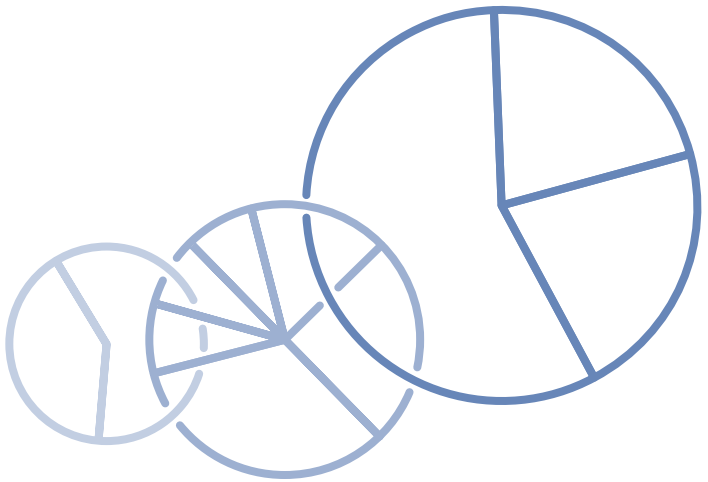




ANNUAL REPORT

# AB BOND INFLATION STRATEGY





Investment Products Offered • Are Not FDIC Insured • May Lose Value • Are Not Bank Guaranteed

**Investors should consider the investment objectives, risks, charges and expenses of the Fund carefully before investing. For copies of our prospectus or summary prospectus, which contain this and other information, visit us online at [www.abfunds.com](http://www.abfunds.com) or contact your AB representative. Please read the prospectus and/or summary prospectus carefully before investing.**

This shareholder report must be preceded or accompanied by the Fund's prospectus for individuals who are not current shareholders of the Fund.

You may obtain a description of the Fund's proxy voting policies and procedures, and information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30, without charge. Simply visit AB's website at [www.abfunds.com](http://www.abfunds.com), or go to the Securities and Exchange Commission's (the "Commission") website at [www.sec.gov](http://www.sec.gov), or call AB at (800) 227 4618.

The Fund files its complete schedule of portfolio holdings with the Commission for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The Fund's Form N-PORT reports are available on the Commission's website at [www.sec.gov](http://www.sec.gov). AB publishes full portfolio holdings for the Fund monthly at [www.abfunds.com](http://www.abfunds.com).

**AllianceBernstein Investments, Inc. (ABI)** is the distributor of the AB family of mutual funds. ABI is a member of FINRA and is an affiliate of AllianceBernstein L.P., the Adviser of the funds.

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## FROM THE PRESIDENT



Dear Shareholder,

We're pleased to provide this report for the AB Bond Inflation Strategy (the "Fund"). Please review the discussion of Fund performance, the market conditions during the reporting period and the Fund's investment strategy.

At AB, we're striving to help our clients achieve better outcomes by:

- + Fostering diverse perspectives that give us a distinctive approach to navigating global capital markets
- + Applying differentiated investment insights through a connected global research network
- + Embracing innovation to design better ways to invest and leading-edge mutual-fund solutions

Whether you're an individual investor or a multibillion-dollar institution, we're putting our knowledge and experience to work for you every day.

For more information about AB's comprehensive range of products and shareholder resources, please log on to [www.abfunds.com](http://www.abfunds.com).

Thank you for your investment in AB mutual funds—and for placing your trust in our firm.

Sincerely,

A stylized handwritten signature in black ink, appearing to read "Onur Erzan".

Onur Erzan

President and Chief Executive Officer, AB Mutual Funds



# ANNUAL REPORT

## December 4, 2023

This report provides management’s discussion of fund performance for the AB Bond Inflation Strategy for the annual reporting period ended October 31, 2023.

**The Fund’s investment objective is to maximize real return without assuming what the Adviser considers to be undue risk.**

### NAV RETURNS AS OF OCTOBER 31, 2023 (unaudited)

	6 Months	12 Months
<b>AB BOND INFLATION STRATEGY</b>		
Class 1 Shares <sup>1</sup>	-2.45%	1.84%
Class 2 Shares <sup>1</sup>	-2.49%	1.94%
Class A Shares	-2.56%	1.70%
Class C Shares	-2.93%	0.85%
Advisor Class Shares <sup>2</sup>	-2.43%	1.93%
Class R Shares <sup>2</sup>	-2.67%	1.41%
Class K Shares <sup>2</sup>	-2.65%	1.58%
Class I Shares <sup>2</sup>	-2.46%	1.88%
Class Z Shares <sup>2</sup>	-2.49%	1.83%
Bloomberg 1-10 Year TIPS Index	-2.72%	0.88%

- 1 Class 1 shares are only available to Bernstein Global Wealth Management private client accounts. Class 2 shares are only available to large Bernstein Global Wealth Management private client accounts and the Adviser’s institutional clients or through other limited arrangements.
- 2 Please note that these share classes are for investors purchasing shares through accounts established under certain fee-based programs sponsored and maintained by certain broker-dealers and financial intermediaries, institutional pension plans and/or investment advisory clients of, and certain other persons associated with, the Adviser and its affiliates or the Fund.

## INVESTMENT RESULTS

The table above shows the Fund’s performance compared with its benchmark, the Bloomberg 1-10 Year Treasury Inflation-Protected Securities (“TIPS”) Index, for the six- and 12-month periods ended October 31, 2023.

During both periods, all share classes except Class C outperformed the benchmark, before sales charges. In the 12-month period, sector allocation was the largest contributor, relative to the benchmark, from allocations to investment-grade corporate bonds, agency risk-sharing transactions, collateralized loan obligations and asset-backed securities that contributed more to performance than losses from allocations to Consumer Price Index (“CPI”) swaps and interest-rate swaps. Yield-curve positioning on the



two- and 10-year parts of the yield curve also contributed. Overall positioning in US TIPS detracted, as positioning in six-month TIPS contributed more than losses from positioning in two- and 10-year TIPS. Currency decisions in the British pound and Japanese yen were minor detractors.

Over the six-month period, sector allocation added the most to relative performance, mostly from allocations to investment-grade and high-yield corporate bonds, agency risk-sharing transactions and asset-backed securities that added more to relative performance than losses from allocations to US Treasury futures and interest-rate swaps. Yield-curve positioning also contributed, from positioning on the 10-year part of the yield curve that outweighed a loss from yield-curve positioning on the five-year part of the curve. Overall positioning in US TIPS detracted from results. Currency decisions in the British pound were a minor detractor to performance during the period.

The Fund's heightened turnover rate of 125% was a result of the Fund shifting into more attractive government-related bonds. However, the Fund incurred lower turnover rate in non-government securities, which generally have higher transaction cost than government-related transactions.

During both periods, the Fund used currency forwards to hedge currency risk and actively manage currency positions. Treasury futures and interest rate swaps were used to manage duration, country exposure and yield-curve positioning. CPI swaps were used to hedge inflation and for investment purposes. Credit default swaps were used in the corporate and commercial mortgage-backed securities sectors for hedging and investment purposes.

## **MARKET REVIEW AND INVESTMENT STRATEGY**

During the 12-month period ended October 2023, fixed-income government bond market yields were extremely volatile in all major developed markets, and developed-market government bond returns diverged based on individual country growth and inflation expectations. Most central banks raised interest rates significantly to combat inflation and then paused further interest-rate hikes. Government bond returns in aggregate were positive, as returns rose in Italy, Japan and Spain, and fell in the UK, Australia, Germany, the US and Canada. Overall, developed-market investment-grade corporate bonds significantly outperformed government bonds, including in the US and eurozone. High-yield corporate bonds advanced and materially outperformed government bonds—especially in the eurozone and US. Emerging-market local-currency sovereign bonds led risk asset returns, as the US dollar was mixed against all currencies. Emerging-market hard-currency sovereign and corporate bonds had strong relative positive returns, particularly among high-yield sovereigns and corporates.



## INVESTMENT POLICIES

The Fund seeks real return. Real return is the rate of return after adjusting for inflation. The Fund pursues its objective by investing principally in inflation-indexed securities (such as TIPS or inflation-indexed securities from issuers other than the US Treasury) or by gaining inflation protection through derivatives transactions, such as inflation (CPI) swaps or total return swaps linked to TIPS. In deciding whether to purchase inflation-indexed securities or use inflation-linked derivatives transactions, the Adviser considers the relative costs and efficiency of each method. In addition, in seeking to maximize real return, the Fund may also invest in other fixed-income investments, such as US and non-US government securities, corporate fixed-income securities and mortgage-related securities, as well as derivatives linked to such securities.

Under normal circumstances, the Fund invests at least 80% of its net assets in fixed-income securities. While the Fund expects to invest principally in investment-grade securities, it may invest up to 15% of its total assets in fixed-income securities rated BB or B or the equivalent by at least one nationally recognized statistical rating organization (or deemed by the Adviser to be of comparable credit quality), which are not investment-grade ("junk bonds").

Inflation-indexed securities are fixed-income securities structured to provide protection against inflation. Their principal value and/or the interest paid on them are adjusted to reflect official inflation measures. The inflation measure for TIPS is the CPI for Urban Consumers. The Fund may also invest in other inflation-indexed securities, issued by both US and non-US issuers, and in derivative instruments linked to these securities.

The Fund may invest in derivatives, such as options, futures contracts, forwards or swaps. The Fund intends to use leverage for investment purposes. To do this, the Fund expects to enter into (i) reverse repurchase agreement transactions and use the cash made available from these transactions to make additional investments in fixed-income securities in accordance with the Fund's investment policies and (ii) total return swaps. In determining when and to what extent to employ leverage or enter into derivatives transactions, the Adviser considers factors such as the relative risks and returns expected of potential investments and the costs of such transactions. The Adviser considers the impact of reverse repurchase agreements, swaps and other derivatives in making its assessments of the Fund's risks. The resulting exposures to markets, sectors, issuers or specific securities will be continuously monitored by the Adviser.

(continued on next page)



The Adviser selects securities for purchase or sale based on its assessment of the securities' risk and return characteristics as well as the securities' impact on the overall risk and return characteristics of the Fund. In making this assessment, the Adviser takes into account various factors, including the credit quality and sensitivity to interest rates of the securities under consideration and of the Fund's other holdings.

The Fund may also invest in loan participations and assignments; structured securities; mortgage-backed and other asset-backed securities; variable-, floating- and inverse-floating-rate instruments; and preferred stock, and may use other investment techniques. The Fund may invest in fixed-income securities of any maturity and duration. If the rating of a fixed-income security falls below investment-grade, the Fund will not be obligated to sell the security and may continue to hold it if, in the Adviser's opinion, the investment is appropriate under the circumstances.



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## DISCLOSURES AND RISKS

### Benchmark Disclosure

**The Bloomberg 1-10 Year TIPS Index is unmanaged and does not reflect fees and expenses associated with the active management of a mutual fund portfolio.** The Bloomberg 1-10 Year TIPS Index represents the performance of inflation-protected securities issued by the US Treasury. An investor cannot invest directly in an index, and its results are not indicative of the performance for any specific investment, including the Fund.

### A Word About Risk

**Market Risk:** The value of the Fund's assets will fluctuate as the bond market fluctuates. The value of the Fund's investments may decline, sometimes rapidly and unpredictably, simply because of economic changes or other events, including public health crises (including the occurrence of a contagious disease or illness) and regional and global conflicts, that affect large portions of the market.

**Credit Risk:** An issuer or guarantor of a fixed-income security, or the counterparty to a derivatives or other contract, may be unable or unwilling to make timely payments of interest or principal, or to otherwise honor its obligations. The issuer or guarantor may default, causing a loss of the full principal amount of a security and accrued interest. The degree of risk for a particular security may be reflected in its credit rating. There is the possibility that the credit rating of a fixed-income security may be downgraded after purchase, which may adversely affect the value of the security. Investments in fixed-income securities with lower ratings tend to have a higher probability that an issuer will default or fail to meet its payment obligations.

**Interest-Rate Risk:** Changes in interest rates will affect the value of investments in fixed-income securities. When interest rates rise, the value of existing investments in fixed-income securities tends to fall and this decrease in value may not be offset by higher income from new investments. Interest-rate risk is generally greater for fixed-income securities with longer maturities or durations. The Fund may be subject to a greater risk of rising interest rates than would normally be the case due to the recent end of a period of historically low rates and the effect of potential central bank monetary policy, and government fiscal policy, initiatives and resulting market reactions to those initiatives.

**Duration Risk:** Duration is a measure that relates the expected price volatility of a fixed-income security to changes in interest rates. The duration of a fixed-income security may be shorter than or equal to full maturity of a fixed-income security. Fixed-income securities with longer durations have more risk and will decrease in price as interest rates rise.



**Inflation Risk:** This is the risk that the value of assets or income from investments will be less in the future as inflation decreases the value of money. As inflation increases, the value of the Fund's assets can decline as can the value of the Fund's distributions. This risk is significantly greater for fixed-income securities with longer maturities. Although the Fund invests principally in inflation-indexed securities, the value of its securities may be vulnerable to changes in expectations of inflation or interest rates.

**Derivatives Risk:** Derivatives may be difficult to price or unwind and leveraged so that small changes may produce disproportionate losses for the Fund. A short position in a derivative instrument involves the risk of a theoretically unlimited increase in the value of the underlying asset, which could cause the Fund to suffer a potentially unlimited loss. Derivatives, especially over-the-counter derivatives, are also subject to counterparty risk, which is the risk that the counterparty (the party on the other side of the transaction) on a derivative transaction will be unable or unwilling to honor its contractual obligations to the Fund.

**Foreign (Non-US) Risk:** Investments in securities of non-US issuers may involve more risk than those of US issuers. These securities may fluctuate more widely in price and may be more difficult to trade due to adverse market, economic, political, regulatory or other factors.

**Currency Risk:** Fluctuations in currency exchange rates may negatively affect the value of the Fund's investments or reduce its returns.

**Mortgage-Related and/or Other Asset-Backed Securities Risk:** Investments in mortgage-related and other asset-backed securities are subject to certain additional risks. The value of these securities may be particularly sensitive to changes in interest rates. These risks include "extension risk", which is the risk that, in periods of rising interest rates, issuers may delay the payment of principal, and "prepayment risk", which is the risk that in periods of falling interest rates, issuers may pay principal sooner than expected, exposing the Fund to a lower rate of return upon reinvestment of principal. Mortgage-backed securities offered by non-governmental issuers and other asset-backed securities may be subject to other risks, such as higher rates of default in the mortgages or assets backing the securities or risks associated with the nature and servicing of mortgages or assets backing the securities.

**Leverage Risk:** To the extent the Fund uses leveraging techniques, its net asset value ("NAV") may be more volatile because leverage tends to exaggerate the effect of changes in interest rates and any increase or decrease in the value of the Fund's investments.



**Illiquid Investments Risk:** Illiquid investments risk exists when certain investments are or become difficult to purchase or sell. Difficulty in selling such investments may result in sales at disadvantageous prices affecting the value of your investment in the Fund. Causes of illiquid investments risk may include low trading volumes, large positions and heavy redemptions of Fund shares. Illiquid investments risk may be higher in a rising interest-rate environment, when the value and liquidity of fixed-income securities generally go down.

**Management Risk:** The Fund is subject to management risk because it is an actively managed investment fund. The Adviser will apply its investment techniques and risk analyses in making investment decisions, but there is no guarantee that its techniques will produce the intended results. Some of these techniques may incorporate, or rely upon, quantitative models, but there is no guarantee that these models will generate accurate forecasts, reduce risk or otherwise perform as expected.

These risks are fully discussed in the Fund's prospectus. As with all investments, you may lose money by investing in the Fund.

### **An Important Note About Historical Performance**

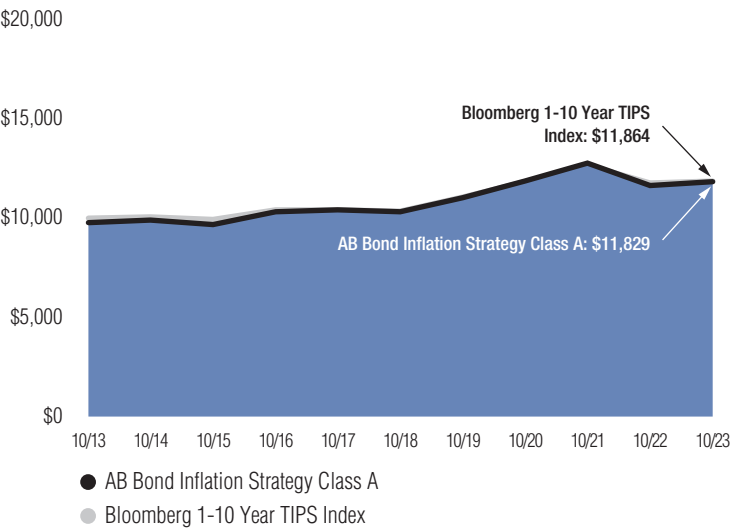
**The investment return and principal value of an investment in the Fund will fluctuate, so that shares, when redeemed, may be worth more or less than their original cost. Performance shown in this report represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance information shown. You may obtain performance information current to the most recent month-end by visiting [www.abfunds.com](http://www.abfunds.com). For Class 1 shares, go to [www.bernstein.com](http://www.bernstein.com) and click on "Investments", found in the footer, then "Mutual Fund Information—Mutual Fund Performance at a Glance."**

**All fees and expenses related to the operation of the Fund have been deducted. NAV returns do not reflect sales charges; if sales charges were reflected, the Fund's quoted performance would be lower. SEC returns reflect the applicable sales charges for each share class: a 2.25% maximum front-end sales charge for Class A shares and a 1% 1-year contingent deferred sales charge for Class C shares. Class 1 and Class 2 shares do not carry sales charges. Returns for the different share classes will vary due to different expenses associated with each class. Performance assumes reinvestment of distributions and does not account for taxes.**



# HISTORICAL PERFORMANCE

## GROWTH OF A \$10,000 INVESTMENT IN THE FUND (unaudited) 10/31/2013 TO 10/31/2023



This chart illustrates the total value of an assumed \$10,000 investment in AB Bond Inflation Strategy Class A shares (from 10/31/2013 to 10/31/2023) as compared to the performance of the Fund's benchmark. The chart reflects the deduction of the maximum 2.25% sales charge from the initial \$10,000 investment in the Fund and assumes the reinvestment of dividends and capital gains distributions.



## HISTORICAL PERFORMANCE (continued)

### AVERAGE ANNUAL RETURNS AS OF OCTOBER 31, 2023 (unaudited)

	NAV Returns	SEC Returns (reflects applicable sales charges)	SEC Yields <sup>1</sup>
<b>CLASS 1 SHARES<sup>2</sup></b>			2.87%
1 Year	1.84%	1.84%	
5 Years	2.97%	2.97%	
10 Years	2.10%	2.10%	
<b>CLASS 2 SHARES<sup>2</sup></b>			2.97%
1 Year	1.94%	1.94%	
5 Years	3.05%	3.05%	
10 Years	2.19%	2.19%	
<b>CLASS A SHARES</b>			2.74%
1 Year	1.70%	-0.62%	
5 Years	2.80%	2.34%	
10 Years	1.93%	1.69%	
<b>CLASS C SHARES</b>			2.05%
1 Year	0.85%	-0.12%	
5 Years	2.04%	2.04%	
10 Years <sup>3</sup>	1.18%	1.18%	
<b>ADVISOR CLASS SHARES<sup>4</sup></b>			3.05%
1 Year	1.93%	1.93%	
5 Years	3.06%	3.06%	
10 Years	2.20%	2.20%	
<b>CLASS R SHARES<sup>4</sup></b>			2.23%
1 Year	1.41%	1.41%	
5 Years	2.55%	2.55%	
10 Years	1.70%	1.70%	
<b>CLASS K SHARES<sup>4</sup></b>			1.46%
1 Year	1.58%	1.58%	
5 Years	2.77%	2.77%	
10 Years	1.93%	1.93%	
<b>CLASS I SHARES<sup>4</sup></b>			2.75%
1 Year	1.88%	1.88%	
5 Years	3.05%	3.05%	
10 Years	2.20%	2.20%	
<b>CLASS Z SHARES<sup>4</sup></b>			2.96%
1 Year	1.83%	1.83%	
5 Years	3.05%	3.05%	
Since Inception <sup>5</sup>	2.42%	2.42%	

(footnotes continued on next page)



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## HISTORICAL PERFORMANCE (continued)

**The Fund's prospectus fee table shows the Fund's total annual operating expense ratios as 0.78%, 0.67%, 1.04%, 1.78%, 0.78%, 1.43%, 1.10%, 0.78% and 0.68% for Class 1, Class 2, Class A, Class C, Advisor Class, Class R, Class K, Class I and Class Z shares, respectively, gross of any fee waivers or expense reimbursements. Contractual fee waivers and/or expense reimbursements limited the Fund's total annual operating expenses (excluding extraordinary expenses, interest expense and acquired fund fees and expenses other than the advisory fees of any AB mutual funds in which the Fund may invest) to 0.60%, 0.50%, 0.75%, 1.50%, 0.50%, 1.00%, 0.75%, 0.50% and 0.50% for Class 1, Class 2, Class A, Class C, Advisor Class, Class R, Class K, Class I and Class Z shares, respectively. These waivers/reimbursements may not be terminated before January 31, 2024, and may be extended by the Adviser for additional one-year terms. Absent reimbursements or waivers, performance would have been lower. The Financial Highlights section of this report sets forth expense ratio data for the current reporting period; the expense ratios shown above may differ from the expense ratios in the Financial Highlights section since they are based on different time periods.**

- 1 SEC yields are calculated based on SEC guidelines for the 30-day period ended October 31, 2023.
- 2 Class 1 shares are only available to Bernstein Global Wealth Management private client accounts. Class 2 shares are only available to large Bernstein Global Wealth Management private client accounts and the Adviser's institutional clients or through other limited arrangements. These share classes do not carry front-end sales charges; therefore, their respective NAV and SEC returns are the same.
- 3 Assumes conversion of Class C shares into Class A shares after eight years.
- 4 These share classes are offered at NAV to eligible investors and their SEC returns are the same as their NAV returns. Please note that these share classes are for investors purchasing shares through accounts established under certain fee-based programs sponsored and maintained by certain broker-dealers and financial intermediaries, institutional pension plans and/or investment advisory clients of, and certain other persons associated with, the Adviser and its affiliates or the Fund.
- 5 Inception date: 12/11/2014.



## HISTORICAL PERFORMANCE (continued)

### SEC AVERAGE ANNUAL RETURNS AS OF THE MOST RECENT CALENDAR QUARTER-END SEPTEMBER 30, 2023 (unaudited)

	SEC Returns (reflects applicable sales charges)
<b>CLASS 1 SHARES<sup>1</sup></b>	
1 Year	3.07%
5 Years	2.78%
10 Years	2.18%
<b>CLASS 2 SHARES<sup>1</sup></b>	
1 Year	3.16%
5 Years	2.89%
10 Years	2.29%
<b>CLASS A SHARES</b>	
1 Year	0.64%
5 Years	2.18%
10 Years	1.79%
<b>CLASS C SHARES</b>	
1 Year	1.07%
5 Years	1.84%
10 Years <sup>2</sup>	1.26%
<b>ADVISOR CLASS SHARES<sup>3</sup></b>	
1 Year	3.12%
5 Years	2.87%
10 Years	2.28%
<b>CLASS R SHARES<sup>3</sup></b>	
1 Year	2.63%
5 Years	2.37%
10 Years	1.78%
<b>CLASS K SHARES<sup>3</sup></b>	
1 Year	2.89%
5 Years	2.61%
10 Years	2.02%
<b>CLASS I SHARES<sup>3</sup></b>	
1 Year	3.19%
5 Years	2.89%
10 Years	2.29%
<b>CLASS Z SHARES<sup>3</sup></b>	
1 Year	3.14%
5 Years	2.89%
Since Inception <sup>4</sup>	2.48%

(footnotes continued on next page)



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## HISTORICAL PERFORMANCE (continued)

- 1 Class 1 shares are only available to Bernstein Global Wealth Management private client accounts. Class 2 shares are only available to large Bernstein Global Wealth Management private client accounts and the Adviser's institutional clients or through other limited arrangements.
- 2 Assumes conversion of Class C shares into Class A shares after eight years.
- 3 Please note that these share classes are for investors purchasing shares through accounts established under certain fee-based programs sponsored and maintained by certain broker-dealers and financial intermediaries, institutional pension plans and/or investment advisory clients of, and certain other persons associated with, the Adviser and its affiliates or the Fund.
- 4 Inception date: 12/11/2014.



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## EXPENSE EXAMPLE

(unaudited)

As a shareholder of a mutual fund, you may incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments, contingent deferred sales charges on redemptions and (2) ongoing costs, including management fees; distribution (12b-1) fees; and other fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period as indicated below.

### Actual Expenses

The table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

### Hypothetical Example for Comparison Purposes

The table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed annual rate of return of 5% before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds by comparing this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), or contingent deferred sales charges on redemptions. Therefore, the hypothetical example is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.



