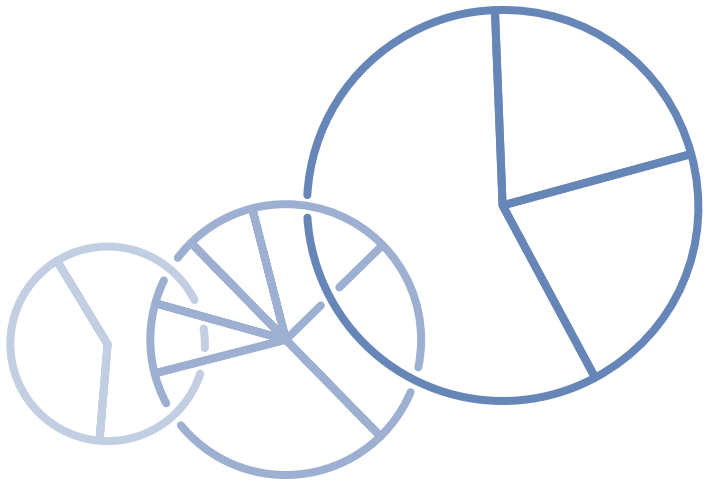




ANNUAL REPORT

AB HIGH YIELD PORTFOLIO



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 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, or go to the Securities and Exchange Commission's (the "Commission") website at 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. AB publishes full portfolio holdings for the Fund monthly at 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 High Yield Portfolio (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.

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

Sincerely,

A handwritten signature in black ink that reads "Onur Erzan". The signature is written in a cursive, slightly stylized font.

Onur Erzan
President and Chief Executive Officer, AB Mutual Funds

ANNUAL REPORT

December 5, 2022

This report provides management's discussion of fund performance for the AB High Yield Portfolio for the annual reporting period ended October 31, 2022.

The Fund's investment objective is to seek to maximize total return consistent with prudent investment management.

NAV RETURNS AS OF OCTOBER 31, 2022 (unaudited)

	6 Months	12 Months
AB HIGH YIELD PORTFOLIO		
Class A Shares	-5.94%	-12.89%
Advisor Class Shares ¹	-5.82%	-12.68%
Class Z Shares ¹	-5.82%	-12.67%
Primary Benchmark: Bloomberg US Corporate HY 2% Issuer Capped Index	-4.71%	-11.76%
Markit iBoxx USD Liquid High Yield Index	-3.92%	-10.82%

¹ 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 to its primary benchmark, the Bloomberg US Corporate High Yield ("HY") 2% Issuer Capped Index, for the six- and 12-month periods ended October 31, 2022. The table also includes the Markit iBoxx USD Liquid High Yield Index.

During both periods, all share classes underperformed the primary benchmark, before sales charges. In the 12-month period, industry allocation was the main detractor, relative to the benchmark, mostly from the utilization of high-yield credit default swaps, underweights to energy and electric, and an overweight to retailers, partially offset by the utilization of futures. Security selection also detracted, as selection within technology, electric, entertainment, consumer cyclical–other, and real estate investment trusts ("REITs") lost more than gains within telecommunications, energy and retailers. Yield-curve positioning contributed, as underweights to the two-, 20- and 30-year parts of the curve added more than losses from overweights to the five- and 10-year parts of the curve. Currency decisions were a minor contributor to performance.

During the six-month period, industry allocation detracted, as losses from underweights to energy and electric, the use of high-yield credit default

swaps and an overweight to the entertainment sector more than offset a gain from the use of futures. Security selection also hampered returns, as selection within technology, autos, finance and REITs detracted, and were partially offset by gains from selection within entertainment, retailers, media, telecommunications and capital goods. An overweight to the six-month part of the yield curve and underweights to the two-, 20- and 30-year parts of the curve contributed, and were partially offset by overweights to the five- and 10-year parts of the curve. Currency decisions added modestly to results.

During both periods, the Fund utilized derivatives in the form of futures to hedge duration and interest-rate risk, and interest rate swaps to hedge duration risk. Currency forwards were used to hedge foreign currency exposure and to take active currency risk. Credit default swaps, both single name and index, were used to take active exposure as well as to hedge investment-grade and high-yield credit risk taken through cash bonds. Total return swaps were used to create synthetic high-yield exposure. Credit options were used to generate income over the 12-month period.

MARKET REVIEW AND INVESTMENT STRATEGY

Fixed-income government bond market yields increased rapidly, and bond prices fell in all developed markets during the 12-month period ended October 31, 2022. Most major central banks aggressively tightened monetary policy by raising short-term interest rates and ending bond purchases to combat high and persistent inflation. Developed-market government bonds fell the most in the UK and eurozone, and by the least in Japan, Canada and Australia. In credit risk sectors, securitized assets generally outperformed corporate bonds. Investment-grade corporate bonds trailed treasuries, underperforming in the US against US Treasuries, while outperforming in the eurozone relative to eurozone treasuries. High-yield corporate bonds in the US outperformed US Treasuries, while eurozone high yield outperformed eurozone treasuries. Emerging-market sovereign bonds materially underperformed developed-market treasuries. Emerging-market investment-grade corporate bonds hedged to the US dollar outperformed US investment-grade corporates. Emerging-market local-currency bonds lagged as the US dollar advanced against all developed-market currencies and most emerging-market currencies. Brent crude oil prices ended higher, even as prices fell later in the period on global growth concerns and reduced demand.

The Fund's Senior Investment Management Team (the "Team") continues to seek to maximize total return, utilizing a high-yield strategy with a global, multi-sector approach. The Team invests in corporate bonds from US and non-US issuers, and government bonds from developed and emerging markets, primarily focusing on lower-rated bonds ("junk bonds"), although it may also invest in investment-grade bonds.

INVESTMENT POLICIES

The Fund invests, under normal circumstances, at least 80% of its net assets in fixed-income securities rated Ba1 or lower by Moody's Investors Service, or BB+ or lower by S&P Global Ratings or Fitch Ratings, or the equivalent by any nationally recognized statistical rating organization (commonly known as "junk bonds"); unrated securities considered by the Adviser to be of comparable quality; and related derivatives.

The Fund may invest in fixed-income securities with a range of maturities from short- to long-term. The Fund may also invest in equity securities.

In selecting securities for purchase or sale by the Fund, the Adviser attempts to take advantage of inefficiencies that it believes exist in the global debt markets. These inefficiencies arise from investor behavior, market complexity, and the investment limitations to which investors are subject. The Adviser combines quantitative analysis with fundamental credit and economic research in seeking to exploit these inefficiencies.

The Fund will most often invest in securities of US issuers, but may also purchase fixed-income securities of foreign issuers, including securities denominated in foreign currencies and securities of emerging-market issuers. The Adviser may or may not hedge any foreign currency exposure through the use of currency-related derivatives.

The Fund expects to use derivatives, such as options, futures contracts, forwards and swaps, to a significant extent. Derivatives may provide a more efficient and economical exposure to market segments than direct investments, and may also be a more efficient way to alter the Fund's exposure. The Fund may, for example, use credit default and interest rate swaps to gain exposure to the fixed-income markets or particular fixed-income securities and, as noted above, may use currency-related derivatives. The Adviser may use derivatives to effectively leverage the Fund by creating aggregate market exposure substantially in excess of the Fund's net assets.

DISCLOSURES AND RISKS

Benchmark Disclosure

The Bloomberg US Corporate HY 2% Issuer Capped Index and the Markit iBoxx USD Liquid High Yield Index are unmanaged and do not reflect fees and expenses associated with the active management of a mutual fund portfolio. The Bloomberg US Corporate HY 2% Issuer Capped Index is the 2% Issuer Capped component of the US Corporate High Yield Index, which represents the performance of fixed-income securities having a maximum quality rating of Ba1, a minimum amount outstanding of \$150 million and at least one year to maturity. The Markit iBoxx USD Liquid High Yield Index consists of USD high-yield bond issues with more than \$400 million outstanding, selected to provide a balanced representation of the broad USD high-yield liquid corporate bond universe. An investor cannot invest directly in an index or average, and their 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 or stock market fluctuates. The value of its 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.

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 greater risk of rising interest rates than would normally be the case due to the end of a recent period of historically low rates and the effect of potential government fiscal policy initiatives and resulting market reaction to those initiatives.

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.

DISCLOSURES AND RISKS (continued)

Below Investment-Grade Securities Risk: Investments in fixed-income securities with lower ratings (commonly known as “junk bonds”) are subject to a higher probability that an issuer will default or fail to meet its payment obligations. These securities may be subject to greater price volatility due to such factors as specific corporate developments and negative perceptions of the junk bond market generally and may be more difficult to trade than other types of securities.

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 if the Fund invests a significant portion of its assets in fixed-income securities with longer maturities.

Derivatives Risk: Derivatives may be difficult to price or unwind and leveraged so that small changes may produce disproportionate losses for the Fund. 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.

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.

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.

Emerging-Market Risk: Investments in emerging-market countries may have more risk because the markets are less developed and less liquid and are subject to increased economic, political, regulatory or other uncertainties.

Currency Risk: Fluctuations in currency exchange rates may negatively affect the value of the Fund’s investments in fixed-income securities denominated in foreign currencies or reduce the Fund’s returns.

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 decline.

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.

Performance information prior to July 26, 2016 shown in this report reflects the historical performance of the AB High-Yield Portfolio, a series of The AB Pooling Portfolios (the "Accounting Survivor"). Upon completion of a reorganization of the Accounting Survivor into the Fund on July 26, 2016 (the "Reorganization"), Class Z shares of the Fund assumed the performance and financial history of the Accounting Survivor. Because the Fund has higher expenses than the Accounting Survivor had, the Accounting Survivor's performance would have been lower than that shown had it operated with the Fund's current expense levels. At the time of the Reorganization, the Accounting Survivor and the Fund had substantially similar investment objectives and strategies.

From February 26, 2018, through April 29, 2021, the Fund had a performance-based, or fulcrum, advisory fee. Accordingly, performance information shown during this period reflects performance fee

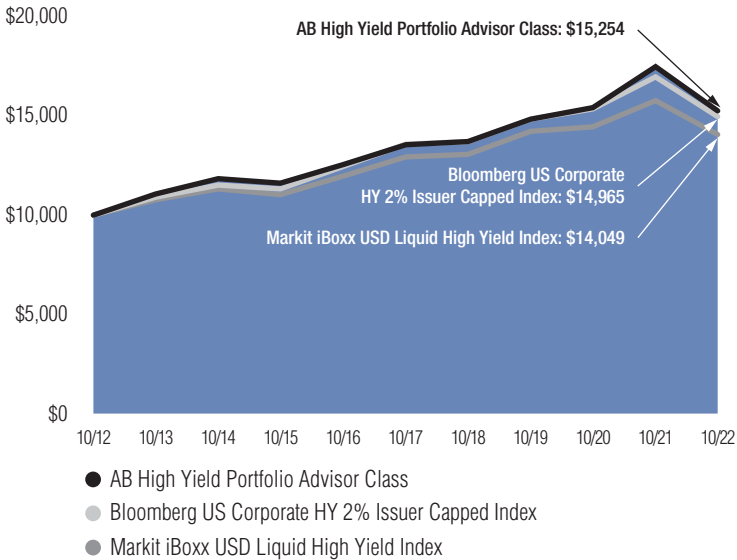
DISCLOSURES AND RISKS (continued)

adjustments and would have been different if the Fund had been managed under the current advisory fee arrangement. Class A and Class Z shares of the Fund were not in operation during this period.

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 4.25% maximum front-end sales charge for Class A shares. 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) 10/31/2012 TO 10/31/2022



This chart illustrates the total value of an assumed \$10,000 investment in AB High Yield Portfolio Advisor Class shares (from 10/31/2012 to 10/31/2022) as compared to the performance of the Fund's current and previous benchmarks. The chart assumes the reinvestment of dividends and capital gains distributions.

HISTORICAL PERFORMANCE (continued)

AVERAGE ANNUAL RETURNS AS OF OCTOBER 31, 2022 (unaudited)

	NAV Returns	SEC Returns (reflects applicable sales charges)	SEC Yields ¹
CLASS A SHARES			7.28%
1 Year	-12.89%	-16.57%	
Since Recommencement of Operations ²	-7.42%	-10.04%	
ADVISOR CLASS SHARES³			7.84%
1 Year	-12.68%	-12.68%	
5 Years	2.43%	2.43%	
10 Years	4.31%	4.31%	
CLASS Z SHARES³			7.84%
1 Year	-12.67%	-12.67%	
Since Recommencement of Operations ²	-7.19%	-7.19%	

The Fund's current prospectus fee table shows the Fund's total annual operating expense ratios as 2.28%, 1.83% and 1.92% for Class A, Advisor Class 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 expense ratios (excluding acquired fund fees and expenses other than the advisory fees of any AB mutual funds in which the Fund may invest, interest expense, taxes, extraordinary expenses, and brokerage commissions and other transaction costs) to 0.85%, 0.60% and 0.60% for Class A, Advisor Class and Class Z shares, respectively. These waivers/reimbursements may not be terminated before January 31, 2023. Any fees waived and expenses borne by the Adviser through December 31, 2019, under the expense limitation in effect prior to that date may be reimbursed by the Fund until the end of the third fiscal year after the fiscal period in which the fee was waived or the expense was borne, provided that no reimbursement payment will be made that would cause the Fund's total other expenses to exceed the expense limitation for Advisor Class shares in effect (1) at the time of the waiver or reimbursement or (2) at the time of recapture. 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 ratio shown above may differ from the expense ratio 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, 2022.

2 Recommencement of operations date: 4/30/2021.

3 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.

HISTORICAL PERFORMANCE (continued)

SEC AVERAGE ANNUAL RETURNS AS OF THE MOST RECENT CALENDAR QUARTER-END SEPTEMBER 30, 2022 (unaudited)

	SEC Returns (reflects applicable sales charges)
CLASS A SHARES	
1 Year	-18.69%
Since Recommencement of Operations ¹	-12.08%
ADVISOR CLASS SHARES²	
1 Year	-14.84%
5 Years	2.03%
10 Years	4.19%
CLASS Z SHARES²	
1 Year	-14.83%
Since Recommencement of Operations ¹	-9.15%

1 Recommencement of operations date: 4/30/2021.

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.

EXPENSE EXAMPLE

(unaudited)

As a shareholder of the Fund, you 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 first line of 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 second line of 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.

	Beginning Account Value May 1, 2022	Ending Account Value October 31, 2022	Expenses Paid During Period*	Annualized Expense Ratio*
Class A				
Actual	\$ 1,000	\$ 940.60	\$ 4.16	0.85%
Hypothetical**	\$ 1,000	\$ 1,020.92	\$ 4.33	0.85%
Advisor Class				
Actual	\$ 1,000	\$ 941.80	\$ 2.94	0.60%
Hypothetical**	\$ 1,000	\$ 1,022.18	\$ 3.06	0.60%
Class Z				
Actual	\$ 1,000	\$ 941.80	\$ 2.94	0.60%
Hypothetical**	\$ 1,000	\$ 1,022.18	\$ 3.06	0.60%

* Expenses are equal to the 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, 2022 (unaudited)

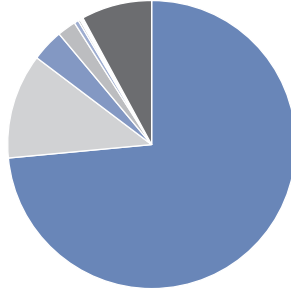
PORTFOLIO STATISTICS

Net Assets (\$mil): \$68.3

SECURITY TYPE BREAKDOWN¹

- 73.5% Corporates–Non-Investment Grade
- 11.8% Corporates–Investment Grade
- 3.6% Bank Loans
- 2.1% Emerging Markets–Corporate Bonds
- 0.5% Common Stocks
- 0.2% Preferred Stocks
- 0.1% Governments–Treasuries
- 0.1% Collateralized Mortgage Obligations
- 0.1% Commercial Mortgage-Backed Securities
- 0.1% Other

- 7.9% Short-Term Investments



¹ The Fund's security type breakdown is expressed as a percentage of total investments and may vary over time. The Fund also enters into derivative transactions, which may be used for hedging or investment purposes (see "Portfolio of Investments" section of the report for additional details). "Other" represents less than 0.1% weightings in the following types: Emerging Markets–Treasuries, Rights and Warrants.

