1.60	1.46
5-15 yrs	2.40	2.24	2.47
15+ yrs	3.11	2.49	2.69
Total	**6.85**	**6.33**	**6.62**

Quality exposure (MV%)

	Portfolio		Benchmark
	31 Dec '23	31 Mar '24	31 Mar '24
A1/P1	0.64	1.41	0.00
AAA	27.60	24.79	7.18
AA	8.89	9.23	8.66
A	20.81	22.70	40.98
Below A1/P1	0.00	0.00	0.00
BAA	37.04	36.79	43.17
BB	3.16	3.35	0.00
B	0.43	0.37	0.00
Below B	1.44	1.37	0.00
Total	**100**	**100**	**100**

**Benchmark duration is calculated by PIMCO
Benchmark: Bloomberg U.S. Credit Index

Interest rate exposure

	Portfolio (yrs)		Benchmark (yrs)**
	31 Dec '23	31 Mar '24	31 Mar '24
Effective duration	6.86	6.33	6.62
Bull market duration	6.85	6.25	6.75
Bear market duration	6.92	6.40	6.49
Spread duration			
Mortgage spread duration	0.58	0.78	0.00
Corporate spread duration	4.78	4.87	6.18
Emerging markets spread duration	0.24	0.26	0.42
Swap spread duration	-0.20	-0.18	0.00
Covered bond spread duration	0.01	0.01	0.00
Sovereign related spread duration	0.00	0.00	0.27

Derivative exposure (% of duration)

	31 Dec '23	31 Mar '24
Government futures	1.09	-2.26
Interest rate swaps	-2.20	-2.42
Credit default swaps*	0.00	0.00
Purchased swaps	0.00	0.00
Written swaps	0.00	0.00
Options	-0.66	-0.10
Purchased Options	0.00	-0.08
Written Options	-0.66	-0.02
Mortgage Derivatives	0.00	0.00
Money Market Derivatives	0.00	0.00
Futures	0.00	0.00
Interest rate swaps	0.00	0.00
Other Derivatives	0.00	0.00

* Shown as a percentage of market value

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Country and currency exposure

Country exposure by currency of settlement

	31 Dec '23		31 Mar '24	
	Duration (yrs)	FX (%)	Duration (yrs)	FX (%)
United States	**6.81**	**98.40**	**6.24**	**99.71**
Japan	**0.00**	**0.00**	**0.00**	**0.11**
Eurozone	**-0.15**	**-0.02**	**-0.11**	**-0.92**
Euro Currency	0.00	-0.02	0.00	-0.92
European Union	-0.19	0.00	-0.18	0.00
Germany	0.03	0.00	0.04	0.00
Netherlands	0.00	0.00	0.00	0.00
Spain	0.00	0.00	0.02	0.00
United Kingdom	**-0.00**	**0.05**	**0.01**	**0.00**
Europe non-EMU	**0.01**	**0.19**	**0.01**	**0.01**
Denmark	0.01	0.00	0.01	0.00
Norway	0.00	0.19	0.00	0.01
Dollar Block	**0.15**	**0.27**	**0.14**	**-0.12**
Australia	0.11	0.29	0.09	0.04
Canada	0.05	-0.01	0.04	-0.17
EM - Asia	**0.00**	**0.74**	**0.00**	**0.52**
India	0.00	0.26	0.00	0.26
Indonesia	0.00	0.27	0.00	0.26
Thailand	0.00	0.20	0.00	0.00
EM - Latin America	**0.03**	**0.21**	**0.04**	**0.19**
Argentina	0.00	0.01	0.00	0.00
Brazil	0.00	0.19	0.02	0.18
Mexico	0.03	0.01	0.02	0.01
Peru	0.00	0.01	0.00	0.01
EM - CEEMEA	**0.02**	**0.15**	**0.00**	**0.49**
South Africa	0.02	0.01	0.00	0.00
Turkey	0.00	0.15	0.00	0.49
Total	**6.86**	**100**	**6.33**	**100**

Emerging markets exposure by country of risk

	31 Dec '23			31 Mar '24		
	% of MV short duration Instruments	% of MV bonds	Duration (yrs)	% of MV short duration Instruments	% of MV bonds	Duration (yrs)
Brazil	0.01	0.24	0.01	0.00	0.93	0.03
China	0.00	0.64	0.04	0.00	0.46	0.03
India	0.00	0.20	0.01	0.00	0.20	0.01
Mexico	-0.01	0.63	0.04	-0.01	0.91	0.06
Peru	0.00	0.12	0.00	0.00	0.12	0.00
Romania	0.00	0.08	0.01	0.00	0.16	0.01
Russia	0.00	0.00	0.00	0.00	0.00	0.00
South Africa	-0.01	0.35	0.02	0.00	0.05	0.00
Turkey	0.00	0.00	0.00	0.00	0.00	0.00
Total	**-0.02**	**2.27**	**0.12**	**-0.02**	**2.83**	**0.14**