## EXPENSE EXAMPLE (continued)

	Beginning Account Value May 1, 2023	Ending Account Value October 31, 2023	Expenses Paid During Period*	Annualized Expense Ratio*
<b>Class A</b>				
Actual	\$ 1,000	\$ 974.40	\$ 3.98	0.80%
Hypothetical**	\$ 1,000	\$ 1,021.17	\$ 4.08	0.80%
<b>Class C</b>				
Actual	\$ 1,000	\$ 970.70	\$ 7.70	1.55%
Hypothetical**	\$ 1,000	\$ 1,017.39	\$ 7.88	1.55%
<b>Advisor Class</b>				
Actual	\$ 1,000	\$ 975.70	\$ 2.74	0.55%
Hypothetical**	\$ 1,000	\$ 1,022.43	\$ 2.80	0.55%
<b>Class R</b>				
Actual	\$ 1,000	\$ 973.30	\$ 5.17	1.04%
Hypothetical**	\$ 1,000	\$ 1,019.96	\$ 5.30	1.04%
<b>Class K</b>				
Actual	\$ 1,000	\$ 973.50	\$ 3.93	0.79%
Hypothetical**	\$ 1,000	\$ 1,021.22	\$ 4.02	0.79%
<b>Class I</b>				
Actual	\$ 1,000	\$ 975.40	\$ 2.69	0.54%
Hypothetical**	\$ 1,000	\$ 1,022.48	\$ 2.75	0.54%
<b>Class 1</b>				
Actual	\$ 1,000	\$ 975.50	\$ 3.19	0.64%
Hypothetical**	\$ 1,000	\$ 1,021.98	\$ 3.26	0.64%
<b>Class 2</b>				
Actual	\$ 1,000	\$ 975.10	\$ 2.69	0.54%
Hypothetical**	\$ 1,000	\$ 1,022.48	\$ 2.75	0.54%
<b>Class Z</b>				
Actual	\$ 1,000	\$ 975.10	\$ 2.69	0.54%
Hypothetical**	\$ 1,000	\$ 1,022.48	\$ 2.75	0.54%

\* Expenses are equal to each classes' annualized expense ratios, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period).

\*\* Assumes 5% annual return before expenses.



## PORTFOLIO SUMMARY

October 31, 2023 (unaudited)

### PORTFOLIO STATISTICS

Net Assets (\$mil): \$684.6

Total Investments (\$mil): \$670.3

#### INFLATION PROTECTION BREAKDOWN<sup>1</sup>

U.S. Inflation-Protected Exposure	72.6%
Non-Inflation Exposure	27.4
	100.0%

#### SECTOR BREAKDOWN OF NET PORTFOLIO ASSETS, EXCLUDING TREASURY SECURITIES, TIPS, INTEREST RATE DERIVATIVES AND NET CASH EQUIVALENTS<sup>1</sup>

Corporates—Investment Grade	8.5%
Asset-Backed Securities	6.0%
Collateralized Mortgage Obligations	5.7%
Collateralized Loan Obligations	2.7%
Corporates—Non-Investment Grade	1.3%
Commercial Mortgage-Backed Securities	1.3%
Mortgage Pass-Throughs	1.1%
Quasi-Sovereigns	0.3%
Emerging Markets—Corporate Bonds	0.3%
Local Governments—US Municipal Bonds	0.1%
Emerging Markets—Sovereigns	0.1%
Common Stocks	0.1%

#### SECTOR BREAKDOWN OF TOTAL PORTFOLIO INVESTMENTS, EXCLUDING DERIVATIVES<sup>2</sup>

Inflation-Linked Securities	71.9%
Corporates—Investment Grade	8.7%
Asset-Backed Securities	6.1%
Collateralized Mortgage Obligations	5.8%
Collateralized Loan Obligations	2.7%
Commercial Mortgage-Backed Securities	1.4%
Corporates—Non-Investment Grade	1.3%
Mortgage Pass-Throughs	1.2%
Quasi-Sovereigns	0.3%
Emerging Markets—Corporate Bonds	0.3%
Local Governments—US Municipal Bonds	0.1%
Emerging Markets—Sovereigns	0.1%
Common Stocks	0.1%

1 The Fund's sector and inflation protection exposure breakdowns are expressed as an approximate percentage of the Fund's total net assets (and may vary over time) inclusive of derivative exposure except as noted, based on the Adviser's internal classification.

2 The Fund's sector breakdown is expressed, based on the Adviser's internal classification, as a percentage of total investments and may vary over time. The Fund also enters into derivative transactions (not reflected in the table), which may be used for hedging or investment purposes or to adjust the risk profile or exposures of the Fund (see "Portfolio of Investments" section of the report for additional details). Derivative transactions may result in a form of leverage for the Fund. The Fund uses leverage for investment purposes by entering into reverse repurchase agreements. As a result, the Fund's total investments will generally exceed its net assets.



## PORTFOLIO OF INVESTMENTS

October 31, 2023

	Principal Amount (000)	U.S. \$ Value
<b>INFLATION-LINKED SECURITIES – 70.4%</b>		
<b>United States – 70.4%</b>		
U.S. Treasury Inflation Index		
0.125%, 07/15/2024 (TIPS).....	U.S.\$ 31,715	\$ 30,986,704
0.125%, 07/15/2026 (TIPS).....	108,353	101,327,136
0.125%, 07/15/2030 (TIPS) <sup>(a)(b)</sup> .....	281,926	242,015,950
0.125%, 07/15/2031 (TIPS).....	19,391	16,263,913
0.625%, 07/15/2032 (TIPS).....	3,052	2,619,161
1.375%, 07/15/2033 (TIPS).....	15,754	14,286,639
2.50%, 01/15/2029 (TIPS) <sup>(b)</sup> .....	74,767	74,708,949
Total Inflation-Linked Securities (cost \$504,627,527) .....		482,208,452

## CORPORATES - INVESTMENT

**GRADE – 8.5%**

### Financial Institutions – 4.3%

#### Banking – 3.4%

AIB Group PLC		
4.263%, 04/10/2025 <sup>(c)</sup> .....	746	736,406
Ally Financial, Inc.		
6.992%, 06/13/2029 .....	575	549,372
Banco de Credito del Peru S.A.		
3.125%, 07/01/2030 <sup>(c)</sup> .....	958	875,373
Banco Santander SA		
6.921%, 08/08/2033 .....	800	743,760
BNP Paribas SA		
4.625%, 02/25/2031 <sup>(c)(d)</sup> .....	489	338,046
8.50%, 08/14/2028 <sup>(c)(d)</sup> .....	1,036	993,379
Capital One Financial Corp.		
6.377%, 06/08/2034 .....	1,080	985,241
Citigroup, Inc.		
7.625%, 11/15/2028 <sup>(d)</sup> .....	84	81,032
Series W		
4.00%, 12/10/2025 <sup>(d)</sup> .....	504	431,817
Series Y		
4.15%, 11/15/2026 <sup>(d)</sup> .....	480	373,205
Credit Agricole SA		
6.316%, 10/03/2029 <sup>(c)</sup> .....	373	366,812
Deutsche Bank AG/New York NY		
2.129%, 11/24/2026 .....	296	267,033
3.961%, 11/26/2025 .....	405	390,618
7.146%, 07/13/2027 .....	233	232,672
Discover Bank		
5.974%, 08/09/2028 .....	327	295,611



## PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
Goldman Sachs Group, Inc. (The)			
Series P			
8.501% (SOFR + 3.14%), 12/01/2023 <sup>(d)(e)</sup> .....	U.S.\$	244	\$ 243,012
Series V			
4.125%, 11/10/2026 <sup>(d)</sup> .....		775	613,785
HSBC Holdings PLC			
8.113%, 11/03/2033 .....		1,738	1,800,255
ING Groep NV			
6.083%, 09/11/2027 .....		659	652,924
JPMorgan Chase & Co.			
6.07%, 10/22/2027 .....		1,079	1,077,597
Lloyds Banking Group PLC			
8.00%, 09/27/2029 <sup>(d)</sup> .....		1,011	887,577
Morgan Stanley			
0.406%, 10/29/2027 .....	EUR	1,030	967,868
NatWest Group PLC			
4.269%, 03/22/2025 .....	U.S.\$	648	641,527
PNC Financial Services Group, Inc. (The)			
6.875%, 10/20/2034 .....		376	375,774
Series R			
8.711% (SOFR + 3.30%), 12/01/2023 <sup>(d)(e)</sup> .....		352	348,455
Santander Holdings USA, Inc.			
2.49%, 01/06/2028 .....		497	427,987
6.499%, 03/09/2029 .....		458	442,950
6.565%, 06/12/2029 .....		37	35,695
Standard Chartered PLC			
3.971%, 03/30/2026 <sup>(c)</sup> .....		657	631,995
6.00%, 07/26/2025 <sup>(c)(d)</sup> .....		1,267	1,195,655
7.162% (LIBOR 3 Month + 1.51%), 01/30/2027 <sup>(c)(d)(e)</sup> .....		400	366,048
Svenska Handelsbanken AB			
4.75%, 03/01/2031 <sup>(c)(d)</sup> .....		1,400	1,048,824
UBS Group AG			
4.194%, 04/01/2031 <sup>(c)</sup> .....		614	524,706
6.373%, 07/15/2026 <sup>(c)</sup> .....		1,025	1,018,532
UniCredit SpA			
1.982%, 06/03/2027 <sup>(c)</sup> .....		204	179,863
2.569%, 09/22/2026 <sup>(c)</sup> .....		1,071	980,854
3.127%, 06/03/2032 <sup>(c)</sup> .....		368	275,558
US Bancorp			
Series J			
5.30%, 04/15/2027 <sup>(d)</sup> .....		427	335,870
Wells Fargo & Co.			
7.625%, 09/15/2028 <sup>(d)</sup> .....		493	495,179
Series BB			
3.90%, 03/15/2026 <sup>(d)</sup> .....		418	362,812
			<u>23,591,679</u>



## PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
<b>Brokerage – 0.2%</b>			
Charles Schwab Corp. (The)			
Series G			
5.375%, 06/01/2025 <sup>(d)</sup>	U.S.\$	253	\$ 241,372
Series I			
4.00%, 06/01/2026 <sup>(d)</sup>		1,366	1,085,328
			<u>1,326,700</u>
<b>Finance – 0.5%</b>			
Aircastle Ltd.			
4.125%, 05/01/2024		232	228,822
Aviation Capital Group LLC			
1.95%, 09/20/2026 <sup>(c)</sup>		346	300,743
4.125%, 08/01/2025 <sup>(c)</sup>		7	6,665
4.375%, 01/30/2024 <sup>(c)</sup>		194	192,704
4.875%, 10/01/2025 <sup>(c)</sup>		246	236,590
5.50%, 12/15/2024 <sup>(c)</sup>		425	417,745
6.375%, 07/15/2030 <sup>(c)</sup>		245	232,096
Synchrony Financial			
2.875%, 10/28/2031		791	537,049
3.95%, 12/01/2027		429	367,722
4.50%, 07/23/2025		244	229,104
4.875%, 06/13/2025		414	392,373
			<u>3,141,613</u>
<b>REITs – 0.2%</b>			
GLP Capital LP/GLP Financing II, Inc.			
3.25%, 01/15/2032		949	717,966
4.00%, 01/15/2031		414	336,226
Vornado Realty LP			
3.40%, 06/01/2031		625	432,800
			<u>1,486,992</u>
			<u>29,546,984</u>
<b>Industrial – 3.8%</b>			
<b>Basic – 0.1%</b>			
Freeport Indonesia PT			
4.763%, 04/14/2027 <sup>(c)</sup>		415	393,138
Glencore Funding LLC			
6.50%, 10/06/2033 <sup>(c)</sup>		543	531,070
			<u>924,208</u>
<b>Communications - Media – 0.3%</b>			
Cox Communications, Inc.			
5.70%, 06/15/2033 <sup>(c)</sup>		281	264,615
Interpublic Group of Cos., Inc. (The)			
5.375%, 06/15/2033		547	502,119
Prosus NV			
3.257%, 01/19/2027 <sup>(c)</sup>		593	523,441
4.027%, 08/03/2050 <sup>(c)</sup>		487	265,415



## PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
Tencent Holdings Ltd. 3.24%, 06/03/2050 <sup>(c)</sup> .....	U.S.\$	655	\$ 357,505
			<u>1,913,095</u>
<b>Communications -</b>			
<b>Telecommunications – 0.2%</b>			
AT&T, Inc. 4.50%, 05/15/2035 .....		157	130,768
T-Mobile USA, Inc. 5.05%, 07/15/2033 .....		764	690,244
Verizon Communications, Inc. 4.50%, 08/10/2033 .....		809	<u>701,055</u>
			<u>1,522,067</u>
<b>Consumer Cyclical - Automotive – 0.5%</b>			
Ford Motor Credit Co., LLC 7.35%, 11/04/2027 .....		501	507,032
General Motors Financial Co., Inc. 5.80%, 06/23/2028 .....		723	700,320
Harley-Davidson Financial Services, Inc. 3.05%, 02/14/2027 <sup>(c)</sup> .....		1,942	1,715,349
Hyundai Capital America 6.10%, 09/21/2028 <sup>(c)</sup> .....		486	<u>477,728</u>
			<u>3,400,429</u>
<b>Consumer Cyclical - Other – 0.0%</b>			
Marriott International, Inc./MD Series EE 5.75%, 05/01/2025 .....		92	<u>91,688</u>
<b>Consumer Non-Cyclical – 0.5%</b>			
BAT Capital Corp. 6.421%, 08/02/2033 .....		268	252,558
Cargill, Inc. 5.125%, 10/11/2032 <sup>(c)</sup> .....		632	595,717
JBS USA LUX SA/JBS USA Food Co./JBS Luxembourg SARL 6.75%, 03/15/2034 <sup>(c)</sup> .....		627	586,590
Ochsner LSU Health System of North Louisiana Series 2021 2.51%, 05/15/2031 .....		1,190	747,320
Pilgrim's Pride Corp. 6.875%, 05/15/2034 .....		731	692,761
Takeda Pharmaceutical Co., Ltd. 4.40%, 11/26/2023 .....		384	<u>383,547</u>
			<u>3,258,493</u>
<b>Energy – 0.8%</b>			
Continental Resources, Inc./OK 2.875%, 04/01/2032 <sup>(c)</sup> .....		1,803	1,334,094
5.75%, 01/15/2031 <sup>(c)</sup> .....		796	738,457



## PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
Ecopetrol SA			
8.625%, 01/19/2029 .....	U.S.\$	1,134	\$ 1,128,897
Oleoducto Central SA			
4.00%, 07/14/2027 <sup>(c)</sup> .....		229	200,556
ONEOK Partners LP			
6.125%, 02/01/2041 .....		105	95,200
ONEOK, Inc.			
6.05%, 09/01/2033 .....		458	439,185
Var Energi ASA			
7.50%, 01/15/2028 <sup>(c)</sup> .....		867	883,716
8.00%, 11/15/2032 <sup>(c)</sup> .....		680	699,469
			<u>5,519,574</u>
<b>Other Industrial – 0.1%</b>			
LKQ Corp.			
6.25%, 06/15/2033 .....		312	<u>291,889</u>
<b>Technology – 1.1%</b>			
Honeywell International, Inc.			
4.125%, 11/02/2034 .....	EUR	1,853	1,908,820
Kyndryl Holdings, Inc.			
2.05%, 01/15/2026 .....	U.S.\$	1,428	1,244,116
Lenovo Group Ltd.			
5.831%, 01/27/2028 <sup>(c)</sup> .....		1,193	1,159,477
6.536%, 07/27/2032 <sup>(c)</sup> .....		1,139	1,103,042
NXP BV/NXP Funding LLC			
5.55%, 12/01/2028 .....		711	687,345
SK Hynix, Inc.			
2.375%, 01/19/2031 <sup>(c)</sup> .....		382	281,247
TSMC Arizona Corp.			
3.875%, 04/22/2027 .....		1,009	953,919
			<u>7,337,966</u>
<b>Transportation - Railroads – 0.1%</b>			
Lima Metro Line 2 Finance Ltd.			
4.35%, 04/05/2036 <sup>(c)</sup> .....		211	178,604
5.875%, 07/05/2034 <sup>(c)</sup> .....		267	252,990
			<u>431,594</u>
<b>Transportation - Services – 0.1%</b>			
ENA Master Trust			
4.00%, 05/19/2048 <sup>(c)</sup> .....		303	207,279
ERAC USA Finance LLC			
4.90%, 05/01/2033 <sup>(c)</sup> .....		635	577,399
			<u>784,678</u>
			<u>25,475,681</u>



## PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
<b>Utility – 0.4%</b>			
<b>Electric – 0.4%</b>			
AES Panama Generation Holdings SRL 4.375%, 05/31/2030 <sup>(c)</sup> .....	U.S.\$	355	\$ 287,668
Alexander Funding Trust II 7.467%, 07/31/2028 <sup>(c)</sup> .....		656	650,011
Duke Energy Carolinas NC Storm Funding LLC Series A-2 2.617%, 07/01/2041 .....		1,183	780,638
Electricite de France SA 9.125%, 03/15/2033 <sup>(c)(d)</sup> .....		415	424,595
Engie Energia Chile SA 3.40%, 01/28/2030 <sup>(c)</sup> .....		751	599,808
NRG Energy, Inc. 4.45%, 06/15/2029 <sup>(c)</sup> .....		148	127,848
			<u>2,870,568</u>
Total Corporates - Investment Grade (cost \$63,888,162) .....			<u>57,893,233</u>

## ASSET-BACKED SECURITIES – 6.0%

### Autos - Fixed Rate – 3.0%

ACM Auto Trust			
Series 2023-1A, Class A 6.61%, 01/22/2030 <sup>(c)</sup> .....		611	610,496
American Credit Acceptance Receivables Trust Series 2022-3, Class A 4.12%, 02/13/2026 <sup>(c)</sup> .....		20	20,240
Avis Budget Rental Car Funding AESOP LLC Series 2023-3A, Class A 5.44%, 02/22/2028 <sup>(c)</sup> .....		1,294	1,260,127
Carvana Auto Receivables Trust Series 2021-N3, Class C 1.02%, 06/12/2028 .....		187	172,324
Series 2021-N4, Class D 2.30%, 09/11/2028 .....		916	872,964
Series 2021-P4, Class D 2.61%, 09/11/2028 .....		1,206	1,018,069
CPS Auto Receivables Trust Series 2021-C, Class D 1.69%, 06/15/2027 <sup>(c)</sup> .....		1,080	1,021,912
Series 2022-A, Class C 2.17%, 04/16/2029 <sup>(c)</sup> .....		1,765	1,689,464
FHF Trust			
Series 2021-2A, Class A 0.83%, 12/15/2026 <sup>(c)</sup> .....		243	233,564



## PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
Ford Credit Auto Owner Trust			
Series 2021-1, Class D			
2.31%, 10/17/2033 <sup>(c)</sup> .....	U.S.\$	1,000	\$ 876,952
Hertz Vehicle Financing III LLC			
Series 2022-1A, Class C			
2.63%, 06/25/2026 <sup>(c)</sup> .....		1,660	1,550,941
LAD Auto Receivables Trust			
Series 2021-1A, Class A			
1.30%, 08/17/2026 <sup>(c)</sup> .....		324	318,365
Series 2022-1A, Class A			
5.21%, 06/15/2027 <sup>(c)</sup> .....		1,152	1,140,498
Lendbuzz Securitization Trust			
Series 2023-2A, Class A2			
7.09%, 10/16/2028 <sup>(c)</sup> .....		1,179	1,173,539
Octane Receivables Trust			
Series 2021-2A, Class B			
2.02%, 09/20/2028 <sup>(c)</sup> .....		1,508	1,396,908
Prestige Auto Receivables Trust			
Series 2022-1A, Class A2			
5.90%, 07/15/2025 <sup>(c)</sup> .....		563	562,155
Research-Driven Pagaya Motor Asset Trust VII			
Series 2022-3A, Class A			
5.38%, 11/25/2030 <sup>(c)</sup> .....		1,461	1,439,240
Santander Bank Auto Credit-Linked Notes			
Series 2022-A, Class B			
5.281%, 05/15/2032 <sup>(c)</sup> .....		1,127	1,112,871
Series 2022-B, Class B			
5.721%, 08/16/2032 <sup>(c)</sup> .....		1,044	1,037,521
Santander Bank NA – SBCLN			
Series 2021-1A, Class B			
1.833%, 12/15/2031 <sup>(c)</sup> .....		350	340,740
United Auto Credit Securitization Trust			
Series 2022-2, Class A			
4.39%, 04/10/2025 <sup>(c)</sup> .....		184	184,171
Series 2023-1, Class A			
5.57%, 07/10/2025 <sup>(c)</sup> .....		514	513,389
Westlake Automobile Receivables Trust			
Series 2023-2A, Class A2A			
5.87%, 07/15/2026 <sup>(c)</sup> .....		1,889	1,885,933
			<u>20,432,383</u>
<b>Other ABS - Fixed Rate – 2.6%</b>			
AB Issuer LLC			
Series 2021-1, Class A2			
3.734%, 07/30/2051 <sup>(c)</sup> .....		1,442	1,188,660
Affirm Asset Securitization Trust			
Series 2021-Z1, Class A			
1.07%, 08/15/2025 <sup>(c)</sup> .....		79	77,498



## PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
Series 2021-Z2, Class A			
1.17%, 11/16/2026 <sup>(c)</sup> .....	U.S.\$	159	\$ 153,538
Series 2022-X1, Class A			
1.75%, 02/15/2027 <sup>(c)</sup> .....		213	209,206
Amur Equipment Finance Receivables XI LLC			
Series 2022-2A, Class A2			
5.30%, 06/21/2028 <sup>(c)</sup> .....		738	731,182
Atalaya Equipment Leasing Trust			
Series 2021-1A, Class B			
2.08%, 02/15/2027 <sup>(c)</sup> .....		482	460,898
BHG Securitization Trust			
Series 2022-A, Class D			
3.56%, 02/20/2035 <sup>(c)</sup> .....		1,350	1,057,939
Cajun Global LLC			
Series 2021-1, Class A2			
3.931%, 11/20/2051 <sup>(c)</sup> .....		452	393,880
College Ave Student Loans LLC			
Series 2021-C, Class B			
2.72%, 07/26/2055 <sup>(c)</sup> .....		603	516,327
Dext ABS LLC			
Series 2021-1, Class B			
1.76%, 02/15/2028 <sup>(c)</sup> .....		197	182,105
Series 2023-1, Class A2			
5.99%, 03/15/2032 <sup>(c)</sup> .....		2,148	2,114,679
Diamond Issuer			
Series 2021-1A, Class A			
2.305%, 11/20/2051 <sup>(c)</sup> .....		2,152	1,827,042
Domino's Pizza Master Issuer LLC			
Series 2021-1A, Class A2I			
2.662%, 04/25/2051 <sup>(c)</sup> .....		761	635,851
GCI Funding I LLC			
Series 2021-1, Class A			
2.38%, 06/18/2046 <sup>(c)</sup> .....		456	383,758
Hardee's Funding LLC			
Series 2018-1A, Class A23			
5.71%, 06/20/2048 <sup>(c)</sup> .....		492	435,457
Series 2020-1A, Class A2			
3.981%, 12/20/2050 <sup>(c)</sup> .....		325	272,436
MVW LLC			
Series 2021-2A, Class B			
1.83%, 05/20/2039 <sup>(c)</sup> .....		653	586,907
Neighbory Issuer LLC			
Series 2021-1A, Class A2			
3.584%, 04/30/2051 <sup>(c)</sup> .....		512	422,575
Series 2022-1A, Class A2			
3.695%, 01/30/2052 <sup>(c)</sup> .....		1,636	1,317,303
Series 2023-1A, Class A2			
7.308%, 01/30/2053 <sup>(c)</sup> .....		1,950	1,871,084



## PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
Nelnet Student Loan Trust			
Series 2021-CA, Class B			
2.53%, 04/20/2062 <sup>(c)</sup> .....	U.S.\$	758	\$ 576,087
Series 2021-DA, Class B			
2.90%, 04/20/2062 <sup>(c)</sup> .....		793	622,949
NMEF Funding LLC			
Series 2022-B, Class A2			
6.07%, 06/15/2029 <sup>(c)</sup> .....		806	801,734
Upstart Securitization Trust			
Series 2021-3, Class B			
1.66%, 07/20/2031 <sup>(c)</sup> .....		1,014	994,971
			<u>17,834,066</u>
<b>Credit Cards - Fixed Rate - 0.4%</b>			
Brex Commercial Charge Card Master Trust			
Series 2022-1, Class A			
4.63%, 07/15/2025 <sup>(c)</sup> .....		2,894	<u>2,851,227</u>
Total Asset-Backed Securities			
(cost \$44,340,458) .....			<u>41,117,676</u>

## COLLATERALIZED MORTGAGE OBLIGATIONS - 5.7%

### Risk Share Floating Rate - 5.5%

Bellemeade Re Ltd.			
Series 2019-3A, Class M1C			
7.389% (LIBOR 1 Month + 1.95%),			
07/25/2029 <sup>(c)(e)</sup> .....		264	265,085
Series 2021-1A, Class M1C			
8.271% (SOFR + 2.95%), 03/25/2031 <sup>(c)(e)</sup> .....		728	739,911
Series 2021-2A, Class M1B			
6.821% (SOFR + 1.50%), 06/25/2031 <sup>(c)(e)</sup> .....		1,425	1,420,533
Series 2021-3A, Class A2			
6.321% (SOFR + 1.00%), 09/25/2031 <sup>(c)(e)</sup> .....		1,699	1,682,185
Series 2022-1, Class M1B			
7.471% (SOFR + 2.15%), 01/26/2032 <sup>(c)(e)</sup> .....		1,255	1,253,368
Series 2022-2, Class M1A			
9.321% (SOFR + 4.00%), 09/27/2032 <sup>(c)(e)</sup> .....		2,594	2,659,532
Connecticut Avenue Securities Trust			
Series 2018-R07, Class 1M2			
7.835% (SOFR + 2.51%), 04/25/2031 <sup>(c)(e)</sup> .....		12	12,475
Series 2019-R07, Class 1M2			
7.535% (SOFR + 2.21%), 10/25/2039 <sup>(c)(e)</sup> .....		15	15,274
Series 2020-R01, Class 1M2			
7.485% (SOFR + 2.16%), 01/25/2040 <sup>(c)(e)</sup> .....		296	299,139
Series 2020-R02, Class 2M2			
7.435% (SOFR + 2.11%), 01/25/2040 <sup>(c)(e)</sup> .....		144	144,390
Series 2022-R01, Class 1M2			
7.221% (SOFR + 1.90%), 12/25/2041 <sup>(c)(e)</sup> .....		2,899	2,855,398



## PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
Series 2022-R02, Class 2M1			
6.521% (SOFR + 1.20%), 01/25/2042 <sup>(c)(e)</sup> .....	U.S.\$	1,277	\$ 1,272,636
Series 2022-R03, Class 1M2			
8.821% (SOFR + 3.50%), 03/25/2042 <sup>(c)(e)</sup> .....		2,283	2,371,619
Series 2022-R04, Class 1M2			
8.421% (SOFR + 3.10%), 03/25/2042 <sup>(c)(e)</sup> .....		573	583,443
Series 2023-R02, Class 1M1			
7.621% (SOFR + 2.30%), 01/25/2043 <sup>(c)(e)</sup> .....		978	990,161
Eagle Re Ltd.			
Series 2021-2, Class M1B			
7.371% (SOFR + 2.05%), 04/25/2034 <sup>(c)(e)</sup> .....		675	674,765
Federal Home Loan Mortgage Corp. Structured Agency Credit Risk Debt Notes			
Series 2015-HQA2, Class M3			
10.235% (SOFR + 4.91%), 05/25/2028 <sup>(e)</sup> .....		76	79,267
Series 2019-DNA4, Class M2			
7.385% (SOFR + 2.06%), 10/25/2049 <sup>(c)(e)</sup> .....		15	14,538
Series 2020-DNA1, Class M2			
7.135% (SOFR + 1.81%), 01/25/2050 <sup>(c)(e)</sup> .....		114	113,843
Series 2020-DNA5, Class M2			
8.121% (SOFR + 2.80%), 10/25/2050 <sup>(c)(e)</sup> .....		267	270,810
Series 2021-DNA5, Class M2			
6.971% (SOFR + 1.65%), 01/25/2034 <sup>(c)(e)</sup> .....		385	385,386
Series 2021-DNA6, Class M2			
6.821% (SOFR + 1.50%), 10/25/2041 <sup>(c)(e)</sup> .....		2,561	2,522,468
Series 2021-HQA3, Class M1			
6.171% (SOFR + 0.85%), 09/25/2041 <sup>(c)(e)</sup> .....		911	898,363
Series 2021-HQA4, Class M2			
7.671% (SOFR + 2.35%), 12/25/2041 <sup>(c)(e)</sup> .....		1,765	1,710,192
Series 2022-DNA1, Class M1B			
7.171% (SOFR + 1.85%), 01/25/2042 <sup>(c)(e)</sup> .....		1,542	1,519,080
Series 2022-DNA2, Class M1B			
7.721% (SOFR + 2.40%), 02/25/2042 <sup>(c)(e)</sup> .....		2,468	2,472,504
Series 2022-DNA3, Class M1B			
8.221% (SOFR + 2.90%), 04/25/2042 <sup>(c)(e)</sup> .....		1,069	1,088,586
Series 2022-DNA4, Class M1B			
8.671% (SOFR + 3.35%), 05/25/2042 <sup>(c)(e)</sup> .....		2,051	2,117,759
Series 2022-DNA5, Class M1B			
9.821% (SOFR + 4.50%), 06/25/2042 <sup>(c)(e)</sup> .....		3,681	3,919,703
Series 2023-DNA2, Class M1A			
7.421% (SOFR + 2.10%), 04/25/2043 <sup>(c)(e)</sup> .....		935	942,462
Federal National Mortgage Association			
Connecticut Avenue Securities			
Series 2015-C04, Class 1M2			
11.135% (SOFR + 5.81%), 04/25/2028 <sup>(e)</sup> .....		333	354,294
Series 2021-R02, Class 2M2			
7.321% (SOFR + 2.00%), 11/25/2041 <sup>(c)(e)</sup> .....		1,221	1,198,548



## PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
PMT Credit Risk Transfer Trust			
Series 2019-2R, Class A			
9.191% (SOFR + 3.86%), 05/30/2025 <sup>(c)(e)</sup> .....	U.S.\$	460	\$ 459,589
Series 2019-3R, Class A			
9.135% (SOFR + 3.81%), 11/27/2031 <sup>(c)(e)</sup> .....		40	39,934
Series 2020-1R, Class A			
8.785% (SOFR + 3.46%), 02/27/2023 <sup>(c)(e)(f)(g)</sup> .....		149	147,065
Triangle Re Ltd.			
Series 2021-3, Class M1A			
7.221% (SOFR + 1.90%), 02/25/2034 <sup>(c)(e)</sup> .....		313	313,195
			<u>37,807,500</u>
<b>Agency Floating Rate – 0.2%</b>			
Federal Home Loan Mortgage Corp. REMICs			
Series 3955, Class SD			
1.165% (6.49% – SOFR), 11/15/2041 <sup>(e)(h)</sup> .....		1,651	118,222
Series 4693, Class SL			
0.715% (6.04% – SOFR), 06/15/2047 <sup>(e)(h)</sup> .....		1,035	81,317
Series 4954, Class SL			
0.615% (5.94% – SOFR), 02/25/2050 <sup>(e)(h)</sup> .....		1,269	93,754
Series 4981, Class HS			
0.665% (5.99% – SOFR), 06/25/2050 <sup>(e)(h)</sup> .....		2,562	189,620
Federal National Mortgage Association REMICs			
Series 2014-78, Class SE			
0.665% (5.99% – SOFR), 12/25/2044 <sup>(e)(h)</sup> .....		744	55,179
Series 2016-77, Class DS			
0.565% (5.89% – SOFR), 10/25/2046 <sup>(e)(h)</sup> .....		815	58,924
Series 2017-62, Class AS			
0.715% (6.04% – SOFR), 08/25/2047 <sup>(e)(h)</sup> .....		877	73,734
Series 2017-97, Class LS			
0.765% (6.09% – SOFR), 12/25/2047 <sup>(e)(h)</sup> .....		1,258	109,000
Government National Mortgage Association			
Series 2017-122, Class SA			
0.746% (6.09% – SOFR), 08/20/2047 <sup>(e)(h)</sup> .....		667	59,511
Series 2017-134, Class MS			
0.746% (6.09% – SOFR), 09/20/2047 <sup>(e)(h)</sup> .....		770	68,698
			<u>907,959</u>
<b>Non-Agency Floating Rate – 0.0%</b>			
JPMorgan Chase Bank, NA			
Series 2019-CL1, Class M3			
7.539% (SOFR + 2.21%), 04/25/2047 <sup>(c)(e)</sup> .....		131	129,376
Total Collateralized Mortgage Obligations			
(cost \$38,486,615) .....			<u>38,844,835</u>



## PORTFOLIO OF INVESTMENTS (continued)

	Principal Amount (000)	U.S. \$ Value
<b>COLLATERALIZED LOAN OBLIGATIONS – 2.7%</b>		
<b>CLO - Floating Rate – 2.7%</b>		
AGL CLO 10 Ltd.		
Series 2021-10A, Class A		
6.786% (SOFR + 1.39%), 04/15/2034 <sup>(c)(e)</sup> .....	U.S.\$ 250	\$ 247,276
AGL CLO 16 Ltd.		
Series 2021-16A, Class D		
8.777% (SOFR + 3.36%), 01/20/2035 <sup>(c)(e)</sup> .....	650	609,333
Balboa Bay Loan Funding Ltd.		
Series 2020-1A, Class DR		
8.824% (SOFR + 3.41%), 01/20/2032 <sup>(c)(e)</sup> .....	415	397,499
Series 2021-1A, Class A		
6.877% (SOFR + 1.46%), 07/20/2034 <sup>(c)(e)</sup> .....	1,111	1,098,447
Ballyrock CLO 15 Ltd.		
Series 2021-1A, Class C		
8.756% (SOFR + 3.36%), 04/15/2034 <sup>(c)(e)</sup> .....	1,000	935,560
Ballyrock CLO 16 Ltd.		
Series 2021-16A, Class C		
8.577% (SOFR + 3.16%), 07/20/2034 <sup>(c)(e)</sup> .....	660	607,621
Crown Point CLO 11 Ltd.		
Series 2021-11A, Class D		
9.264% (SOFR + 3.86%), 01/17/2034 <sup>(c)(e)</sup> .....	400	380,114
Dryden 78 CLO Ltd.		
Series 2020-78A, Class C		
7.614% (SOFR + 2.21%), 04/17/2033 <sup>(c)(e)</sup> .....	880	845,644
Series 2020-78A, Class D		
8.664% (SOFR + 3.26%), 04/17/2033 <sup>(c)(e)</sup> .....	460	431,274
Dryden 98 CLO Ltd.		
Series 2022-98A, Class D		
8.516% (SOFR + 3.10%), 04/20/2035 <sup>(c)(e)</sup> .....	500	459,113
Goldentree Loan Management US CLO 7 Ltd.		
Series 2020-7A, Class AR		
6.747% (SOFR + 1.33%), 04/20/2034 <sup>(c)(e)</sup> .....	1,077	1,066,170
Magnetite XXVI Ltd.		
Series 2020-26A, Class A1R		
6.76% (SOFR + 1.38%), 07/25/2034 <sup>(c)(e)</sup> .....	2,348	2,328,270
Neuberger Berman Loan Advisers CLO 42 Ltd.		
Series 2021-42A, Class D		
8.456% (SOFR + 3.06%), 07/16/2035 <sup>(c)(e)</sup> .....	1,295	1,211,850
Neuberger Berman Loan Advisers CLO 43 Ltd.		
Series 2021-43A, Class A		
6.794% (SOFR + 1.39%), 07/17/2035 <sup>(c)(e)</sup> .....	1,354	1,345,938
New Mountain CLO 3 Ltd.		
Series CLO-3A, Class A		
6.857% (SOFR + 1.44%), 10/20/2034 <sup>(c)(e)</sup> .....	500	495,559



## PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
OCP CLO Ltd.			
Series 2020-18A, Class AR			
6.767% (SOFR + 1.35%), 07/20/2032 <sup>(c)(e)</sup> .....	U.S.\$	1,424	\$ 1,413,870
Pikes Peak CLO 8			
Series 2021-8A, Class A			
6.847% (SOFR + 1.43%), 07/20/2034 <sup>(c)(e)</sup> .....		1,450	1,434,199
Rad CLO 14 Ltd.			
Series 2021-14A, Class A			
6.826% (SOFR + 1.43%), 01/15/2035 <sup>(c)(e)</sup> .....		291	288,135
Rad CLO 7 Ltd.			
Series 2020-7A, Class C			
7.664% (SOFR + 2.26%), 04/17/2033 <sup>(c)(e)</sup> .....		400	393,840
Regatta XX Funding Ltd.			
Series 2021-2A, Class D			
8.756% (SOFR + 3.36%), 10/15/2034 <sup>(c)(e)</sup> .....		1,425	1,347,320
Regatta XXIV Funding Ltd.			
Series 2021-5A, Class D			
8.777% (SOFR + 3.36%), 01/20/2035 <sup>(c)(e)</sup> .....		500	487,104
Sixth Street CLO XVII Ltd.			
Series 2021-17A, Class A			
6.917% (SOFR + 1.50%), 01/20/2034 <sup>(c)(e)</sup> .....		381	379,677
Total Collateralized Loan Obligations			
(cost \$18,747,060) .....			18,203,813

### COMMERCIAL MORTGAGE-BACKED SECURITIES – 1.3%

#### Non-Agency Fixed Rate CMBS – 0.7%

BAMLL Commercial Mortgage Securities Trust			
Series 2013-WBRK, Class D			
3.534%, 03/10/2037 <sup>(c)</sup> .....		520	416,813
GS Mortgage Securities Trust			
Series 2011-GC5, Class D			
5.153%, 08/10/2044 <sup>(c)</sup> .....		19	5,513
Series 2014-GC18, Class D			
5.089%, 01/10/2047 <sup>(c)</sup> .....		157	37,929
GSF			
Series 2021-1, Class A1			
1.433%, 08/15/2026 <sup>(g)</sup> .....		572	538,597
Series 2021-1, Class A2			
2.435%, 08/15/2026 <sup>(g)</sup> .....		1,421	1,331,854
Series 2021-1, Class AS			
2.638%, 08/15/2026 <sup>(g)</sup> .....		40	36,323
HFX Funding Issuer			
Series 2017-1A, Class A3			
3.647%, 03/15/2035 <sup>(g)</sup> .....		1,070	1,027,622



## PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
JPMBB Commercial Mortgage Securities Trust			
Series 2014-C21, Class B			
4.341%, 08/15/2047 .....	U.S.\$	314	\$ 289,224
Series 2014-C22, Class XA			
0.785%, 09/15/2047 <sup>(f)</sup> .....		15,651	51,031
LB-UBS Commercial Mortgage Trust			
Series 2006-C6, Class AJ			
5.452%, 09/15/2039 .....		78	29,569
Morgan Stanley Bank of America Merrill Lynch			
Trust			
Series 2015-C25, Class XA			
1.028%, 10/15/2048 <sup>(f)</sup> .....		9,118	113,075
Wells Fargo Commercial Mortgage Trust			
Series 2016-LC25, Class C			
4.334%, 12/15/2059 .....		330	273,596
Series 2016-NXS6, Class C			
4.389%, 11/15/2049 .....		525	440,350
			<u>4,591,496</u>
<b>Non-Agency Floating Rate CMBS – 0.6%</b>			
BAMLL Commercial Mortgage Securities Trust			
Series 2017-SCH, Class AF			
6.382% (SOFR + 1.05%), 11/15/2033 <sup>(c)(e)</sup> .....		1,755	1,587,740
BBCMS Mortgage Trust			
Series 2020-BID, Class A			
7.59% (SOFR + 2.25%), 10/15/2037 <sup>(c)(e)</sup> .....		1,383	1,341,351
BX Commercial Mortgage Trust			
Series 2019-IMC, Class D			
7.28% (SOFR + 1.95%), 04/15/2034 <sup>(c)(e)</sup> .....		185	183,079
Series 2019-IMC, Class E			
7.53% (SOFR + 2.20%), 04/15/2034 <sup>(c)(e)</sup> .....		895	876,530
Federal Home Loan Mortgage Corp.			
Series 2021-MN1, Class M1			
7.321% (SOFR + 2.00%), 01/25/2051 <sup>(c)(e)</sup> .....		105	101,826
Natixis Commercial Mortgage Securities Trust			
Series 2019-MILE, Class A			
6.914% (SOFR + 1.58%), 07/15/2036 <sup>(c)(e)</sup> .....		391	357,907
			<u>4,448,433</u>
Total Commercial Mortgage-Backed Securities			
(cost \$9,939,933) .....			<u>9,039,929</u>

## CORPORATES - NON-INVESTMENT

### GRADE – 1.3%

### Industrial – 1.2%

### Capital Goods – 0.1%

TK Elevator Midco GmbH

4.375%, 07/15/2027<sup>(c)</sup> ..... EUR 401 384,024



## PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
<b>Communications - Media – 0.6%</b>			
Altice Financing SA			
3.00%, 01/15/2028 <sup>(c)</sup> .....	EUR	642	\$ 551,803
CCO Holdings LLC/CCO Holdings Capital Corp.			
4.50%, 08/15/2030 <sup>(c)</sup> .....	U.S.\$	104	83,495
4.50%, 06/01/2033 <sup>(c)</sup> .....		368	274,528
4.75%, 02/01/2032 <sup>(c)</sup> .....		2,261	1,765,072
DISH DBS Corp.			
5.75%, 12/01/2028 <sup>(c)</sup> .....		1,067	762,830
VZ Vendor Financing II BV			
2.875%, 01/15/2029 <sup>(c)</sup> .....	EUR	561	452,907
			<u>3,890,635</u>
<b>Communications - Telecommunications – 0.1%</b>			
Altice France SA/France			
3.375%, 01/15/2028 <sup>(c)</sup> .....		307	233,834
Lorca Telecom Bondco SA			
4.00%, 09/18/2027 <sup>(c)</sup> .....		642	630,411
			<u>864,245</u>
<b>Consumer Cyclical - Entertainment – 0.1%</b>			
Carnival Corp.			
4.00%, 08/01/2028 <sup>(c)</sup> .....	U.S.\$	1,235	1,074,956
<b>Consumer Non-Cyclical – 0.1%</b>			
Organon & Co./Organon Foreign Debt Co-Issuer BV			
2.875%, 04/30/2028 <sup>(c)</sup> .....	EUR	550	501,936
<b>Services – 0.1%</b>			
APCOA Parking Holdings GmbH			
4.625%, 01/15/2027 <sup>(c)</sup> .....		642	605,950
<b>Technology – 0.1%</b>			
Seagate HDD Cayman			
8.25%, 12/15/2029 <sup>(c)</sup> .....	U.S.\$	881	896,884
			<u>8,218,630</u>
<b>Utility – 0.1%</b>			
<b>Electric – 0.1%</b>			
Vistra Corp.			
7.00%, 12/15/2026 <sup>(c)(d)</sup> .....		751	686,512
Total Corporates - Non-Investment Grade (cost \$10,863,393) .....			<u>8,905,142</u>



## PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
<b>MORTGAGE PASS-THROUGHS – 1.1%</b>			
<b>Agency Fixed Rate 30-Year – 1.1%</b>			
Federal National Mortgage Association			
Series 2022			
2.50%, 03/01/2052 .....	U.S.\$	3,557	\$ 2,742,178
3.00%, 02/01/2052 .....		6,247	<u>5,046,562</u>
Total Mortgage Pass-Throughs			
(cost \$9,809,060) .....			<u>7,788,740</u>
<b>QUASI-SOVEREIGNS – 0.3%</b>			
<b>Quasi-Sovereign Bonds – 0.3%</b>			
<b>Hungary – 0.2%</b>			
Magyar Export-Import Bank Zrt			
6.125%, 12/04/2027 <sup>(c)</sup> .....		1,197	<u>1,169,948</u>
<b>Mexico – 0.1%</b>			
Comision Federal de Electricidad			
4.688%, 05/15/2029 <sup>(c)</sup> .....		1,016	<u>899,160</u>
Total Quasi-Sovereigns			
(cost \$2,208,931) .....			<u>2,069,108</u>
<b>EMERGING MARKETS - CORPORATE</b>			
<b>BONDS – 0.3%</b>			
<b>Industrial – 0.3%</b>			
<b>Basic – 0.0%</b>			
Volcan Cia Minera SAA			
4.375%, 02/11/2026 <sup>(c)</sup> .....		125	<u>59,163</u>
<b>Capital Goods – 0.1%</b>			
Embraer Netherlands Finance BV			
5.40%, 02/01/2027 .....		590	567,515
Odebrecht Holdco Finance Ltd.			
Zero Coupon, 09/10/2058 <sup>(c)</sup> .....		270	<u>290</u>
			<u>567,805</u>
<b>Communications - Media – 0.0%</b>			
Globo Comunicacao e Participacoes SA			
4.875%, 01/22/2030 <sup>(c)</sup> .....		427	<u>339,465</u>
<b>Consumer Cyclical - Other – 0.1%</b>			
Wynn Macau Ltd.			
5.625%, 08/26/2028 <sup>(c)</sup> .....		483	<u>402,339</u>
<b>Consumer Non-Cyclical – 0.1%</b>			
Natura & Co. Luxembourg Holdings SARL			
6.00%, 04/19/2029 <sup>(c)</sup> .....		592	535,020



## PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
Virgolino de Oliveira Finance SA 10.50%, 01/28/2018 <sup>(a)(g)(i)(k)(l)</sup> .....	U.S.\$	655	\$ 65 535,085 1,903,857
<b>Utility – 0.0%</b>			
<b>Electric – 0.0%</b>			
Terraform Global Operating LP 6.125%, 03/01/2026 <sup>(c)</sup> .....		89	85,720
<b>Financial Institutions – 0.0%</b>			
<b>Other Finance – 0.0%</b>			
OEC Finance Ltd. 5.25%, 12/27/2033 <sup>(c)(m)(n)</sup> .....		266	10,659
Total Emerging Markets - Corporate Bonds (cost \$3,158,665) .....			2,000,236
<b>LOCAL GOVERNMENTS - US MUNICIPAL BONDS – 0.1%</b>			
<b>United States – 0.1%</b>			
University of California Series 2021-B 3.071%, 05/15/2051 (cost \$1,451,263) .....		1,465	870,812
<b>EMERGING MARKETS - SOVEREIGNS – 0.1%</b>			
<b>Dominican Republic – 0.1%</b>			
Dominican Republic International Bond 4.875%, 09/23/2032 <sup>(c)</sup> (cost \$922,000) .....		922	745,437
		<b>Shares</b>	
<b>COMMON STOCKS – 0.1%</b>			
<b>Financials – 0.1%</b>			
<b>Insurance – 0.1%</b>			
Mt Logan Re Ltd. Special Investment, Series 2, December 2021 – Class U-1 <sup>(a)(k)(l)</sup> .....		226	126,674
Mt Logan Re Ltd. Special Investment, Series 2, December 2022 – Class U-1 <sup>(a)(k)(l)</sup> .....		330	290,289
Total Common Stocks (cost \$493,491) .....			416,963



## PORTFOLIO OF INVESTMENTS (continued)

	Principal Amount (000)	U.S. \$ Value
<b>GOVERNMENTS - SOVEREIGN</b>		
<b>BONDS – 0.0%</b>		
<b>Colombia – 0.0%</b>		
Colombia Government International Bond		
3.125%, 04/15/2031		
(cost \$247,350) .....	U.S.\$ 248	\$ 182,652
<b>Total Investments – 97.9%</b>		
(cost \$709,183,908) .....		670,287,028
Other assets less liabilities – 2.1% .....		14,347,619
<b>Net Assets – 100.0%</b> .....		<b>\$ 684,634,647</b>

### FUTURES (see Note D)

Description	Number of Contracts	Expiration Month	Current Notional	Value and Unrealized Appreciation (Depreciation)
<b>Purchased Contracts</b>				
U.S. 10 Yr Ultra Futures	301	December 2023	\$ 32,757,266	\$ (1,607,856)
U.S. T-Note 2 Yr (CBT) Futures	800	December 2023	161,937,501	(601,131)
U.S. T-Note 5 Yr (CBT) Futures	230	December 2023	24,029,609	(246,293)
<b>Sold Contracts</b>				
U.S. Ultra Bond (CBT) Futures	28	December 2023	3,151,750	380,957
				\$ (2,074,323)

### FORWARD CURRENCY EXCHANGE CONTRACTS (see Note D)

Counterparty	Contracts to Deliver (000)	In Exchange For (000)	Settlement Date	Unrealized Appreciation (Depreciation)
Morgan Stanley Capital Services, Inc.	EUR 5,880	USD 6,262	01/10/2024	\$ 18,786

### CENTRALLY CLEARED CREDIT DEFAULT SWAPS (see Note D)

Description	Fixed Rate (Pay) Receive	Payment Frequency	Implied Credit Spread at October 31, 2023	Notional Amount (000)	Market Value	Upfront Premiums Paid (Received)	Unrealized Appreciation (Depreciation)
<b>Buy Contracts</b>							
CDX-NAHY							
Series 41, 5 Year							
Index,							
12/20/2028*	(5.00)%	Quarterly	5.16%	USD 4,390	\$ 1,588	\$ (41,394)	\$ 42,982
iTraxx Australia							
Series 40, 5 Year							
Index,							
12/20/2028*	(1.00)	Quarterly	0.97	USD 32,150	(76,115)	(253,830)	177,715



## PORTFOLIO OF INVESTMENTS (continued)

Description	Fixed Rate (Pay)	Payment Frequency	Implied Credit Spread at October 31, 2023	Notional Amount ('000)	Market Value	Upfront Premiums Paid (Received)	Unrealized Appreciation (Depreciation)
<b>Sale Contracts</b>							
CDX-NAIG							
Series 41, 5 Year Index,							
12/20/2028*	1.00%	Quarterly	0.79%	USD 32,150	\$ 332,799	\$ 429,227	\$ (96,428)
					<u>\$ 258,272</u>	<u>\$ 134,003</u>	<u>\$ 124,269</u>

\* Termination date

### CENTRALLY CLEARED INFLATION (CPI) SWAPS (see Note D)

Notional Amount ('000)	Termination Date	Rate Type			Market Value	Upfront Premiums Paid (Received)	Unrealized Appreciation (Depreciation)
		Payments made by the Fund	Payments received by the Fund	Payment Frequency Paid/Received			
USD 3,000	01/15/2024	1.599%	CPI#	Maturity	\$ 411,840	\$ - 0 -	\$ 411,840
USD 20,700	07/15/2024	3.440%	CPI#	Maturity	132,838	- 0 -	132,838
USD 64,600	02/26/2025	1.589%	CPI#	Maturity	8,601,639	- 0 -	8,601,639
USD 38,550	02/28/2025	1.527%	CPI#	Maturity	5,249,602	- 0 -	5,249,602
USD 61,010	05/13/2027	3.263%	CPI#	Maturity	(115,545)	- 0 -	(115,545)
USD 29,760	07/08/2027	2.770%	CPI#	Maturity	394,527	- 0 -	394,527
USD 29,760	07/08/2027	2.778%	CPI#	Maturity	384,001	- 0 -	384,001
					<u>\$ 15,058,902</u>	<u>\$ - 0 -</u>	<u>\$ 15,058,902</u>