PORTFOLIO OF INVESTMENTS

October 31, 2022

		Principal Amount (000)	U.S. \$ Value
CORPORATES - NON-INVESTMENT			
GRADE – 72.8%			
Industrial – 66.6%			
Basic – 4.9%			
Arconic Corp.			
6.125%, 02/15/2028 ^(a)	U.S.\$	11	\$ 10,307
ASP Unifrax Holdings, Inc.			
5.25%, 09/30/2028 ^(a)		170	136,684
7.50%, 09/30/2029 ^(a)		17	11,403
Big River Steel LLC/BRS Finance Corp.			
6.625%, 01/31/2029 ^(a)		16	15,153
Cheever Escrow Issuer LLC			
7.125%, 10/01/2027 ^(a)		206	188,812
Cleveland-Cliffs, Inc.			
4.625%, 03/01/2029 ^(a)		6	5,166
Commercial Metals Co.			
4.875%, 05/15/2023		50	49,869
Constellium SE			
3.125%, 07/15/2029 ^(a)	EUR	166	121,589
Crown Americas LLC/Crown Americas Capital Corp. VI			
4.75%, 02/01/2026	U.S.\$	60	57,499
CVR Partners LP/CVR Nitrogen Finance Corp.			
6.125%, 06/15/2028 ^(a)		29	26,255
Element Solutions, Inc.			
3.875%, 09/01/2028 ^(a)		110	93,451
ERP Iron Ore, LLC			
9.039%, 12/31/2019 ^{(b)(c)(d)(e)(f)}		5	3,332
FMG Resources August 206 Pty Ltd.			
4.375%, 04/01/2031 ^(a)		145	115,188
6.125%, 04/15/2032 ^(a)		180	159,850
Graham Packaging Co., Inc.			
7.125%, 08/15/2028 ^(a)		119	97,736
Graphic Packaging International LLC			
3.75%, 02/01/2030 ^(a)		23	19,768
4.75%, 07/15/2027 ^(a)		28	25,835
Guala Closures SpA			
3.25%, 06/15/2028 ^(a)	EUR	200	159,993
Illuminate Buyer LLC/Illuminate Holdings IV, Inc.			
9.00%, 07/01/2028 ^(a)	U.S.\$	37	31,289
INEOS Styrolution Group GmbH			
2.25%, 01/16/2027 ^(a)	EUR	100	77,825
Ingevity Corp.			
3.875%, 11/01/2028 ^(a)	U.S.\$	30	25,456
Intelligent Packaging Holdco Issuer LP			
9.00% (9.00% Cash or 9.75% PIK), 01/15/2026 ^{(a)(f)}		39	29,363

PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
Intelligent Packaging Ltd. Finco, Inc./Intelligent Packaging Ltd. Co-Issuer LLC 6.00%, 09/15/2028 ^(a)	U.S.\$	98	\$ 73,135
Kleopatra Finco SARL 4.25%, 03/01/2026 ^(a)	EUR	100	81,266
Kobe US Midco 2, Inc. 9.25% (9.25% Cash or 10.00% PIK), 11/01/2026 ^{(a)(f)}	U.S.\$	97	74,703
Magnation LLC/Mag Finance Corp. 11.00%, 05/15/2018 ^{(b)(c)(d)(e)(g)}		60	- 0 -
Mercer International, Inc. 5.125%, 02/01/2029		199	165,836
Monitchem HoldCo 3 SA 5.25%, 03/15/2025 ^(a)	EUR	207	186,254
Olin Corp. 5.625%, 08/01/2029	U.S.\$	301	282,952
Rimini Bidco SpA 6.25% (EURIBOR 3 Month + 5.25%), 12/14/2026 ^(h)	EUR	100	84,059
SCIL IV LLC/SCIL USA Holdings LLC 5.375%, 11/01/2026 ^(a)	U.S.\$	431	344,135
Sealed Air Corp. 5.50%, 09/15/2025 ^(a)		33	32,416
Valvoline, Inc. 4.25%, 02/15/2030 ^(a)		63	60,939
Vibrantz Technologies, Inc. 9.00%, 02/15/2030 ^(a)		269	177,992
WR Grace Holdings LLC 4.875%, 06/15/2027 ^(a)		158	138,226
5.625%, 08/15/2029 ^(a)		261	201,760
			3,365,496
Capital Goods – 5.4%			
ARD Finance SA 5.00% (5.00% Cash or 5.75% PIK), 06/30/2027 ^{(a)(f)}	EUR	120	80,870
Ardagh Metal Packaging Finance USA LLC/ Ardagh Metal Packaging Finance PLC 3.00%, 09/01/2029 ^(a)		100	70,660
4.00%, 09/01/2029 ^(a)	U.S.\$	200	151,750
Ardagh Packaging Finance PLC/Ardagh Holdings USA, Inc. 4.125%, 08/15/2026 ^(a)		200	172,050
5.25%, 08/15/2027 ^(a)		200	143,206
Ball Corp. 2.875%, 08/15/2030		222	172,700

PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)		U.S. \$ Value
Bombardier, Inc.				
6.00%, 02/15/2028 ^(a)	U.S.\$	85	\$	75,739
7.50%, 12/01/2024 ^(a)		59		58,851
7.50%, 03/15/2025 ^(a)		42		41,295
7.875%, 04/15/2027 ^(a)		173		164,378
Clean Harbors, Inc.				
4.875%, 07/15/2027 ^(a)		16		15,069
5.125%, 07/15/2029 ^(a)		11		10,201
Crown Cork & Seal Co., Inc.				
7.375%, 12/15/2026		20		20,381
Eco Material Technologies, Inc.				
7.875%, 01/31/2027 ^(a)		258		241,388
Energizer Holdings, Inc.				
4.375%, 03/31/2029 ^(a)		74		59,886
EnerSys				
4.375%, 12/15/2027 ^(a)		80		70,164
Gates Global LLC/Gates Corp.				
6.25%, 01/15/2026 ^(a)		162		155,520
GFL Environmental, Inc.				
3.50%, 09/01/2028 ^(a)		28		23,723
4.00%, 08/01/2028 ^(a)		50		42,875
Granite US Holdings Corp.				
11.00%, 10/01/2027 ^(a)		18		16,831
Griffon Corp.				
5.75%, 03/01/2028		39		35,730
Harsco Corp.				
5.75%, 07/31/2027 ^(a)		151		107,047
JELD-WEN, Inc.				
4.625%, 12/15/2025 ^(a)		6		4,990
LSB Industries, Inc.				
6.25%, 10/15/2028 ^(a)		52		47,344
Madison IAQ LLC				
5.875%, 06/30/2029 ^(a)		299		205,692
Mueller Water Products, Inc.				
4.00%, 06/15/2029 ^(a)		13		11,291
Renk AG/Frankfurt am Main				
5.75%, 07/15/2025 ^(a)	EUR	100		89,128
SPX FLOW, Inc.				
8.75%, 04/01/2030 ^(a)	U.S.\$	130		106,323
Stevens Holding Co., Inc.				
6.125%, 10/01/2026 ^(a)		20		20,048
TK Elevator Midco GmbH				
4.375%, 07/15/2027 ^(a)	EUR	100		83,628
TransDigm, Inc.				
4.625%, 01/15/2029	U.S.\$	150		127,842
4.875%, 05/01/2029		84		71,533
6.25%, 03/15/2026 ^(a)		288		283,998

PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
6.375%, 06/15/2026	U.S.\$	158	\$ 152,202
8.00%, 12/15/2025 ^(a)		61	62,070
Triumph Group, Inc.			
6.25%, 09/15/2024 ^(a)		258	239,354
7.75%, 08/15/2025		23	17,447
8.875%, 06/01/2024 ^(a)		28	28,295
Trivium Packaging Finance BV			
3.75%, 08/15/2026 ^(a)	EUR	100	88,725
WESCO Distribution, Inc.			
7.125%, 06/15/2025 ^(a)	U.S.\$	14	14,140
7.25%, 06/15/2028 ^(a)		107	108,520
			<u>3,692,884</u>
Communications - Media – 9.4%			
Advantage Sales & Marketing, Inc.			
6.50%, 11/15/2028 ^(a)		125	106,353
Altice Financing SA			
5.00%, 01/15/2028 ^(a)		608	485,764
AMC Networks, Inc.			
4.25%, 02/15/2029		298	231,162
Arches Buyer, Inc.			
6.125%, 12/01/2028 ^(a)		100	77,185
CCO Holdings LLC/CCO Holdings Capital Corp.			
4.25%, 02/01/2031 ^(a)		50	39,498
4.25%, 01/15/2034 ^(a)		482	353,933
4.50%, 08/15/2030 ^(a)		235	190,990
4.50%, 06/01/2033 ^(a)		53	40,370
4.75%, 03/01/2030 ^(a)		40	33,327
5.00%, 02/01/2028 ^(a)		193	174,148
5.125%, 05/01/2027 ^(a)		295	273,341
6.375%, 09/01/2029 ^(a)		66	61,139
Clear Channel Outdoor Holdings, Inc.			
5.125%, 08/15/2027 ^(a)		124	111,587
CSC Holdings LLC			
3.375%, 02/15/2031 ^(a)		208	150,873
4.50%, 11/15/2031 ^(a)		200	155,745
4.625%, 12/01/2030 ^(a)		516	371,750
7.50%, 04/01/2028 ^(a)		200	172,919
DISH DBS Corp.			
5.25%, 12/01/2026 ^(a)		218	189,282
5.75%, 12/01/2028 ^(a)		263	212,264
5.875%, 11/15/2024		86	79,318
7.375%, 07/01/2028		71	53,969
7.75%, 07/01/2026		101	85,323
DISH Network Corp.			
3.375%, 08/15/2026 ^(b)		27	18,692

PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)		U.S. \$ Value
Gray Escrow II, Inc.				
5.375%, 11/15/2031 ^(a)	U.S.\$	137	\$	110,091
iHeartCommunications, Inc.				
4.75%, 01/15/2028 ^(a)		118		102,945
5.25%, 08/15/2027 ^(a)		37		33,722
6.375%, 05/01/2026		5		4,853
8.375%, 05/01/2027		40		36,188
Lamar Media Corp.				
4.875%, 01/15/2029		8		7,237
LCPR Senior Secured Financing DAC				
6.75%, 10/15/2027 ^(a)		200		189,370
McGraw-Hill Education, Inc.				
5.75%, 08/01/2028 ^(a)		176		154,968
8.00%, 08/01/2029 ^(a)		13		11,066
National CineMedia LLC				
5.75%, 08/15/2026		21		1,691
5.875%, 04/15/2028 ^(a)		60		24,113
Outfront Media Capital LLC/Outfront Media Capital Corp.				
4.25%, 01/15/2029 ^(a)		139		114,270
4.625%, 03/15/2030 ^(a)		11		9,077
Radiate Holdco LLC/Radiate Finance, Inc.				
4.50%, 09/15/2026 ^(a)		214		182,724
Sinclair Television Group, Inc.				
5.125%, 02/15/2027 ^(a)		9		7,558
5.50%, 03/01/2030 ^(a)		344		257,229
Sirius XM Radio, Inc.				
3.875%, 09/01/2031 ^(a)		210		167,898
4.00%, 07/15/2028 ^(a)		135		116,529
4.125%, 07/01/2030 ^(a)		111		90,893
5.50%, 07/01/2029 ^(a)		24		22,132
Summer BC Holdco B SARL				
5.75%, 10/31/2026 ^(a)	EUR	100		85,325
Summer BidCo BV				
9.00% (9.00% Cash or 9.75% PIK), 11/15/2025 ^{(a)(f)}		150		109,369
TEGNA, Inc.				
5.00%, 09/15/2029	U.S.\$	61		58,239
Univision Communications, Inc.				
4.50%, 05/01/2029 ^(a)		71		59,898
7.375%, 06/30/2030 ^(a)		150		146,062
Urban One, Inc.				
7.375%, 02/01/2028 ^(a)		54		47,262
Virgin Media Finance PLC				
5.00%, 07/15/2030 ^(a)		200		160,233

PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
Virgin Media Vendor Financing Notes IV DAC 5.00%, 07/15/2028 ^(a)	U.S.\$	200	\$ 171,265
VZ Vendor Financing II BV 2.875%, 01/15/2029 ^(a)	EUR	100	72,868
Ziggo Bond Co. BV 5.125%, 02/28/2030 ^(a)	U.S.\$	200	158,393
			<u>6,382,400</u>
Communications -			
Telecommunications – 3.6%			
Altice France SA/France 3.375%, 01/15/2028 ^(a)	EUR	100	75,848
5.50%, 01/15/2028 ^(a)	U.S.\$	200	159,812
Connect Finco SARL/Connect US Finco LLC 6.75%, 10/01/2026 ^(a)		404	379,760
Consolidated Communications, Inc. 6.50%, 10/01/2028 ^(a)		309	253,858
Embarq Corp. 7.995%, 06/01/2036		123	49,776
Frontier Communications Holdings LLC 6.75%, 05/01/2029 ^(a)		43	35,444
8.75%, 05/15/2030 ^(a)		140	142,936
Hughes Satellite Systems Corp. 6.625%, 08/01/2026		122	114,935
Intelsat Jackson Holdings SA 5.50%, 08/01/2023 ^{(b)(c)(e)}		158	– 0 –
8.50%, 10/15/2024 ^{(b)(c)(e)(g)}		47	– 0 –
Kaixo Bondco Telecom SA 5.125%, 09/30/2029 ^(a)	EUR	100	79,740
Level 3 Financing, Inc. 3.75%, 07/15/2029 ^(a)	U.S.\$	180	137,176
4.25%, 07/01/2028 ^(a)		134	110,433
Lorca Telecom Bondco SA 4.00%, 09/18/2027 ^(a)	EUR	142	123,517
Nexstar Media, Inc. 5.625%, 07/15/2027 ^(a)	U.S.\$	76	71,544
Telecom Italia Capital SA 6.375%, 11/15/2033		90	70,201
7.20%, 07/18/2036		175	137,276
United Group BV 4.00%, 11/15/2027 ^(a)	EUR	394	283,860
Vmed O2 UK Financing I PLC 4.75%, 07/15/2031 ^(a)	U.S.\$	200	163,624
Zayo Group Holdings, Inc. 4.00%, 03/01/2027 ^(a)		108	83,413
6.125%, 03/01/2028 ^(a)		7	4,654
			<u>2,477,807</u>

PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
Consumer Cyclical - Automotive – 6.1%			
Acient Global Holdings Ltd. 4.875%, 08/15/2026 ^(a)	U.S.\$	200	\$ 178,953
American Axle & Manufacturing, Inc. 5.00%, 10/01/2029		161	130,932
Clarios Global LP/Clarios US Finance Co. 8.50%, 05/15/2027 ^(a)		59	58,020
Dana, Inc. 4.25%, 09/01/2030		20	15,980
Dealer Tire LLC/DT Issuer LLC 8.00%, 02/01/2028 ^(a)		338	296,153
Exide Technologies (Exchange Priority) 11.00%, 10/31/2024 ^{(b)(c)(e)(g)}		32	– 0 –
(First Lien) 11.00%, 10/31/2024 ^{(b)(c)(e)(g)}		13	– 0 –
Faurecia SE 3.75%, 06/15/2028 ^(a)	EUR	100	83,282
Ford Motor Co. 3.25%, 02/12/2032	U.S.\$	162	121,651
6.10%, 08/19/2032		539	493,851
Ford Motor Credit Co. LLC 2.70%, 08/10/2026		200	173,230
4.00%, 11/13/2030		200	162,133
4.95%, 05/28/2027		200	183,229
5.113%, 05/03/2029		200	178,684
Goodyear Tire & Rubber Co. (The) 5.00%, 07/15/2029		303	262,978
IHO Verwaltungs GmbH 3.75% (3.75% Cash or 4.50% PIK), 09/15/2026 ^{(a)(f)}	EUR	100	82,148
6.00% (6.00% Cash or 6.75% PIK), 05/15/2027 ^{(a)(f)}	U.S.\$	200	171,872
Jaguar Land Rover Automotive PLC 4.50%, 01/15/2026 ^(a)	EUR	110	92,073
4.50%, 10/01/2027 ^(a)	U.S.\$	200	141,829
5.875%, 11/15/2024 ^(a)	EUR	100	93,582
6.875%, 11/15/2026 ^(a)		100	84,884
Mclaren Finance PLC 7.50%, 08/01/2026 ^(a)	U.S.\$	200	159,689
PM General Purchaser LLC 9.50%, 10/01/2028 ^(a)		90	77,283
Real Hero Merger Sub 2, Inc. 6.25%, 02/01/2029 ^(a)		130	94,109
Renault SA 2.375%, 05/25/2026 ^(a)	EUR	100	87,717

PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
Schaeffler AG			
3.375%, 10/12/2028 ^(a)	EUR	200	\$ 167,341
Tenneco, Inc.			
5.00%, 07/15/2026	U.S.\$	25	24,903
7.875%, 01/15/2029 ^(a)		169	167,920
Titan International, Inc.			
7.00%, 04/30/2028		60	55,894
ZF Europe Finance BV			
3.00%, 10/23/2029 ^(a)	EUR	200	153,743
ZF Finance GmbH			
2.25%, 05/03/2028 ^(a)		100	77,007
2.75%, 05/25/2027		100	82,382
			<u>4,153,452</u>
Consumer Cyclical - Entertainment – 3.6%			
Boyne USA, Inc.			
4.75%, 05/15/2029 ^(a)	U.S.\$	26	22,748
Carnival Corp.			
4.00%, 08/01/2028 ^(a)		220	176,962
5.75%, 03/01/2027 ^(a)		195	135,086
9.875%, 08/01/2027 ^(a)		78	72,735
10.50%, 02/01/2026 ^(a)		260	254,215
Cedar Fair LP			
5.25%, 07/15/2029		15	13,197
Cedar Fair LP/Canada's Wonderland Co./ Magnum Management Corp./Millennium Op			
5.375%, 04/15/2027		64	60,176
Cedar Fair LP/Canada's Wonderland Co./ Magnum Management Corp./Millennium Op			
5.50%, 05/01/2025 ^(a)		192	190,694
Cinemark USA, Inc.			
5.25%, 07/15/2028 ^(a)		151	115,883
Lindblad Expeditions LLC			
6.75%, 02/15/2027 ^(a)		41	36,728
Mattel, Inc.			
3.375%, 04/01/2026 ^(a)		78	71,438
5.875%, 12/15/2027 ^(a)		66	64,164
NCL Corp., Ltd.			
3.625%, 12/15/2024 ^(a)		79	68,979
5.875%, 03/15/2026 ^(a)		24	19,653
Royal Caribbean Cruises Ltd.			
5.375%, 07/15/2027 ^(a)		91	71,294
5.50%, 08/31/2026 ^(a)		49	40,062
5.50%, 04/01/2028 ^(a)		173	133,210
9.25%, 01/15/2029 ^(a)		82	83,230
11.50%, 06/01/2025 ^(a)		74	79,696

PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)		U.S. \$ Value
SeaWorld Parks & Entertainment, Inc.				
5.25%, 08/15/2029 ^(a)	U.S.\$	121	\$	105,137
8.75%, 05/01/2025 ^(a)		33		33,850
Six Flags Entertainment Corp.				
4.875%, 07/31/2024 ^(a)		117		113,260
Vail Resorts, Inc.				
6.25%, 05/15/2025 ^(a)		60		59,701
Viking Cruises Ltd.				
5.875%, 09/15/2027 ^(a)		16		12,788
7.00%, 02/15/2029 ^(a)		79		62,905
13.00%, 05/15/2025 ^(a)		148		159,060
Viking Ocean Cruises Ship VII Ltd.				
5.625%, 02/15/2029 ^(a)		29		22,623
VOC Escrow Ltd.				
5.00%, 02/15/2028 ^(a)		241		200,805
				<u>2,480,279</u>
Consumer Cyclical - Other – 4.3%				
Adams Homes, Inc.				
7.50%, 02/15/2025 ^(a)		58		46,899
Beazer Homes USA, Inc.				
6.75%, 03/15/2025		28		26,248
Brookfield Residential Properties, Inc./Brookfield Residential US LLC				
6.25%, 09/15/2027 ^(a)		151		131,822
Builders FirstSource, Inc.				
6.375%, 06/15/2032 ^(a)		115		105,934
Caesars Entertainment, Inc.				
6.25%, 07/01/2025 ^(a)		78		76,149
Churchill Downs, Inc.				
4.75%, 01/15/2028 ^(a)		49		43,406
Cirsa Finance International SARL				
4.75%, 05/22/2025 ^(a)	EUR	100		91,907
CP Atlas Buyer, Inc.				
7.00%, 12/01/2028 ^(a)	U.S.\$	26		18,742
Empire Communities Corp.				
7.00%, 12/15/2025 ^(a)		61		52,874
Everi Holdings, Inc.				
5.00%, 07/15/2029 ^(a)		21		18,297
Five Point Operating Co. LP/Five Point Capital Corp.				
7.875%, 11/15/2025 ^(a)		223		186,067
Forestar Group, Inc.				
3.85%, 05/15/2026 ^(a)		41		35,230
Hilton Domestic Operating Co., Inc.				
3.625%, 02/15/2032 ^(a)		100		79,614
4.875%, 01/15/2030		17		15,284
5.75%, 05/01/2028 ^(a)		11		10,616

PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)		U.S. \$ Value
Hilton Grand Vacations Borrower Escrow LLC/ Hilton Grand Vacations Borrower Esc				
4.875%, 07/01/2031 ^(a)	U.S.\$	163	\$	133,326
5.00%, 06/01/2029 ^(a)		49		42,168
Installed Building Products, Inc.				
5.75%, 02/01/2028 ^(a)		40		35,424
International Game Technology PLC				
4.125%, 04/15/2026 ^(a)		200		186,189
Mattamy Group Corp.				
4.625%, 03/01/2030 ^(a)		155		122,466
MGM Resorts International				
4.75%, 10/15/2028		138		119,823
6.00%, 03/15/2023		33		33,027
6.75%, 05/01/2025		90		88,813
NH Hotel Group SA				
4.00%, 07/02/2026 ^(a)	EUR	139		120,615
Premier Entertainment Sub LLC/Premier Entertainment Finance Corp.				
5.625%, 09/01/2029 ^(a)	U.S.\$	20		14,885
5.875%, 09/01/2031 ^(a)		46		32,646
Scientific Games International, Inc.				
7.00%, 05/15/2028 ^(a)		9		8,709
Shea Homes LP/Shea Homes Funding Corp.				
4.75%, 04/01/2029 ^(a)		20		16,297
Standard Industries, Inc./NJ				
3.375%, 01/15/2031 ^(a)		395		296,045
Sugarhouse HSP Gaming Prop Mezz LP/ Sugarhouse HSP Gaming Finance Corp.				
5.875%, 05/15/2025 ^(a)		16		14,986
Taylor Morrison Communities, Inc.				
5.125%, 08/01/2030 ^(a)		61		50,715
5.875%, 06/15/2027 ^(a)		17		15,986
Taylor Morrison Communities, Inc./Taylor Morrison Holdings II, Inc.				
5.625%, 03/01/2024 ^(a)		17		17,266
Travel + Leisure Co.				
4.50%, 12/01/2029 ^(a)		52		42,333
4.625%, 03/01/2030 ^(a)		12		9,743
6.625%, 07/31/2026 ^(a)		289		281,993
Wynn Las Vegas LLC/Wynn Las Vegas Capital Corp.				
5.25%, 05/15/2027 ^(a)		240		209,028
Wynn Resorts Finance LLC/Wynn Resorts Capital Corp.				
5.125%, 10/01/2029 ^(a)		86		68,546
7.75%, 04/15/2025 ^(a)		48		46,786
				2,946,904

PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
Consumer Cyclical - Restaurants – 0.8%			
1011778 BC ULC/New Red Finance, Inc.			
3.50%, 02/15/2029 ^(a)	U.S.\$	146	\$ 122,275
4.00%, 10/15/2030 ^(a)		165	134,647
5.75%, 04/15/2025 ^(a)		66	65,992
IRB Holding Corp.			
7.00%, 06/15/2025 ^(a)		5	5,002
Papa John's International, Inc.			
3.875%, 09/15/2029 ^(a)		22	17,911
Stonegate Pub Co. Financing 2019 PLC			
8.25%, 07/31/2025 ^(a)	GBP	113	117,251
Yum! Brands, Inc.			
4.625%, 01/31/2032	U.S.\$	96	81,974
			<u>545,052</u>
Consumer Cyclical - Retailers – 3.5%			
Arko Corp.			
5.125%, 11/15/2029 ^(a)		99	78,444
Asbury Automotive Group, Inc.			
4.625%, 11/15/2029 ^(a)		99	81,410
5.00%, 02/15/2032 ^(a)		26	20,962
Bath & Body Works, Inc.			
6.625%, 10/01/2030 ^(a)		185	165,758
6.75%, 07/01/2036		48	39,616
6.875%, 11/01/2035		128	108,845
7.50%, 06/15/2029		17	16,124
BCPE Ulysses Intermediate, Inc.			
7.75% (7.75% Cash or 8.50% PIK), 04/01/2027 ^{(a)(f)}		28	18,534
Carvana Co.			
5.50%, 04/15/2027 ^(a)		39	18,868
5.875%, 10/01/2028 ^(a)		114	52,473
Dufry One BV			
2.50%, 10/15/2024 ^(a)	EUR	103	97,336
FirstCash, Inc.			
5.625%, 01/01/2030 ^(a)	U.S.\$	47	42,060
Foundation Building Materials, Inc.			
6.00%, 03/01/2029 ^(a)		29	20,290
Gap, Inc. (The)			
3.625%, 10/01/2029 ^(a)		243	170,719
3.875%, 10/01/2031 ^(a)		115	79,351
Group 1 Automotive, Inc.			
4.00%, 08/15/2028 ^(a)		13	10,702
Kontoor Brands, Inc.			
4.125%, 11/15/2029 ^(a)		72	57,941
Levi Strauss & Co.			
3.50%, 03/01/2031 ^(a)		71	56,841

PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)		U.S. \$ Value
Michaels Cos, Inc. (The)				
5.25%, 05/01/2028 ^(a)	U.S.\$	221	\$	157,212
7.875%, 05/01/2029 ^(a)		58		32,491
Murphy Oil USA, Inc.				
5.625%, 05/01/2027		2		2,238
NMG Holding Co., Inc./Neiman Marcus Group LLC				
7.125%, 04/01/2026 ^(a)		144		136,954
Party City Holdings, Inc.				
8.75%, 02/15/2026 ^(a)		20		12,654
Rite Aid Corp.				
7.50%, 07/01/2025 ^(a)		17		11,978
8.00%, 11/15/2026 ^(a)		263		170,832
Sonic Automotive, Inc.				
4.625%, 11/15/2029 ^(a)		115		90,513
Specialty Building Products Holdings LLC/SBP Finance Corp.				
6.375%, 09/30/2026 ^(a)		312		252,711
SRS Distribution, Inc.				
6.125%, 07/01/2029 ^(a)		19		15,608
Staples, Inc.				
7.50%, 04/15/2026 ^(a)		206		179,163
10.75%, 04/15/2027 ^(a)		61		44,289
TPro Acquisition Corp.				
11.00%, 10/15/2024 ^(a)		33		32,347
White Cap Buyer LLC				
6.875%, 10/15/2028 ^(a)		19		16,147
William Carter Co. (The)				
5.625%, 03/15/2027 ^(a)		119		114,406
				<u>2,405,817</u>
Consumer Non-Cyclical – 8.9%				
AdaptHealth LLC				
4.625%, 08/01/2029 ^(a)		52		44,291
AHP Health Partners, Inc.				
5.75%, 07/15/2029 ^(a)		10		7,750
Albertsons Cos., Inc./Safeway, Inc./New Albertsons LP/Albertsons LLC				
3.50%, 03/15/2029 ^(a)		346		286,270
4.875%, 02/15/2030 ^(a)		100		88,730
Bausch Health Americas, Inc.				
8.50%, 01/31/2027 ^(a)		59		26,539
Bausch Health Cos., Inc.				
4.875%, 06/01/2028 ^(a)		196		120,278
5.00%, 02/15/2029 ^(a)		20		7,813
6.25%, 02/15/2029 ^(a)		31		12,090

PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
CAB SELAS			
3.375%, 02/01/2028 ^(a)	EUR	322	\$ 248,392
Catalent Pharma Solutions, Inc.			
3.125%, 02/15/2029 ^(a)	U.S.\$	14	11,462
CD&R Smokey Buyer, Inc.			
6.75%, 07/15/2025 ^(a)		78	74,096
Chobani LLC/Chobani Finance Corp., Inc.			
4.625%, 11/15/2028 ^(a)		24	20,924
Chrome Bidco SASU			
3.50%, 05/31/2028 ^(a)	EUR	200	160,001
CHS/Community Health Systems, Inc.			
4.75%, 02/15/2031 ^(a)	U.S.\$	20	13,421
5.25%, 05/15/2030 ^(a)		498	344,938
5.625%, 03/15/2027 ^(a)		17	13,555
6.00%, 01/15/2029 ^(a)		14	10,433
6.875%, 04/01/2028 ^(a)		138	53,616
6.875%, 04/15/2029 ^(a)		126	51,937
8.00%, 03/15/2026 ^(a)		44	37,937
Darling Ingredients, Inc.			
6.00%, 06/15/2030 ^(a)		60	57,748
DaVita, Inc.			
3.75%, 02/15/2031 ^(a)		78	56,598
4.625%, 06/01/2030 ^(a)		212	165,293
Elanco Animal Health, Inc.			
6.40%, 08/28/2028		120	108,203
Embecta Corp.			
5.00%, 02/15/2030 ^(a)		161	138,198
Emergent BioSolutions, Inc.			
3.875%, 08/15/2028 ^(a)		122	73,303
Garden Spinco Corp.			
8.625%, 07/20/2030 ^(a)		82	84,832
Grifols Escrow Issuer SA			
3.875%, 10/15/2028 ^(a)	EUR	100	75,309
Gruenthal GmbH			
3.625%, 11/15/2026 ^(a)		100	88,081
4.125%, 05/15/2028 ^(a)		239	195,550
Horizon Therapeutics USA, Inc.			
5.50%, 08/01/2027 ^(a)	U.S.\$	200	192,377
IQVIA, Inc.			
2.25%, 03/15/2029 ^(a)	EUR	100	80,451
Kronos Acquisition Holdings, Inc./KIK Custom Products, Inc.			
7.00%, 12/31/2027 ^(a)	U.S.\$	143	120,567
Lamb Weston Holdings, Inc.			
4.125%, 01/31/2030 ^(a)		99	86,559
4.875%, 05/15/2028 ^(a)		17	15,919

PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
Legacy LifePoint Health LLC			
4.375%, 02/15/2027 ^(a)	U.S.\$	107	\$ 84,482
6.75%, 04/15/2025 ^(a)		20	17,711
LifePoint Health, Inc.			
5.375%, 01/15/2029 ^(a)		424	269,484
Mallinckrodt International Finance SA/ Mallinckrodt CB LLC			
10.00%, 06/15/2029 ^(a)		2	1,110
Medline Borrower LP			
3.875%, 04/01/2029 ^(a)		164	133,955
5.25%, 10/01/2029 ^(a)		288	224,491
ModivCare, Inc.			
5.875%, 11/15/2025 ^(a)		24	22,929
Nidda Healthcare Holding GmbH			
7.50%, 08/21/2026	EUR	270	246,751
Organon & Co./Organon Foreign Debt Co-Issuer BV			
2.875%, 04/30/2028 ^(a)		100	83,361
Paysafe Finance PLC/Paysafe Holdings US Corp.			
4.00%, 06/15/2029 ^(a)	U.S.\$	67	48,156
Performance Food Group, Inc.			
4.25%, 08/01/2029 ^(a)		75	63,788
Picard Groupe SAS			
3.875%, 07/01/2026 ^(a)	EUR	100	85,211
Post Holdings, Inc.			
4.50%, 09/15/2031 ^(a)	U.S.\$	125	103,373
4.625%, 04/15/2030 ^(a)		58	49,029
5.50%, 12/15/2029 ^(a)		100	90,031
5.75%, 03/01/2027 ^(a)		14	13,562
Radiology Partners, Inc.			
9.25%, 02/01/2028 ^(a)		6	3,194
RegionalCare Hospital Partners Holdings, Inc./ LifePoint Health, Inc.			
9.75%, 12/01/2026 ^(a)		24	19,169
RP Escrow Issuer LLC			
5.25%, 12/15/2025 ^(a)		231	173,797
Spectrum Brands, Inc.			
3.875%, 03/15/2031 ^(a)		193	142,269
5.75%, 07/15/2025		3	2,959
Tenet Healthcare Corp.			
4.375%, 01/15/2030 ^(a)		153	128,612
6.125%, 10/01/2028 ^(a)		256	221,956
6.125%, 06/15/2030 ^(a)		149	138,548
6.25%, 02/01/2027 ^(a)		51	48,999
Triton Water Holdings, Inc.			
6.25%, 04/01/2029 ^(a)		222	168,621

PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
US Acute Care Solutions LLC			
6.375%, 03/01/2026 ^(a)	U.S.\$	342	\$ 309,663
US Renal Care, Inc.			
10.625%, 07/15/2027 ^(a)		80	31,923
			<u>6,100,595</u>
Energy – 4.7%			
Berry Petroleum Co. LLC			
7.00%, 02/15/2026 ^(a)		63	57,314
Blue Racer Midstream LLC/Blue Racer Finance Corp.			
7.625%, 12/15/2025 ^(a)		178	176,181
Callon Petroleum Co.			
8.25%, 07/15/2025		8	7,998
Citgo Holding, Inc.			
9.25%, 08/01/2024 ^(a)		72	72,100
CITGO Petroleum Corp.			
6.375%, 06/15/2026 ^(a)		16	15,749
7.00%, 06/15/2025 ^(a)		50	49,285
Civitas Resources, Inc.			
5.00%, 10/15/2026 ^(a)		58	53,468
CNX Resources Corp.			
6.00%, 01/15/2029 ^(a)		37	34,569
Comstock Resources, Inc.			
6.75%, 03/01/2029 ^(a)		58	55,539
Crescent Energy Finance LLC			
7.25%, 05/01/2026 ^(a)		89	82,535
Diamond Foreign Asset Co./Diamond Finance LLC			
9.00% (9.00% Cash or 13.00% PIK), 04/22/2027 ^{(a)(f)}		4	3,960
9.00% (9.00% Cash or 13.00% PIK), 04/22/2027 ^(f)		4	3,432
Encino Acquisition Partners Holdings LLC			
8.50%, 05/01/2028 ^(a)		86	81,356
EnLink Midstream LLC			
5.625%, 01/15/2028 ^(a)		37	35,448
EnLink Midstream Partners LP			
4.15%, 06/01/2025		48	45,171
5.60%, 04/01/2044		14	11,015
Series C			
6.00%, 12/15/2170 ^(l)		102	78,348
EQM Midstream Partners LP			
4.50%, 01/15/2029 ^(a)		62	52,704
4.75%, 01/15/2031 ^(a)		114	95,240
5.50%, 07/15/2028		18	16,110

PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
Genesis Energy LP/Genesis Energy Finance Corp.			
5.625%, 06/15/2024	U.S.\$	45	\$ 43,990
6.25%, 05/15/2026		21	19,667
6.50%, 10/01/2025		24	23,054
7.75%, 02/01/2028		62	59,110
8.00%, 01/15/2027		104	100,969
Global Partners LP/GLP Finance Corp.			
6.875%, 01/15/2029		96	87,390
7.00%, 08/01/2027		21	20,140
Gulfport Energy Corp.			
6.00%, 10/15/2024 ^(c)		128	160
6.375%, 05/15/2025 ^(c)		24	30
6.375%, 01/15/2026 ^(c)		30	37
6.625%, 05/01/2023 ^(c)		4	5
8.00%, 05/17/2026 ^(a)		29	28,801
Hess Midstream Operations LP			
4.25%, 02/15/2030 ^(a)		17	14,533
Hilcorp Energy I LP/Hilcorp Finance Co.			
5.75%, 02/01/2029 ^(a)		5	4,576
ITT Holdings LLC			
6.50%, 08/01/2029 ^(a)		227	182,723
Moss Creek Resources Holdings, Inc.			
10.50%, 05/15/2027 ^(a)		48	46,271
Murphy Oil Corp.			
6.125%, 12/01/2042		21	16,681
6.375%, 07/15/2028		55	53,814
Nabors Industries Ltd.			
7.25%, 01/15/2026 ^(a)		27	26,037
7.50%, 01/15/2028 ^(a)		37	34,142
Nabors Industries, Inc.			
7.375%, 05/15/2027 ^(a)		121	119,221
New Fortress Energy, Inc.			
6.75%, 09/15/2025 ^(a)		77	75,610
NGL Energy Operating LLC/NGL Energy Finance Corp.			
7.50%, 02/01/2026 ^(a)		64	57,943
Occidental Petroleum Corp.			
5.50%, 12/01/2025		28	28,097
5.55%, 03/15/2026		272	275,872
6.125%, 01/01/2031		46	46,175
6.20%, 03/15/2040		69	66,369
8.50%, 07/15/2027		42	45,990
8.875%, 07/15/2030		42	48,020
PBF Holding Co. LLC/PBF Finance Corp.			
6.00%, 02/15/2028		9	8,173

PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
PDC Energy, Inc. 5.75%, 05/15/2026	U.S.\$	51	\$ 48,945
Southwestern Energy Co. 5.70%, 01/23/2025		32	31,535
8.375%, 09/15/2028		10	10,379
Summit Midstream Holdings LLC/Summit Midstream Finance Corp. 8.50%, 10/15/2026 ^(a)		150	144,037
Sunnova Energy Corp. 5.875%, 09/01/2026 ^(a)		40	35,275
Sunoco LP/Sunoco Finance Corp. 5.875%, 03/15/2028		16	15,235
Talos Production, Inc. 12.00%, 01/15/2026		23	24,393
Transocean Guardian Ltd. 5.875%, 01/15/2024 ^(a)		121	117,810
Transocean Phoenix 2 Ltd. 7.75%, 10/15/2024 ^(a)		20	20,280
Transocean Poseidon Ltd. 6.875%, 02/01/2027 ^(a)		99	94,619
Transocean, Inc. 6.80%, 03/15/2038		0**	102
Venture Global Calcasieu Pass LLC 4.125%, 08/15/2031 ^(a)		69	58,990
Weatherford International Ltd. 11.00%, 12/01/2024 ^(a)		2	2,054
			<u>3,164,776</u>
Other Industrial – 0.4%			
American Builders & Contractors Supply Co., Inc. 4.00%, 01/15/2028 ^(a)		35	30,940
Belden, Inc. 3.375%, 07/15/2031 ^(a)	EUR	153	112,740
3.875%, 03/15/2028 ^(a)		100	87,578
H&E Equipment Services, Inc. 3.875%, 12/15/2028 ^(a)	U.S.\$	33	27,909
Interface, Inc. 5.50%, 12/01/2028 ^(a)		11	8,798
Univar Solutions USA, Inc./Washington 5.125%, 12/01/2027 ^(a)		17	15,734
			<u>283,699</u>
Services – 4.6%			
ADT Security Corp. (The) 4.875%, 07/15/2032 ^(a)		10	8,506

PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)		U.S. \$ Value
Allied Universal Holdco LLC/Allied Universal Finance Corp.				
6.625%, 07/15/2026 ^(a)	U.S.\$	182	\$	174,219
9.75%, 07/15/2027 ^(a)		51		44,345
Allied Universal Holdco LLC/Allied Universal Finance Corp./Atlas Luxco 4 SARL				
4.625%, 06/01/2028 ^(a)		200		163,774
4.875%, 06/01/2028 ^(a)	GBP	100		85,922
ANGI Group LLC				
3.875%, 08/15/2028 ^(a)	U.S.\$	353		257,313
Aptim Corp.				
7.75%, 06/15/2025 ^(a)		85		58,396
APX Group, Inc.				
5.75%, 07/15/2029 ^(a)		253		199,637
6.75%, 02/15/2027 ^(a)		128		125,106
Block, Inc.				
2.75%, 06/01/2026		216		193,300
3.50%, 06/01/2031		11		8,856
Elior Group SA				
3.75%, 07/15/2026 ^(a)	EUR	100		70,156
Garda World Security Corp.				
4.625%, 02/15/2027 ^(a)	U.S.\$	53		47,158
9.50%, 11/01/2027 ^(a)		71		64,334
Millennium Escrow Corp.				
6.625%, 08/01/2026 ^(a)		134		96,500
Monitronics International, Inc.				
0.00%, 04/01/2020 ^{(b)(c)(d)(e)}		14		- 0 -
MPH Acquisition Holdings LLC				
5.50%, 09/01/2028 ^(a)		193		167,455
5.75%, 11/01/2028 ^(a)		312		241,075
Prime Security Services Borrower LLC/Prime Finance, Inc.				
3.375%, 08/31/2027 ^(a)		105		91,192
5.75%, 04/15/2026 ^(a)		130		127,089
6.25%, 01/15/2028 ^(a)		102		94,461
Q-Park Holding I BV				
2.00%, 03/01/2027 ^(a)	EUR	236		184,825
Ritchie Bros Auctioneers, Inc.				
5.375%, 01/15/2025 ^(a)	U.S.\$	12		11,828
Sabre GLBL, Inc.				
7.375%, 09/01/2025 ^(a)		101		94,943
9.25%, 04/15/2025 ^(a)		65		63,371
Service Corp. International/US				
3.375%, 08/15/2030		22		17,589
TripAdvisor, Inc.				
7.00%, 07/15/2025 ^(a)		27		26,773

PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
Verisure Holding AB			
3.25%, 02/15/2027 ^(a)	EUR	100	\$ 83,979
3.875%, 07/15/2026 ^(a)		139	122,639
Verscend Escrow Corp.			
9.75%, 08/15/2026 ^(a)	U.S.\$	137	137,383
WASH Multifamily Acquisition, Inc.			
5.75%, 04/15/2026 ^(a)		17	15,873
ZipRecruiter, Inc.			
5.00%, 01/15/2030 ^(a)		85	69,625
			<u>3,147,622</u>
Technology – 3.6%			
Ahead DB Holdings LLC			
6.625%, 05/01/2028 ^(a)		37	30,075
AthenaHealth Group, Inc.			
6.50%, 02/15/2030 ^(a)		42	32,771
Avaya, Inc.			
6.125%, 09/15/2028 ^(a)		139	58,809
Boxer Parent Co., Inc.			
7.125%, 10/02/2025 ^(a)		136	133,873
Centurion Bidco SpA			
5.875%, 09/30/2026 ^(a)	EUR	141	123,133
Clarivate Science Holdings Corp.			
4.875%, 07/01/2029 ^(a)	U.S.\$	200	166,758
CommScope, Inc.			
4.75%, 09/01/2029 ^(a)		28	23,705
6.00%, 03/01/2026 ^(a)		56	54,154
8.25%, 03/01/2027 ^(a)		29	25,803
Elastic NV			
4.125%, 07/15/2029 ^(a)		17	14,221
Entegris Escrow Corp.			
5.95%, 06/15/2030 ^(a)		169	154,431
GoTo Group, Inc.			
5.50%, 09/01/2027 ^(a)		117	68,177
Imola Merger Corp.			
4.75%, 05/15/2029 ^(a)		40	34,687
NCR Corp.			
5.00%, 10/01/2028 ^(a)		86	72,900
5.125%, 04/15/2029 ^(a)		101	84,683
5.75%, 09/01/2027 ^(a)		27	26,046
NortonLifeLock, Inc.			
6.75%, 09/30/2027 ^(a)		103	101,608
7.125%, 09/30/2030 ^(a)		103	101,657
Pitney Bowes, Inc.			
6.875%, 03/15/2027 ^(a)		40	25,654
Playtika Holding Corp.			
4.25%, 03/15/2029 ^(a)		50	41,640

PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
Presidio Holdings, Inc. 8.25%, 02/01/2028 ^(a)	U.S.\$	193	\$ 171,952
Rackspace Technology Global, Inc. 3.50%, 02/15/2028 ^(a)		226	149,525
5.375%, 12/01/2028 ^(a)		109	45,783
Science Applications International Corp. 4.875%, 04/01/2028 ^(a)		15	13,702
Seagate HDD Cayman 4.091%, 06/01/2029		117	93,700
Sensata Technologies BV 4.00%, 04/15/2029 ^(a)		200	168,320
Sensata Technologies, Inc. 3.75%, 02/15/2031 ^(a)		180	143,298
Veritas US, Inc./Veritas Bermuda Ltd. 7.50%, 09/01/2025 ^(a)		305	256,458
Virtusa Corp. 7.125%, 12/15/2028 ^(a)		37	26,625
Xerox Corp. 4.625%, 03/15/2023		4	3,979
			<u>2,448,127</u>
Transportation - Airlines – 0.8%			
Air Canada 3.875%, 08/15/2026 ^(a)		25	22,112
Allegiant Travel Co. 7.25%, 08/15/2027 ^(a)		72	67,852
American Airlines, Inc./AAAdvantage Loyalty IP Ltd. 5.50%, 04/20/2026 ^(a)		183	174,215
5.75%, 04/20/2029 ^(a)		161	146,275
Hawaiian Brand Intellectual Property Ltd./ HawaiianMiles Loyalty Ltd. 5.75%, 01/20/2026 ^(a)		119	109,841
United Airlines, Inc. 4.625%, 04/15/2029 ^(a)		22	18,887
			<u>539,182</u>
Transportation - Services – 2.0%			
AerCap Global Aviation Trust 6.50%, 06/15/2045 ^(a)		200	182,635
Atlantia SpA 1.875%, 02/12/2028 ^(a)	EUR	253	197,824
Avis Budget Car Rental LLC/Avis Budget Finance, Inc. 4.75%, 04/01/2028 ^(a)	U.S.\$	89	78,138
5.375%, 03/01/2029 ^(a)		157	135,842
5.75%, 07/15/2027 ^(a)		22	20,130

PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
BCP V Modular Services Finance PLC			
6.75%, 11/30/2029	EUR	113	\$ 77,346
EC Finance PLC			
3.00%, 10/15/2026		111	96,686
Hertz Corp. (The)			
4.625%, 12/01/2026 ^(a)	U.S.\$	183	155,930
5.00%, 12/01/2029 ^(a)		76	60,485
Kapla Holding SAS			
3.375%, 12/15/2026 ^(a)	EUR	149	120,166
Loxam SAS			
4.50%, 02/15/2027		113	99,018
PROG Holdings, Inc.			
6.00%, 11/15/2029 ^(a)	U.S.\$	150	121,911
XPO Logistics, Inc.			
6.25%, 05/01/2025 ^(a)		11	11,122
			<u>1,357,233</u>
			<u>45,491,325</u>

Financial Institutions – 5.5%

Banking – 0.7%

Ally Financial, Inc.			
Series B			
4.70%, 05/15/2026 ⁽ⁱ⁾		164	118,800
Series C			
4.70%, 05/15/2028 ⁽ⁱ⁾		28	18,830
Bread Financial Holdings, Inc.			
4.75%, 12/15/2024 ^(a)		103	90,583
7.00%, 01/15/2026 ^(a)		22	18,963
Credit Suisse Group AG			
5.25%, 02/11/2171 ^{(a)(i)}		200	142,189
Discover Financial Services			
Series D			
6.125%, 06/23/2025 ⁽ⁱ⁾		93	90,127
Societe Generale SA			
8.00%, 09/29/2025 ^{(a)(i)}		3	2,958
			<u>482,450</u>

Brokerage – 0.5%

Advisor Group Holdings, Inc.			
10.75%, 08/01/2027 ^(a)		87	86,874
AG Issuer LLC			
6.25%, 03/01/2028 ^(a)		127	119,205
Hightower Holding LLC			
6.75%, 04/15/2029 ^(a)		11	9,011
LPL Holdings, Inc.			
4.00%, 03/15/2029 ^(a)		12	10,505
NFP Corp.			
7.50%, 10/01/2030 ^(a)		132	126,620
			<u>352,215</u>

PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
Finance – 1.8%			
Air Lease Corp. Series B 4.65%, 06/15/2026 ^(b)	U.S.\$	50	\$ 41,485
Aircastle Ltd. 5.25%, 06/15/2026 ^{(a)(b)}		31	23,092
Castlelake Aviation Finance DAC 5.00%, 04/15/2027 ^(a)		98	83,280
CNG Holdings, Inc. 12.50%, 06/15/2024 ^(a)		32	26,880
Compass Group Diversified Holdings LLC 5.25%, 04/15/2029 ^(a)		93	79,920
Curo Group Holdings Corp. 7.50%, 08/01/2028 ^(a)		214	126,314
Enova International, Inc. 8.50%, 09/01/2024 ^(a)		13	12,206
8.50%, 09/15/2025 ^(a)		131	118,933
goeasly Ltd. 4.375%, 05/01/2026 ^(a)		23	19,939
5.375%, 12/01/2024 ^(a)		63	59,227
Jefferies Finance LLC/JFIN Co-Issuer Corp. 5.00%, 08/15/2028 ^(a)		200	157,182
Navient Corp. 5.50%, 01/25/2023.....		87	87,010
5.625%, 08/01/2033.....		151	106,652
6.125%, 03/25/2024.....		115	113,086
7.25%, 09/25/2023.....		35	35,040
SLM Corp. 3.125%, 11/02/2026.....		78	68,403
4.20%, 10/29/2025.....		57	53,030
			<u>1,211,679</u>
Insurance – 0.1%			
Acrisure LLC/Acrisure Finance, Inc. 6.00%, 08/01/2029 ^(a)		19	15,728
10.125%, 08/01/2026 ^(a)		40	39,929
USI, Inc./NY 6.875%, 05/01/2025 ^(a)		7	6,828
			<u>62,485</u>
Other Finance – 0.6%			
Armor Holdco, Inc. 8.50%, 11/15/2029 ^(a)		151	112,769
Coinbase Global, Inc. 3.375%, 10/01/2028 ^(a)		54	35,750
3.625%, 10/01/2031 ^(a)		78	46,926
Intrum AB 3.50%, 07/15/2026 ^(a)	EUR	100	80,585

PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
Motion Finco SARL			
7.00%, 05/15/2025 ^(a)	EUR	132	\$ 127,894
			<u>403,924</u>
REITs – 1.8%			
ADLER Group SA			
2.75%, 11/13/2026 ^(a)		100	41,998
Aedas Homes Opco SLU			
4.00%, 08/15/2026		111	94,029
Brookfield Property REIT, Inc./BPR Cumulus LLC/BPR Nimbus LLC/GGSI Sellco LL			
4.50%, 04/01/2027 ^(a)	U.S.\$	202	172,302
5.75%, 05/15/2026 ^(a)		150	139,524
Diversified Healthcare Trust			
4.75%, 02/15/2028		189	128,866
9.75%, 06/15/2025		46	43,452
Iron Mountain, Inc.			
4.50%, 02/15/2031 ^(a)		198	161,513
4.875%, 09/15/2029 ^(a)		69	59,464
5.25%, 07/15/2030 ^(a)		25	21,682
SBA Communications Corp.			
3.125%, 02/01/2029		46	37,273
Service Properties Trust			
4.50%, 06/15/2023		25	24,638
7.50%, 09/15/2025		247	240,770
Vivion Investments SARL			
3.00%, 08/08/2024 ^(a)	EUR	100	84,819
			<u>1,250,330</u>
			<u>3,763,083</u>
Utility – 0.7%			
Electric – 0.6%			
Calpine Corp.			
4.50%, 02/15/2028 ^(a)	U.S.\$	64	57,610
5.125%, 03/15/2028 ^(a)		133	118,329
Vistra Corp.			
7.00%, 12/15/2026 ^{(a)()}		28	24,884
8.00%, 10/15/2026 ^{(a)()}		29	27,544
Vistra Operations Co. LLC			
4.375%, 05/01/2029 ^(a)		103	88,276
5.50%, 09/01/2026 ^(a)		78	74,821
			<u>391,464</u>
Natural Gas – 0.0%			
AmeriGas Partners LP / AmeriGas Finance Corp.			
5.875%, 08/20/2026		11	10,336

PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
Other Utility – 0.1%			
Solaris Midstream Holdings LLC			
7.625%, 04/01/2026 ^(a)	U.S.\$	89	\$ 85,151
			<u>486,951</u>
Total Corporates - Non-Investment Grade			
(cost \$57,283,840)			<u>49,741,359</u>
CORPORATES - INVESTMENT			
GRADE – 11.7%			
Industrial – 7.1%			
Basic – 0.9%			
ArcelorMittal SA			
7.00%, 10/15/2039	U.S.\$	25	23,595
Arconic Corp.			
6.00%, 05/15/2025 ^(a)		20	19,791
Celanese US Holdings LLC			
5.90%, 07/05/2024		43	42,257
6.05%, 03/15/2025		43	41,827
CF Industries, Inc.			
5.15%, 03/15/2034		23	20,773
Freeport-McMoRan, Inc.			
5.25%, 09/01/2029		104	96,730
5.40%, 11/14/2034		99	88,460
INEOS Finance PLC			
2.875%, 05/01/2026 ^(a)	EUR	358	313,954
			<u>647,387</u>
Capital Goods – 0.1%			
General Electric Co.			
Series D			
6.623% (LIBOR 3 Month + 3.33%),			
12/15/2022 ^{(h)(i)}	U.S.\$	40	38,804
Howmet Aerospace, Inc.			
5.90%, 02/01/2027		4	3,968
			<u>42,772</u>
Communications - Media – 1.3%			
Directv Financing LLC/Directv Financing			
Co-Obligor, Inc.			
5.875%, 08/15/2027 ^(a)		314	282,605
Discovery Communications LLC			
4.125%, 05/15/2029		12	10,138
Netflix, Inc.			
3.625%, 05/15/2027	EUR	124	119,206
4.375%, 11/15/2026	U.S.\$	25	23,845
4.625%, 05/15/2029	EUR	113	108,884
4.875%, 04/15/2028	U.S.\$	286	271,852

PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
Warnermedia Holdings, Inc.			
3.755%, 03/15/2027 ^(a)	U.S.\$	47	\$ 41,829
4.279%, 03/15/2032 ^(a)		65	52,531
			<u>910,890</u>
Communications -			
Telecommunications – 0.8%			
Hughes Satellite Systems Corp.			
5.25%, 08/01/2026		21	20,043
Sprint Capital Corp.			
8.75%, 03/15/2032		357	418,825
Sprint Communications, Inc.			
6.00%, 11/15/2022		38	38,006
Sprint Corp.			
7.875%, 09/15/2023		73	74,189
			<u>551,063</u>
Consumer Cyclical - Other – 0.5%			
MDC Holdings, Inc.			
6.00%, 01/15/2043		87	66,094
Resorts World Las Vegas LLC / RWLV Capital, Inc.			
4.625%, 04/16/2029 ^(a)		300	207,972
Toll Brothers Finance Corp.			
4.875%, 03/15/2027		93	85,808
			<u>359,874</u>
Consumer Cyclical - Retailers – 0.3%			
Macy's Retail Holdings LLC			
4.50%, 12/15/2034		225	154,816
5.875%, 03/15/2030 ^(a)		45	37,992
6.125%, 03/15/2032 ^(a)		37	30,760
			<u>223,568</u>
Consumer Non-Cyclical – 1.4%			
BAT Capital Corp.			
7.75%, 10/19/2032		70	71,550
BAT International Finance PLC			
4.448%, 03/16/2028		116	102,417
Charles River Laboratories International, Inc.			
3.75%, 03/15/2029 ^(a)		42	36,351
4.00%, 03/15/2031 ^(a)		151	127,071
HCA, Inc.			
5.375%, 09/01/2026		33	32,027
5.625%, 09/01/2028		35	33,667
Newell Brands, Inc.			
4.45%, 04/01/2026		190	176,710
4.875%, 06/01/2025		12	11,578
5.75%, 04/01/2046		27	20,763

PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
6.375%, 09/15/2027	U.S.\$	35	\$ 34,271
6.625%, 09/15/2029		35	34,204
Pilgrim's Pride Corp.			
3.50%, 03/01/2032 ^(a)		148	113,597
5.875%, 09/30/2027 ^(a)		136	133,039
			<u>927,245</u>
Energy – 1.1%			
Antero Resources Corp.			
7.625%, 02/01/2029 ^(a)		3	3,060
Apache Corp.			
5.10%, 09/01/2040		326	263,942
Genovus Energy, Inc.			
5.40%, 06/15/2047		2	1,706
6.75%, 11/15/2039		1	1,438
Continental Resources, Inc./OK			
4.90%, 06/01/2044		16	11,398
5.75%, 01/15/2031 ^(a)		28	25,477
EQT Corp.			
3.90%, 10/01/2027		118	106,054
6.125%, 02/01/2025		70	70,062
Hess Corp.			
7.30%, 08/15/2031		36	38,200
Marathon Oil Corp.			
6.80%, 03/15/2032		34	34,639
Western Midstream Operating LP			
3.95%, 06/01/2025		26	24,704
4.30%, 02/01/2030		49	43,072
4.65%, 07/01/2026		41	38,760
4.75%, 08/15/2028		12	11,093
5.45%, 04/01/2044		26	21,048
5.50%, 02/01/2050		84	65,980
			<u>760,633</u>
Services – 0.0%			
Expedia Group, Inc.			
6.25%, 05/01/2025 ^(a)		5	4,997
Technology – 0.3%			
Broadcom, Inc.			
4.00%, 04/15/2029 ^(a)		16	14,042
4.15%, 04/15/2032 ^(a)		63	52,852
HP, Inc.			
5.50%, 01/15/2033		91	81,016
MSCI, Inc.			
4.00%, 11/15/2029 ^(a)		25	21,707
Western Digital Corp.			
3.10%, 02/01/2032		14	9,709
			<u>179,326</u>

PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
Transportation - Airlines – 0.4%			
Delta Air Lines, Inc./SkyMiles IP Ltd. 4.75%, 10/20/2028 ^(a)	U.S.\$	45	\$ 41,727
Mileage Plus Holdings LLC/Mileage Plus Intellectual Property Assets Ltd. 6.50%, 06/20/2027 ^(a)		222	<u>219,797</u>
			<u>261,524</u>
			4,869,279
Financial Institutions – 4.3%			
Banking – 2.0%			
AIB Group PLC 7.583%, 10/14/2026 ^(a)		200	198,978
Bank of Ireland Group PLC 6.253%, 09/16/2026 ^(a)		200	193,506
Barclays PLC 8.00%, 03/15/2029 ⁰		200	179,750
BNP Paribas SA 4.625%, 08/25/2171 ^{(a)0}		200	138,893
Citigroup, Inc. Series T 6.25%, 08/15/2026 ⁰		30	28,993
Series W 4.00%, 12/10/2025 ⁰		18	15,174
Series Y 4.15%, 11/15/2026 ⁰		46	36,063
First-Citizens Bank & Trust Co. 3.929%, 06/19/2024		37	36,423
Goldman Sachs Group, Inc. (The) Series P 5.00%, 12/01/2022 ⁰		126	117,228
HSBC Holdings PLC 4.762%, 03/29/2033		203	161,964
7.336%, 11/03/2026		200	200,403
Lloyds Banking Group PLC 6.00%, 06/07/2171 ⁰	GBP	8	8,488
Wells Fargo & Co. Series BB 3.90%, 03/15/2026 ⁰	U.S.\$	111	<u>94,226</u>
			<u>1,410,089</u>
Brokerage – 0.1%			
Charles Schwab Corp. (The) Series G 5.375%, 06/01/2025 ⁰		38	<u>37,114</u>

