

GLOSSARY OF FINANCIAL TERMS

MARCH 2020

Active share is the extent to which the portfolio differs from the designated Index.

Average Coupon Rate is the annual rate, as a percentage of par that the issuer has agreed to pay the bondholder.

Basis point (bp) is a unit equal to 1/100th of 1% and is used to denote the change in a financial instrument.

Cash flow measures the cash generating capability of a company by adding non-cash charges (e.g. depreciation) and interest expense to pretax income.

Credit Quality weights by rating were derived from the highest bond rating as determined by S&P, Moody's or Fitch. Bond ratings are grades given to bonds that indicate their credit quality as determined by private independent rating services such as Standard & Poor's, Moody's and Fitch. These firms evaluate a bond issuer's financial strength, or its ability to pay a bond's principal and interest in a timely fashion. Ratings are expressed as letters ranging from 'AAA', which is the highest grade, to 'D', which is the lowest grade.

Current yield is that of the securities held in the portfolio; it is not reflective of the yield distributed to shareholders. Current yield is calculated by taking the annual income (interest or dividends) divided by the current price of the security.

Dividend yield is calculated by annualizing the last quarterly dividend paid and dividing it by the current share price. The dividend yield is that of the securities held in the portfolio; it is not reflective of the yield distributed to shareholders.

Distribution Yield is calculated by annualizing the current month's distribution and dividing by the NAV on the last business day of the period. It does not include long- or short-term capital gains distributions.

Duration is a measure of the price sensitivity of a bond to interest rate movements.

Fallen angels are credits that were investment grade rated when issued (BBB- or above), but have since been downgraded.

Market capitalization of a company is calculated by multiplying the number of outstanding shares by the current market price of a share.

Payout yield is dividends plus share buybacks divided by equity.

Price/Book (P/B) is the price of a stock divided by its book value.

Price-to-Earnings (P/E) is calculated by dividing the current price of a stock by the company's trailing 12 months' earnings per share.

Price/Normal Earnings is the current market price per share divided by normalized earnings per share.

Forward Price/Earnings (fiscal year) is the projected P/E ratios of the companies invested in the portfolio, which ratios represent current market price per share divided by a company's estimated future earnings-per-share. Projected earnings are consensus analyst forecasts; actual P/E ratios may differ from projected P/E ratios. **A company's forecasted, or estimated, earnings made by analysts or by the company itself. Forward earnings differ from trailing earnings (which is the figure that is quoted more often) in that they are a projection and not a fact.**

Spread over Treasuries is the difference in yield between a fixed-income security and a Treasury security of similar maturity.

Turnover is an annualized rate found by dividing the lesser of purchases and sales by the average of portfolio assets.

Yield-to-Worst is the lowest possible yield from owning a bond considering all potential call dates prior to maturity.

30-day SEC Yield represents net investment income earned by a fund over a 30-day period, expressed as an annual percentage rate based on the fund's share price at the end of the 30-day period. The SEC Yield should be regarded as an estimate of the fund's rate of investment income, and it may not equal the fund's actual income distribution rate, the income paid to a shareholder's account, or the income reported in the fund's financial statements.

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Diversification does not assure a profit nor protect against loss in a declining market.