# Variable interest rate based on the rate of inflation as determined by the Consumer Price Index (CPI).

### CENTRALLY CLEARED INTEREST RATE SWAPS (see Note D)

Notional Amount ('000)	Termination Date	Rate Type			Market Value	Upfront Premiums Paid (Received)	Unrealized Appreciation (Depreciation)
		Payments made by the Fund	Payments received by the Fund	Payment Frequency Paid/Received			
USD 1,160	06/09/2025	2.000% 1 Day SOFR	Annual	Annual	\$ 70,357	\$ 50,554	\$ 19,803
USD 2,106	08/04/2025	1.970% 1 Day SOFR	Annual	Annual	125,532	99,331	26,201
USD 5,400	10/04/2026	1.170% 1 Day SOFR	Annual	Annual	535,240	465,664	69,576
USD 1,080	11/08/2026	1.451% 1 Day SOFR	Annual	Annual	123,534	86,429	37,105
USD 1,080	11/09/2026	1.470% 1 Day SOFR	Annual	Annual	122,835	86,443	36,392
USD 7,030	04/04/2027	2.235% 1 Day SOFR	Annual	Annual	650,548	444,687	205,861
USD 20,920	06/05/2027	0.345% 1 Day SOFR	Annual	Annual	3,355,319	2,641,787	713,532
USD 715	07/12/2027	2.000% 1 Day SOFR	Annual	Annual	70,109	51,885	18,224
USD 5,395	06/04/2029	1.985% 1 Day SOFR	Annual	Annual	742,794	513,412	229,382
USD 3,170	09/27/2029	1.300% 1 Day SOFR	Annual	Annual	536,209	424,372	111,837
USD 40,300	05/21/2031	1.394% 1 Day SOFR	Annual	Annual	8,659,546	6,123,773	2,535,773
USD 1,490	11/10/2035	2.410% 1 Day SOFR	Annual	Annual	317,553	172,682	144,871
USD 595	03/06/2042	3.500% 1 Day SOFR	Annual	Annual	81,485	- 0 -	81,485
					<u>\$ 15,391,061</u>	<u>\$ 11,161,019</u>	<u>\$ 4,230,042</u>



## PORTFOLIO OF INVESTMENTS (continued)

### CREDIT DEFAULT SWAPS (see Note D)

Swap Counterparty & Referenced Obligation	Fixed Rate (Pay) Receive	Payment Frequency	Implied Credit Spread at October 31, 2023	Notional Amount ('000)	Market Value	Upfront Premiums Paid (Received)	Unrealized Appreciation (Depreciation)
<b>Sale Contracts</b>							
Citigroup Global Markets, Inc.							
CDX-CMBX.NA.BBB-							
Series 6, 05/11/2063*	3.00%	Monthly	7.50%	USD 4	\$ (569)	\$ (625)	\$ 56
CDX-CMBX.NA.BBB-							
Series 6, 05/11/2063*	3.00	Monthly	7.50	USD 13	(1,706)	(1,735)	29
CDX-CMBX.NA.BBB-							
Series 6, 05/11/2063*	3.00	Monthly	7.50	USD 4	(569)	(500)	(69)
CDX-CMBX.NA.BBB-							
Series 6, 05/11/2063*	3.00	Monthly	7.50	USD 13	(1,705)	(1,580)	(125)
CDX-CMBX.NA.BBB-							
Series 6, 05/11/2063*	3.00	Monthly	7.50	USD 6	(821)	(570)	(251)
CDX-CMBX.NA.BBB-							
Series 6, 05/11/2063*	3.00	Monthly	7.50	USD 12	(1,579)	(1,300)	(279)
CDX-CMBX.NA.BBB-							
Series 6, 05/11/2063*	3.00	Monthly	7.50	USD 20	(2,716)	(2,429)	(287)
CDX-CMBX.NA.BBB-							
Series 6, 05/11/2063*	3.00	Monthly	7.50	USD 18	(2,337)	(2,024)	(313)
CDX-CMBX.NA.BBB-							
Series 6, 05/11/2063*	3.00	Monthly	7.50	USD 20	(2,716)	(2,352)	(364)
CDX-CMBX.NA.BBB-							
Series 6, 05/11/2063*	3.00	Monthly	7.50	USD 28	(3,790)	(3,282)	(508)
CDX-CMBX.NA.BBB-							
Series 6, 05/11/2063*	3.00	Monthly	7.50	USD 24	(3,158)	(2,364)	(794)
CDX-CMBX.NA.BBB-							
Series 6, 05/11/2063*	3.00	Monthly	7.50	USD 44	(5,811)	(4,908)	(903)
CDX-CMBX.NA.BBB-							
Series 6, 05/11/2063*	3.00	Monthly	7.50	USD 41	(5,495)	(4,294)	(1,201)
Credit Suisse International							
CDX-CMBX.NA.BBB-							
Series 6, 05/11/2063*	3.00	Monthly	7.50	USD 2	(316)	(269)	(47)
CDX-CMBX.NA.BBB-							
Series 6, 05/11/2063*	3.00	Monthly	7.50	USD 58	(7,705)	(6,410)	(1,295)
CDX-CMBX.NA.BBB-							
Series 6, 05/11/2063*	3.00	Monthly	7.50	USD 62	(8,211)	(4,545)	(3,666)
CDX-CMBX.NA.BBB-							
Series 6, 05/11/2063*	3.00	Monthly	7.50	USD 80	(10,673)	(6,033)	(4,640)
Deutsche Bank AG							
CDX-CMBX.NA.BBB-							
Series 6, 05/11/2063*	3.00	Monthly	7.50	USD 14	(1,895)	(1,516)	(379)
CDX-CMBX.NA.BBB-							
Series 6, 05/11/2063*	3.00	Monthly	7.50	USD 71	(9,474)	(8,148)	(1,326)
CDX-CMBX.NA.BBB-							
Series 6, 05/11/2063*	3.00	Monthly	7.50	USD 103	(13,769)	(10,745)	(3,024)
CDX-CMBX.NA.BBB-							
Series 6, 05/11/2063*	3.00	Monthly	7.50	USD 338	(45,095)	(17,667)	(27,428)
Goldman Sachs International							
CDX-CMBX.NA.BBB-							
Series 6, 05/11/2063*	3.00	Monthly	7.50	USD 7	(947)	(982)	35
CDX-CMBX.NA.BBB-							
Series 6, 05/11/2063*	3.00	Monthly	7.50	USD 7	(947)	(579)	(368)
CDX-CMBX.NA.BBB-							
Series 6, 05/11/2063*	3.00	Monthly	7.50	USD 14	(1,894)	(1,277)	(617)
CDX-CMBX.NA.BBB-							
Series 6, 05/11/2063*	3.00	Monthly	7.50	USD 14	(1,894)	(1,180)	(714)
CDX-CMBX.NA.BBB-							
Series 6, 05/11/2063*	3.00	Monthly	7.50	USD 28	(3,727)	(2,746)	(981)
CDX-CMBX.NA.BBB-							
Series 6, 05/11/2063*	3.00	Monthly	7.50	USD 62	(8,211)	(7,062)	(1,149)
CDX-CMBX.NA.BBB-							
Series 6, 05/11/2063*	3.00	Monthly	7.50	USD 79	(10,484)	(7,624)	(2,860)



## PORTFOLIO OF INVESTMENTS (continued)

Swap Counterparty & Referenced Obligation	Fixed Rate (Pay)	Payment Frequency	Implied Credit Spread at October 31, 2023	Notional Amount (000)	Market Value	Upfront Premiums Paid (Received)	Unrealized Appreciation (Depreciation)
CDX-CMBX.NA.BBB-Series 6, 05/11/2063*	3.00%	Monthly	7.50%	USD 103	\$ (13,705)	\$ (10,700)	\$ (3,005)
CDX-CMBX.NA.BBB-Series 6, 05/11/2063*	3.00	Monthly	7.50	USD 84	(11,243)	(6,631)	(4,612)
Morgan Stanley Capital Services LLC CDX-CMBX.NA.BBB-Series 6, 05/11/2063*	3.00	Monthly	7.50	USD 90	(12,063)	(5,806)	(6,257)
					<u>\$ (195,225)</u>	<u>\$ (127,883)</u>	<u>\$ (67,342)</u>

\* Termination date

## REVERSE REPURCHASE AGREEMENTS (see Note D)

Broker	Currency	Principal Amount (000)	Interest Rate	Maturity	U.S. \$ Value at October 31, 2023
HSBC Securities (USA), Inc.†	USD	11,321	5.44%	—	\$ 11,300,581

† The reverse repurchase agreement matures on demand. Interest rate resets daily and the rate shown is the rate in effect on October 31, 2023.

The type of underlying collateral and the remaining maturity of open reverse repurchase agreements on the statements of assets and liabilities is as follows:

	Overnight and Continuous	Up to 30 Days	31-90 Days	Greater than 90 Days	Total
Inflation-Linked Securities	\$ 11,300,581	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ 11,300,581

- (a) Position, or a portion thereof, has been segregated to collateralize reverse repurchase agreements.
- (b) Position, or a portion thereof, has been segregated to collateralize OTC derivatives outstanding.
- (c) Security is exempt from registration under Rule 144A or Regulation S of the Securities Act of 1933. These securities are considered restricted, but liquid and may be resold in transactions exempt from registration. At October 31, 2023, the aggregate market value of these securities amounted to \$139,157,900 or 20.3% of net assets.
- (d) Securities are perpetual and, thus, do not have a predetermined maturity date. The date shown, if applicable, reflects the next call date.
- (e) Floating Rate Security. Stated interest/floor/ceiling rate was in effect at October 31, 2023.
- (f) Defaulted matured security.
- (g) Security is exempt from registration under Rule 144A or Regulation S of the Securities Act of 1933. These securities, which represent 0.45% of net assets as of October 31, 2023, are considered illiquid and restricted. Additional information regarding such securities follows:

144A/Restricted & Illiquid Securities	Acquisition Date	Cost	Market Value	Percentage of Net Assets
GSF Series 2021-1, Class A1 1.433%, 08/15/2026	02/25/2021	\$ 553,459	\$ 538,597	0.08%
GSF Series 2021-1, Class A2 2.435%, 08/15/2026	02/25/2021	1,447,754	1,331,854	0.19%



## PORTFOLIO OF INVESTMENTS (continued)

144A/Restricted & Illiquid Securities	Acquisition Date	Cost	Market Value	Percentage of Net Assets
GSF				
Series 2021-1, Class AS				
2.638%, 08/15/2026	02/25/2021	\$ 40,630	\$ 36,323	0.01%
HFX Funding Issuer				
Series 2017-1A, Class A3				
3.647%, 03/15/2035	11/19/2020	1,134,720	1,027,622	0.15%
PMT Credit Risk Transfer Trust				
Series 2020-1R, Class A				
8.785%, 02/27/2023	11/02/2000	148,818	147,065	0.02%
Virgolino de Oliveira Finance SA				
10.50%, 01/28/2018	01/24/2014	363,153	65	0.00%

(h) Inverse interest only security.

(i) IO – Interest Only.

(j) Fair valued by the Adviser.

(k) Security in which significant unobservable inputs (Level 3) were used in determining fair value.

(l) Non-income producing security.

(m) Coupon rate adjusts periodically based upon a predetermined schedule. Stated interest rate in effect at October 31, 2023.

(n) Pay-In-Kind Payments (PIK). The issuer may pay cash interest and/or interest in additional debt securities. Rates shown are the rates in effect at October 31, 2023.

Currency Abbreviations:

EUR – Euro

USD – United States Dollar

Glossary:

ABS – Asset-Backed Securities

CBT – Chicago Board of Trade

CDX-CMBX.NA – North American Commercial Mortgage-Backed Index

CDX-NAHY – North American High Yield Credit Default Swap Index

CDX-NAIG – North American Investment Grade Credit Default Swap Index

CLO – Collateralized Loan Obligations

CMBS – Commercial Mortgage-Backed Securities

CPI – Consumer Price Index

LIBOR – London Interbank Offered Rate

REIT – Real Estate Investment Trust

REMICs – Real Estate Mortgage Investment Conduits

SOFR – Secured Overnight Financing Rate

TIPS – Treasury Inflation Protected Security

See notes to financial statements.



## STATEMENT OF ASSETS & LIABILITIES

October 31, 2023

### Assets

Investments in securities, at value (cost \$709,183,908) .....	\$ 670,287,028
Cash .....	2,440,332
Cash collateral due from broker .....	10,529,753
Foreign currencies, at value (cost \$12,783) .....	12,797
Receivable for investment securities sold and foreign currency transactions .....	34,270,002
Interest receivable .....	2,181,215
Receivable for capital stock sold .....	546,952
Unrealized appreciation on forward currency exchange contracts .....	18,786
Affiliated dividends receivable .....	10,141
Total assets .....	<u>720,297,006</u>

### Liabilities

Payable for investment securities purchased .....	21,344,699
Payable for reverse repurchase agreements .....	11,300,581
Payable for capital stock redeemed .....	1,668,812
Advisory fee payable .....	235,937
Payable for variation margin on futures .....	218,744
Market value on credit default swaps (net premiums received \$127,883) .....	195,225
Distribution fee payable .....	46,499
Administrative fee payable .....	31,414
Payable for variation margin on centrally cleared swaps .....	27,533
Transfer Agent fee payable .....	15,955
Foreign capital gains tax payable .....	6,626
Directors' fees payable .....	2,157
Accrued expenses .....	568,177
Total liabilities .....	<u>35,662,359</u>
Net Assets .....	<u><b>\$ 684,634,647</b></u>

### Composition of Net Assets

Capital stock, at par .....	\$ 69,280
Additional paid-in capital .....	834,364,580
Accumulated loss .....	(149,799,213)
Net Assets .....	<u><b>\$ 684,634,647</b></u>

See notes to financial statements.



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**STATEMENT OF ASSETS & LIABILITIES** (continued)

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**Net Asset Value Per Share—33 billion shares of capital stock authorized,  
\$.001 par value**

<b>Class</b>	<b>Net Assets</b>	<b>Shares Outstanding</b>	<b>Net Asset Value</b>
<b>A</b>	\$ 46,879,932	4,679,539	\$ 10.02*
<b>C</b>	\$ 7,973,255	823,930	\$ 9.68
<b>Advisor</b>	\$ 220,987,376	22,023,405	\$ 10.03
<b>R</b>	\$ 2,409,270	239,619	\$ 10.05
<b>K</b>	\$ 4,562,074	455,628	\$ 10.01
<b>I</b>	\$ 5,538,844	559,483	\$ 9.90
<b>1</b>	\$ 340,648,981	34,816,685	\$ 9.78
<b>2</b>	\$ 41,598,633	4,253,228	\$ 9.78
<b>Z</b>	\$ 14,036,282	1,428,899	\$ 9.82

\* The maximum offering price per share for Class A shares was \$10.25 which reflects a sales charge of 2.25%.

See notes to financial statements.



## STATEMENT OF OPERATIONS

Year Ended October 31, 2023

### Investment Income

Interest .....	\$	42,175,124	
Dividends			
Affiliated issuers .....		519,811	
Unaffiliated issuers .....		145,031	
Other income .....		30,983	\$ 42,870,949

### Expenses

Advisory fee (see Note B) .....	4,316,625	
Distribution fee—Class A .....	139,995	
Distribution fee—Class C .....	113,553	
Distribution fee—Class R .....	12,248	
Distribution fee—Class K .....	11,643	
Distribution fee—Class 1 .....	368,159	
Transfer agency—Class A .....	69,619	
Transfer agency—Class C .....	14,461	
Transfer agency—Advisor Class .....	458,171	
Transfer agency—Class R .....	6,369	
Transfer agency—Class K .....	13,362	
Transfer agency—Class I .....	6,674	
Transfer agency—Class 1 .....	56,481	
Transfer agency—Class 2 .....	7,018	
Transfer agency—Class Z .....	2,774	
Custody and accounting .....	202,590	
Registration fees .....	193,535	
Printing .....	136,789	
Audit and tax .....	122,065	
Administrative .....	101,582	
Legal .....	61,841	
Directors' fees .....	28,067	
Miscellaneous .....	42,034	
Total expenses before interest expense .....	6,485,655	
Interest expense .....	1,013,270	
Total expenses .....	7,498,925	
Less: expenses waived and reimbursed by the Adviser (see Note B) .....	(1,534,852)	
Net expenses .....		5,964,073
Net investment income .....		36,906,876

See notes to financial statements.



STATEMENT OF OPERATIONS (continued)

Realized and Unrealized Gain (Loss) on  
Investment and Foreign Currency  
Transactions

Net realized gain (loss) on:	
Investment transactions .....	\$ (105,431,510)
Forward currency exchange contracts .....	(172,394)
Futures .....	(6,308,596)
Swaps .....	14,059,381
Foreign currency transactions .....	(881,628)
Net change in unrealized appreciation (depreciation) of:	
Investments .....	97,700,747
Forward currency exchange contracts .....	123,580
Futures .....	(1,754,011)
Swaps .....	(11,865,493)
Foreign currency denominated assets and liabilities .....	18,358
Net loss on investment and foreign currency transactions .....	(14,511,566)
Net Increase in Net Assets from Operations .....	\$ 22,395,310

See notes to financial statements.



## STATEMENT OF CHANGES IN NET ASSETS

	Year Ended October 31, 2023	Year Ended October 31, 2022
<b>Increase (Decrease) in Net Assets from Operations</b>		
Net investment income .....	\$ 36,906,876	\$ 68,607,369
Net realized loss on investment and foreign currency transactions .....	(98,734,747)	(30,103,162)
Net change in unrealized appreciation (depreciation) of investments and foreign currency denominated assets and liabilities .....	84,223,181	(147,233,438)
Net increase (decrease) in net assets from operations .....	22,395,310	(108,729,231)
Distributions to Shareholders		
Class A .....	(2,383,662)	(4,072,663)
Class C .....	(415,252)	(935,082)
Advisor Class .....	(15,525,103)	(35,350,604)
Class R .....	(97,892)	(134,438)
Class K .....	(199,485)	(306,142)
Class I .....	(259,635)	(438,474)
Class 1 .....	(16,743,802)	(25,583,456)
Class 2 .....	(2,102,742)	(4,260,551)
Class Z .....	(522,386)	(1,252,299)
<b>Capital Stock Transactions</b>		
Net increase (decrease) .....	(358,017,074)	215,890,499
Total increase (decrease) .....	(373,871,723)	34,827,559
<b>Net Assets</b>		
Beginning of period .....	1,058,506,370	1,023,678,811
End of period .....	<b>\$ 684,634,647</b>	<b>\$ 1,058,506,370</b>

See notes to financial statements.



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## NOTES TO FINANCIAL STATEMENTS

October 31, 2023

### NOTE A

#### Significant Accounting Policies

AB Bond Fund, Inc. (the “Company”) is registered under the Investment Company Act of 1940 (the “1940 Act”) as an open-end management investment company. The Company, which is a Maryland corporation, operates as a series company comprised of nine portfolios currently in operation. Each portfolio is considered to be a separate entity for financial reporting and tax purposes. This report relates only to the AB Bond Inflation Strategy (the “Fund”), a diversified portfolio. The Fund has authorized the issuance of Class A, Class B, Class C, Advisor Class, Class R, Class K, Class I, Class Z, Class T, Class 1 and Class 2. Class B and Class T shares have not been issued. Class 1 shares are sold only to the private clients of Sanford C. Bernstein & Co. LLC by its registered representatives. Effective March 7, 2022, the maximum sales charge for purchases of Class A shares was reduced from 4.25% to 2.25% and purchases in amounts of \$500,000 or more, or by certain group retirement plans, may be subject to a 1%, 18-month contingent deferred sales charge, which may be subject to waiver in certain circumstances. Prior to March 7, 2022, purchases of Class A shares in amounts of \$1,000,000 or more, or by certain group retirement plans, may have been subject to a 1%, 1-year contingent deferred sales charge, which may have been subject to waiver in certain circumstances. Class C shares are subject to a contingent deferred sales charge of 1% on redemptions made within the first year after purchase, and 0% after the first year of purchase. Class C shares automatically convert to Class A shares eight years after the end of the calendar month of purchase. Class R, Class K, and Class 1 shares are sold without an initial or contingent deferred sales charge. Advisor Class, Class I, Class 2 and Class Z shares are sold without an initial or contingent deferred sales charge and are not subject to ongoing distribution expenses. All 11 classes of shares have identical voting, dividend, liquidation and other rights, except that the classes bear different distribution and transfer agency expenses. Each class has exclusive voting rights with respect to its distribution plan. The financial statements have been prepared in conformity with U.S. generally accepted accounting principles (“U.S. GAAP”), which require management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements and amounts of income and expenses during the reporting period. Actual results could differ from those estimates. The Fund is an investment company under U.S. GAAP and follows the accounting and reporting guidance applicable to investment companies. The following is a summary of significant accounting policies followed by the Fund.



**1. Security Valuation**

Portfolio securities are valued at market value determined on the basis of market quotations or, if market quotations are not readily available or are unreliable, at “fair value” as determined in accordance with procedures approved by and under the oversight of the Company’s Board of Directors (the “Board”). Pursuant to these procedures, AllianceBernstein L.P. (the “Adviser”) serves as the Fund’s valuation designee pursuant to Rule 2a-5 of the 1940 Act. In this capacity, the Adviser is responsible, among other things, for making all fair value determinations relating to the Fund’s portfolio investments, subject to the Board’s oversight.

In general, the market values of securities which are readily available and deemed reliable are determined as follows: securities listed on a national securities exchange (other than securities listed on the NASDAQ Stock Market, Inc. (“NASDAQ”)) or on a foreign securities exchange are valued at the last sale price at the close of the exchange or foreign securities exchange. If there has been no sale on such day, the securities are valued at the last traded price from the previous day. Securities listed on more than one exchange are valued by reference to the principal exchange on which the securities are traded; securities listed only on NASDAQ are valued in accordance with the NASDAQ Official Closing Price; listed or over the counter (“OTC”) market put or call options are valued at the mid level between the current bid and ask prices. If either a current bid or current ask price is unavailable, the Adviser will have discretion to determine the best valuation (e.g., last trade price in the case of listed options); open futures are valued using the closing settlement price or, in the absence of such a price, the most recent quoted bid price. If there are no quotations available for the day of valuation, the last available closing settlement price is used; U.S. Government securities and any other debt instruments having 60 days or less remaining until maturity are generally valued at market by an independent pricing vendor, if a market price is available. If a market price is not available, the securities are valued at amortized cost. This methodology is commonly used for short term securities that have an original maturity of 60 days or less, as well as short term securities that had an original term to maturity that exceeded 60 days. In instances when amortized cost is utilized, the Valuation Committee (the “Committee”) must reasonably conclude that the utilization of amortized cost is approximately the same as the fair value of the security. Factors the Committee will consider include, but are not limited to, an impairment of the creditworthiness of the issuer or material changes in interest rates. Fixed-income securities, including mortgage-backed and asset-backed securities, may be valued on the basis of prices provided by a pricing service or at a price obtained from one or more of the major broker-dealers. In cases where broker-dealer quotes are obtained, the Adviser may establish procedures whereby changes in market yields or spreads are used to adjust, on a daily basis, a recently obtained quoted



price on a security. Swaps and other derivatives are valued daily, primarily using independent pricing services, independent pricing models using market inputs, as well as third party broker-dealers or counterparties. Open-end mutual funds are valued at the closing net asset value per share, while exchange traded funds are valued at the closing market price per share.

Securities for which market quotations are not readily available (including restricted securities) or are deemed unreliable are valued at fair value as deemed appropriate by the Adviser. Factors considered in making this determination may include, but are not limited to, information obtained by contacting the issuer, analysts, analysis of the issuer's financial statements or other available documents. In addition, the Fund may use fair value pricing for securities primarily traded in non-U.S. markets because most foreign markets close well before the Fund values its securities at 4:00 p.m., Eastern Time. The earlier close of these foreign markets gives rise to the possibility that significant events, including broad market moves, may have occurred in the interim and may materially affect the value of those securities. To account for this, the Fund generally values many of its foreign equity securities using fair value prices based on third party vendor modeling tools to the extent available.

## **2. Fair Value Measurements**

In accordance with U.S. GAAP regarding fair value measurements, fair value is defined as the price that the Fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. U.S. GAAP establishes a framework for measuring fair value, and a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability (including those valued based on their market values as described in Note A.1 above). Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Fund. Unobservable inputs reflect the Fund's own assumptions about the assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. Each investment is assigned a level based upon the observability of the inputs which are significant to the overall valuation. The three-tier hierarchy of inputs is summarized below.

- Level 1—quoted prices in active markets for identical investments
- Level 2—other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3—significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)



The fair value of debt instruments, such as bonds, and over-the-counter derivatives is generally based on market price quotations, recently executed market transactions (where observable) or industry recognized modeling techniques and are generally classified as Level 2. Pricing vendor inputs to Level 2 valuations may include quoted prices for similar investments in active markets, interest rate curves, coupon rates, currency rates, yield curves, option adjusted spreads, default rates, credit spreads and other unique security features in order to estimate the relevant cash flows which are then discounted to calculate fair values. If these inputs are unobservable and significant to the fair value, these investments will be classified as Level 3.

Where readily available market prices or relevant bid prices are not available for certain equity investments, such investments may be valued based on similar publicly traded investments, movements in relevant indices since last available prices or based upon underlying company fundamentals and comparable company data (such as multiples to earnings or other multiples to equity). Where an investment is valued using an observable input, such as another publicly traded security, the investment will be classified as Level 2. If management determines that an adjustment is appropriate based on restrictions on resale, illiquidity or uncertainty, and such adjustment is a significant component of the valuation, the investment will be classified as Level 3. An investment will also be classified as Level 3 where management uses company fundamentals and other significant inputs to determine the valuation.

Valuations of mortgage-backed or other asset-backed securities, by pricing vendors, are based on both proprietary and industry recognized models and discounted cash flow techniques. Significant inputs to the valuation of these instruments are value of the collateral, the rates and timing of delinquencies, the rates and timing of prepayments, and default and loss expectations, which are driven in part by housing prices for residential mortgages. Significant inputs are determined based on relative value analyses, which incorporate comparisons to instruments with similar collateral and risk profiles, including relevant indices. Mortgage and asset-backed securities for which management has collected current observable data through pricing services are generally categorized within Level 2. Those investments for which current observable data has not been provided are classified as Level 3.

Other fixed income investments, including non-U.S. government and corporate debt, are generally valued using quoted market prices, if available, which are typically impacted by current interest rates, maturity dates and any perceived credit risk of the issuer. Additionally, in the absence of quoted market prices, these inputs are used by pricing vendors to derive a



## NOTES TO FINANCIAL STATEMENTS (continued)

valuation based upon industry or proprietary models which incorporate issuer specific data with relevant yield/spread comparisons with more widely quoted bonds with similar key characteristics. Those investments for which there are observable inputs are classified as Level 2. Where the inputs are not observable, the investments are classified as Level 3.