PORTFOLIO OF INVESTMENTS (continued)

	Principal Amount (000)	U.S. \$ Value
Finance – 0.3%		
Aircastle Ltd.		
2.85%, 01/26/2028 ^(a)	U.S.\$ 2	\$ 1,503
5.25%, 08/11/2025 ^(a)	148	138,486
Aviation Capital Group LLC		
1.95%, 01/30/2026 ^(a)	2	1,665
3.50%, 11/01/2027 ^(a)	18	14,665
4.125%, 08/01/2025 ^(a)	16	14,516
4.375%, 01/30/2024 ^(a)	36	34,714
4.875%, 10/01/2025 ^(a)	6	5,504
		<u>211,053</u>
Insurance – 1.1%		
ACE Capital Trust II		
9.70%, 04/01/2030	20	24,930
Centene Corp.		
2.50%, 03/01/2031	639	488,365
2.625%, 08/01/2031	43	32,879
3.00%, 10/15/2030	66	52,993
Liberty Mutual Group, Inc.		
7.80%, 03/15/2037 ^(a)	55	60,356
Prudential Financial, Inc.		
5.20%, 03/15/2044	20	18,663
5.625%, 06/15/2043	50	49,341
		<u>727,527</u>
REITs – 0.8%		
MPT Operating Partnership LP/MPT Finance Corp.		
3.50%, 03/15/2031	314	217,079
4.625%, 08/01/2029	21	16,778
5.00%, 10/15/2027	122	104,312
Office Properties Income Trust		
3.45%, 10/15/2031	104	63,651
VICI Properties LP/VICI Note Co., Inc.		
5.625%, 05/01/2024 ^(a)	93	91,942
5.75%, 02/01/2027 ^(a)	59	55,736
		<u>549,498</u>
		<u>2,935,281</u>
Utility – 0.3%		
Electric – 0.3%		
Enel Finance International NV		
7.50%, 10/14/2032 ^(a)	200	201,025
Total Corporates - Investment Grade (cost \$8,950,641)		<u>8,005,585</u>

PORTFOLIO OF INVESTMENTS (continued)

	Principal Amount (000)	U.S. \$ Value
BANK LOANS – 3.5%		
Industrial – 3.1%		
Capital Goods – 0.3%		
ACProducts Holdings, Inc.		
7.127% (LIBOR 3 Month + 4.25%), 05/17/2028 ^(k)	U.S.\$ 74	\$ 50,980
7.924% (LIBOR 3 Month + 4.25%), 05/17/2028 ^(k)	24	16,822
Apex Tool Group, LLC		
8.624% (SOFR 1 Month + 5.25%), 02/08/2029 ^(k)	45	38,548
Chariot Buyer, LLC		
7.254% (LIBOR 1 Month + 3.50%), 11/03/2028 ^(k)	20	17,986
Granite US Holdings Corporation		
7.688% (LIBOR 3 Month + 4.00%), 09/30/2026 ^{(b)(k)}	54	52,912
		<u>177,248</u>
Communications - Media – 0.1%		
Advantage Sales & Marketing, Inc.		
8.284% (LIBOR 3 Month + 4.50%), 10/28/2027 ^(k)	37	32,388
Clear Channel Outdoor Holdings, Inc.		
7.254% (LIBOR 1 Month + 3.50%), 08/21/2026 ^(k)	0**	27
7.915% (LIBOR 3 Month + 3.50%), 08/21/2026 ^(k)	12	10,606
iHeartCommunications, Inc. (fka Clear Channel Communications, Inc.)		
6.754% (LIBOR 1 Month + 3.00%), 05/01/2026 ^(k)	18	16,722
Univision Communications, Inc.		
6.504% (LIBOR 1 Month + 2.75%), 03/15/2024 ^(k)	10	9,853
		<u>69,596</u>
Communications - Telecommunications – 0.5%		
Crown Subsea Communications Holding, Inc.		
8.518% (LIBOR 1 Month + 4.75%), 04/27/2027 ^(k)	56	54,778
DIRECTV Financing, LLC		
8.754% (LIBOR 1 Month + 5.00%), 08/02/2027 ^(k)	55	51,911
Intrado Corporation (West Corp/Olympus Merger)		
8.415% (LIBOR 3 Month + 4.00%), 10/10/2024 ^(k)	25	22,116

PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
Proofpoint, Inc. 9.320% (LIBOR 3 Month + 6.25%), 08/31/2029 ^(k)	U.S.\$	120	\$ 115,200
Zacapa SARL 7.803% (SOFR 3 Month + 4.25%), 03/22/2029 ^(k)		98	93,614
			<u>337,619</u>
Consumer Cyclical - Automotive – 0.1%			
Clarios Global LP 7.004% (LIBOR 1 Month + 3.25%), 04/30/2026 ^(k)		42	41,012
Consumer Cyclical - Entertainment – 0.2%			
Seaworld Parks & Entertainment, Inc. 6.813% (LIBOR 1 Month + 3.00%), 08/25/2028 ^(k)		116	112,985
Consumer Cyclical - Other – 0.0%			
Caesars Resort Collection, LLC 6.504% (LIBOR 1 Month + 2.75%), 12/23/2024 ^(k)		30	29,599
Flutter Entertainment PLC 5.892% (LIBOR 3 Month + 2.25%), 07/21/2026 ^(k)		4	3,985
			<u>33,584</u>
Consumer Cyclical - Restaurants – 0.0%			
IRB Holding Corp. 5.865% (LIBOR 1 Month + 2.75%), 02/05/2025 ^(k)		6	5,873
Consumer Cyclical - Retailers – 0.1%			
Great Outdoors Group, LLC 7.504% (LIBOR 1 Month + 3.75%), 03/06/2028 ^(k)		17	15,594
Restoration Hardware, Inc. 7.079% (SOFR 1 Month + 3.25%), 10/20/2028 ^(k)		70	65,917
			<u>81,511</u>
Consumer Non-Cyclical – 0.4%			
Gainwell Acquisition Corp. 7.674% (LIBOR 3 Month + 4.00%), 10/01/2027 ^(k)		39	37,269
Global Medical Response, Inc. 8.004% (LIBOR 1 Month + 4.25%), 03/14/2025 ^(k)		16	11,945
Kronos Acquisition Holdings, Inc. 6.820% (LIBOR 3 Month + 3.75%), 12/22/2026 ^(k)		39	37,067

PORTFOLIO OF INVESTMENTS (continued)

	Principal Amount (000)	U.S. \$ Value
LifePoint Health, Inc. (fka Regionalcare Hospital Partners Holdings, Inc.) 8.165% (LIBOR 3 Month + 3.75%), 11/16/2025 ^(k)	U.S.\$ 27	\$ 24,087
Padagis, LLC 8.491% (LIBOR 3 Month + 4.75%), 07/06/2028 ^{(b)(k)}	28	23,859
PetSmart, LLC 7.500% (LIBOR 1 Month + 3.75%), 02/11/2028 ^(k)	79	75,873
US Radiology Specialists, Inc. (US Outpatient Imaging Services, Inc.) 8.924% (LIBOR 3 Month + 5.25%), 12/15/2027 ^(k)	89	79,346
		<u>289,446</u>
Energy – 0.4%		
CITGO Petroleum Corporation 9.365% (LIBOR 1 Month + 6.25%), 03/28/2024 ^(k)	34	34,325
GIP II Blue Holding, L.P. 8.174% (LIBOR 3 Month + 4.50%), 09/29/2028 ^(k)	206	203,462
Parkway Generation, LLC 8.500% (LIBOR 1 Month + 4.75%), 02/18/2029 ^(k)	59	58,522
		<u>296,309</u>
Other Industrial – 0.2%		
American Tire Distributors, Inc. 10.608% (LIBOR 3 Month + 6.25%), 10/20/2028 ^(k)	82	75,393
Dealer Tire, LLC 8.004% (LIBOR 1 Month + 4.25%), 12/12/2025 ^(k)	19	19,069
FCG Acquisitions, Inc. 10.424% (LIBOR 3 Month + 6.75%), 03/30/2029 ^{(b)(k)}	30	28,050
Rockwood Service Corporation 8.004% (LIBOR 1 Month + 4.25%), 01/23/2027 ^(k)	3	3,157
		<u>125,669</u>
Services – 0.1%		
Amentum Government Services Holdings, LLC 7.674% (LIBOR 3 Month + 4.00%), 01/29/2027 ^{(b)(k)}	15	14,202
8.170% (LIBOR 3 Month + 4.00%), 01/29/2027 ^{(b)(k)}	5	4,713

PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
Garda World Security Corporation 7.240% (LIBOR 3 Month + 4.25%), 10/30/2026 ^(k)	U.S.\$	58	\$ 54,929
Verscend Holding Corp. 7.754% (LIBOR 1 Month + 4.00%), 08/27/2025 ^{(b)(k)}		26	<u>25,493</u>
			<u>99,337</u>
Technology – 0.7%			
Ascend Learning, LLC 9.504% (LIBOR 1 Month + 5.75%), 12/10/2029 ^(k)		50	42,312
Banff Guarantor, Inc. 9.254% (LIBOR 1 Month + 5.50%), 02/27/2026 ^(k)		50	45,850
Boxer Parent Company, Inc. 7.504% (LIBOR 1 Month + 3.75%), 10/02/2025 ^(k)		57	54,961
Endurance International Group Holdings, Inc. 6.698% (LIBOR 1 Month + 3.50%), 02/10/2028 ^(k)		73	62,201
FINThrive Software Intermediate Holdings, Inc. 10.504% (LIBOR 1 Month + 6.75%), 12/17/2029 ^(k)		50	42,725
Loyalty Ventures, Inc. 8.254% (LIBOR 1 Month + 4.50%), 11/03/2027 ^(k)		125	38,618
Peraton Corp. 7.504% (LIBOR 1 Month + 3.75%), 02/01/2028 ^(k)		33	31,306
Playtika Holding Corp. 6.504% (LIBOR 1 Month + 2.75%), 03/13/2028 ^(k)		59	57,416
Presidio Holdings, Inc. 7.260% (LIBOR 1 Month + 3.50%), 01/22/2027 ^{(b)(k)}		1	619
7.920% (LIBOR 3 Month + 3.50%), 01/22/2027 ^{(b)(k)}		14	13,953
Veritas US, Inc. 8.674% (LIBOR 3 Month + 5.00%), 09/01/2025 ^(k)		83	<u>66,387</u>
			<u>456,348</u>
			<u>2,126,537</u>

PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
Financial Institutions – 0.3%			
Finance – 0.0%			
Orbit Private Holdings I Ltd. 8.174% (LIBOR 3 Month + 4.50%), 12/11/2028 ^{(b)(k)}	U.S.\$	30	\$ 28,956
Insurance – 0.3%			
Cross Financial Corp. 7.813% (LIBOR 1 Month + 4.00%), 09/15/2027 ^(k)		44	43,440
Hub International Limited 7.232% (LIBOR 3 Month + 3.25%), 04/25/2025 ^(k)		0**	166
7.528% (LIBOR 3 Month + 3.25%), 04/25/2025 ^(k)		66	64,959
Jones DesLauriers Insurance Management, Inc. 12.063% (CDOR 3 Month + 7.50%), 03/26/2029 ^{(b)(k)}	CAD	95	64,367
Sedgwick Claims Management Services, Inc. (Lightning Cayman Merger Sub, Ltd.) 7.504% (LIBOR 1 Month + 3.75%), 09/03/2026 ^(k)	U.S.\$	49	47,856
			<u>220,788</u>
			<u>249,744</u>
Utility – 0.1%			
Electric – 0.1%			
Granite Generation LLC 7.504% (LIBOR 1 Month + 3.75%), 11/09/2026 ^(k)	U.S.\$	50	48,146
Total Bank Loans (cost \$2,664,059)			<u>2,424,427</u>
EMERGING MARKETS - CORPORATE			
BONDS – 2.1%			
Industrial – 2.0%			
Basic – 0.1%			
Eldorado Gold Corp. 6.25%, 09/01/2029 ^(a)		91	73,605
Communications -			
Telecommunications – 0.2%			
Sable International Finance Ltd. 5.75%, 09/07/2027 ^(a)		180	159,138
Consumer Cyclical - Other – 1.4%			
Allwyn Entertainment Financing UK PLC 4.446% (EURIBOR 3 Month + 4.12%), 02/15/2028 ^(h)	EUR	113	105,105

PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
Melco Resorts Finance Ltd. 5.375%, 12/04/2029 ^(a)	U.S.\$	236	\$ 128,620
MGM China Holdings Ltd. 4.75%, 02/01/2027 ^(a)		421	311,540
Studio City Co., Ltd. 7.00%, 02/15/2027 ^(a)		200	161,000
Wynn Macau Ltd. 5.50%, 01/15/2026 ^(a)		409	<u>280,165</u>
			<u>986,430</u>
Consumer Cyclical - Retailers – 0.0%			
K201640219 South Africa Ltd. Zero Coupon, 06/25/2023 ^{(b)(e)}	ZAR	1	– 0 –
K2016470219 South Africa Ltd. 3.00%, 12/31/2022 ^{(e)(f)(g)}	U.S.\$	17	9
K2016470260 South Africa Ltd. 25.00%, 12/31/2022 ^{(e)(f)(g)}		12	<u>1</u>
			<u>10</u>
Consumer Non-Cyclical – 0.0%			
Tonon Luxembourg SA 6.50% (0.50% Cash and 6.00% PIK), 10/31/2024 ^{(c)(e)(f)(g)(l)}		2	– 0 –
Virgolino de Oliveira Finance SA 10.50%, 01/28/2018 ^{(b)(c)(d)(e)(g)}		96	<u>10</u>
			<u>10</u>
Technology – 0.3%			
CA Magnum Holdings 5.375%, 10/31/2026 ^(a)	U.S.\$	200	<u>167,500</u>
			<u>1,386,693</u>
Utility – 0.1%			
Electric – 0.1%			
Terraform Global Operating LP 6.125%, 03/01/2026 ^(g)		28	<u>25,770</u>
Total Emerging Markets - Corporate Bonds (cost \$1,916,404)			<u>1,412,463</u>
			<u>Shares</u>
COMMON STOCKS – 0.6%			
Energy – 0.2%			
Energy Equipment & Services – 0.0%			
BIS Industries Holdings Ltd. ^{(b)(c)(e)}		21,027	– 0 –
CHC Group LLC ^(c)		468	5
Diamond Offshore Drilling, Inc. ^{(a)(c)}		1,142	11,249
Vantage Drilling International ^(c)		118	<u>2,124</u>
			<u>13,378</u>

PORTFOLIO OF INVESTMENTS (continued)

	Shares	U.S. \$ Value
Oil, Gas & Consumable Fuels – 0.2%		
Berry Corp.	2,975	\$ 26,388
Chord Energy Corp.	47	7,195
Civitas Resources, Inc.	523	36,563
Denbury, Inc. ^(c)	339	30,988
Edcon Ltd. ^{(b)(c)(e)}	8,218	– 0 –
Global Partners LP/MA	1,004	33,714
SandRidge Energy, Inc. ^(c)	5	95
		<u>134,943</u>
		<u>148,321</u>
Consumer Discretionary – 0.1%		
Diversified Consumer Services – 0.0%		
Monitronics International, Inc. ^(c)	262	65
Hotels, Restaurants & Leisure – 0.0%		
Caesars Entertainment, Inc. ^(c)	151	6,603
Multiline Retail – 0.1%		
ATD New Holdings, Inc. ^(c)	1,009	72,144
K201640219 South Africa Ltd. A Shares ^{(b)(c)(e)}	191,574	– 0 –
K201640219 South Africa Ltd. B Shares ^{(b)(c)(e)}	30,276	– 0 –
		<u>72,144</u>
		<u>78,812</u>
Consumer Staples – 0.1%		
Household Products – 0.1%		
Southeastern Grocers, Inc. ^{(b)(c)(e)}	3,584	66,304
Communication Services – 0.1%		
Diversified Telecommunication Services – 0.1%		
Intelsat Jackson Holdings SA ^{(b)(c)(e)}	402	– 0 –
Intelsat SA ^(c)	1,932	48,300
		<u>48,300</u>
Media – 0.0%		
DISH Network Corp. – Class A ^(c)	100	1,491
iHeartMedia, Inc. – Class A ^(c)	1,045	8,653
		<u>10,144</u>
		<u>58,444</u>
Industrials – 0.1%		
Construction & Engineering – 0.1%		
WillScot Mobile Mini Holdings Corp. ^(c)	508	21,605
Electrical Equipment – 0.0%		
Exide Corp. ^{(b)(c)(e)}	7	875
		<u>22,480</u>

PORTFOLIO OF INVESTMENTS (continued)

	Shares	U.S. \$ Value
Information Technology – 0.0%		
Software – 0.0%		
Avaya Holdings Corp. ^(c)	1,385	\$ 2,188
Health Care – 0.0%		
Pharmaceuticals – 0.0%		
Mallinckrodt PLC ^(c)	91	1,380
Materials – 0.0%		
Containers & Packaging – 0.0%		
Westrock Co.	6	204
Metals & Mining – 0.0%		
Neenah Enterprises, Inc. ^{(b)(c)}	4,481	– 0
		204
Total Common Stocks (cost \$600,389)		378,133
PREFERRED STOCKS – 0.2%		
Industrial – 0.1%		
Consumer Cyclical - Automotive – 0.0%		
Exide International Holdings LP 0.00%, ^{(b)(c)(e)(g)}	39	19,500
Energy – 0.0%		
Gulfport Energy Corp. 10.00% ^{(b)(c)}	4	24,000
Industrial Conglomerates – 0.1%		
WESCO International, Inc. Series A 10.625%	1,425	38,475
		81,975
Financial Institutions – 0.1%		
Capital Markets – 0.1%		
Ladenburg Thalmann Financial Services, Inc. Series A 8.00%	2,175	27,731
Consumer Discretionary – 0.0%		
Household Durables – 0.0%		
Hovnanian Enterprises, Inc. 7.625%	490	9,310
Total Preferred Stocks (cost \$93,585)		119,016

PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
GOVERNMENTS - TREASURIES – 0.1%			
Mexico – 0.1%			
Mexican Bonos			
Series M			
5.75%, 03/05/2026	MXN	1,202	\$ 53,492
Series M 20			
10.00%, 12/05/2024		480	<u>24,105</u>
Total Governments - Treasuries			
(cost \$91,135)			<u>77,597</u>
COLLATERALIZED MORTGAGE OBLIGATIONS – 0.1%			
Risk Share Floating Rate – 0.1%			
Federal Home Loan Mortgage Corp. Structured			
Agency Credit Risk Debt Notes			
Series 2013-DN2, Class M2			
7.836% (LIBOR 1 Month + 4.25%), 11/25/2023 ^(h)	U.S.\$	19	18,959
Series 2014-HQ2, Class M3			
7.336% (LIBOR 1 Month + 3.75%), 09/25/2024 ^(h)		22	21,703
Federal National Mortgage Association			
Connecticut Avenue Securities			
Series 2014-C01, Class M2			
7.986% (LIBOR 1 Month + 4.40%), 01/25/2024 ^(h)		4	4,405
			<u>45,067</u>
Non-Agency Fixed Rate – 0.0%			
Alternative Loan Trust			
Series 2006-28CB, Class A14			
6.25%, 10/25/2036		4	1,988
CSMC Mortgage-Backed Trust			
Series 2006-7, Class 3A12			
6.25%, 08/25/2036		4	1,673
			<u>3,661</u>
Total Collateralized Mortgage Obligations			
(cost \$51,718)			<u>48,728</u>
COMMERCIAL MORTGAGE-BACKED SECURITIES – 0.1%			
Non-Agency Fixed Rate CMBS – 0.1%			
Citigroup Commercial Mortgage Trust			
Series 2014-GC23, Class D			
4.481%, 07/10/2047 ^(a)		15	13,135
GS Mortgage Securities Trust			
Series 2014-GC18, Class D			
5.057%, 01/10/2047 ^(a)		12	4,758

PORTFOLIO OF INVESTMENTS (continued)

		Principal Amount (000)	U.S. \$ Value
JPMBB Commercial Mortgage Securities Trust Series 2013-C17, Class D 4.883%, 01/15/2047 ^(a)	U.S.\$	29	\$ 27,027
Total Commercial Mortgage-Backed Securities (cost \$54,250)			<u>44,920</u>
		Shares	
WARRANTS – 0.0%			
Avaya Holdings Corp., expiring 12/15/2022 ^(c)		1,210	36
Willscot Corp., expiring 11/29/2022 ^{(b)(c)(e)}		787	<u>21,306</u>
Total Warrants (cost \$3,589)			<u>21,342</u>
		Principal Amount (000)	
EMERGING MARKETS - TREASURIES – 0.0%			
South Africa – 0.0%			
Republic of South Africa Government Bond Series 2023 7.75%, 02/28/2023 (cost \$21,059)	ZAR	283	<u>15,409</u>
			Shares
RIGHTS – 0.0%			
Vistra Energy Corp., expiring 12/31/2049 ^{(b)(c)} (cost \$0)		3,442	<u>3,872</u>
SHORT-TERM INVESTMENTS – 7.8%			
Investment Companies – 7.8%			
AB Fixed Income Shares, Inc. – Government Money Market Portfolio – Class AB, 2.67% ^{(m)(n)(o)} (cost \$5,336,489)		5,336,489	<u>5,336,489</u>
Total Investments – 99.0% (cost \$77,067,158)			67,629,340
Other assets less liabilities – 1.0%			<u>668,490</u>
Net Assets – 100.0%			\$ 68,297,830

PORTFOLIO OF INVESTMENTS (continued)

FUTURES (see Note D)

Description	Number of Contracts	Expiration Month	Current Notional	Value and Unrealized Appreciation (Depreciation)
Purchased Contracts				
U.S. Long Bond (CBT) Futures	4	December 2022	\$ 482,000	\$ (67,070)
U.S. T-Note 5 Yr (CBT) Futures	14	December 2022	1,492,313	(65,047)
U.S. T-Note 10 Yr (CBT) Futures	16	December 2022	1,769,500	(116,375)
Sold Contracts				
Euro-OAT Futures	1	December 2022	131,319	5,653
				<u>\$ (242,839)</u>

FORWARD CURRENCY EXCHANGE CONTRACTS (see Note D)

Counterparty	Contracts to Deliver (000)	In Exchange For (000)	Settlement Date	Unrealized Appreciation (Depreciation)
Bank of America, NA	EUR 6,820	USD 6,588	12/08/2022	\$ (170,472)
Brown Brothers Harriman & Co.	GBP 207	USD 246	11/17/2022	8,232
Brown Brothers Harriman & Co.	MXN 1,195	USD 58	11/18/2022	(1,865)
Brown Brothers Harriman & Co.	EUR 153	USD 154	12/08/2022	1,761
Brown Brothers Harriman & Co.	EUR 662	USD 650	12/08/2022	(5,588)
Brown Brothers Harriman & Co.	USD 337	EUR 346	12/08/2022	5,812
Brown Brothers Harriman & Co.	USD 220	EUR 220	12/08/2022	(1,616)
Brown Brothers Harriman & Co.	CAD 99	USD 73	01/19/2023	(14)
				<u>\$ (163,750)</u>

CENTRALLY CLEARED CREDIT DEFAULT SWAPS (see Note D)

Description	Fixed Rate (Pay)	Payment Receive Frequency	Implied Credit Spread at October 31, 2022	Notional Amount (000)	Market Value	Upfront Premiums Paid/ (Received)	Unrealized Appreciation (Depreciation)
Buy Contracts							
CDX-NAHY Series 39, 5 Year Index, 12/20/2027*	(5.00)%	Quarterly	5.19%	USD 2,590	\$ 4,555	\$ 78,206	\$ (73,651)

* Termination date

PORTFOLIO OF INVESTMENTS (continued)

CENTRALLY CLEARED INTEREST RATE SWAPS (see Note D)

Notional Amount (000)	Termination Date	Rate Type		Payment Frequency Paid/Received	Market Value	Upfront Premiums Paid/(Received)	Unrealized Appreciation (Depreciation)
		Payments made by the Fund	Payments received by the Fund				
USD 1,770	03/06/2023	3 Month LIBOR	2.714%	Quarterly/ Semi-Annual/	\$ (12,230)	\$ —	\$ (12,230)
USD 2,835	09/02/2025	2.248%	LIBOR	Quarterly Semi-Annual/	182,796	(8,311)	191,107
USD 961	01/15/2026	1.978%	LIBOR	Quarterly Semi-Annual/	69,264	5,398	63,866
USD 651	02/16/2026	1.625%	LIBOR	Quarterly Semi-Annual/	59,577	7,434	52,143
USD 150	03/31/2026	1.693%	LIBOR	Quarterly Semi-Annual/	13,496	—	13,496
USD 100	05/03/2026	1.770%	LIBOR	Quarterly Semi-Annual/	8,641	—	8,641
USD 800	06/01/2026	1.714%	LIBOR	Quarterly	71,201	32,362	38,839
USD 4,650	04/28/2027	3 Month LIBOR	2.330%	Semi-Annual Semi-Annual/	(386,912)	16,658	(403,570)
USD 350	05/03/2027	2.285%	LIBOR	Quarterly Semi-Annual/	28,217	112	28,105
USD 940	03/06/2028	2.876%	LIBOR	Quarterly	63,770	—	63,770
					<u>\$ 97,820</u>	<u>\$ 53,653</u>	<u>\$ 44,167</u>

CREDIT DEFAULT SWAPS (see Note D)

Swap Counterparty & Referenced Obligation	Fixed Rate (Pay) Receive	Payment Frequency	Implied Credit Spread at October 31, 2022	Notional Amount (000)	Market Value	Upfront Premiums Paid/(Received)	Unrealized Appreciation (Depreciation)
Buy Contracts							
Credit Suisse International CDX-CMBX.NA.BB-Series 6, 05/11/2063*	5.00%	Monthly	7.50%	USD 130	\$ 49,368	\$ 15,035	\$ 34,333
Goldman Sachs International CDX-CMBX.NA.BBB-Series 6, 05/11/2063*	3.00	Monthly	7.50	USD 134	30,431	12,628	17,803
Sale Contracts							
BNP Paribas SA Altice France SA, 6/20/2024*	5.00	Quarterly	5.28	EUR 70	10	2,063	(2,053)
Credit Suisse International CDX-CMBX.NA.BB-Series 6, 05/11/2063*	5.00	Monthly	7.50	USD 21	(7,954)	(2,390)	(5,564)
CDX-CMBX.NA.BB-Series 6, 05/11/2063*	5.00	Monthly	7.50	USD 50	(18,924)	(5,277)	(13,647)

PORTFOLIO OF INVESTMENTS (continued)

Swap Counterparty & Referenced Obligation	Fixed Rate (Pay) Receive	Payment Frequency	Implied Credit Spread at October 31, 2022	Notional Amount (000)	Market Value	Upfront Premiums Paid/ (Received)	Unrealized Appreciation (Depreciation)
Deutsche Bank AG							
CDX-CMBX.NA.BBB-Series 6, 05/11/2063*	3.00%	Monthly	7.50%	USD 176	\$ (39,970)	\$ (11,269)	\$ (28,701)
CDX-CMBX.NA.BBB-Series 6, 05/11/2063*	3.00	Monthly	7.50	USD 53	(11,896)	(3,267)	(8,629)
Goldman Sachs International							
Avis Budget Car Rental LLC, 5.250%, 03/15/2025, 12/20/2023*	5.00	Quarterly	1.43	USD 10	452	147	305
Avis Budget Car Rental LLC, 5.250%, 03/15/2025, 12/20/2023*	5.00	Quarterly	1.43	USD 20	903	458	445
CDX-CMBX.NA.BB-Series 6, 05/11/2063*	5.00	Monthly	7.50	USD 117	(44,680)	(19,557)	(25,123)
					<u>\$ (42,260)</u>	<u>\$ (11,429)</u>	<u>\$ (30,831)</u>

* Termination date

TOTAL RETURN SWAPS (see Note D)

Counterparty & Referenced Obligation	Rate Paid/ Received	Payment Frequency	Current Notional (000)	Maturity Date	Unrealized Appreciation (Depreciation)
Receive Total Return on Reference Obligation					
Goldman Sachs Bank USA					
Markit iBoxx USD Contingent Convertible Liquid Developed Market AT1	1 Day SOFR	Maturity	USD 557	12/20/2022	\$ (29,182)

** Principal amount less than 500.

- (a) 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, 2022, the aggregate market value of these securities amounted to \$45,833,662 or 67.1% of net assets.
- (b) Security in which significant unobservable inputs (Level 3) were used in determining fair value.
- (c) Non-income producing security.
- (d) Defaulted matured security.
- (e) Fair valued by the Adviser.
- (f) 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, 2022.

PORTFOLIO OF INVESTMENTS (continued)

- (g) Security is exempt from registration under Rule 144A or Regulation S of the Securities Act of 1933. These securities, which represent 0.07% of net assets as of October 31, 2022, are considered illiquid and restricted. Additional information regarding such securities follows:

144A/Restricted & Illiquid Securities	Acquisition Date	Cost	Market Value	Percentage of Net Assets
Exide International Holdings LP	11/05/2020	\$ 29,328	\$ 19,500	0.03%
Exide Technologies (Exchange Priority)				
11.00%, 10/31/2024	10/29/2020	– 0 –	– 0 –	0.00%
Exide Technologies (First Lien)				
11.00%, 10/31/2024	10/29/2020	– 0 –	– 0 –	0.00%
Intelsat Jackson Holdings SA	09/05/2018 -			
8.50%, 10/15/2024	04/17/2019	– 0 –	– 0 –	0.00%
K2016470219 South Africa Ltd.	03/13/2015 -			
3.00%, 12/31/2022	06/30/2021	16,653	9	0.00%
K2016470260 South Africa Ltd.	12/22/2016 -			
25.00%, 12/31/2022	06/30/2021	11,614	1	0.00%
Magnetation LLC/Mag Finance Corp.				
11.00%, 05/15/2018	02/19/2015	36,767	– 0 –	0.00%
Terraform Global Operating LP	02/08/2018 -			
6.125%, 03/01/2026	06/04/2019	28,004	25,770	0.04%
Tonon Luxembourg SA	05/03/2019 -			
6.50%, 10/31/2024	10/31/2020	4,111	– 0 –	0.00%
Virgolino de Oliveira Finance SA				
10.50%, 01/28/2018	02/13/2013	96,161	10	0.00%

- (h) Floating Rate Security. Stated interest/floor/ceiling rate was in effect at October 31, 2022.
- (i) Convertible security.
- (j) Securities are perpetual and, thus, do not have a predetermined maturity date. The date shown, if applicable, reflects the next call date.
- (k) The stated coupon rate represents the greater of the LIBOR or an alternate base rate such as the SOFR/CDOR or the LIBOR/SOFR/CDOR floor rate plus spread at October 31, 2022.
- (l) Defaulted.
- (m) Affiliated investments.
- (n) To obtain a copy of the fund's shareholder report, please go to the Securities and Exchange Commission's website at www.sec.gov, or call AB at (800) 227-4618.
- (o) The rate shown represents the 7-day yield as of period end.

Currency Abbreviations:

CAD – Canadian Dollar
 EUR – Euro
 GBP – Great British Pound
 MXN – Mexican Peso
 USD – United States Dollar
 ZAR – South African Rand

PORTFOLIO OF INVESTMENTS (continued)

Glossary:

CBT – Chicago Board of Trade

CDOR – Canadian Dealer Offered Rate

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

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

CMBS – Commercial Mortgage-Backed Securities

EURIBOR – Euro Interbank Offered Rate

LIBOR – London Interbank Offered Rate

OAT – Obligations Assimilables du Trésor

REIT – Real Estate Investment Trust

SOFR – Secured Overnight Financing Rate

See notes to financial statements.

STATEMENT OF ASSETS & LIABILITIES

October 31, 2022

Assets

Investments in securities, at value	
Unaffiliated issuers (cost \$71,730,669).....	\$ 62,292,851
Affiliated issuers (cost \$5,336,489).....	5,336,489
Cash collateral due from broker.....	311,720
Foreign currencies, at value (cost \$8,603).....	8,366
Unaffiliated interest receivable.....	999,390
Receivable for investment securities sold.....	110,411
Receivable for capital stock sold.....	83,479
Market value of credit default swaps (net premiums paid \$30,331) ...	81,164
Receivable for variation margin on centrally cleared swaps.....	20,034
Unrealized appreciation on forward currency exchange contracts....	15,805
Affiliated dividends receivable.....	9,421
Receivable for terminated total return swaps.....	8,455
Total assets.....	<u>69,277,585</u>

Liabilities

Due to Custodian.....	987
Payable for investment securities purchased.....	200,000
Unrealized depreciation on forward currency exchange contracts....	179,555
Audit and tax fee payable.....	135,439
Payable for capital stock redeemed.....	127,067
Market value of credit default swaps (net premiums received \$41,760).....	123,424
Dividends payable.....	82,948
Custody and accounting fees payable.....	50,508
Unrealized depreciation on total return swaps.....	29,182
Payable for variation margin on futures.....	12,218
Advisory fee payable.....	4,349
Payable for capital gains taxes.....	4,029
Payable for variation margin on centrally cleared swaps.....	555
Transfer Agent fee payable.....	290
Distribution fee payable.....	196
Accrued expenses.....	29,008
Total liabilities.....	<u>979,755</u>
Net Assets.....	<u>\$ 68,297,830</u>

Composition of Net Assets

Capital stock, at par.....	\$ 8,317
Additional paid-in capital.....	88,648,768
Accumulated loss.....	(20,359,255)
	<u>\$ 68,297,830</u>

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

Class	Net Assets	Shares Outstanding	Net Asset Value
A	\$ 1,000,327	121,794	\$ 8.21*
Advisor	\$ 67,249,210	8,189,472	\$ 8.21
Z	\$ 48,293	5,880	\$ 8.21

* The maximum offering price per share for Class A shares was \$8.57, which reflects a sales charge of 4.25%.

See notes to financial statements.

STATEMENT OF OPERATIONS

Year Ended October 31, 2022

Investment Income

Interest (net of foreign taxes withheld of \$1,111) ...	\$	3,443,912	
Dividends			
Affiliated issuers.....		28,204	
Unaffiliated issuers		25,593	\$ 3,497,709

Expenses

Advisory fee (see Note B).....	281,116	
Transfer agency—Class A	1,017	
Transfer agency—Advisor Class.....	68,296	
Transfer agency—Class Z.....	15	
Distribution fee—Class A	2,262	
Audit and tax	142,549	
Custody and accounting	107,903	
Administrative	81,463	
Registration fees	69,961	
Legal.....	37,996	
Printing	29,964	
Directors' fees.....	17,028	
Miscellaneous	5,240	
Total expenses	844,810	
Less: expenses waived and reimbursed by the Adviser (see Note B)	(469,606)	
Net expenses		375,204
Net investment income		3,122,505

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

Net realized gain (loss) on:		
Investment transactions ^(a)		(1,039,088)
Forward currency exchange contracts.....		905,936
Futures.....		(491,522)
Swaps		(129,751)
Written swaptions		45,105
Foreign currency transactions.....		84,588
Net change in unrealized appreciation (depreciation) on:		
Investments ^(b)	(10,488,876)	
Forward currency exchange contracts.....	(233,744)	
Futures.....	(182,673)	
Swaps	3,584	
Foreign currency denominated assets and liabilities		(1,498)
Net loss on investment and foreign currency transactions.....		(11,527,939)

Net Decrease in Net Assets from Operations

\$ (8,405,434)

(a) Net of foreign realized capital gains taxes of \$166.

(b) Net of decrease in accrued foreign capital gains taxes on unrealized gains of \$1,870.

See notes to financial statements.

STATEMENT OF CHANGES IN NET ASSETS

	Year Ended October 31, 2022	For the Period January 1, 2021 to October 31, 2021 ^(a)	Year Ended December 31, 2020
Increase (Decrease) in Net Assets from Operations			
Net investment income.....	\$ 3,122,505	\$ 1,969,179	\$ 2,090,232
Net realized gain (loss) on investment and foreign currency transactions	(624,732)	1,151,868	129,191
Net change in unrealized appreciation (depreciation) on investments and foreign currency denominated assets and liabilities	(10,903,207)	(646,735)	970,654
Net increase (decrease) in net assets from operations.....	(8,405,434)	2,474,312	3,190,077
Distributions to Shareholders			
Class A.....	(48,807)	(1,360)	- 0 -
Advisor Class.....	(3,658,061)	(2,142,401)	(2,379,537)
Class Z.....	(4,016)	(544)	- 0 -
Capital Stock Transactions			
Net increase (decrease).....	16,588,915	24,744,091	(2,277,269)
Total increase (decrease)	4,472,597	25,074,098	(1,466,729)
Net Assets			
Beginning of period	63,825,233	38,751,135	40,217,864
End of period	\$ 68,297,830	\$ 63,825,233	\$ 38,751,135

(a) The Fund changed its fiscal year end from December 31 to October 31.

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

October 31, 2022

NOTE A

Significant Accounting Policies

AB Bond Fund, Inc. (the “Company”) is registered under the Investment Company Act of 1940 as an open-end management investment company. The Company, which is a Maryland corporation, operates as a series company comprised of 10 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 High Yield Portfolio (the “Fund”), a diversified portfolio. On April 30, 2021, the Fund’s name was changed from the AB FlexFee High Yield Portfolio to AB High Yield Portfolio and the fiscal year end changed from December 31 to October 31. 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 shares. Effective April 30, 2021 the Fund recommenced offering of Class A and Class Z shares. Class B, Class T, Class 1 and Class 2 shares have not been issued, and no shares of Class C, Class R, Class K or Class I were outstanding as of October 31, 2022. Class A shares are sold with a front-end sales charge of up to 4.25% for purchases not exceeding \$1,000,000. With respect to purchases of \$1,000,000 or more, Class A shares redeemed within one year of purchase may be subject to a contingent deferred sales charge of 1%. Advisor Class 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 Company’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 Company'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

NOTES TO FINANCIAL STATEMENTS (continued)

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.