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Additional series unit performance

PIMCO Investment Grade Credit Fund (Canada) (net of fees performance)

Performance periods ended: 31 Mar '24	MER*	Management Fee**	NAV currency	Class Inception date	3 mos.	6 mos.	1 yr.	3 yrs.	5 yrs.	SI
Series A	1.420	1.250	USD	14 Sep '15	-0.13	7.60	3.58	-3.05	0.03	1.91
Series F	0.860	0.750	USD	14 Sep '15	0.01	7.90	4.15	-2.52	0.58	2.47
Series M	0.700	0.600	USD	14 Sep '15	0.05	7.99	4.33	-2.36	0.75	2.65
Series O	1.250	1.100	USD	14 Sep '15	-0.09	7.68	3.74	-2.90	0.19	2.08
Bloomberg U.S. Credit Index	-	-	-	-	-0.41	7.71	4.15	-1.86	1.39	2.45
Series ETF - CAD Hedged	0.850	0.750	CAD	29 Sep '17	-0.15	7.41	3.28	-2.97	0.13	0.37
Series A - CAD Hedged	1.400	1.250	CAD	14 Sep '15	-0.29	7.08	2.68	-3.51	-0.44	1.44
Series F - CAD Hedged	0.860	0.750	CAD	14 Sep '15	-0.16	7.37	3.24	-2.98	0.11	2.00
Series M - CAD Hedged	0.690	0.600	CAD	14 Sep '15	-0.12	7.46	3.41	-2.82	0.28	2.16
Series O - CAD Hedged	1.230	1.100	CAD	14 Sep '15	-0.25	7.17	2.86	-3.34	-0.26	1.61
Bloomberg U.S. Credit Index CAD Hedged	-	-	-	-	-0.57	7.10	3.20	-2.42	0.79	0.00

*As of 31/12/2023. Management expense ratio is based on total expenses which includes the Management Fee (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

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Funds typically offer different series, which are subject to different fees and expenses (which may affect performance), having different minimum investment requirements and are entitled to different services.

Important Disclosures

No Offering is being made by this material. Interested investors should obtain a copy of the prospectus, which is available from your Financial Advisor.

Past performance is not a guarantee or a reliable indicator of future results. The performance figures presented reflect the total return performance and reflect changes in unit price and reinvestment of dividend and capital gain distributions. All periods longer than one year are annualized. Funds typically offer different series, which are subject to different fees and expenses (which may affect performance), having different minimum investment requirements and are entitled to different services.

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 unitholder redemptions for cash, or hold a comparatively large portion of its portfolio in cash due to significant unit 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 certain risks including market, interest-rate, issuer, credit, and inflation risk. Sovereign securities are generally backed by the issuing government, obligations of U.S. Government agencies and authorities are supported by varying degrees but are generally not backed by the full faith of the U.S. Government; portfolios that invest in such securities are not guaranteed and will fluctuate in value. Investing in **foreign denominated and/or domiciled securities** may involve heightened risk due to currency fluctuations, and economic and political risks, which may be enhanced in emerging markets. Mortgage- and asset-backed securities may be sensitive to changes in interest rates, subject to early repayment risk, and while generally supported by a government, government-agency or private guarantor, there is no assurance that the guarantor will meet its 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. **Derivatives** may involve certain costs and risks such as liquidity, interest rate, market, credit, management and the risk that a position could not be closed when most advantageous. Investing in derivatives could lose more than the amount invested.

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.

The credit quality of a particular security or group of securities does not ensure the stability or safety of the 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. The Quality Ratings presented is the highest of either S&P, Moody', or Fitch. If an issue or issuer is unrated it is assigned an equivalent rating by a PIMCO portfolio Manager. Certain unrated instruments are not assigned a rating by PIMCO (such as OTC Credit Spreads, Money Market futures, Equity futures, and common stock) and are excluded from the quality exposure.

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.

Portfolio structure is subject to change without notice and may not be representative of current or future allocations.

Bloomberg U.S. Credit Index is an unmanaged index comprised of publicly issued U.S. corporate and specified non-U.S. debentures and secured notes that meet the specified maturity, liquidity, and quality requirements. To qualify, bonds must be SEC-registered. This index was formerly known as the Bloomberg Credit Investment Grade Index. It is not possible to invest directly in an unmanaged index.

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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