The following table summarizes the valuation of the Fund's investments by the above fair value hierarchy levels as of October 31, 2023:

<b>Investments in Securities:</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets:</b>				
Inflation-Linked Securities..... \$	- 0 -	\$ 482,208,452	\$ - 0 -	\$ 482,208,452
Corporates—Investment Grade .....	- 0 -	57,893,233	- 0 -	57,893,233
Asset-Backed Securities.....	- 0 -	41,117,676	- 0 -	41,117,676
Collateralized Mortgage Obligations.....	- 0 -	38,844,835	- 0 -	38,844,835
Collateralized Loan Obligations.....	- 0 -	18,203,813	- 0 -	18,203,813
Commercial Mortgage-Backed Securities.....	- 0 -	9,039,929	- 0 -	9,039,929
Corporates—Non-Investment Grade .....	- 0 -	8,905,142	- 0 -	8,905,142
Mortgage Pass-Throughs .....	- 0 -	7,788,740	- 0 -	7,788,740
Quasi-Sovereigns .....	- 0 -	2,069,108	- 0 -	2,069,108
Emerging Markets—Corporate Bonds.....	- 0 -	2,000,171	65	2,000,236
Local Governments—US Municipal Bonds .....	- 0 -	870,812	- 0 -	870,812
Emerging Markets—Sovereigns.....	- 0 -	745,437	- 0 -	745,437
Common Stocks .....	- 0 -	- 0 -	416,963	416,963
Governments—Sovereign Bonds.....	- 0 -	182,652	- 0 -	182,652
Total Investments in Securities.....	- 0 -	669,870,000	417,028	670,287,028
<b>Other Financial Instruments<sup>(a)</sup>:</b>				
<b>Assets:</b>				
Futures.....	380,957	- 0 -	- 0 -	380,957 <sup>(b)</sup>
Forward Currency Exchange Contracts....	- 0 -	18,786	- 0 -	18,786
Centrally Cleared Credit Default Swaps .....	- 0 -	334,387	- 0 -	334,387 <sup>(b)</sup>
Centrally Cleared Inflation (CPI) Swaps .....	- 0 -	15,174,447	- 0 -	15,174,447 <sup>(b)</sup>
Centrally Cleared Interest Rate Swaps .....	- 0 -	15,391,061	- 0 -	15,391,061 <sup>(b)</sup>



## NOTES TO FINANCIAL STATEMENTS (continued)

### Investments in Securities:

	Level 1	Level 2	Level 3	Total
<b>Liabilities:</b>				
Futures .....	\$ (2,455,280)	\$ - 0 -	\$ - 0 -	\$(2,455,280) <sup>(b)</sup>
Centrally Cleared Credit Default Swaps .....	- 0 -	(76,115)	- 0 -	(76,115) <sup>(b)</sup>
Centrally Cleared Inflation (CPI) Swaps .....	- 0 -	(115,545)	- 0 -	(115,545) <sup>(b)</sup>
Credit Default Swaps .....	- 0 -	(195,225)	- 0 -	(195,225)
Reverse Repurchase Agreements .....	(11,300,581)	- 0 -	- 0 -	(11,300,581)
<b>Total .....</b>	<b>\$ (13,374,904)</b>	<b>\$ 700,401,796</b>	<b>\$ 417,028</b>	<b>\$ 687,443,920</b>

(a) Other financial instruments include reverse repurchase agreements and derivative instruments, such as futures, forwards and swaps. Derivative instruments are valued at the unrealized appreciation (depreciation) on the instrument. Other financial instruments may also include swaps with upfront premiums, written options and written swaptions which are valued at market value.

(b) Only variation margin receivable (payable) at period end is reported within the statement of assets and liabilities. This amount reflects cumulative unrealized appreciation (depreciation) on futures and centrally cleared swaps as reported in the portfolio of investments. Where applicable, centrally cleared swaps with upfront premiums are presented here at market value.

### 3. Currency Translation

Assets and liabilities denominated in foreign currencies and commitments under forward currency exchange contracts are translated into U.S. dollars at the mean of the quoted bid and ask prices of such currencies against the U.S. dollar. Purchases and sales of portfolio securities are translated into U.S. dollars at the rates of exchange prevailing when such securities were acquired or sold. Income and expenses are translated into U.S. dollars at rates of exchange prevailing when accrued.

Net realized gain or loss on foreign currency transactions represents foreign exchange gains and losses from sales and maturities of foreign fixed income investments, holding of foreign currencies, currency gains or losses realized between the trade and settlement dates on foreign investment transactions, and the difference between the amounts of dividends, interest and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent amounts actually received or paid. Net unrealized currency gains and losses from valuing foreign currency denominated assets and liabilities at period end exchange rates are reflected as a component of net unrealized appreciation or depreciation of foreign currency denominated assets and liabilities.

### 4. Taxes

It is the Fund's policy to meet the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its investment company taxable income and net realized gains, if any, to shareholders. Therefore, no provisions for federal income or excise taxes are required. The Fund may be subject to taxes imposed by countries in



which it invests. Such taxes are generally based on income and/or capital gains earned or repatriated. Taxes are accrued and applied to net investment income, net realized gains and net unrealized appreciation/depreciation as such income and/or gains are earned.

In accordance with U.S. GAAP requirements regarding accounting for uncertainties in income taxes, management has analyzed the Fund's tax positions taken or expected to be taken on federal and state income tax returns for all open tax years (the current and the prior three tax years) and has concluded that no provision for income tax is required in the Fund's financial statements.

### **5. Investment Income and Investment Transactions**

Dividend income is recorded on the ex-dividend date or as soon as the Fund is informed of the dividend. Interest income is accrued daily. Investment transactions are accounted for on the date the securities are purchased or sold. Investment gains or losses are determined on the identified cost basis. Non-cash dividends, if any, are recorded on the ex-dividend date at the fair value of the securities received. The Fund amortizes premiums and accretes discounts as adjustments to interest income.

The Fund accounts for distributions received from REIT investments or from regulated investment companies as dividend income, realized gain, or return of capital based on information provided by the REIT or the investment company.

### **6. Class Allocations**

All income earned and expenses incurred by the Fund are borne on a pro-rata basis by each outstanding class of shares, based on the proportionate interest in the Fund represented by the net assets of such class, except for class specific expenses which are allocated to the respective class. Expenses of the Company are charged proportionately to each fund or based on other appropriate methods. Realized and unrealized gains and losses are allocated among the various share classes based on respective net assets.

### **7. Dividends and Distributions**

Dividends and distributions to shareholders, if any, are recorded on the ex-dividend date. Income dividends and capital gains distributions are determined in accordance with federal tax regulations and may differ from those determined in accordance with U.S. GAAP. To the extent these differences are permanent, such amounts are reclassified within the capital accounts based on their federal tax basis treatment; temporary differences do not require such reclassification.



**NOTE B****Advisory Fee and Other Transactions with Affiliates**

Under the terms of the investment advisory agreement, the Fund pays the Adviser an advisory fee at an annual rate of .50% of the first \$2.5 billion, .45% of the next \$2.5 billion and .40% in excess of \$5 billion, of the Fund's average daily net assets. The Adviser has agreed to waive its fees and bear certain expenses to the extent necessary to limit total operating expenses (excluding extraordinary expenses, interest expense, and acquired fund fees and expenses other than the advisory fees of any AB mutual funds in which the Fund may invest), on an annual basis ("Expense Caps") to .75%, 1.50%, .50%, 1.00%, .75%, .50%, .60%, .50% and .50% of the daily average net assets for the Class A, Class C, Advisor Class, Class R, Class K, Class I, Class 1, Class 2, and Class Z shares, respectively. This fee waiver and/or expense reimbursement agreement will remain in effect until January 31, 2024 and then may be extended for additional one-year terms. For the year ended October 31, 2023, such reimbursement amounted to \$1,523,432.

Pursuant to the investment advisory agreement, the Fund may reimburse the Adviser for certain legal and accounting services provided to the Fund by the Adviser. For the year ended October 31, 2023, the reimbursement for such services amounted to \$101,582.

The Fund compensates AllianceBernstein Investor Services, Inc. ("ABIS"), a wholly-owned subsidiary of the Adviser, under a Transfer Agency Agreement for providing personnel and facilities to perform transfer agency services for the Fund. ABIS may make payments to intermediaries that provide omnibus account services, sub-accounting services and/or net-working services. Such compensation retained by ABIS amounted to \$187,182 for the year ended October 31, 2023.

AllianceBernstein Investments, Inc. (the "Distributor"), a wholly-owned subsidiary of the Adviser, serves as the distributor of the Fund's shares. The Distributor has advised the Fund that it has retained front-end sales charges of \$3,464 from the sale of Class A shares and received \$2,401 and \$3,494 in contingent deferred sales charges imposed upon redemptions by shareholders of Class A and Class C shares, respectively, for the year ended October 31, 2023.

The Fund may invest in AB Government Money Market Portfolio (the "Government Money Market Portfolio") which has a contractual annual advisory fee rate of .20% of the portfolio's average daily net assets and bears its own expenses. The Adviser had contractually agreed to waive .10% of the advisory fee of Government Money Market Portfolio (resulting in a net advisory fee of .10%) until August 31, 2023. Effective September 1,



## NOTES TO FINANCIAL STATEMENTS (continued)

2023, the Adviser has contractually agreed to waive .05% of the advisory fee of Government Money Market Portfolio (resulting in a net advisory fee of .15%) until August 31, 2024. In connection with the investment by the Fund in Government Money Market Portfolio, the Adviser has contractually agreed to waive its advisory fee from the Fund in an amount equal to the Fund's pro rata share of the effective advisory fee of Government Money Market Portfolio, as borne indirectly by the Fund as an acquired fund fee and expense. For the year ended October 31, 2023, such waiver amounted to \$11,420.

A summary of the Fund's transactions in AB mutual funds for the year ended October 31, 2023 is as follows:

<b>Fund</b>	<b>Market Value 10/31/22 (000)</b>	<b>Purchases at Cost (000)</b>	<b>Sales Proceeds (000)</b>	<b>Market Value 10/31/23 (000)</b>	<b>Dividend Income (000)</b>
Government Money Market Portfolio .....	\$ 43,764	\$ 570,093	\$ 613,857	\$ - 0 -	\$ 520

### NOTE C Distribution Services Agreement

The Fund has adopted a Distribution Services Agreement (the "Agreement") pursuant to Rule 12b-1 under the Investment Company Act of 1940. Under the Agreement, the Fund pays distribution and servicing fees to the Distributor at an annual rate of up to .30% of the Fund's average daily net assets attributable to Class A shares, 1% of the Fund's average daily net assets attributable to Class C shares, .50% of the Fund's average daily net assets attributable to Class R shares, .25% of the Fund's average daily net assets attributable to Class K shares and .10% of the Fund's average daily net assets attributable to Class 1 shares. There are no distribution and servicing fees on the Advisor Class, Class I, Class 2 and Class Z shares. Payments under the Agreement in respect of Class A shares are currently limited to an annual rate of .25% of Class A shares' average daily net assets. The fees are accrued daily and paid monthly. The Agreement provides that the Distributor will use such payments in their entirety for distribution assistance and promotional activities. Since the commencement of the Fund's operations, the Distributor has incurred expenses in excess of the distribution costs reimbursed by the Fund in the amounts of \$299,878, \$63,131, \$61,265 and \$1,583,257 for Class C, Class R, Class K and Class 1 shares, respectively. While such costs may be recovered from the Fund in future periods so long as the Agreement is in effect, the rate of the distribution and servicing fees payable under the Agreement may not be increased without a shareholder vote. In accordance with the Agreement, there is no provision for recovery of unreimbursed distribution costs incurred by the Distributor



## NOTES TO FINANCIAL STATEMENTS (continued)

beyond the current fiscal year for Class A shares. The Agreement also provides that the Adviser may use its own resources to finance the distribution of the Fund's shares.

### NOTE D Investment Transactions

Purchases and sales of investment securities (excluding short-term investments) for the year ended October 31, 2023 were as follows:

	<u>Purchases</u>	<u>Sales</u>
Investment securities (excluding		
U.S. government securities).....	\$ 80,253,528	\$ 153,451,784
U.S. government securities .....	1,006,734,717	1,331,037,653

The cost of investments for federal income tax purposes, gross unrealized appreciation and unrealized depreciation are as follows:

Cost .....	\$ 710,970,008
Gross unrealized appreciation .....	\$ 20,890,226
Gross unrealized depreciation .....	(43,309,827)
Net unrealized depreciation.....	\$ (22,419,601)

### 1. Derivative Financial Instruments

The Fund may use derivatives in an effort to earn income and enhance returns, to replace more traditional direct investments, to obtain exposure to otherwise inaccessible markets (collectively, "investment purposes"), or to hedge or adjust the risk profile of its portfolio.

The principal types of derivatives utilized by the Fund, as well as the methods in which they may be used are:

- **Futures**

The Fund may buy or sell futures for investment purposes or for the purpose of hedging its portfolio against adverse effects of potential movements in the market. The Fund bears the market risk that arises from changes in the value of these instruments and the imperfect correlation between movements in the price of the futures and movements in the price of the assets, reference rates or indices which they are designed to track. Among other things, the Fund may purchase or sell futures for foreign currencies or options thereon for non-hedging purposes as a means of making direct investment in foreign currencies, as described below under "Currency Transactions".

At the time the Fund enters into futures, the Fund deposits and maintains as collateral an initial margin with the broker, as required by the exchange on which the transaction is effected. Such amount is shown as cash collateral due from broker on the statement of assets



and liabilities. Pursuant to the contract, the Fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in the value of the contract. Such receipts or payments are known as variation margin and are recorded by the Fund as unrealized gains or losses. Risks may arise from the potential inability of a counterparty to meet the terms of the contract. The credit/counterparty risk for exchange-traded futures is generally less than privately negotiated futures, since the clearinghouse, which is the issuer or counterparty to each exchange-traded future, has robust risk mitigation standards, including the requirement to provide initial and variation margin. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the time it was closed.

Use of long futures subjects the Fund to risk of loss in excess of the amounts shown on the statement of assets and liabilities, up to the notional value of the futures. Use of short futures subjects the Fund to unlimited risk of loss. Under some circumstances, futures exchanges may establish daily limits on the amount that the price of futures can vary from the previous day's settlement price, which could effectively prevent liquidation of unfavorable positions.

During the year ended October 31, 2023, the Fund held futures for hedging and non-hedging purposes.

- **Forward Currency Exchange Contracts**

The Fund may enter into forward currency exchange contracts in order to hedge its exposure to changes in foreign currency exchange rates on its foreign portfolio holdings, to hedge certain firm purchase and sale commitments denominated in foreign currencies and for non-hedging purposes as a means of making direct investments in foreign currencies, as described below under "Currency Transactions".

A forward currency exchange contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. The gain or loss arising from the difference between the original contract and the closing of such contract would be included in net realized gain or loss on forward currency exchange contracts. Fluctuations in the value of open forward currency exchange contracts are recorded for financial reporting purposes as unrealized appreciation and/or depreciation by the Fund. Risks may arise from the potential inability of a counterparty to meet the terms of a contract and from unanticipated movements in the value of a foreign currency relative to the U.S. dollar.

During the year ended October 31, 2023, the Fund held forward currency exchange contracts for hedging and non-hedging purposes.



- **Swaps**

The Fund may enter into swaps to hedge its exposure to interest rates, credit risk or currencies. The Fund may also enter into swaps for non-hedging purposes as a means of gaining market exposures, making direct investments in foreign currencies, as described below under “Currency Transactions.” A swap is an agreement that obligates two parties to exchange a series of cash flows at specified intervals based upon or calculated by reference to changes in specified prices or rates for a specified amount of an underlying asset. The payment flows are usually netted against each other, with the difference being paid by one party to the other. In addition, collateral may be pledged or received by the Fund in accordance with the terms of the respective swaps to provide value and recourse to the Fund or its counterparties in the event of default, bankruptcy or insolvency by one of the parties to the swap.

Risks may arise as a result of the failure of the counterparty to the swap to comply with the terms of the swap. The loss incurred by the failure of a counterparty is generally limited to the net interim payment to be received by the Fund, and/or the termination value at the end of the contract. Therefore, the Fund considers the creditworthiness of each counterparty to a swap in evaluating potential counterparty risk. This risk is mitigated by having a netting arrangement between the Fund and the counterparty and by the posting of collateral by the counterparty to the Fund to cover the Fund’s exposure to the counterparty. Additionally, risks may arise from unanticipated movements in interest rates or in the value of the underlying securities. The Fund accrues for the interim payments on swaps on a daily basis, with the net amount recorded within unrealized appreciation/depreciation of swaps on the statement of assets and liabilities, where applicable. Once the interim payments are settled in cash, the net amount is recorded as realized gain/(loss) on swaps on the statement of operations, in addition to any realized gain/(loss) recorded upon the termination of swaps. Upfront premiums paid or received for swaps are recognized as cost or proceeds on the statement of assets and liabilities and are amortized on a straight line basis over the life of the contract. Amortized upfront premiums are included in net realized gain/(loss) from swaps on the statement of operations. Fluctuations in the value of swaps are recorded as a component of net change in unrealized appreciation/depreciation of swaps on the statement of operations.

Certain standardized swaps, including certain interest rate swaps and credit default swaps, are (or soon will be) subject to mandatory central clearing. Cleared swaps are transacted through futures commission merchants (“FCMs”) that are members of central clearinghouses, with the clearinghouse serving as central counterparty, similar to



transactions in futures contracts. Centralized clearing will be required for additional categories of swaps on a phased-in basis based on requirements published by the Securities and Exchange Commission and Commodity Futures Trading Commission.

At the time the Fund enters into a centrally cleared swap, the Fund deposits and maintains as collateral an initial margin with the broker, as required by the clearinghouse on which the transaction is effected. Such amount is shown as cash collateral due from broker on the statement of assets and liabilities. Pursuant to the contract, the Fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in the value of the contract. Such receipts or payments are known as variation margin and are recorded by the Fund as unrealized gains or losses. Risks may arise from the potential inability of a counterparty to meet the terms of the contract. The credit/counterparty risk for centrally cleared swaps is generally less than non-centrally cleared swaps, since the clearinghouse, which is the issuer or counterparty to each centrally cleared swap, has robust risk mitigation standards, including the requirement to provide initial and variation margin. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the time it was closed.

**Interest Rate Swaps:**

The Fund is subject to interest rate risk exposure in the normal course of pursuing its investment objectives. Because the Fund holds fixed rate bonds, the value of these bonds may decrease if interest rates rise. To help hedge against this risk and to maintain its ability to generate income at prevailing market rates, the Fund may enter into interest rate swaps. Interest rate swaps are agreements between two parties to exchange cash flows based on a notional amount. The Fund may elect to pay a fixed rate and receive a floating rate, or, receive a fixed rate and pay a floating rate on a notional amount.

In addition, the Fund may also enter into interest rate swap transactions to preserve a return or spread on a particular investment or portion of its portfolio, or protecting against an increase in the price of securities the Fund anticipates purchasing at a later date. Interest rate swaps involve the exchange by the Fund with another party of their respective commitments to pay or receive interest (e.g., an exchange of floating rate payments for fixed rate payments) computed based on a contractually-based principal (or "notional") amount. Interest rate swaps are entered into on a net basis (i.e., the two payment streams are netted out, with the Fund receiving or paying, as the case may be, only the net amount of the two payments).



During the year ended October 31, 2023, the Fund held interest rate swaps for hedging and non-hedging purposes.

**Inflation (CPI) Swaps:**

Inflation swap agreements are contracts in which one party agrees to pay the cumulative percentage increase in a price index (the Consumer Price Index with respect to CPI swaps) over the term of the swap (with some lag on the inflation index), and the other pays a compounded fixed rate. Inflation swaps may be used to protect the net asset value, or NAV, of the Fund against an unexpected change in the rate of inflation measured by an inflation index since the value of these agreements is expected to increase if there are unexpected inflation increases.

During the year ended October 31, 2023, the Fund held inflation (CPI) swaps for hedging and non-hedging purposes.

**Credit Default Swaps:**

The Fund may enter into credit default swaps, including to manage its exposure to the market or certain sectors of the market, to reduce its risk exposure to defaults by corporate and sovereign issuers held by the Fund, or to create exposure to corporate or sovereign issuers to which it is not otherwise exposed. The Fund may purchase credit protection ("Buy Contract") or provide credit protection ("Sale Contract") on the referenced obligation of the credit default swap. During the term of the swap, the Fund receives/(pays) fixed payments from/(to) the respective counterparty, calculated at the agreed upon rate applied to the notional amount. If the Fund is a buyer/(seller) of protection and a credit event occurs, as defined under the terms of the swap, the Fund will either (i) receive from the seller/(pay to the buyer) of protection an amount equal to the notional amount of the swap (the "Maximum Payout Amount") and deliver/(take delivery of) the referenced obligation or (ii) receive/(pay) a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation. In certain circumstances Maximum Payout Amounts may be partially offset by recovery values of the respective referenced obligations, upfront premium received upon entering into the agreement, or net amounts received from settlement of buy protection credit default swaps entered into by the Fund for the same referenced obligations with the same counterparty.

Credit default swaps may involve greater risks than if the Fund had invested in the referenced obligation directly. Credit default swaps are subject to general market risk, liquidity risk, counterparty risk and credit risk. If the Fund is a buyer of protection and no credit event occurs, it will lose the payments it made to its counterparty. If the



Fund is a seller of protection and a credit event occurs, the value of the referenced obligation received by the Fund coupled with the periodic payments previously received, may be less than the Maximum Payout Amount it pays to the buyer, resulting in a net loss to the Fund.

Implied credit spreads over U.S. Treasuries of comparable maturity utilized in determining the market value of credit default swaps on issuers as of period end are disclosed in the portfolio of investments. The implied spreads serve as an indicator of the current status of the payment/performance risk and typically reflect the likelihood of default by the issuer of the referenced obligation. The implied credit spread of a particular reference obligation also reflects the cost of buying/selling protection and may reflect upfront payments required to be made to enter into the agreement. Widening credit spreads typically represent a deterioration of the referenced obligation's credit soundness and greater likelihood of default or other credit event occurring as defined under the terms of the agreement. A credit spread identified as "Defaulted" indicates a credit event has occurred for the referenced obligation.

During the year ended October 31, 2023, the Fund held credit default swaps for hedging and non-hedging purposes.

The Fund typically enters into International Swaps and Derivatives Association, Inc. Master Agreements ("ISDA Master Agreement") with its OTC derivative contract counterparties in order to, among other things, reduce its credit risk to OTC counterparties. ISDA Master Agreements include provisions for general obligations, representations, collateral and events of default or termination. Under an ISDA Master Agreement, the Fund typically may offset with the OTC counterparty certain derivative financial instruments' payables and/or receivables with collateral held and/or posted and create one single net payment (close-out netting) in the event of default or termination. In the event of a default by an OTC counterparty, the return of collateral with market value in excess of the Fund's net liability, held by the defaulting party, may be delayed or denied.

The Fund's ISDA Master Agreements may contain provisions for early termination of OTC derivative transactions in the event the net assets of the Fund decline below specific levels ("net asset contingent features"). If these levels are triggered, the Fund's OTC counterparty has the right to terminate such transaction and require the Fund to pay or receive a settlement amount in connection with the terminated transaction. If OTC derivatives were held at period end, please refer to netting arrangements by the OTC counterparty table below for additional details.



## NOTES TO FINANCIAL STATEMENTS (continued)

During the year ended October 31, 2023, the Fund had entered into the following derivatives:

Derivative Type	Asset Derivatives		Liability Derivatives	
	Statement of Assets and Liabilities Location	Fair Value	Statement of Assets and Liabilities Location	Fair Value
Interest rate contracts .....	Receivable for variation margin on futures	\$ 380,957*	Payable for variation margin on futures	\$ 2,455,280*
Credit contracts...	Receivable for variation margin on centrally cleared swaps	220,697*	Payable for variation margin on centrally cleared swaps	96,428*
Interest rate contracts .....	Receivable for variation margin on centrally cleared swaps	19,404,489*	Payable for variation margin on centrally cleared swaps	115,545*
Foreign currency contracts .....	Unrealized appreciation on forward currency exchange contracts	18,786		
Credit contracts...			Market value on credit default swaps	195,225
Total .....		<u>\$ 20,024,929</u>		<u>\$ 2,862,478</u>

\* Only variation margin receivable/payable at period end is reported within the statement of assets and liabilities.

This amount reflects cumulative unrealized appreciation (depreciation) on futures and centrally cleared swaps as reported in the portfolio of investments.