Options are valued using market-based inputs to models, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency, where such inputs and models are available. Alternatively, the values may be obtained through unobservable management determined inputs and/or management's proprietary models. Where models are used, the selection of a particular model to value an option depends upon the contractual terms of, and specific risks inherent in, the option as well as the availability of pricing information in the market. Valuation models require a variety of inputs, including contractual terms, market prices, measures of volatility and correlations of such inputs. Exchange traded options generally will be classified as Level 2. For options that do not trade on an exchange but trade in liquid markets, inputs can generally be verified and model selection does not involve significant management judgment. Options are classified within Level 2 on the fair value hierarchy when all of the significant inputs can be corroborated to market evidence. Otherwise such instruments are classified as Level 3.

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

NOTES TO FINANCIAL STATEMENTS (continued)

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.

Bank loan prices are provided by third party pricing services and consist of a composite of the quotes received by the vendor into a consensus price. Certain bank loans are classified as Level 3, as a significant input used in the fair value measurement of these instruments is the market quotes that are received by the vendor and these inputs are not observable.

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 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, 2022:

Investments in Securities	Level 1	Level 2	Level 3	Total
Assets:				
Corporates –				
Non-Investment Grade \$	– 0 –	\$ 49,738,027	\$ 3,332 [#]	\$ 49,741,359
Corporates – Investment				
Grade	– 0 –	8,005,585	– 0 –	8,005,585
Bank Loans	– 0 –	2,167,303	257,124	2,424,427
Emerging Markets –				
Corporate Bonds	– 0 –	1,412,453 [#]	10 [#]	1,412,463
Common Stocks	190,440	120,514	67,179 [#]	378,133
Preferred Stocks	47,785	27,731	43,500	119,016
Governments – Treasuries ...	– 0 –	77,597	– 0 –	77,597
Collateralized Mortgage				
Obligations	– 0 –	48,728	– 0 –	48,728
Commercial Mortgage-				
Backed Securities	– 0 –	44,920	– 0 –	44,920
Warrants	36	– 0 –	21,306	21,342
Emerging Markets –				
Treasuries.....	– 0 –	15,409	– 0 –	15,409
Rights	– 0 –	– 0 –	3,872	3,872
Short-Term Investments:				
Investment Companies	5,336,489	– 0 –	– 0 –	5,336,489
Total Investments in				
Securities	5,574,750	61,658,267	396,323	67,629,340

NOTES TO FINANCIAL STATEMENTS (continued)

Investments in Securities	Level 1	Level 2	Level 3	Total
Other Financial Instruments*:				
Assets				
Futures	\$ 5,653	\$ 0	\$ 0	\$ 5,653 [†]
Forward Currency Exchange Contracts	0	15,805	0	15,805
Centrally Cleared Credit Default Swaps	0	4,555	0	4,555 [†]
Centrally Cleared Interest Rate Swaps	0	496,962	0	496,962 [†]
Credit Default Swaps	0	81,164	0	81,164
Liabilities				
Futures	(248,492)	0	0	(248,492) [†]
Forward Currency Exchange Contracts	0	(179,555)	0	(179,555)
Centrally Cleared Interest Rate Swaps	0	(399,142)	0	(399,142) [†]
Credit Default Swaps	0	(123,424)	0	(123,424)
Total Return Swaps	0	(29,182)	0	(29,182)
Total	\$ 5,331,911	\$ 61,525,450	\$ 396,323	\$ 67,253,684

The Fund held securities with zero market value at period end.

* Other financial instruments are derivative instruments, such as futures, forwards and swaps, which 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.

† 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 the 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 settled 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 portfolio 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

NOTES TO FINANCIAL STATEMENTS (continued)

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

Effective April 30, 2021, under an amended advisory agreement, the Fund pays the Adviser an advisory fee at an annual rate of .45% of the first \$2.5 billion, .425% of the next \$2.5 billion and .40% in excess of \$5 billion of the Fund's average daily net assets. Prior to April 30, 2021, the Fund calculated and accrued daily a base fee, at an annualized rate of .40% of the Fund's average daily net assets ("Base Fee"). The prior advisory fee was increased or decreased from the Base Fee by a performance adjustment ("Performance Adjustment") that depended on whether, and to what extent, the investment performance of the Advisor Class shares of the Fund ("Measuring Class") exceeded, or was exceeded by, the performance of the Markit iBoxx USD Liquid High Yield Index ("Index") plus .75% ("Index Hurdle") over the Performance Period (as defined below). The Performance Adjustment was calculated and accrued daily, according to a schedule that added or subtracted .002667% of the Fund's average daily net assets for each .01% of absolute performance by which the performance of the Measuring Class exceeded or lagged the Index Hurdle for the period from the beginning of the Performance Period through the current business day. The maximum Performance Adjustment (positive or negative) could not exceed an annualized rate of +/- .20% ("Maximum Performance Adjustment") of the Fund's average daily net assets, which would occur when the performance of the Measuring Class exceeded, or was exceeded by, the Index Hurdle by .75% or more for the Performance Period. On a monthly basis, the Fund paid the Adviser the minimum fee rate of .20% on an annualized basis (Base Fee minus the Maximum Performance Adjustment) applied to the average daily net assets for the month. At the end of the Performance Period, the Fund paid to the Adviser the total advisory fee, less the amount of any minimum fees paid during the Performance Period and any waivers described below. The period over which performance was measured ("Performance Period") was initially from February 26, 2018 to December 31, 2019 and thereafter was each 12-month period beginning on the first day in the month of January through December 31 of the same year. In addition, the Adviser had agreed to waive its advisory fee by limiting the Fund's accrual of the advisory fee (Base Fee plus Performance Adjustment) on any day to the amount corresponding to the maximum fee rate multiplied by the Fund's current net assets if such amount was less than the amount that would have been accrued based on the Fund's average daily net assets for the Performance Period. For the period from January 1, 2021 until the

NOTES TO FINANCIAL STATEMENTS (continued)

implementation of the new advisory fee on April 30, 2021, the Fund paid the minimum fee under the prior advisory fee arrangement (0.20% of the Fund's average daily net assets) as a result of a fee waiver by the Adviser.

Effective April 30, 2021, the Adviser has agreed to waive its fees and bear certain expenses to the extent necessary to limit total expenses (other than acquired fund fees and expenses other than the advisory fees of any AB mutual funds in which the Fund may invest, interest expense, taxes, extraordinary expenses, and brokerage commissions and other transaction costs) on an annual basis (the "Expense Cap") to .85%, .60% and .60% of daily average net assets for the Class A, Advisor Class and Class Z, respectively. For the year ended October 31, 2022, such reimbursements/waivers amounted to \$386,176. The Expense Cap will remain in effect until January 31, 2023 and then may be continued thereafter from year to year by the Adviser.

Any fees waived and expenses borne by the Adviser between February 26, 2018 and December 31, 2019 are/were subject to repayment by the Fund until the end of the third fiscal year after the fiscal period in which the fee was waived or the expense was borne; such waivers that are subject to repayment amount to \$484,978 for the year ended December 31, 2019. Prior to April 30, 2021, the Advisor had agreed to waive its fees and bear certain expenses to the extent necessary to limit total expenses (other than the advisory fee, acquired fund fees and expenses other than the advisory fees of any AB mutual funds in which the Fund may invest, interest expense, taxes, extraordinary expenses, and brokerage commissions and other transaction costs) on an annual basis from exceeding .10% of average daily net assets. In any case, no repayment will be made that would cause the Fund's total annual expenses (subject to the exclusions set forth in the preceding sentence) to exceed .10% of average daily net assets.

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, 2022, the Adviser voluntarily agreed to waive such fees in the amount of \$81,463.

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 networking services. Such compensation retained by ABIS amounted to \$18,340 for the year ended October 31, 2022.

NOTES TO FINANCIAL STATEMENTS (continued)

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 has 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. 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, 2022, such waiver amounted to \$1,967.

A summary of the Fund’s transactions in AB mutual funds for the year ended October 31, 2022 is as follows:

Fund	Market Value 10/31/21 (000)	Purchases at Cost (000)	Sales Proceeds (000)	Market Value 10/31/22 (000)	Dividend Income (000)
Government Money Market Portfolio	\$ 2,464	\$ 44,725	\$ 41,853	\$ 5,336	\$ 28

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 .25% of the Fund’s average daily net assets attributable to Class A shares. There are no distribution and servicing fees on Advisor Class and Class Z shares. 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. In accordance with the Agreement, there is no provision for recovery of unreimbursed distribution costs incurred by the Distributor 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.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE D

Investment Transactions

Purchases and sales of investment securities (excluding short-term investments) for the year ended October 31, 2022, were as follows:

	<u>Purchases</u>	<u>Sales</u>
Investment securities (excluding U.S. government securities).....	\$ 40,728,207	\$ 28,336,430
U.S. government securities	- 0 -	309,621

As of October 31, 2022, the cost of investments for federal income tax purposes, gross unrealized appreciation and unrealized depreciation are as follows:

Cost	<u>\$ 77,127,181</u>
Gross unrealized appreciation	\$ 1,006,348
Gross unrealized depreciation	<u>(11,030,624)</u>
Net unrealized depreciation.....	<u>\$ (10,024,276)</u>

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:

- **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, 2022, the Fund held forward currency exchange contracts for hedging purposes.

- **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, 2022, the Fund held futures for hedging and non-hedging purposes.

- **Option Transactions**

For hedging and investment purposes, the Fund may purchase and write (sell) put and call options on U.S. and foreign securities,

including government securities, and foreign currencies that are traded on U.S. and foreign securities exchanges and over-the-counter markets. Among other things, the Fund may use options transactions for non-hedging purposes as a means of making direct investments in foreign currencies, as described below under “Currency Transactions” and may use options strategies involving the purchase and/or writing of various combinations of call and/or put options, for hedging and investment purposes.

The risk associated with purchasing an option is that the Fund pays a premium whether or not the option is exercised. Additionally, the Fund bears the risk of loss of the premium and change in market value should the counterparty not perform under the contract. If a put or call purchased option by the Fund were permitted to expire without being sold or exercised, its premium would represent a loss to the Fund. Put and call purchased options are accounted for in the same manner as portfolio securities. The cost of securities acquired through the exercise of call options is increased by premiums paid. The proceeds from securities sold through the exercise of put options are decreased by the premiums paid.

When the Fund writes an option, the premium received by the Fund is recorded as a liability and is subsequently adjusted to the current market value of the written option. The Fund’s maximum payment for written put options equates to the number of shares multiplied by the strike price. In certain circumstances maximum payout amounts may be partially offset by recovery values of the respective referenced assets and upfront premium received upon entering into the contract. Premiums received from written options which expire unexercised are recorded by the Fund on the expiration date as realized gains from written options. The difference between the premium received and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or if the premium received is less than the amount paid for the closing purchase transaction, as a realized loss. If a call option is exercised, the premium received is added to the proceeds from the sale of the underlying security or currency in determining whether the Fund has realized a gain or loss. If a put option is exercised, the premium received reduces the cost basis of the security or currency purchased by the Fund. In writing an option, the Fund bears the market risk of an unfavorable change in the price of the security or currency underlying the written option. Exercise of a written option by the Fund could result in the Fund selling or buying a security or currency at a price different from the current market value.

The Fund may also invest in options on swap agreements, also called “swaptions”. A swaption is an option that gives the buyer the right, but not the obligation, to enter into a swap on a future date in exchange for paying a market-based “premium”. A receiver swaption gives the owner the right to receive the total return of a specified asset, reference rate, or index. A payer swaption gives the owner the right to pay the total return of a specified asset, reference rate, or index. Swaptions also include options that allow an existing swap to be terminated or extended by one of the counterparties. The Fund’s maximum payment for written put swaptions equates to the notional amount of the underlying swap. In certain circumstances maximum payout amounts may be partially offset by recovery values of the respective referenced assets and upfront premium received upon entering into the contract.

During the year ended October 31, 2022, the Fund held written swaptions for 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 including by making direct investments in foreign currencies, as described below under “Currency Transactions” or in order to take a “long” or “short” position with respect to an underlying referenced asset described below under “Total Return Swaps”. 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 a 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, 2022, the Fund held interest rate 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

NOTES TO FINANCIAL STATEMENTS (continued)

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 obligation 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, 2022, the Fund held credit default swaps for hedging and non-hedging purposes.

Total Return Swaps:

The Fund may enter into total return swaps in order to take a "long" or "short" position with respect to an underlying referenced asset. The Fund is subject to market price volatility of the underlying referenced asset. A total return swap involves commitments to pay interest in exchange for a market linked return based on a notional amount. To the extent that the total return of the security, group of securities or index underlying the transaction exceeds or falls short of the offsetting interest obligation, the Fund will receive a payment from or make a payment to the counterparty.

During the year ended October 31, 2022, the Fund held total return swaps for hedging and non-hedging purposes.

NOTES TO FINANCIAL STATEMENTS (continued)

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 tables below for additional details.

During the year ended October 31, 2022, 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/Payable for variation margin on futures	\$ 5,653*	Receivable/Payable for variation margin on futures	\$ 248,492*
Interest rate contracts.....	Receivable/Payable for variation margin on centrally cleared swaps	459,967*	Receivable/Payable for variation margin on centrally cleared swaps	415,800*
Foreign currency contracts.....	Unrealized appreciation on forward currency exchange contracts	15,805	Unrealized depreciation on forward currency exchange contracts	179,555
Credit contracts	Market value of credit default swaps	81,164	Market value of credit default swaps	123,424

NOTES TO FINANCIAL STATEMENTS (continued)

Derivative Type	Asset Derivatives		Liability Derivatives	
	Statement of Assets and Liabilities Location	Fair Value	Statement of Assets and Liabilities Location	Fair Value
Credit contracts....			Receivable/Payable for variation margin on centrally cleared swaps	\$ 73,651*
Credit contracts....			Unrealized depreciation on total return swaps	29,182
Total		\$ 562,589		\$ 1,070,104

* 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 swaps; Net change in unrealized appreciation (depreciation) on swaps	\$ (9,659)	\$ 106,898
Interest rate contracts	Net realized gain/(loss) on futures; Net change in unrealized appreciation (depreciation) on futures	(481,445)	(175,498)
Foreign currency contracts....	Net realized gain/(loss) on forward currency exchange contracts; Net change in unrealized appreciation (depreciation) on forward currency exchange contracts	905,936	(233,744)
Credit contracts	Net realized gain/(loss) on swaps; Net change in unrealized appreciation (depreciation) on swaps	(120,092)	(103,314)
Credit Contracts	Net realized gain/(loss) on written swaptions; Net change in unrealized appreciation (depreciation) on written swaptions	45,105	- 0 -

NOTES TO FINANCIAL STATEMENTS (continued)

<u>Derivative Type</u>	<u>Location of Gain or (Loss) on Derivatives Within Statement of Operations</u>	<u>Realized Gain or (Loss) on Derivatives</u>	<u>Change in Unrealized Appreciation or (Depreciation)</u>
Equity contracts	Net realized gain/(loss) on futures; Net change in unrealized appreciation (depreciation) on futures	\$ (10,077)	\$ (7,175)
Total.....		<u>\$ 329,768</u>	<u>\$ (412,833)</u>

The following table represents the average monthly volume of the Fund's derivative transactions during the year ended October 31, 2022:

Centrally Cleared Credit Default Swaps:	
Average notional amount of buy contracts	\$ 2,590,000 ^(a)
Average notional amount of sale contracts	\$ 3,413,789 ^(b)
Centrally Cleared Interest Rate Swaps	
Average notional amount	\$ 13,207,000
Credit Default Swaps:	
Average notional amount of buy contracts	\$ 334,264
Average notional amount of sale contracts	\$ 701,904
Forward Currency Exchange Contracts:	
Average principal amount of buy contracts	\$ 186,535 ^(c)
Average principal amount of sale contracts	\$ 4,865,719
Futures:	
Average notional amount of buy contracts	\$ 4,459,399
Average notional amount of sale contracts	\$ 166,297
Total Return Swaps:	
Average notional amount	\$ 750,355
Written Swaptions:	
Average notional amount	\$ 2,910,000 ^(d)

a) Positions were open for one month during the reporting period.

b) Positions were open for eleven months during the reporting period.

c) Positions were open for ten months during the reporting period.

d) Positions were open for three months during the reporting period.

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, 2022. Exchange-traded derivatives and centrally cleared swaps are not subject to netting arrangements and as such are excluded from the tables.

NOTES TO FINANCIAL STATEMENTS (continued)

Counterparty	Derivative Assets Subject to a MA	Derivatives Available for Offset	Cash Collateral Received*	Security Collateral Received*	Net Amount of Derivative Assets
BNP Paribas SA.....	\$ 10	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ 10
Brown Brothers Harriman & Co.....	15,805	(9,083)	- 0 -	- 0 -	6,722
Credit Suisse International.....	49,368	(26,878)	- 0 -	- 0 -	22,490
Goldman Sachs Bank USA/Goldman Sachs International.....	31,786	(31,786)	- 0 -	- 0 -	- 0 -
Total	<u>\$ 96,969</u>	<u>\$ (67,747)</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 29,222[^]</u>

Counterparty	Derivative Liabilities Subject to a MA	Derivatives Available for Offset	Cash Collateral Pledged*	Security Collateral Pledged*	Net Amount of Derivative Liabilities
Bank of America, NA	\$ 170,472	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ 170,472
Brown Brothers Harriman & Co.....	9,083	(9,083)	- 0 -	- 0 -	- 0 -
Credit Suisse International.....	26,878	(26,878)	- 0 -	- 0 -	- 0 -
Deutsche Bank AG.....	51,866	- 0 -	- 0 -	- 0 -	51,866
Goldman Sachs Bank USA/Goldman Sachs International.....	73,862	(31,786)	- 0 -	- 0 -	42,076
Total	<u>\$ 332,161</u>	<u>\$ (67,747)</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 264,414[^]</u>

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

[^] 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.

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).