Derivative Type	Location of Gain or (Loss) on Derivatives Within Statement of Operations	Realized Gain or (Loss) on Derivatives	Change in Unrealized Appreciation or (Depreciation)
Interest rate contracts .....	Net realized gain (loss) on futures; Net change in unrealized appreciation (depreciation) of futures	\$ (6,308,596)	\$ (1,754,011)



## NOTES TO FINANCIAL STATEMENTS (continued)

<b>Derivative Type</b>	<b>Location of Gain or (Loss) on Derivatives Within Statement of Operations</b>	<b>Realized Gain or (Loss) on Derivatives</b>	<b>Change in Unrealized Appreciation or (Depreciation)</b>
Foreign currency contracts .....	Net realized gain (loss) on forward currency exchange contracts; Net change in unrealized appreciation (depreciation) of forward currency exchange contracts	\$ (172,394)	\$ 123,580
Interest rate contracts.....	Net realized gain (loss) on swaps; Net change in unrealized appreciation (depreciation) of swaps	15,547,808	(13,072,796)
Credit contracts .....	Net realized gain (loss) on swaps; Net change in unrealized appreciation (depreciation) of swaps	(1,488,427)	1,207,303
Total .....		<u>\$ 7,578,391</u>	<u>\$ (13,495,924)</u>

The following table represents the average monthly volume of the Fund's derivative transactions during the year ended October 31, 2023:

### Futures:

Average notional amount of buy contracts .....	\$ 183,916,829
Average notional amount of sale contracts .....	\$ 45,208,270

### Forward Currency Exchange Contracts:

Average principal amount of buy contracts .....	\$ 405,549 <sup>(a)</sup>
Average principal amount of sale contracts .....	\$ 7,170,130

### Interest Rate Swaps:

Average notional amount .....	\$ 595,000 <sup>(b)</sup>
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### Inflation Swaps:

Average notional amount .....	\$ 23,800,000 <sup>(c)</sup>
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### Centrally Cleared Interest Rate Swaps:

Average notional amount .....	\$ 90,212,154
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### Centrally Cleared Inflation Swaps:

Average notional amount .....	\$ 273,255,385
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### Credit Default Swaps:

Average notional amount of buy contracts .....	\$ 9,596,000 <sup>(d)</sup>
Average notional amount of sale contracts .....	\$ 3,082,297

### Centrally Cleared Credit Default Swaps:

Average notional amount of buy contracts .....	\$ 18,977,000
Average notional amount of sale contracts .....	\$ 30,708,800 <sup>(e)</sup>

(a) Positions were open for two months during the year.

(b) Positions were open for four months during the year.

(c) Positions were open for eight months during the year.

(d) Positions were open for one month during the year.

(e) Positions were open for five months during the year.



## NOTES TO FINANCIAL STATEMENTS (continued)

For financial reporting purposes, the Fund does not offset derivative assets and derivative liabilities that are subject to netting arrangements in the statement of assets and liabilities.

All OTC derivatives held at period end were subject to netting arrangements. The following table presents the Fund's derivative assets and liabilities by OTC counterparty net of amounts available for offset under ISDA Master Agreements ("MA") and net of the related collateral received/pledged by the Fund as of October 31, 2023. Exchange-traded derivatives and centrally cleared swaps are not subject to netting arrangements and as such are excluded from the table.

<b>Counterparty</b>	<b>Derivative Assets Subject to a MA</b>	<b>Derivatives Available for Offset</b>	<b>Cash Collateral Received*</b>	<b>Security Collateral Received*</b>	<b>Net Amount of Derivative Assets</b>
Morgan Stanley Capital Services, Inc./Morgan Stanley Capital Services LLC.....	\$ 18,786	\$ (12,063)	\$ - 0 -	\$ - 0 -	\$ 6,723
Total .....	\$ 18,786	\$ (12,063)	\$ - 0 -	\$ - 0 -	\$ 6,723 <sup>^</sup>

<b>Counterparty</b>	<b>Derivative Liabilities Subject to a MA</b>	<b>Derivatives Available for Offset</b>	<b>Cash Collateral Pledged*</b>	<b>Security Collateral Pledged*</b>	<b>Net Amount of Derivative Liabilities</b>
Citigroup Global Markets, Inc. ....	\$ 32,972	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ 32,972
Credit Suisse International .....	26,905	- 0 -	(26,905)	- 0 -	- 0 -
Deutsche Bank AG .....	68,338	- 0 -	- 0 -	(68,338)	- 0 -
Goldman Sachs International .....	54,947	- 0 -	- 0 -	(54,947)	- 0 -
Morgan Stanley Capital Services, Inc./Morgan Stanley Capital Services LLC....	12,063	(12,063)	- 0 -	- 0 -	- 0 -
Total .....	\$ 195,225	\$ (12,063)	\$ (26,905)	\$ (123,285)	\$ 32,972 <sup>^</sup>

\* The actual collateral received/pledged may be more than the amount reported due to over-collateralization.

<sup>^</sup> Net amount represents the net receivable/payable that would be due from/to the counterparty in the event of default or termination. The net amount from OTC financial derivative instruments can only be netted across transactions governed under the same master agreement with the same counterparty.

See Note D.3 for additional disclosure of netting arrangements regarding reverse repurchase agreements.

## 2. Currency Transactions

The Fund may invest in non-U.S. Dollar-denominated securities on a currency hedged or unhedged basis. The Fund may seek investment



opportunities by taking long or short positions in currencies through the use of currency-related derivatives, including forward currency exchange contracts, futures and options on futures, swaps, and other options. The Fund may enter into transactions for investment opportunities when it anticipates that a foreign currency will appreciate or depreciate in value but securities denominated in that currency are not held by the Fund and do not present attractive investment opportunities. Such transactions may also be used when the Adviser believes that it may be more efficient than a direct investment in a foreign currency-denominated security. The Fund may also conduct currency exchange contracts on a spot basis (i.e., for cash at the spot rate prevailing in the currency exchange market for buying or selling currencies).

### **3. TBA and Dollar Rolls**

The Fund may invest in TBA mortgage-backed securities. A TBA, or “To Be Announced”, trade represents a contract for the purchase or sale of mortgage-backed securities to be delivered at a future agree-upon date; however, the specific mortgage pool numbers or the number of pools that will be delivered to fulfill the trade obligation or terms of the contract are unknown at the time of the trade. Mortgage pools (including fixed-rate or variable-rate mortgages) guaranteed by the Government National Mortgage Association, or GNMA, the Federal National Mortgage Association, or FNMA, or the Federal Home Loan Mortgage Corporation, or FHLMC, are subsequently allocated to the TBA transactions.

The Fund may enter into certain TBA transactions known as dollar rolls. Dollar rolls involve sales by the Fund of securities for delivery in the current month and the Fund’s simultaneously contracting to repurchase substantially similar (same type and coupon) securities on a specified future date. During the roll period, the Fund forgoes principal and interest paid on the securities. The Fund is compensated by the difference between the current sales price and the lower forward price for the future purchase (often referred to as the “drop”) as well as by the interest earned on the cash proceeds of the initial sale. Dollar rolls involve the risk that the market value of the securities the Fund is obligated to repurchase under the agreement may decline below the repurchase price. Dollar rolls are speculative techniques. For the year ended October 31, 2023, the Fund earned drop income of \$7,794 which is included in interest income in the accompanying statement of operations.

### **4. Reverse Repurchase Agreements**

The Fund may enter into reverse repurchase transactions (“RVP”) in accordance with the terms of a Master Repurchase Agreement (“MRA”), under which the Fund sells securities and agrees to repurchase them at a mutually agreed upon date and price. At the time the Fund enters into a



## NOTES TO FINANCIAL STATEMENTS (continued)

reverse repurchase agreement, it will establish a segregated account with the custodian containing liquid assets having a value comparable to the repurchase price. Under the MRA and other master agreements, the Fund is permitted to offset payables and/or receivables with collateral held and/or posted to the counterparty and create one single net payment due to or from the Fund in the event of a default. In the event of a default by a MRA counterparty, the Fund may be considered an unsecured creditor with respect to any excess collateral (collateral with a market value in excess of the repurchase price) held by and/or posted to the counterparty, and as such the return of such excess collateral may be delayed or denied. For the year ended October 31, 2023, the average amount of reverse repurchase agreements outstanding was \$21,280,855 and the daily weighted average interest rate was 4.71%. At October 31, 2023, the Fund had reverse repurchase agreements outstanding in the amount of \$11,300,581 as reported on the statement of assets and liabilities.

The following table presents the Fund's RVP liabilities by counterparty net of the related collateral pledged by the Fund as of October 31, 2023:

<b>Counterparty</b>	<b>RVP Liabilities Subject to a MRA</b>	<b>Securities Collateral Pledged**</b>	<b>Net Amount of RVP Liabilities</b>
HSBC Securities (USA), Inc. ....	\$ 11,300,581	\$ (11,300,581)	\$ - 0 -

† Including accrued interest.

\* The actual collateral pledged may be more than the amount reported due to overcollateralization.

## NOTE E Capital Stock

Each class consists of 3,000,000,000 authorized shares. Transactions in capital shares for each class were as follows:

	<b>Shares</b>		<b>Amount</b>	
	Year Ended October 31, 2023	Year Ended October 31, 2022	Year Ended October 31, 2023	Year Ended October 31, 2022
<b>Class A</b>				
Shares sold	1,374,148	3,408,664	\$ 14,206,566	\$ 39,211,778
Shares issued in reinvestment of dividends and distributions	177,750	255,057	1,841,367	2,866,214
Shares converted from Class C	25,396	26,159	260,530	297,352
Shares redeemed	(3,113,596)	(2,041,123)	(32,165,303)	(22,492,315)
<b>Net increase (decrease)</b>	<b>(1,536,302)</b>	<b>1,648,757</b>	<b>\$ (15,856,840)</b>	<b>\$ 19,883,029</b>



## NOTES TO FINANCIAL STATEMENTS (continued)

	Shares		Amount	
	Year Ended October 31, 2023	Year Ended October 31, 2022	Year Ended October 31, 2023	Year Ended October 31, 2022
<b>Class C</b>				
Shares sold	107,722	957,369	\$ 1,079,055	\$ 10,835,221
Shares issued in reinvestment of dividends and distributions	34,730	73,644	348,336	802,273
Shares converted to Class A	(26,256)	(26,969)	(260,530)	(297,352)
Shares redeemed	(846,986)	(560,082)	(8,475,373)	(6,068,964)
<b>Net increase (decrease)</b>	<b>(730,790)</b>	<b>443,962</b>	<b>\$ (7,308,512)</b>	<b>\$ 5,271,178</b>
<b>Advisor Class</b>				
Shares sold	8,103,379	40,616,333	\$ 84,039,313	\$ 468,051,394
Shares issued in reinvestment of dividends and distributions	1,049,467	2,345,667	10,891,755	26,434,513
Shares redeemed	(36,258,220)	(33,515,631)	(377,020,172)	(375,042,679)
<b>Net increase (decrease)</b>	<b>(27,105,374)</b>	<b>9,446,369</b>	<b>\$ (282,089,104)</b>	<b>\$ 119,443,228</b>
<b>Class R</b>				
Shares sold	62,283	141,704	\$ 647,299	\$ 1,603,993
Shares issued in reinvestment of dividends and distributions	9,426	11,932	97,891	134,438
Shares redeemed	(87,272)	(95,894)	(905,130)	(1,097,267)
<b>Net increase (decrease)</b>	<b>(15,563)</b>	<b>57,742</b>	<b>\$ (159,940)</b>	<b>\$ 641,164</b>
<b>Class K</b>				
Shares sold	131,607	112,908	\$ 1,359,848	\$ 1,294,450
Shares issued in reinvestment of dividends and distributions	19,301	27,068	199,485	306,141
Shares redeemed	(120,706)	(335,148)	(1,233,703)	(3,896,262)
<b>Net increase (decrease)</b>	<b>30,202</b>	<b>(195,172)</b>	<b>\$ 325,630</b>	<b>\$ (2,295,671)</b>
<b>Class I</b>				
Shares sold	260,243	423,106	\$ 2,649,082	\$ 4,824,045
Shares issued in reinvestment of dividends and distributions	25,398	39,405	259,635	438,474
Shares redeemed	(356,853)	(346,343)	(3,634,655)	(3,852,368)
<b>Net increase (decrease)</b>	<b>(71,212)</b>	<b>116,168</b>	<b>\$ (725,938)</b>	<b>\$ 1,410,151</b>



## NOTES TO FINANCIAL STATEMENTS (continued)

	Shares		Amount	
	Year Ended October 31, 2023	Year Ended October 31, 2022	Year Ended October 31, 2023	Year Ended October 31, 2022
<b>Class 1</b>				
Shares sold	6,139,563	11,062,605	\$ 62,318,139	\$ 125,319,297
Shares issued in reinvestment of dividends and distributions	1,228,769	1,752,879	12,427,665	19,320,268
Shares redeemed	(11,321,158)	(6,204,606)	(114,476,455)	(68,561,063)
<b>Net increase (decrease)</b>	<b>(3,952,826)</b>	<b>6,610,878</b>	<b>\$ (39,730,651)</b>	<b>\$ 76,078,502</b>
<b>Class 2</b>				
Shares sold	394,500	3,439,902	\$ 4,022,442	\$ 39,531,686
Share issued in reinvestment of dividends and distributions	178,128	347,497	1,800,737	3,835,645
Shares redeemed	(2,212,509)	(3,552,396)	(22,375,665)	(40,218,571)
<b>Net increase (decrease)</b>	<b>(1,639,881)</b>	<b>235,003</b>	<b>\$ (16,552,486)</b>	<b>\$ 3,148,760</b>
<b>Class Z</b>				
Shares sold	637,043	660,539	\$ 6,411,147	\$ 7,478,978
Share issued in reinvestment of dividends and distributions	51,428	113,031	521,312	1,250,674
Shares redeemed	(281,603)	(1,528,362)	(2,851,692)	(16,419,494)
<b>Net increase (decrease)</b>	<b>406,868</b>	<b>(754,792)</b>	<b>\$ 4,080,767</b>	<b>\$ (7,689,842)</b>

## NOTE F

### Risks Involved in Investing in the Fund

**Market Risk**—The value of the Fund's assets will fluctuate as the bond market fluctuates. The value of the Fund's investments may decline, sometimes rapidly and unpredictably, simply because of economic changes or other events, including public health crises (including the occurrence of a contagious disease or illness) and regional and global conflicts, that affect large portions of the market.

**Credit Risk**—An issuer or guarantor of a fixed-income security, or the counterparty to a derivatives or other contract, may be unable or unwilling to make timely payments of interest or principal, or to otherwise honor its obligations. The issuer or guarantor may default, causing a loss of the full principal amount of a security and accrued interest. The degree of risk for a particular security may be reflected in its credit rating. There is the possibility that the credit rating of a fixed-income security may be



downgraded after purchase, which may adversely affect the value of the security. Investments in fixed-income securities with lower ratings tend to have a higher probability that an issuer will default or fail to meet its payment obligations.

**Interest-Rate Risk**—Changes in interest rates will affect the value of investments in fixed-income securities. When interest rates rise, the value of existing investments in fixed-income securities tends to fall and this decrease in value may not be offset by higher income from new investments. Interest-rate risk is generally greater for fixed-income securities with longer maturities or durations. The Fund may be subject to a greater risk of rising interest rates than would normally be the case due to the recent end of a period of historically low rates and the effect of potential central bank monetary policy, and government fiscal policy initiatives and resulting market reactions to those initiatives.

**Duration Risk**—Duration is a measure that relates the expected price volatility of a fixed-income security to changes in interest rates. The duration of a fixed-income security may be shorter than or equal to full maturity of a fixed-income security. Fixed-income securities with longer durations have more risk and will decrease in price as interest rates rise.

**Inflation Risk**—This is the risk that the value of assets or income from investments will be less in the future as inflation decreases the value of money. As inflation increases, the value of the Fund's assets can decline as can the value of the Fund's distributions. This risk is significantly greater for fixed-income securities with longer maturities. Although the Fund invests principally in inflation-indexed securities, the value of its securities may be vulnerable to changes in expectations of inflation or interest rates.

**Derivatives Risk**—Derivatives may be difficult to price or unwind and leveraged so that small changes may produce disproportionate losses for the Fund. A short position in a derivative instrument involves the risk of a theoretically unlimited increase in the value of the underlying asset, which could cause the Fund to suffer a potentially unlimited loss. Derivatives, especially over-the-counter derivatives, are also subject to counterparty risk, which is the risk that the counterparty (the party on the other side of the transaction) on a derivative transaction will be unable or unwilling to honor its contractual obligations to the Fund.

**Foreign (Non-U.S.) Risk**—Investments in securities of non-U.S. issuers may involve more risk than those of U.S. issuers. These securities may fluctuate more widely in price and may be more difficult to trade due to adverse market, economic, political, regulatory or other factors.



**Currency Risk**—Fluctuations in currency exchange rates may negatively affect the value of the Fund’s investments or reduce its returns.

**Mortgage-Related and/or Other Asset-Backed Securities Risk—**

Investments in mortgage-related and other asset-backed securities are subject to certain additional risks. The value of these securities may be particularly sensitive to changes in interest rates. These risks include “extension risk”, which is the risk that, in periods of rising interest rates, issuers may delay the payment of principal, and “prepayment risk”, which is the risk that in periods of falling interest rates, issuers may pay principal sooner than expected, exposing the Fund to a lower rate of return upon reinvestment of principal. Mortgage-backed securities offered by non-governmental issuers and other asset-backed securities may be subject to other risks, such as higher rates of default in the mortgages or assets backing the securities or risks associated with the nature and servicing of mortgages or assets backing the securities.

**Leverage Risk**—When the Fund borrows money or otherwise leverages its investments, its performance may be volatile because leverage tends to exaggerate the effect of any increase or decrease in the value of the Fund’s investments. The Fund may create leverage through the use of reverse repurchase arrangements, forward currency exchange contracts, forward commitments, dollar rolls or futures or by borrowing money. The use of other types of derivative instruments by the Fund, such as options and swaps, may also result in a form of leverage. Leverage may result in higher returns to the Fund than if the Fund were not leveraged, but may also adversely affect returns, particularly if the market is declining.

**Illiquid Investments Risk**—Illiquid investments risk exists when certain investments are or become difficult to purchase or sell. Difficulty in selling such investments may result in sales at disadvantageous prices affecting the value of your investment in the Fund. Causes of illiquid investments risk may include low trading volumes, large positions and heavy redemptions of Fund shares. Illiquid investments risk may be higher in a rising interest rate environment, when the value and liquidity of fixed-income securities generally go down.

**LIBOR Replacement Risk**—The Fund may be exposed to debt securities, derivatives or other financial instruments that recently transitioned from the London Interbank Offered Rate, or “LIBOR,” as a “benchmark” or “reference rate” for various interest rate calculations. LIBOR’s administrator, ICE Benchmark Administration, ceased publishing most LIBOR settings (including some U.S. LIBOR settings) by the end of 2021 and the remaining (and most widely used) U.S. Dollar LIBOR settings after June 30, 2023. The United Kingdom Financial Conduct Authority, which



regulates LIBOR, will permit the use of synthetic U.S. Dollar LIBOR rates for non-U.S. contracts through September 30, 2024, but any such rates would be considered non-representative of the underlying market. Since 2018 the Federal Reserve Bank of New York has published the Secured Overnight Financing Rate (referred to as SOFR), which is intended to replace U.S. Dollar LIBOR. SOFR is a broad measure of the cost of borrowing cash overnight collateralized by U.S. Treasury securities in the repurchase agreement (repo) market. There is no assurance that the composition or characteristics of SOFR or any such alternative reference rate will be similar to or produce the same value or economic equivalence as LIBOR or that the market for SOFR-linked financial instruments will have the same volume or liquidity as did the market for LIBOR-linked financial instruments prior to LIBOR's discontinuance or unavailability. Neither the long-term effects of the LIBOR transition process nor its ultimate success can yet be known.

**Indemnification Risk**—In the ordinary course of business, the Fund enters into contracts that contain a variety of indemnifications. The Fund's maximum exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses pursuant to these indemnification provisions and expects the risk of loss thereunder to be remote. Therefore, the Fund has not accrued any liability in connection with these indemnification provisions.

**Management Risk**—The Fund is subject to management risk because it is an actively-managed investment fund. The Adviser will apply its investment techniques and risk analyses in making investment decisions, but there is no guarantee that its techniques will produce the intended results. Some of these techniques may incorporate, or rely upon, quantitative models, but there is no guarantee that these models will generate accurate forecasts, reduce risk or otherwise perform as expected.

## **NOTE G**

### **Joint Credit Facility**

A number of open-end mutual funds managed by the Adviser, including the Fund, participate in a \$325 million revolving credit facility (the "Facility") intended to provide short-term financing related to redemptions and other short term liquidity requirements, subject to certain restrictions. Commitment fees related to the Facility are paid by the participating funds and are included in miscellaneous expenses in the statement of operations. The Fund did not utilize the Facility during the year ended October 31, 2023.



## NOTES TO FINANCIAL STATEMENTS (continued)

### NOTE H

#### Distributions to Shareholders

The tax character of distributions paid during the fiscal years ended October 31, 2023 and October 31, 2022 were as follows:

	2023	2022
Distributions paid from:		
Ordinary income .....	\$ 38,249,959	\$ 68,537,505
Net long-term capital gains .....	– 0 –	3,796,204
Total taxable distributions paid .....	<u>\$ 38,249,959</u>	<u>\$ 72,333,709</u>

As of October 31, 2023, the components of accumulated earnings (deficit) on a tax basis were as follows:

Undistributed ordinary income .....	\$ 2,428,427
Accumulated capital and other losses .....	(129,498,099) <sup>(a)</sup>
Unrealized appreciation (depreciation) .....	(22,437,122) <sup>(b)</sup>
Total accumulated earnings (deficit) .....	<u>\$ (149,506,794)<sup>(c)</sup></u>

(a) As of October 31, 2023, the Fund had a net capital loss carryforward of \$129,498,099.

(b) The differences between book-basis and tax-basis unrealized appreciation (depreciation) are attributable primarily to the recognition for tax purposes of unrealized gains/losses on certain derivative instruments, the tax treatment of passive foreign investment companies (PFICs), the tax treatment of callable bonds, the tax treatment of swaps, and the tax deferral of losses on wash sales.

(c) The differences between book-basis and tax-basis components of accumulated earnings (deficit) are attributable primarily to the accrual of foreign capital gains tax, the tax treatment of defaulted securities, and dividends payable.

For tax purposes, net realized capital losses may be carried over to offset future capital gains, if any. Funds are permitted to carry forward capital losses for an indefinite period, and such losses will retain their character as either short-term or long-term capital losses. As of October 31, 2023, the Fund had a net short-term capital loss carryforward of \$57,636,641 and a net long-term capital loss carryforward of \$71,861,458, which may be carried forward for an indefinite period.

During the current fiscal year, there were no permanent differences that resulted in adjustments to accumulated loss or additional paid-in capital.

### NOTE I

#### Recent Accounting Pronouncements

In December 2022, the Financial Accounting Standards Board issued an Accounting Standards Update, ASU 2022-06, “Reference Rate Reform (Topic 848) – Deferral of the Sunset Date of Topic 848”. ASU 2022-06 is an amendment to ASU 2020-04, which provided optional guidance to ease the potential accounting burden due to the discontinuation of the LIBOR and other interbank-offered based reference rates and which was



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## NOTES TO FINANCIAL STATEMENTS (continued)

effective as of March 12, 2020 through December 31, 2022. ASU 2022-06 extends the effective period through December 31, 2024. Management is currently evaluating the impact, if any, of applying ASU 2022-06.

### NOTE J

#### Subsequent Events

At a meeting held on October 31-November 2, 2023, the Board approved: (i) the discontinuance of the offering of Class K and Class R shares of the Fund to investors; (ii) the liquidation of the assets corresponding to such classes; (iii) the making of a final liquidating distribution to the remaining shareholders of each such class; and (iv) the redemption of all outstanding shares of each such class in the liquidating distribution or immediately thereafter. The Fund has suspended sales of Class K and Class R shares to new investors effective November 3, 2023. The Fund expects to make liquidating distributions to shareholders based on net asset value no later than nine months from the date of the approval of the Board.

Management has evaluated subsequent events for possible recognition or disclosure in the financial statements through the date the financial statements are issued. Management has determined that there are no other material events that would require disclosure in the Fund's financial statements through this date.



## FINANCIAL HIGHLIGHTS

### Selected Data For A Share Of Capital Stock Outstanding Throughout Each Period

	Class A				
	Year Ended October 31,				
	2023	2022	2021	2020	2019
Net asset value, beginning of period .....	\$ 10.29	\$ 11.97	\$ 11.56	\$ 10.95	\$ 10.47
<b>Income From Investment Operations</b>					
Net investment income <sup>(a)(b)</sup> ...	.43	.64	.51	.25	.21
Net realized and unrealized gain (loss) on investment and foreign currency transactions .....	(.26)	(1.66)	.35	.59	.52
Contributions from Affiliates .....	— 0 —	— 0 —	— 0 —	— 0 —	.00 <sup>(c)</sup>
Net increase (decrease) in net asset value from operations .....	.17	(1.02)	.86	.84	.73
<b>Less: Dividends and Distributions</b>					
Dividends from net investment income .....	(.44)	(.62)	(.45)	(.23)	(.24)
Distributions from net realized gain on investment transactions ..	— 0 —	(.04)	— 0 —	— 0 —	— 0 —
Return of capital .....	— 0 —	— 0 —	— 0 —	— 0 —	(.01)
Total dividends and distributions .....	(.44)	(.66)	(.45)	(.23)	(.25)
Net asset value, end of period .....	<b>\$ 10.02</b>	<b>\$ 10.29</b>	<b>\$ 11.97</b>	<b>\$ 11.56</b>	<b>\$ 10.95</b>
<b>Total Return</b>					
Total investment return based on net asset value <sup>(d)</sup> .....	1.70%	(8.93)%	7.63%	7.64%	7.00%
<b>Ratios/Supplemental Data</b>					
Net assets, end of period (000's omitted) .....	\$46,881	\$63,936	\$54,687	\$31,248	\$38,422
Ratio to average net assets of:					
Expenses, net of waivers/reimbursements <sup>(e)</sup> .....	.86%	.84%	.78%	.91%	1.25%
Expenses, before waivers/reimbursements <sup>(e)</sup> .....	1.09%	1.04%	1.00%	1.18%	1.51%
Net investment income <sup>(b)</sup> .....	4.16%	5.69%	4.29%	2.26%	1.93%
Portfolio turnover rate .....	125%	79%	62%	48%	40%

See footnote summary on page 80.



## FINANCIAL HIGHLIGHTS (continued)

### Selected Data For A Share Of Capital Stock Outstanding Throughout Each Period

	Class C				
	Year Ended October 31,				
	2023	2022	2021	2020	2019
Net asset value, beginning of period .....	\$ 9.96	\$ 11.63	\$ 11.25	\$ 10.67	\$ 10.24
<b>Income From Investment Operations</b>					
Net investment income <sup>(a)(b)</sup> ...	.33	.54	.44	.18	.13
Net realized and unrealized gain (loss) on investment and foreign currency transactions .....	(.24)	(1.62)	.31	.56	.49
Contributions from Affiliates .....	— 0 —	— 0 —	— 0 —	— 0 —	.00 <sup>(c)</sup>
Net increase (decrease) in net asset value from operations .....	.09	(1.08)	.75	.74	.62
<b>Less: Dividends and Distributions</b>					
Dividends from net investment income .....	(.37)	(.55)	(.37)	(.16)	(.19)
Distributions from net realized gain on investment transactions ..	— 0 —	(.04)	— 0 —	— 0 —	— 0 —
Total dividends and distributions .....	(.37)	(.59)	(.37)	(.16)	(.19)
Net asset value, end of period .....	<b>\$ 9.68</b>	<b>\$ 9.96</b>	<b>\$ 11.63</b>	<b>\$ 11.25</b>	<b>\$ 10.67</b>
<b>Total Return</b>					
Total investment return based on net asset value <sup>(d)</sup> .....	.85%	(9.58)%	6.87%	6.92%	6.18%
<b>Ratios/Supplemental Data</b>					
Net assets, end of period (000's omitted) .....	\$7,973	\$15,480	\$12,915	\$3,823	\$2,607
Ratio to average net assets of:					
Expenses, net of waivers/ reimbursements <sup>(e)</sup> .....	1.62%	1.59%	1.53%	1.64%	1.99%
Expenses, before waivers/ reimbursements <sup>(e)</sup> .....	1.85%	1.78%	1.75%	1.91%	2.26%
Net investment income <sup>(b)</sup> .....	3.33%	4.91%	3.79%	1.62%	1.28%
Portfolio turnover rate .....	125%	79%	62%	48%	40%

See footnote summary on page 80.



## FINANCIAL HIGHLIGHTS (continued)

### Selected Data For A Share Of Capital Stock Outstanding Throughout Each Period

	Advisor Class				
	Year Ended October 31,				
	2023	2022	2021	2020	2019
Net asset value, beginning of period .....	\$ 10.30	\$ 11.99	\$ 11.57	\$ 10.96	\$ 10.49
<b>Income From Investment Operations</b>					
Net investment income <sup>(a)(b)</sup> .....	.44	.67	.57	.27	.27
Net realized and unrealized gain (loss) on investment and foreign currency transactions .....	(.25)	(1.67)	.33	.60	.48
Contributions from Affiliates .....	- 0 -	- 0 -	- 0 -	- 0 -	.00 <sup>(c)</sup>
Net increase (decrease) in net asset value from operations .....	.19	(1.00)	.90	.87	.75
<b>Less: Dividends and Distributions</b>					
Dividends from net investment income .....	(.46)	(.65)	(.48)	(.26)	(.27)
Distributions from net realized gain on investment transactions ..	- 0 -	(.04)	- 0 -	- 0 -	- 0 -
Return of capital .....	- 0 -	- 0 -	- 0 -	- 0 -	(.01)
Total dividends and distributions .....	(.46)	(.69)	(.48)	(.26)	(.28)
Net asset value, end of period .....	<b>\$ 10.03</b>	<b>\$ 10.30</b>	<b>\$ 11.99</b>	<b>\$ 11.57</b>	<b>\$ 10.96</b>
<b>Total Return</b>					
Total investment return based on net asset value <sup>(d)</sup> .....	1.93%	(8.72)%	7.98%	7.93%	7.21%
<b>Ratios/Supplemental Data</b>					
Net assets, end of period (000's omitted) .....	\$220,987	\$506,033	\$475,604	\$135,677	\$168,440
Ratio to average net assets of:					
Expenses, net of waivers/ reimbursements <sup>(e)</sup> .....	.62%	.59%	.53%	.66%	.97%
Expenses, before waivers/ reimbursements <sup>(e)</sup> .....	.85%	.78%	.74%	.92%	1.24%
Net investment income <sup>(b)</sup> .....	4.23%	5.95%	4.76%	2.44%	2.47%
Portfolio turnover rate .....	125%	79%	62%	48%	40%

See footnote summary on page 80.



## FINANCIAL HIGHLIGHTS (continued)

### Selected Data For A Share Of Capital Stock Outstanding Throughout Each Period

	Class R				
	Year Ended October 31,				
	2023	2022	2021	2020	2019
Net asset value, beginning of period .....	\$ 10.32	\$ 12.00	\$ 11.57	\$ 10.93	\$ 10.46
<b>Income From Investment Operations</b>					
Net investment income <sup>(a)(b)</sup> ...	.41	.61	.45	.21	.20
Net realized and unrealized gain (loss) on investment and foreign currency transactions .....	(.27)	(1.67)	.38	.62	.49
Contributions from Affiliates .....	— 0 —	— 0 —	— 0 —	— 0 —	.00 <sup>(c)</sup>
Net increase (decrease) in net asset value from operations .....	.14	(1.06)	.83	.83	.69
<b>Less: Dividends and Distributions</b>					
Dividends from net investment income .....	(.41)	(.58)	(.40)	(.19)	(.22)
Distributions from net realized gain on investment transactions ..	— 0 —	(.04)	— 0 —	— 0 —	— 0 —
Total dividends and distributions .....	(.41)	(.62)	(.40)	(.19)	(.22)
Net asset value, end of period .....	<b>\$ 10.05</b>	<b>\$ 10.32</b>	<b>\$ 12.00</b>	<b>\$ 11.57</b>	<b>\$ 10.93</b>
<b>Total Return</b>					
Total investment return based on net asset value <sup>(d)</sup> .....	1.41%	(9.15)%	7.44%	7.61% <sup>(f)</sup>	6.64%
<b>Ratios/Supplemental Data</b>					
Net assets, end of period (000's omitted) .....	\$2,409	\$2,633	\$2,369	\$3,066	\$6,992
Ratio to average net assets of:					
Expenses, net of waivers/ reimbursements <sup>(e)</sup> .....	1.11%	1.09%	1.04%	1.21%	1.47%
Expenses, before waivers/ reimbursements <sup>(e)</sup> .....	1.47%	1.43%	1.40%	1.58%	1.83%
Net investment income <sup>(b)</sup> .....	3.99%	5.36%	3.74%	1.88%	1.88%
Portfolio turnover rate .....	125%	79%	62%	48%	40%

See footnote summary on page 80.



## FINANCIAL HIGHLIGHTS (continued)

### Selected Data For A Share Of Capital Stock Outstanding Throughout Each Period

	Class K				
	Year Ended October 31,				
	2023	2022	2021	2020	2019
Net asset value, beginning of period .....	\$ 10.28	\$ 11.96	\$ 11.54	\$ 10.92	\$ 10.45
<b>Income From Investment Operations</b>					
Net investment income <sup>(a)(b)</sup> ...	.44	.61	.52	.27	.17
Net realized and unrealized gain (loss) on investment and foreign currency transactions .....	(.27)	(1.64)	.34	.58	.54
Contributions from Affiliates .....	— 0 —	— 0 —	— 0 —	— 0 —	.00 <sup>(c)</sup>
Net increase (decrease) in net asset value from operations .....	.17	(1.03)	.86	.85	.71
<b>Less: Dividends and Distributions</b>					
Dividends from net investment income .....	(.44)	(.61)	(.44)	(.23)	(.23)
Distributions from net realized gain on investment transactions ..	— 0 —	(.04)	— 0 —	— 0 —	— 0 —
Return of capital .....	— 0 —	— 0 —	— 0 —	— 0 —	(.01)
Total dividends and distributions .....	(.44)	(.65)	(.44)	(.23)	(.24)
Net asset value, end of period .....	<b>\$ 10.01</b>	<b>\$ 10.28</b>	<b>\$ 11.96</b>	<b>\$ 11.54</b>	<b>\$ 10.92</b>
<b>Total Return</b>					
Total investment return based on net asset value <sup>(d)</sup> .....	1.58%	(8.94)%	7.64%	7.74%	6.88%
<b>Ratios/Supplemental Data</b>					
Net assets, end of period (000's omitted) .....	\$4,562	\$4,373	\$7,420	\$6,790	\$5,051
Ratio to average net assets of:					
Expenses, net of waivers/reimbursements <sup>(e)</sup> .....	.86%	.82%	.78%	.89%	1.27%
Expenses, before waivers/reimbursements <sup>(e)</sup> .....	1.25%	1.10%	1.09%	1.21%	1.57%
Net investment income <sup>(b)</sup> .....	4.27%	5.33%	4.34%	2.40%	1.61%
Portfolio turnover rate .....	125%	79%	62%	48%	40%

See footnote summary on page 80.



## FINANCIAL HIGHLIGHTS (continued)

### Selected Data For A Share Of Capital Stock Outstanding Throughout Each Period

	Class I				
	Year Ended October 31,				
	2023	2022	2021	2020	2019
Net asset value, beginning of period .....	\$ 10.17	\$ 11.84	\$ 11.44	\$ 10.84	\$ 10.38
<b>Income From Investment Operations</b>					
Net investment income <sup>(a)(b)</sup> .....	.46	.66	.51	.27	.25
Net realized and unrealized gain (loss) on investment and foreign currency transactions .....	(.26)	(1.64)	.37	.59	.49
Contributions from Affiliates .....	- 0 -	- 0 -	- 0 -	- 0 -	.00 <sup>(c)</sup>
Net increase (decrease) in net asset value from operations .....	.20	(.98)	.88	.86	.74
<b>Less: Dividends and Distributions</b>					
Dividends from net investment income .....	(.47)	(.65)	(.48)	(.26)	(.27)
Distributions from net realized gain on investment transactions ..	- 0 -	(.04)	- 0 -	- 0 -	- 0 -
Return of capital .....	- 0 -	- 0 -	- 0 -	- 0 -	(.01)
Total dividends and distributions .....	(.47)	(.69)	(.48)	(.26)	(.28)
Net asset value, end of period .....	<b>\$ 9.90</b>	<b>\$ 10.17</b>	<b>\$ 11.84</b>	<b>\$ 11.44</b>	<b>\$ 10.84</b>
<b>Total Return</b>					
Total investment return based on net asset value <sup>(d)</sup> .....	1.88%	(8.67)%	7.88%	7.97%	7.23%
<b>Ratios/Supplemental Data</b>					
Net assets, end of period (000's omitted) .....	\$5,539	\$6,414	\$6,093	\$8,297	\$9,893
Ratio to average net assets of:					
Expenses, net of waivers/ reimbursements <sup>(e)</sup> .....	.61%	.59%	.53%	.65%	.94%
Expenses, before waivers/ reimbursements <sup>(e)</sup> .....	.83%	.78%	.74%	.88%	1.18%
Net investment income <sup>(b)</sup> .....	4.50%	5.92%	4.31%	2.42%	2.40%
Portfolio turnover rate .....	125%	79%	62%	48%	40%

See footnote summary on page 80.



## FINANCIAL HIGHLIGHTS (continued)

### Selected Data For A Share Of Capital Stock Outstanding Throughout Each Period

	Class 1				
	Year Ended October 31,				
	2023	2022	2021	2020	2019
Net asset value, beginning of period .....	\$ 10.06	\$ 11.73	\$ 11.35	\$ 10.77	\$ 10.33
<b>Income From Investment Operations</b>					
Net investment income <sup>(a)(b)</sup> ...	.44	.64	.52	.26	.24
Net realized and unrealized gain (loss) on investment and foreign currency transactions .....	(.26)	(1.62)	.34	.59	.48
Contributions from Affiliates .....	— 0 —	— 0 —	— 0 —	— 0 —	.00 <sup>(c)</sup>
Net increase (decrease) in net asset value from operations .....	.18	(.98)	.86	.85	.72
<b>Less: Dividends and Distributions</b>					
Dividends from net investment income .....	(.46)	(.65)	(.48)	(.27)	(.27)
Distributions from net realized gain on investment transactions ..	— 0 —	(.04)	— 0 —	— 0 —	— 0 —
Return of capital .....	— 0 —	— 0 —	— 0 —	— 0 —	(.01)
Total dividends and distributions .....	(.46)	(.69)	(.48)	(.27)	(.28)
Net asset value, end of period .....	<b>\$ 9.78</b>	<b>\$ 10.06</b>	<b>\$ 11.73</b>	<b>\$ 11.35</b>	<b>\$ 10.77</b>
<b>Total Return</b>					
Total investment return based on net asset value <sup>(d)</sup> .....	1.84%	(8.75)%	7.77%	7.84%	7.18%
<b>Ratios/Supplemental Data</b>					
Net assets, end of period (000's omitted) .....	\$340,649	\$390,055	\$377,333	\$312,381	\$319,282
Ratio to average net assets of:					
Expenses, net of waivers/reimbursements <sup>(e)</sup> .....	.71%	.69%	.63%	.75%	1.07%
Expenses, before waivers/reimbursements <sup>(e)</sup> .....	.83%	.78%	.75%	.88%	1.20%
Net investment income <sup>(b)</sup> .....	4.34%	5.76%	4.44%	2.42%	2.31%
Portfolio turnover rate .....	125%	79%	62%	48%	40%

See footnote summary on page 80.



## FINANCIAL HIGHLIGHTS (continued)

### Selected Data For A Share Of Capital Stock Outstanding Throughout Each Period

	Class 2				
	Year Ended October 31,				
	2023	2022	2021	2020	2019
Net asset value, beginning of period .....	\$ 10.06	\$ 11.73	\$ 11.34	\$ 10.76	\$ 10.32
<b>Income From Investment Operations</b>					
Net investment income <sup>(a)(b)</sup> ...	.44	.64	.53	.28	.26
Net realized and unrealized gain (loss) on investment and foreign currency transactions .....	(.25)	(1.61)	.35	.58	.48
Contributions from Affiliates .....	- 0 -	- 0 -	- 0 -	- 0 -	.00 <sup>(c)</sup>
Net increase (decrease) in net asset value from operations .....	.19	(.97)	.88	.86	.74
<b>Less: Dividends and Distributions</b>					
Dividends from net investment income .....	(.47)	(.66)	(.49)	(.28)	(.29)
Distributions from net realized gain on investment transactions ..	- 0 -	(.04)	- 0 -	- 0 -	- 0 -
Return of capital .....	- 0 -	- 0 -	- 0 -	- 0 -	(.01)
Total dividends and distributions .....	(.47)	(.70)	(.49)	(.28)	(.30)
Net asset value, end of period .....	<b>\$ 9.78</b>	<b>\$ 10.06</b>	<b>\$ 11.73</b>	<b>\$ 11.34</b>	<b>\$ 10.76</b>
<b>Total Return</b>					
Total investment return based on net asset value <sup>(d)</sup> .....	1.94%	(8.77)%	7.98%	7.96%	7.19%
<b>Ratios/Supplemental Data</b>					
Net assets, end of period (000's omitted) .....	\$41,599	\$59,262	\$66,348	\$60,289	\$58,829
Ratio to average net assets of:					
Expenses, net of waivers/ reimbursements <sup>(e)</sup> .....	.61%	.58%	.53%	.65%	.96%
Expenses, before waivers/ reimbursements <sup>(e)</sup> .....	.73%	.67%	.65%	.78%	1.09%
Net investment income <sup>(b)</sup> .....	4.38%	5.75%	4.51%	2.53%	2.45%
Portfolio turnover rate .....	125%	79%	62%	48%	40%

See footnote summary on page 80.



## FINANCIAL HIGHLIGHTS (continued)

### Selected Data For A Share Of Capital Stock Outstanding Throughout Each Period

	Class Z				
	Year Ended October 31,				
	2023	2022	2021	2020	2019
Net asset value, beginning of period .....	\$ 10.10	\$ 11.77	\$ 11.38	\$ 10.80	\$ 10.35
<b>Income From Investment Operations</b>					
Net investment income <sup>(a)(b)</sup> ...	.46	.67	.56	.24	.27
Net realized and unrealized gain (loss) on investment and foreign currency transactions .....	(.27)	(1.65)	.32	.62	.47
Contributions from Affiliates .....	— 0 —	— 0 —	— 0 —	— 0 —	.00 <sup>(c)</sup>
Net increase (decrease) in net asset value from operations .....	.19	(.98)	.88	.86	.74
<b>Less: Dividends and Distributions</b>					
Dividends from net investment income .....	(.47)	(.65)	(.49)	(.28)	(.28)
Distributions from net realized gain on investment transactions ..	— 0 —	(.04)	— 0 —	— 0 —	— 0 —
Return of capital .....	— 0 —	— 0 —	— 0 —	— 0 —	(.01)
Total dividends and distributions .....	(.47)	(.69)	(.49)	(.28)	(.29)
Net asset value, end of period .....	<b>\$ 9.82</b>	<b>\$ 10.10</b>	<b>\$ 11.77</b>	<b>\$ 11.38</b>	<b>\$ 10.80</b>
<b>Total Return</b>					
Total investment return based on net asset value <sup>(d)</sup> .....	1.83%	(8.65)%	7.94%	7.92%	7.26%
<b>Ratios/Supplemental Data</b>					
Net assets, end of period (000's omitted) .....	\$14,036	\$10,320	\$20,910	\$11,016	\$32,606
Ratio to average net assets of:					
Expenses, net of waivers/ reimbursements <sup>(e)</sup> .....	.60%	.58%	.53%	.67%	.96%
Expenses, before waivers/ reimbursements <sup>(e)</sup> .....	.74%	.68%	.65%	.81%	1.10%
Net investment income <sup>(b)</sup> .....	4.53%	6.02%	4.81%	2.16%	2.50%
Portfolio turnover rate .....	125%	79%	62%	48%	40%

See footnote summary on page 80.



## FINANCIAL HIGHLIGHTS (continued)

### Selected Data For A Share Of Capital Stock Outstanding Throughout Each Period

(a) Based on average shares outstanding.

(b) Net of expenses waived/reimbursed by the Adviser.

(c) Amount is less than \$.005.

(d) Total investment return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all dividends and distributions at net asset value during the period, and redemption on the last day of the period. Initial sales charges or contingent deferred sales charges are not reflected in the calculation of total investment return. Total return does not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares. Total investment return calculated for a period of less than one year is not annualized.

(e) The expense ratios presented below exclude interest/bank overdraft expense:

	Year Ended October 31,				
	2023	2022	2021	2020	2019
<b>Class A</b>					
Net of waivers/reimbursements .....	.75%	.75%	.75%	.75%	.75%
Before waivers/reimbursements .....	.98%	.95%	.97%	1.01%	1.02%
<b>Class C</b>					
Net of waivers/reimbursements .....	1.50%	1.50%	1.50%	1.50%	1.50%
Before waivers/reimbursements .....	1.73%	1.69%	1.72%	1.77%	1.77%
<b>Advisor Class</b>					
Net of waivers/reimbursements .....	.50%	.50%	.50%	.50%	.50%
Before waivers/reimbursements .....	.73%	.69%	.72%	.77%	.77%
<b>Class R</b>					
Net of waivers/reimbursements .....	1.00%	1.00%	1.00%	1.00%	1.00%
Before waivers/reimbursements .....	1.37%	1.34%	1.36%	1.37%	1.36%
<b>Class K</b>					
Net of waivers/reimbursements .....	.75%	.75%	.75%	.75%	.75%
Before waivers/reimbursements .....	1.14%	1.02%	1.05%	1.07%	1.04%
<b>Class I</b>					
Net of waivers/reimbursements .....	.50%	.50%	.50%	.50%	.50%
Before waivers/reimbursements .....	.72%	.69%	.71%	.73%	.73%
<b>Class 1</b>					
Net of waivers/reimbursements .....	.60%	.60%	.60%	.60%	.60%
Before waivers/reimbursements .....	.72%	.69%	.72%	.73%	.73%
<b>Class 2</b>					
Net of waivers/reimbursements .....	.50%	.50%	.50%	.50%	.50%
Before waivers/reimbursements .....	.62%	.59%	.62%	.63%	.63%
<b>Class Z</b>					
Net of waivers/reimbursements .....	.50%	.50%	.50%	.50%	.50%
Before waivers/reimbursements .....	.63%	.60%	.62%	.63%	.64%

(f) The net asset value and total return include adjustments in accordance with accounting principles generally accepted in the United States of America for financial reporting purposes. As such, the net asset value and total return for shareholder transactions may differ from financial statements.

See notes to financial statements.



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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

### To the Board of Directors and Shareholders of AB Bond Inflation Strategy

#### ***Opinion on the Financial Statements***

We have audited the accompanying statement of assets and liabilities of AB Bond Inflation Strategy (the “Fund”) (one of the portfolios constituting AB Bond Fund, Inc. (the “Company”)), including the portfolio of investments, as of October 31, 2023, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund (one of the portfolios constituting AB Bond Fund, Inc.) at October 31, 2023, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

#### ***Basis for Opinion***

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of the Company’s internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures



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**REPORT OF INDEPENDENT REGISTERED  
PUBLIC ACCOUNTING FIRM** (continued)

included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of October 31, 2023, by correspondence with the custodian, brokers and others; when replies were not received from brokers or others, we performed other auditing procedures. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

*Ernst & Young LLP*

We have served as the auditor of one or more of the AB investment companies since 1968.

New York, New York  
December 22, 2023



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## 2023 FEDERAL TAX INFORMATION

(unaudited)

For Federal income tax purposes, the following information is furnished with respect to the distributions paid by the Fund during the taxable year ended October 31, 2023. For foreign shareholders, 88.34% of ordinary income dividends paid may be considered to be qualifying to be taxed as interest-related dividends.

Shareholders should not use the above information to prepare their income tax returns. The information necessary to complete your income tax returns will be included with your Form 1099-DIV which will be sent to you separately in January 2024.



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## BOARD OF DIRECTORS

**Garry L. Moody**<sup>(1)</sup>,

Chairman

**Jorge A. Bermudez**<sup>(1)</sup>

**Michael J. Downey**<sup>(1)</sup>

**Onur Erzan**, President and Chief  
Executive Officer

**Nancy P. Jacklin**<sup>(1)</sup>

**Jeanette W. Loeb**<sup>(1)</sup>

**Carol C. McMullen**<sup>(1)</sup>

**Marshall C. Turner, Jr.**<sup>(1)</sup>

## OFFICERS

**Michael Canter**<sup>(2)</sup>, Vice President

**Michael Rosborough**<sup>(2)</sup>, Vice  
President

**Nancy E. Hay**, Secretary

**Michael B. Reyes**, Senior Vice  
President

**Stephen M. Woetzel**, Treasurer  
and Chief Financial Officer

**Phyllis J. Clarke**, Controller

**Jennifer Friedland**, Chief  
Compliance Officer

## Custodian and Accounting Agent

State Street Bank and Trust  
Company

One Congress Street, Suite 1  
Boston, MA 02114

## Independent Registered Public Accounting Firm

Ernst & Young LLP  
One Manhattan West  
New York, NY 10001

## Principal Underwriter

AllianceBernstein Investments, Inc.  
501 Commerce Street  
Nashville, TN 37203

## Legal Counsel

Seward & Kissel LLP  
One Battery Park Plaza  
New York, NY 10004

## Transfer Agent

AllianceBernstein Investor Services,  
Inc.

P.O. Box 786003

San Antonio, TX 78278

Toll-Free (800) 221-5672

1 Member of the Audit Committee, the Governance and Nominating Committee, and the Independent Directors Committee.

2 The day-to-day management of, and investment decisions for, the Fund's portfolio are made by the Adviser's U.S. Multi-Sector Fixed-Income Team. Messrs. Canter and Rosborough are the investment professionals with the most significant responsibility for the day-to-day management of the Fund's portfolio.



## MANAGEMENT OF THE FUND

### Board of Directors Information

The business and affairs of the Fund are managed under the direction of the Board of Directors. Certain information concerning the Fund's Directors is set forth below.

NAME, ADDRESS*, AGE, (YEAR FIRST ELECTED**)	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS AND OTHER INFORMATION***	PORTFOLIOS IN AB FUND COMPLEX OVERSEEN BY DIRECTOR	OTHER PUBLIC COMPANY DIRECTORSHIPS CURRENTLY HELD BY DIRECTOR
<b>INTERESTED DIRECTOR</b>			
Onur Erzan,# 1345 Avenue of the Americas New York, NY 10105 47 (2021)	Senior Vice President of AllianceBernstein L.P. (the "Adviser"), Head of Global Client Group and Head of Private Wealth. He oversees AB's entire private wealth management business, third-party institutional and retail franchise, where he is responsible for all client services, sales and marketing, as well as product strategy, management and development worldwide. Director, President and Chief Executive Officer of the AB Mutual Funds as of April 1, 2021. He is also a member of the Equitable Holdings Management Committee. Prior to joining the firm in January 2021, he spent over 19 years with McKinsey (management consulting firm), most recently as a senior partner and co-leader of its Wealth & Asset Management practice. In addition, he co-led McKinsey's Banking & Securities Solutions (a portfolio of data, analytics and digital assets, and capabilities) globally.	82	None



## MANAGEMENT OF THE FUND (continued)

NAME, ADDRESS*, AGE, (YEAR FIRST ELECTED**)	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS AND OTHER INFORMATION***	PORTFOLIOS IN AB FUND COMPLEX OVERSEEN BY DIRECTOR	OTHER PUBLIC COMPANY DIRECTORSHIPS CURRENTLY HELD BY DIRECTOR
<b>INDEPENDENT DIRECTORS</b>			
Garry L. Moody,## <i>Chairman of the Board</i> 71 (2008)	Private Investor since prior to 2018. Formerly, Partner, Deloitte & Touche LLP (1995-2008) where he held a number of senior positions, including Vice Chairman, and U.S. and Global Investment Management Practice Managing Partner; President, Fidelity Accounting and Custody Services Company (1993-1995), where he was responsible for accounting, pricing, custody and reporting for the Fidelity mutual funds; and Partner, Ernst & Young LLP (1975-1993), where he served as the National Director of Mutual Fund Tax Services and Managing Partner of its Chicago Office Tax department. He served as a member of the Investment Company Institute's Board of Governors and the Independent Directors Council's Governing Council from October 2019 through September 2023, where he also served as Chairman of the Governance Committee from October 2021 through September 2023. He is Chairman of the AB Funds and Chairman of the Independent Directors Committees since January 2023; he has served as a director or trustee since 2008, and served as Chairman of the Audit Committee of such funds from 2008 to February 2023.	82	None



## MANAGEMENT OF THE FUND (continued)

NAME, ADDRESS*, AGE, (YEAR FIRST ELECTED**)	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS AND OTHER INFORMATION***	PORTFOLIOS IN AB FUND COMPLEX OVERSEEN BY DIRECTOR	OTHER PUBLIC COMPANY DIRECTORSHIPS CURRENTLY HELD BY DIRECTOR
<b>INDEPENDENT DIRECTORS</b> (continued)			
Jorge A. Bermudez, ## 72 (2020)	Private Investor since prior to 2018. Formerly, Chief Risk Officer of Citigroup, Inc., a global financial services company, from November 2007 to March 2008; Chief Executive Officer of Citigroup's Commercial Business Group in North America and Citibank Texas from 2005 to 2007; and a variety of other executive and leadership roles at various businesses within Citigroup prior to then; Chairman (2018) of the Texas A&M Foundation Board of Trustees (Trustee since 2013) and Chairman of the Smart Grid Center Board at Texas A&M University since 2012; director of, among others, Citibank N.A. from 2005 to 2008, the Federal Reserve Bank of Dallas, Houston Branch from 2009 to 2011, the Federal Reserve Bank of Dallas from 2011 to 2017, and the Electric Reliability Council of Texas from 2010 to 2016; and Chair of the Audit Committee of the Board of Directors of Moody's Corporation since December 2022. He has served as director or trustee of the AB Funds since January 2020.	82	Moody's Corporation since April 2011
Michael J. Downey, ## 79 (2005)	Private Investor since prior to 2018. Formerly, Chairman of The Asia Pacific Fund, Inc. (registered investment company) since prior to 2018 until January 2019. From 1987 until 1993, Chairman and CEO of Prudential Mutual Fund Management, director of the Prudential mutual funds, and member of the Executive Committee of Prudential Securities, Inc. He has served as a director or trustee of the AB Funds since 2005.	82	None



## MANAGEMENT OF THE FUND (continued)

NAME, ADDRESS*, AGE, (YEAR FIRST ELECTED**)	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS AND OTHER INFORMATION***	PORTFOLIOS IN AB FUND COMPLEX OVERSEEN BY DIRECTOR	OTHER PUBLIC COMPANY DIRECTORSHIPS CURRENTLY HELD BY DIRECTOR
<b>INDEPENDENT DIRECTORS</b> (continued)			
Nancy P. Jacklin,## 75 (2006)	Private Investor since prior to 2018. Professorial Lecturer at the Johns Hopkins School of Advanced International Studies (2008-2015). U.S. Executive Director of the International Monetary Fund (which is responsible for ensuring the stability of the international monetary system), (December 2002-May 2006); Partner, Clifford Chance (1992-2002); Sector Counsel, International Banking and Finance, and Associate General Counsel, Citicorp (1985-1992); Assistant General Counsel (International), Federal Reserve Board of Governors (1982-1985); and Attorney Advisor, U.S. Department of the Treasury (1973-1982). Member of the Bar of the District of Columbia and of New York; and member of the Council on Foreign Relations. She has served as a director or trustee of the AB Funds since 2006 and served as Chair of the Governance and Nominating Committees of the AB Funds from 2014 to August 2023.	82	None



## MANAGEMENT OF THE FUND (continued)

NAME, ADDRESS*, AGE, (YEAR FIRST ELECTED**)	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS AND OTHER INFORMATION***	PORTFOLIOS IN AB FUND COMPLEX OVERSEEN BY DIRECTOR	OTHER PUBLIC COMPANY DIRECTORSHIPS CURRENTLY HELD BY DIRECTOR
<b>INDEPENDENT DIRECTORS (continued)</b>			
Jeanette W. Loeb, ## 71 (2020)	Private Investor since prior to 2018. Director of New York City Center since 2005. Formerly, Chief Executive Officer of PetCareRx (e-commerce pet pharmacy) from 2002 to 2011 and 2015 to April 2023. She was a director of Apollo Investment Corp. (business development company) from August 2011 to July 2023 and a director of AB Multi-Manager Alternative Fund (fund of hedge funds) from 2012 to 2018. Formerly, affiliated with Goldman Sachs Group, Inc. (financial services) from 1977 to 1994, including as a partner thereof from 1986 to 1994. She has served as director or trustee of the AB Funds since April 2020 and serves as Chair of the Governance and Nominating Committees of the AB Funds since August 2023.	82	None



## MANAGEMENT OF THE FUND (continued)

NAME, ADDRESS*, AGE, (YEAR FIRST ELECTED**)	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS AND OTHER INFORMATION***	PORTFOLIOS IN AB FUND COMPLEX OVERSEEN BY DIRECTOR	OTHER PUBLIC COMPANY DIRECTORSHIPS CURRENTLY HELD BY DIRECTOR
<b>INDEPENDENT DIRECTORS (continued)</b>			
Carol C. McMullen,## 68 (2016)	Private Investor and a member of the Advisory Board of Butcher Box (since 2018) and serves as Advisory Board Chair as of June 2023. Formerly, Managing Director of Slalom Consulting (consulting) from 2014 until July 2023; member, Mass General Brigham (formerly, Partners Healthcare) Investment Committee (2010-2019); Director of Norfolk & Dedham Group (mutual property and casualty insurance) from 2011 until November 2016; Director of Partners Community Physicians Organization (healthcare) from 2014 until December 2016; and Managing Director of The Crossland Group (consulting) from 2012 until 2013. She has held a number of senior positions in the asset and wealth management industries, including at Eastern Bank (where her roles included President of Eastern Wealth Management), Thomson Financial (Global Head of Sales for Investment Management), and Putnam Investments (where her roles included Chief Investment Officer, Core and Growth and Head of Global Investment Research). She has served on a number of private company and non-profit boards, and as a director or trustee of the AB Funds since June 2016 and serves as Chair of the Audit Committees of such funds since February 2023.	82	None



## MANAGEMENT OF THE FUND (continued)

NAME, ADDRESS*, AGE, (YEAR FIRST ELECTED**)	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS AND OTHER INFORMATION***	PORTFOLIOS IN AB FUND COMPLEX OVERSEEN BY DIRECTOR	OTHER PUBLIC COMPANY DIRECTORSHIPS CURRENTLY HELD BY DIRECTOR
<b>INDEPENDENT DIRECTORS (continued)</b>			
Marshall C. Turner, Jr.,## 82 (2005)	Private Investor since prior to 2018. He was a Director of Xilinx, Inc. (programmable logic semi-conductors and adaptable, intelligent computing) from 2007 through August 2020, and is a former director of 33 other companies and organizations. Former Chairman and CEO of Dupont Photomasks, Inc. (semi-conductor manufacturing equipment) from 2003 through 2006. He has extensive operating leadership and venture capital investing experience, including five interim or full-time CEO roles, and prior service as general partner of institutional venture capital partnerships. He also has extensive non-profit board leadership experience, and currently serves on the board of the George Lucas Educational Foundation. He has served as a director of one AB Fund since 1992, and director or trustee of all the AB Funds since 2005. He has served as both Chairman of the AB Funds and Chairman of the Independent Directors Committees from 2014 through December 2022.	82	None

\* The address for each of the Fund's disinterested Directors is c/o AllianceBernstein L.P., Attention Legal and Compliance Department—Mutual Fund Legal, 1345 Avenue of the Americas, New York, NY 10105.

\*\* There is no stated term of office for the Fund's Directors.

\*\*\* The information above includes each Director's principal occupation during the last five years and other information relating to the experience, attributes and skills relevant to each Director's qualifications to serve as a Director, which led to the conclusion that each Director should serve as a Director for the Fund.

# Mr. Erzan is an "interested person" of the Fund as defined in the "40 Act", due to his position as a Senior Vice President of the Adviser.

## Member of the Audit Committee, the Governance and Nominating Committee, and the Independent Directors Committee.



## MANAGEMENT OF THE FUND (continued)

### Officer Information

Certain information concerning the Fund's Officers is listed below.

NAME, ADDRESS* AND AGE	PRINCIPAL POSITION(S) HELD WITH FUND	PRINCIPAL OCCUPATION DURING PAST 5 YEARS
Onur Erzan 47	President and Chief Executive Officer	See biography above.
Michael Canter 54	Vice President	Senior Vice President of the Adviser**, with which he has been associated since prior to 2018. He is also Director and Chief Investment Officer – Securitized Assets.
Michael Rosborough 61	Vice President	Senior Vice President of the Adviser**, with which he has been associated in a substantially similar capacity since 2020. Prior to 2020, he was an investment director, portfolio manager and member of the tactical asset allocation committee at California Public Employees' Retirement System (CalPERS) since prior to 2018.
Nancy E. Hay 51	Secretary	Senior Vice President and Counsel of the Adviser**, with which she has been associated since prior to 2018 and Assistant Secretary of ABI**.
Michael B. Reyes 47	Senior Vice President	Vice President of the Adviser**, with which he has been associated since prior to 2018.
Stephen M. Woetzel 52	Treasurer and Chief Financial Officer	Senior Vice President of ABIS**, with which he has been associated since prior to 2018.
Phyllis J. Clarke 62	Controller	Vice President of ABIS**, with which she has been associated since prior to 2018.
Jennifer Friedland 49	Chief Compliance Officer	Vice President of the Adviser** since 2020 and Mutual Fund Chief Compliance Officer (of all Funds since January 2023 and of the ETF Funds since 2022). Before joining the Adviser** in 2020, she was Chief Compliance Officer at WestEnd Advisors, LLC from prior to 2018 until 2019.

\* The address for each of the Fund's Officers is 1345 Avenue of the Americas, New York, NY 10105.

\*\* The Adviser, ABI and ABIS are affiliates of the Fund.

The Fund's Statement of Additional Information ("SAI") has additional information about the Fund's Directors and Officers and is available without charge upon request. Contact your financial representative or AB at (800) 227-4618, or visit [www.abfunds.com](http://www.abfunds.com), for a free prospectus or SAI.



## **Operation and Effectiveness of the Fund's Liquidity Risk Management Program:**

In October 2016, the Securities and Exchange Commission ("SEC") adopted the open-end fund liquidity rule (the "Liquidity Rule"). In June 2018 the SEC adopted a requirement that funds disclose information about the operation and effectiveness of their Liquidity Risk Management Program ("LRMP") in their reports to shareholders.

One of the requirements of the Liquidity Rule is for the Fund to designate an Administrator of the Fund's Liquidity Risk Management Program. The Administrator of the Fund's LRMP is AllianceBernstein L.P., the Fund's investment adviser (the "Adviser"). The Adviser has delegated the responsibility to its Liquidity Risk Management Committee (the "Committee").

Another requirement of the Liquidity Rule is for the Fund's Board of Directors (the "Fund Board") to receive an annual written report from the Administrator of the LRMP, which addresses the operation of the Fund's LRMP and assesses its adequacy and effectiveness. The Adviser provided the Fund Board with such annual report during the first quarter of 2023, which covered the period January 1, 2022 through December 31, 2022 (the "Program Reporting Period").

The LRMP's principal objectives include supporting the Fund's compliance with limits on investments in illiquid assets and mitigating the risk that the Fund will be unable to meet its redemption obligations in a timely manner.

Pursuant to the LRMP, the Fund classifies the liquidity of its portfolio investments into one of the four categories defined by the SEC: Highly Liquid, Moderately Liquid, Less Liquid, and Illiquid. These classifications are reported to the SEC on Form N-PORT.

During the Program Reporting Period, the Committee reviewed whether the Fund's strategy is appropriate for an open-end structure, incorporating any holdings of less liquid and illiquid assets. If the Fund participated in derivative transactions, the exposure from such transactions were considered in the LRMP.

The Committee also performed an analysis to determine whether the Fund is required to maintain a Highly Liquid Investment Minimum ("HLIM"). The Committee also incorporated the following information when determining the Fund's reasonably anticipated trading size for purposes of liquidity monitoring: historical net redemption activity, a Fund's concentration in an issuer, shareholder concentration, investment performance, total net assets, and distribution channels.

The Adviser informed the Fund Board that the Committee believes the Fund's LRMP is adequately designed, has been implemented as intended,



and has operated effectively since its inception. No material exceptions have been noted since the implementation of the LRMP. During the Program Reporting Period, liquidity in all markets was challenged due to rising rates and economic uncertainty. However, markets also remained orderly during the Program Reporting Period. There were no liquidity events that impacted the Fund or its ability to timely meet redemptions during the Program Reporting Period.



## **Information Regarding the Review and Approval of the Fund's Advisory Agreement**

The disinterested directors (the “directors”) of AB Bond Fund, Inc. (the “Company”) unanimously approved the continuance of the Company’s Advisory Agreement with the Adviser in respect of AB Bond Inflation Strategy (the “Fund”) at a meeting held in-person on August 1-2, 2023 (the “Meeting”).

Prior to approval of the continuance of the Advisory Agreement, the directors had requested from the Adviser, and received and evaluated, extensive materials. They reviewed the proposed continuance of the Advisory Agreement with the Adviser and with experienced counsel who are independent of the Adviser, who advised on the relevant legal standards. The directors also reviewed additional materials, including comparative analytical data prepared by the Senior Vice President of the Fund. The directors also discussed the proposed continuance in private sessions with counsel.

The directors considered their knowledge of the nature and quality of the services provided by the Adviser to the Fund gained from their experience as directors or trustees of most of the registered investment companies advised by the Adviser, their overall confidence in the Adviser’s integrity and competence they have gained from that experience, the Adviser’s initiative in identifying and raising potential issues with the directors and its responsiveness, frankness and attention to concerns raised by the directors in the past, including the Adviser’s willingness to consider and implement organizational and operational changes designed to improve investment results and the services provided to the AB Funds. The directors noted that they have four regular meetings each year, at each of which they review extensive materials and information from the Adviser, including information on the investment performance of the Fund and the money market fund advised by the Adviser in which the Fund invests a portion of its assets.

The directors also considered all factors they believed relevant, including the specific matters discussed below. During the course of their deliberations, the directors evaluated, among other things, the reasonableness of the advisory fee. The directors did not identify any particular information that was all-important or controlling, and different directors may have attributed different weights to the various factors. The directors determined that the selection of the Adviser to manage the Fund and the overall arrangements between the Fund and the Adviser, as provided in the Advisory Agreement, including the advisory fee, were fair and reasonable in light of the services performed, expenses incurred and such other matters as the directors considered relevant in the exercise of their business



judgment. The material factors and conclusions that formed the basis for the directors' determinations included the following:

### **Nature, Extent and Quality of Services Provided**

The directors considered the scope and quality of services provided by the Adviser under the Advisory Agreement, including the quality of the investment research capabilities of the Adviser and the other resources it has dedicated to performing services for the Fund. The directors noted that the Adviser from time to time reviews the Fund's investment strategies and from time to time proposes changes intended to improve the Fund's relative or absolute performance for the directors' consideration. They also noted the professional experience and qualifications of the Fund's portfolio management team and other senior personnel of the Adviser. The directors also considered that the Advisory Agreement provides that the Fund will reimburse the Adviser for the cost to it of providing certain clerical, accounting, administrative and other services to the Fund by employees of the Adviser or its affiliates. Requests for these reimbursements are made on a quarterly basis and subject to approval by the directors. Reimbursements, to the extent requested and paid, result in a higher rate of total compensation from the Fund to the Adviser than the fee rate stated in the Advisory Agreement. The directors noted that the methodology used to determine the reimbursement amounts had been reviewed by an independent consultant at the request of the directors. The quality of administrative and other services, including the Adviser's role in coordinating the activities of the Fund's other service providers, also was considered. The directors concluded that, overall, they were satisfied with the nature, extent and quality of services provided to the Fund under the Advisory Agreement.

### **Costs of Services Provided and Profitability**

The directors reviewed a schedule of the revenues and expenses and related notes indicating the profitability of the Fund to the Adviser for calendar years 2021 and 2022 that had been prepared with an expense allocation methodology arrived at in consultation with an independent consultant at the request of the directors. The directors noted the assumptions and methods of allocation used by the Adviser in preparing fund-specific profitability data and understood that there are a number of potentially acceptable allocation methodologies for information of this type. The directors noted that the profitability information reflected all revenues and expenses of the Adviser's relationship with the Fund, including those relating to its subsidiaries that provide transfer agency and distribution services to the Fund. The directors recognized that it is difficult to make comparisons of the profitability of the Advisory Agreement with the profitability of fund advisory contracts for unaffiliated funds because comparative information is not generally publicly available and is affected by numerous factors. The directors focused on the profitability of the Adviser's relationship with the Fund before taxes and distribution



expenses. The directors concluded that the Adviser's level of profitability from its relationship with the Fund was not unreasonable.

### **Fall-Out Benefits**

The directors considered the other benefits to the Adviser and its affiliates from their relationships with the Fund and the money market fund advised by the Adviser in which the Fund invests, including, but not limited to, benefits relating to 12b-1 fees and sales charges received by the Fund's principal underwriter (which is a wholly owned subsidiary of the Adviser) in respect of certain classes of the Fund's shares; and transfer agency fees paid by the Fund to a wholly owned subsidiary of the Adviser. The directors recognized that the Adviser's profitability would be somewhat lower without these benefits. The directors understood that the Adviser also might derive reputational and other benefits from its association with the Fund.

### **Investment Results**

In addition to the information reviewed by the directors in connection with the Meeting, the directors receive detailed performance information for the Fund at each regular Board meeting during the year.

At the Meeting, the directors reviewed performance information prepared by an independent service provider (the "15(c) service provider"), showing the performance of the Advisor Class shares of the Fund against a group of similar funds ("peer group") and a larger group of similar funds ("peer universe"), each selected by the 15(c) service provider, and information prepared by the Adviser showing performance of the Advisor Class shares against a broad-based securities market index, in each case for the 1-, 3-, 5- and 10-year periods ended May 31, 2023 and (in the case of comparisons with the broad-based securities market index) for the period from inception. Based on their review, the directors concluded that the Fund's investment performance was acceptable.

### **Advisory Fees and Other Expenses**

The directors considered the advisory fee rate payable by the Fund to the Adviser and information prepared by the 15(c) service provider concerning advisory fee rates payable by other funds in the same category as the Fund. The directors recognized that it is difficult to make comparisons of advisory fees because there are variations in the services that are included in the fees payable by other funds. The directors compared the Fund's contractual effective advisory fee rate with a peer group median and discussed with the Adviser the reasons it was above the median. The directors also noted the Adviser's total rate of compensation, taking into account the impact of the administrative expense reimbursement paid to the Adviser in the latest fiscal year.



The directors also considered the Adviser's fee schedule for other clients utilizing investment strategies similar to those of the Fund. For this purpose, they reviewed the relevant advisory fee information from the Adviser's Form ADV and in a report from the Fund's Senior Vice President and noted the differences between the Fund's fee schedule, on the one hand, and the Adviser's institutional fee schedule and the schedule of fees charged by the Adviser to any offshore funds and for services to any sub-advised funds utilizing investment strategies similar to those of the Fund, on the other. The directors noted that the Adviser may, in some cases, agree to fee rates with large institutional clients that are lower than those reviewed by the directors and that they had previously discussed with the Adviser its policies in respect of such arrangements.

The Adviser reviewed with the directors the significantly greater scope of the services it provides to the Fund relative to institutional, offshore fund and sub-advised fund clients. In this regard, the Adviser noted, among other things, that, compared to institutional and offshore or sub-advisory accounts, the Fund (i) demands considerably more portfolio management, research and trading resources due to significantly higher daily cash flows; (ii) has more tax and regulatory restrictions and compliance obligations; (iii) must prepare and file or distribute regulatory and other communications about fund operations; and (iv) must provide shareholder servicing to retail investors. The Adviser also reviewed the greater legal risks presented by the large and changing population of Fund shareholders who may assert claims against the Adviser in individual or class actions, and the greater entrepreneurial risk in offering new fund products, which require substantial investment to launch, may not succeed, and generally must be priced to compete with larger, more established funds resulting in lack of profitability to the Adviser until a new fund achieves scale. In light of the substantial differences in services rendered by the Adviser to institutional, offshore fund and sub-advised fund clients as compared to the Fund, and the different risk profile, the directors considered these fee comparisons inapt and did not place significant weight on them in their deliberations.

In connection with their review of the Fund's advisory fee, the directors also considered the total expense ratio of the Advisor Class shares of the Fund in comparison to the medians for a peer group and a peer universe selected by the 15(c) service provider. The Advisor Class expense ratio of the Fund was based on the Fund's latest fiscal year and reflected the impact of the Adviser's expense cap for the Fund. The directors noted that it was likely that the expense ratios of some of the other funds in the Fund's category were lowered by waivers or reimbursements by those funds' investment advisers, which in some cases might be voluntary or temporary. The directors view expense ratio information as relevant to their evaluation of the Adviser's services because the Adviser is responsible for coordinating services provided to the Fund by others. The directors noted that the Fund's expense ratio was above the medians. After reviewing and



discussing the Adviser's explanation of the reasons for this, the directors concluded that the Fund's expense ratio was acceptable.

### **Economies of Scale**

The directors noted that the advisory fee schedule for the Fund contains breakpoints that reduce the fee rates on assets above specified levels. The directors took into consideration prior presentations by an independent consultant on economies of scale in the mutual fund industry and for the AB Funds, and presentations from time to time by the Adviser concerning certain of its views on economies of scale. The directors also had requested and received from the Adviser certain updates on economies of scale in advance of the Meeting. The directors believe that economies of scale may be realized (if at all) by the Adviser across a variety of products and services, and not only in respect of a single fund. The directors noted that there is no established methodology for setting breakpoints that give effect to the fund-specific services provided by a fund's adviser and to the economies of scale that an adviser may realize in its overall mutual fund business or those components of it which directly or indirectly affect a fund's operations. The directors observed that in the mutual fund industry as a whole, as well as among funds similar to the Fund, there is no uniformity or pattern in the fees and asset levels at which breakpoints (if any) apply. The directors also noted that the advisory agreements for many funds do not have breakpoints at all. Having taken these factors into account, the directors concluded that the Fund's shareholders would benefit from a sharing of economies of scale in the event the Fund's net assets exceed a breakpoint in the future.



## AB FAMILY OF FUNDS

### US EQUITY

#### CORE

Core Opportunities Fund  
Select US Equity Portfolio  
Sustainable US Thematic Portfolio

#### GROWTH

Concentrated Growth Fund  
Discovery Growth Fund  
Growth Fund  
Large Cap Growth Fund  
Small Cap Growth Portfolio

#### VALUE

Discovery Value Fund  
Equity Income Fund  
Relative Value Fund  
Small Cap Value Portfolio  
Value Fund

### INTERNATIONAL/ GLOBAL EQUITY

#### CORE

Global Core Equity Portfolio  
International Low Volatility Equity Portfolio<sup>1</sup>  
Sustainable Global Thematic Fund  
Sustainable International Thematic Fund  
Tax-Managed Wealth  
Appreciation Strategy  
Wealth Appreciation Strategy

#### GROWTH

Concentrated International  
Growth Portfolio

#### VALUE

All China Equity Portfolio  
International Value Fund

### FIXED INCOME

#### MUNICIPAL

High Income Municipal Portfolio  
Intermediate California  
Municipal Portfolio  
Intermediate Diversified  
Municipal Portfolio  
Intermediate New York  
Municipal Portfolio  
Municipal Bond Inflation Strategy  
Tax-Aware Fixed Income  
Opportunities Portfolio  
National Portfolio  
Arizona Portfolio  
California Portfolio  
Massachusetts Portfolio  
Minnesota Portfolio  
New Jersey Portfolio  
New York Portfolio  
Ohio Portfolio  
Pennsylvania Portfolio  
Virginia Portfolio

#### TAXABLE

Bond Inflation Strategy  
Global Bond Fund  
High Income Fund  
Income Fund  
Intermediate Duration Portfolio  
Short Duration High Yield Portfolio<sup>1</sup>  
Short Duration Income Portfolio  
Short Duration Portfolio  
Sustainable Thematic  
Credit Portfolio  
Total Return Bond Portfolio

### ALTERNATIVES

All Market Real Return Portfolio  
Global Real Estate  
Investment Fund  
Select US Long/Short Portfolio

### MULTI-ASSET

All Market Total Return Portfolio  
Emerging Markets Multi-Asset Portfolio  
Global Risk Allocation Fund  
Sustainable Thematic  
Balanced Portfolio

### CLOSED-END FUNDS

AllianceBernstein Global High  
Income Fund  
AllianceBernstein National  
Municipal Income Fund

### EXCHANGE-TRADED FUNDS

Disruptors ETF  
High Yield ETF  
Tax-Aware Short Duration  
Municipal ETF  
Ultra Short Income ETF  
US High Dividend ETF  
US Large Cap Strategic  
Equities ETF  
US Low Volatility Equity ETF

**We also offer Government Money Market Portfolio, which serves as the money market fund exchange vehicle for the AB mutual funds. You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. The Fund may impose a fee upon sale of your shares or may temporarily suspend your ability to sell shares if the Fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.**

**Investors should consider the investment objectives, risks, charges and expenses of the Fund carefully before investing. For copies of our prospectus or summary prospectus, which contain this and other information, visit us online at [www.abfunds.com](http://www.abfunds.com) or contact your AB representative. Please read the prospectus and/or summary prospectus carefully before investing.**

<sup>1</sup> Prior to July 5, 2023, International Low Volatility Equity Portfolio was named International Strategic Core Portfolio and Short Duration High Yield Portfolio was named Limited Duration High Income Portfolio.









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