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE E Capital Stock

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

	Shares			Amount		
	Year Ended October 31, 2022	January 1, 2021 to October 31, 2021 ^(a)	Year Ended December 31, 2020	Year Ended October 31, 2022	January 1, 2021 to October 31, 2021 ^(a)	Year Ended December 31, 2020
Class A*						
Shares sold	110,732	15,725	– 0 –	\$ 1,074,065	\$ 157,857	\$ – 0 –
Shares issued in reinvestment of dividends	1,981	90	– 0 –	17,332	899	– 0 –
Shares redeemed	(6,734)	– 0 –	– 0 –	(59,373)	– 0 –	– 0 –
Net increase	105,979	15,815	– 0 –	\$ 1,032,024	\$ 158,756	\$ – 0 –
Advisor Class						
Shares sold	5,003,503	3,689,392	1,342,319	\$ 45,166,837	\$ 36,953,019	\$ 12,290,493
Shares issued in reinvestment of dividends	218,017	90,586	121,319	1,949,901	905,458	1,122,225
Shares redeemed	(3,405,602)	(1,335,401)	(1,709,250)	(31,564,032)	(13,332,322)	(15,689,987)
Net increase (decrease)	1,815,918	2,444,577	(245,612)	\$ 15,552,706	\$ 24,526,155	\$ (2,277,269)
Class Z*						
Shares sold	2,395	5,880	– 0 –	\$ 24,001	\$ 59,180	\$ – 0 –
Shares issued in reinvestment of dividends	90	– 0 –	– 0 –	834	– 0 –	– 0 –
Shares redeemed	(2,485)	– 0 –	– 0 –	(20,650)	– 0 –	– 0 –
Net increase	– 0 –	5,880	– 0 –	\$ 4,185	\$ 59,180	\$ – 0 –

(a) The Fund changed its fiscal year end from December 31 to October 31.

* Commenced distribution on April 30, 2021.

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 its 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.

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 end of a recent period of historically low rates and the effect of potential government fiscal policy initiatives and resulting market reaction to those initiatives.

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.

Below Investment-Grade Securities Risk—Investments in fixed-income securities with lower ratings (commonly known as “junk bonds”) are subject to a higher probability that an issuer will default or fail to meet its payment obligations. These securities may be subject to greater price volatility due to such factors as specific corporate developments and negative perceptions of the junk bond market generally and may be more difficult to trade than other types of securities.

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 the 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.

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 instrument, 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.

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.

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.

Emerging-Market Risk—Investments in emerging market countries may have more risk because the markets are less developed and less liquid and are subject to increased economic, political, regulatory or other uncertainties.

Currency Risk—Fluctuations in currency exchange rates may negatively affect the value of the Fund’s investments in fixed-income securities denominated in foreign currencies or reduce the Fund’s returns.

Illiquid Investments Risk—Illiquid investments risk exists when certain investments 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 decline.

LIBOR Transition and Associated Risk—A Fund may be exposed to debt securities, derivatives or other financial instruments that utilize the London Interbank Offered Rate, or “LIBOR,” as a “benchmark” or “reference rate” for various interest rate calculations. In 2017, the United Kingdom Financial Conduct Authority (“FCA”), which regulates LIBOR, announced a desire to phase out the use of LIBOR by the end of 2021. The FCA and LIBOR’s administrator, ICE Benchmark Administration, have since announced that most LIBOR settings (which reflect LIBOR rates quoted in different currencies over various time periods) will no longer be published after the end of 2021 but that the most widely used U.S. Dollar LIBOR settings will continue to be published until June 30, 2023. However,

banks were strongly encouraged to cease entering into agreements with counterparties referencing LIBOR by the end of 2021. It is possible that a subset of LIBOR settings will be published after these dates on a “synthetic” basis, but any such publications would be considered non-representative of the underlying market. Since 2018 the Federal Reserve Bank of New York has published the secured overnight funding 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 and has been used increasingly on a voluntary basis in new instruments and transactions. In addition, on March 15, 2022, the Adjustable Interest Rate Act was signed into law. This law provides a statutory fallback mechanism to replace LIBOR with a benchmark rate that is selected by the Federal Reserve Board and based on SOFR for certain contracts that reference LIBOR without adequate fallback provisions.

The elimination of LIBOR or changes to other reference rates or any other changes or reforms to the determination or supervision of reference rates could have an adverse impact on the market for, or value of, any securities or payments linked to those reference rates, which may adversely affect a Fund’s performance and/or net asset value. Uncertainty and risk also remain regarding the willingness and ability of issuers and lenders to include revised provisions in new and existing contracts or instruments. Consequently, the transition from LIBOR to other reference rates may lead to increased volatility and illiquidity in markets that are tied to LIBOR, fluctuations in values of LIBOR-related investments or investments in issuers that utilize LIBOR, increased difficulty in borrowing or refinancing and diminished effectiveness of hedging strategies, potentially adversely affecting a Fund’s performance. Furthermore, the risks associated with the expected discontinuation of LIBOR and transition may be exacerbated if the work necessary to effect an orderly transition to an alternative reference rate is not completed in a timely manner. Neither the effect 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

NOTES TO FINANCIAL STATEMENTS (continued)

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, 2022.

NOTE H Distributions to Shareholders

The tax character of distributions paid during the fiscal year ended October 31, 2022, period ended October 31, 2021 and year ended December 31, 2020 were as follows:

	November 1, 2021 to October 31, 2022	January 1, 2021 to October 31, 2021	January 1, 2020 to December 31, 2020
Distributions paid from:			
Ordinary income	\$ 3,710,884	\$ 2,144,305	\$ 2,379,537
Total taxable distributions paid ...	<u>\$ 3,710,884</u>	<u>\$ 2,144,305</u>	<u>\$ 2,379,537</u>

As of December 31, 2021, the Fund's most recent tax year-end, the components of accumulated earnings/(deficit) on a tax basis were as follows:

Undistributed ordinary income.....	\$ 42,753
Accumulated capital and other losses	(9,133,476) ^(a)
Unrealized appreciation (depreciation)	601,097 ^(b)
Total accumulated earnings/(deficit).....	<u>\$ (8,489,626)^(c)</u>

(a) As of December 31, 2021, the Fund had a net capital loss carryforward of \$9,133,476. During the tax year, the Fund utilized \$856,675 of capital loss carry forwards to offset current year net realized gains.

(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, return of capital distributions received from underlying securities, the tax treatment of callable bonds, the tax treatment of swaps, the tax deferral of losses on wash sales, and the tax treatment of partnership investments.

(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.

NOTES TO FINANCIAL STATEMENTS (continued)

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 December 31, 2021, the Fund's most recent tax year end, the Fund had a net short-term capital loss carryforward of \$4,806,884 and a net long-term capital loss carryforward of \$4,326,592, 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 March 2020, the Financial Accounting Standards Board issued an Accounting Standards Update, ASU 2020-04, "Reference Rate Reform (Topic 848)—Facilitation of the Effects of Reference Rate Reform on Financial Reporting." ASU 2020-04 provides optional guidance to ease the potential accounting burden due to the discontinuation of the LIBOR and other interbank-offered based reference rates. ASU 2020-04 is effective as of March 12, 2020 through December 31, 2022. Management is currently evaluating the impact, if any, of applying ASU 2020-04.

NOTE J

Subsequent Events

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 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, 2022	April 30, 2021 ^(a) to October 31, 2021 ^(b)	November 1, 2017 to February 26, 2018 ^(a)	Year Ended October 31, 2017
Net asset value, beginning of period	\$ 9.98	\$ 9.98	\$ 9.71	\$ 9.46
Income From Investment Operations				
Net investment income ^{(c)(d)} .....	.44	.17	.15	.46
Net realized and unrealized gain (loss) on investment and foreign currency transactions	(1.69)	.05	(.18)	.25
Contributions from Affiliates	- 0 -	- 0 -	- 0 -	.00 ^(e)
Net increase (decrease) in net asset value from operations	(1.25)	.22	(.03)	.71
Less: Dividends and Distributions				
Dividends from net investment income	(.52)	(.22)	(.12)	(.42)
Return of capital	- 0 -	- 0 -	- 0 -	(.04)
Total dividends and distributions	(.52)	(.22)	(.12)	(.46)
Net asset value, end of period	\$ 8.21	\$ 9.98	\$ 9.56	\$ 9.71
Total Return				
Total investment return based on net asset value ^(f)	(12.89)%	2.23%	(.02)%	7.61% ⁺
Ratios/Supplemental Data				
Net assets, end of period (000's omitted) ...	\$1,001	\$158	\$3,131	\$5,150
Ratio to average net assets of:				
Expenses, net of waivers/ reimbursements ^{(g)(h)}† .....	.85%	.85% [^]	.95% [^]	.95%
Expenses, before waivers/ reimbursements ^{(g)(h)} †	1.61%	2.28% [^]	3.27% [^]	2.64%
Net investment income ^(d)	4.88%	3.43% [^]	4.70% [^]	4.82%
Portfolio turnover rate ⁺⁺⁺	48%	36%	75%	65%
† Expense ratios exclude the estimated acquired fund fees of affiliated/unaffiliated underlying portfolios .....	.00%	.00% [^]	.00% [^]	.01%

See footnote summary on page 90.

FINANCIAL HIGHLIGHTS (continued)

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

	Advisor Class					
	Year Ended October 31, 2022	January 1, 2021 to October 31, 2021 ^(b)	Year Ended December 31, 2020 2019		November 1, 2018 to December 31, 2018 ^(a)	Year Ended October 31, 2018
Net asset value, beginning of period.....	\$ 9.98	\$ 9.86	\$ 9.63	\$ 8.90	\$ 9.36	\$ 9.71
Income From Investment Operations						
Net investment income ^{(c)(d)}.....	.45	.38	.50	.52	.09	.50
Net realized and unrealized gain (loss) on investment and foreign currency transactions	(1.68)	.16	.30	.77	(.41)	(.37)
Contributions from Affiliates	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	.00 ^(e)
Net increase (decrease) in net asset value from operations	(1.23)	.54	.80	1.29	(.32)	.13
Less: Dividends						
Dividends from net investment income	(.54)	(.42)	(.57)	(.56)	(.14)	(.48)
Net asset value, end of period	\$ 8.21	\$ 9.98	\$ 9.86	\$ 9.63	\$ 8.90	\$ 9.36
Total Return						
Total investment return based on net asset value ^{(f)*}	(12.68)%	5.56%	8.95%+	14.77%+	(3.45)%	1.32%**
Ratios/Supplemental Data						
Net assets, end of period (000's omitted)	\$67,249	\$63,608	\$38,751	\$40,218	\$30,509	\$33,990
Ratio to average net assets of:						
Expenses, net of waivers/reimbursements ^{(g)(h)†} ...	.60%	.51% [^]	.70%	.29% ⁺⁺	.29% ^{^++}	.33%
Expenses, before waivers/reimbursements ^{(g)(h)†} ...	1.35%	1.74% [^]	2.17%	1.84% ⁺⁺	3.25% ^{^++}	2.56%
Net investment income ^(d)	5.00%	4.60% [^]	5.41%	5.45%	5.73% [^]	5.20%
Portfolio turnover rate ⁺⁺⁺	48%	36%	75%	40%	5%	75%

† Expense ratios exclude the estimated acquired fund fees of affiliated/unaffiliated underlying portfolios 0.00% 0.00%[^] 0.00% 0.01% 0.01%[^] 0.01%

See footnote summary on page 90.

FINANCIAL HIGHLIGHTS (continued)

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

	Class Z			
	Year Ended October 31, 2022	April 30, 2021 ^(a) to October 31 2021 ^(b)	November 1, 2017 to February 26, 2018 ^(a)	Year Ended October 31, 2017
Net asset value, beginning of period	\$ 9.98	\$ 9.98	\$ 9.70	\$ 9.45
Income From Investment Operations				
Net investment income ^{(c)(d)} .....	.44	.18	.16	.49
Net realized and unrealized gain (loss) on investment and foreign currency transactions	(1.67)	.05	(.18)	.24
Contributions from Affiliates	- 0 -	- 0 -	- 0 -	.00 ^(e)
Net increase (decrease) in net asset value from operations	(1.23)	.23	(.02)	.73
Less: Dividends and Distributions				
Dividends from net investment income	(.54)	(.23)	(.13)	(.43)
Return of capital	- 0 -	- 0 -	- 0 -	(.05)
Total dividends and distributions	(.54)	(.23)	(.13)	(.48)
Net asset value, end of period	\$ 8.21	\$ 9.98	\$ 9.55	\$ 9.70
Total Return				
Total investment return based on net asset value ^{(f)*}	(12.67)%	2.36%	.14%	7.91% ⁺
Ratios/Supplemental Data				
Net assets, end of period (000's omitted)	\$48	\$59	\$417	\$499
Ratio to average net assets of:				
Expenses, net of waivers/ reimbursements ^{(g)(h)†} .....	.60%	.60% [^]	.70% [^]	.73%
Expenses, before waivers/ reimbursements ^{(g)(h)†}	1.27%	1.92% [^]	2.78% [^]	1.41%
Net investment income ^(d)	4.87%	3.61% [^]	5.04% [^]	5.12%
Portfolio turnover rate ⁺⁺⁺	48%	36%	75%	65%

† Expense ratios exclude the estimated acquired fund fees of affiliated/unaffiliated underlying portfolios

See footnote summary on page 90.

FINANCIAL HIGHLIGHTS (continued)

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

- (a) Class A and Class Z shares of the Fund were not in operation from February 26, 2018 until April 30, 2021.
- (b) The Fund changed its fiscal year end from December 31 to October 31.
- (c) Based on average shares outstanding.
- (d) Net of expenses waived/reimbursed by the Adviser.
- (e) Amount is less than \$.005.
- (f) 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. Total investment 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 for a period of less than one year is not annualized.
- (g) The expense ratios presented below exclude interest expense:

	Year Ended October 31, 2022	January 1, 2021 to October 31, 2021 ^(b)	Year Ended December 31,		November 1, 2018 to December 31, 2018 ^(b)	Year Ended October 31,	
			2020	2019		2018	2017
Class A							
Net of waivers/ reimbursements .....	.85%	.85% [^]	N/A	N/A	N/A	.95% ^{(a)^}	.95%
Before waivers/ reimbursements	1.61%	2.28% [^]	N/A	N/A	N/A	3.27% ^{(a)^}	2.69%
Advisor Class							
Net of waivers/ reimbursements .....	.60%	.51% [^]	.70%	.29%	.29% [^]	.31%	.70%
Before waivers/ reimbursements	1.35%	1.74% [^]	2.17%	1.84%	3.25% [^]	2.54%	2.54%
Class Z							
Net of waivers/ reimbursements .....	.60%	.60% [^]	N/A	N/A	N/A	.70% ^{(a)^}	.73%
Before waivers/ reimbursements	1.27%	1.92% [^]	N/A	N/A	N/A	2.77% ^{(a)^}	1.47%

- (h) In connection with the Fund's investments in affiliated underlying portfolios, the Fund incurs no direct expenses, but bears proportionate shares of the fees and expenses (i.e., operating, administrative and investment advisory fees) of the affiliated underlying portfolios. The Adviser has contractually agreed to waive its fees from the Fund in an amount equal to the Fund's pro rata share of certain acquired fund fees and expenses, and for the year ended December 31, 2019, period ended December 31, 2018, years ended October 31, 2018 and October 31, 2017, such waivers amounted to .01%, .01% (annualized), .01% and .01%, respectively.

- (i) The Fund changed its fiscal year end from October 31 to December 31.

[^] Annualized.

* Includes the impact of proceeds received and credited to the Fund resulting from class action settlements, which enhanced the Fund's performance for the years ended December 31, 2019, October 31, 2018 and October 31, 2017 by .01%, .03% and .07%, respectively.

** Includes the impact of reimbursements from the Adviser which enhanced the Fund's performance for the year ended October 31, 2018 by .01%.

+ 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.

++ The advisory fee reflected in the Fund's expense ratio may be higher or lower than the Base Fee plus Performance Adjustment due to the different time periods over which the fee is calculated (i.e., the financial reporting vs. the Performance Period).

+++ Portfolio turnover is calculated for the Fund as a whole for the full fiscal year or period, as applicable, and is not annualized.

See notes to financial statements.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of AB High Yield Portfolio

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of AB High Yield Portfolio, (formerly known as AB FlexFee High Yield Portfolio) (the “Fund”), (one of the portfolios constituting the AB Bond Fund, Inc. (the “Company”)), including the portfolio of investments, as of October 31, 2022, and the related statement of operations for the year then ended, the statements of changes in net assets for the year then ended, the period from January 1, 2021 through October 31, 2021 and for the year ended December 31, 2020, the financial highlights for each of the periods indicated therein through October 31, 2022 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 the AB Bond Fund, Inc.) at October 31, 2022, the results of its operations for the year then ended, the changes in its net assets for the year then ended, the period from January 1, 2021 through October 31, 2021 and for the year ended December 31, 2020, and its financial highlights for each of the periods indicated therein through October 31, 2022, 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.

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

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 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, 2022, 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 23, 2022

2022 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 tax year ended December 31, 2021. For foreign shareholders, 67.78% 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 2023.

BOARD OF DIRECTORS

Marshall C. Turner, Jr.⁽¹⁾,
Chairman
Jorge A. Bermudez⁽¹⁾
Michael J. Downey⁽¹⁾
Onur Erzan, President and
Chief Executive Officer

Nancy P. Jacklin⁽¹⁾
Jeanette W. Loeb⁽¹⁾
Carol C. McMullen⁽¹⁾
Garry L. Moody⁽¹⁾

OFFICERS

Gershon M. Distenfeld⁽²⁾, Vice
President
Robert Schwartz⁽²⁾, Vice President
William Smith⁽²⁾, Vice President
Emilie D. Wrapp, Secretary

Michael B. Reyes, Senior Vice
President
Joseph J. Mantineo, Treasurer
and Chief Financial Officer
Phyllis J. Clarke, Controller
Vincent S. Noto, Chief
Compliance Officer

Custodian and Accounting Agent
Brown Brothers Harriman & Co.
50 Post Office Square
Boston, MA 02110

**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 High Yield Investment Team. Messrs. Distenfeld, Schwartz and Smith 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 DIRECTORSHIPS CURRENTLY HELD BY DIRECTOR
INTERESTED DIRECTOR			
Onur Erzan,+ 1345 Avenue of the Americas New York, NY 10105 46 (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 and 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 2021, he spent over 19 years with McKinsey, 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.	75	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 DIRECTORSHIPS CURRENTLY HELD BY DIRECTOR
DISINTERESTED DIRECTORS			
Marshall C. Turner, Jr.# <i>Chairman of the Board</i> 81 (2014)	Private Investor since prior to 2017. Former Chairman and CEO of Dupont Photomasks, Inc. (semi-conductor manufacturing equipment). 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. 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 he 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 AB Funds since 2005. He has been Chairman of the AB Funds since January 2014, and the Chairman of the Independent Directors Committees of the AB Funds since February 2014.	75	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 DIRECTORSHIPS CURRENTLY HELD BY DIRECTOR
DISINTERESTED DIRECTORS (continued)			
Jorge A. Bermudez, # 71 (2020)	Private Investor since prior to 2017. 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. He has served as director or trustee of the AB Funds since January 2020.	75	Moody's Corporation since April 2011
Michael J. Downey, # 78 (2014)	Private Investor since prior to 2017. Formerly, Chairman of The Asia Pacific Fund, Inc. (registered investment company) since prior to 2017 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.	75	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 DIRECTORSHIPS CURRENTLY HELD BY DIRECTOR
DISINTERESTED DIRECTORS (continued)			
Nancy P. Jacklin,# 74 (2014)	Private Investor since prior to 2017. 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 has been Chair of the Governance and Nominating Committees of the AB Funds since August 2014.	75	None
Jeanette W. Loeb,# 70 (2020)	Chief Executive Officer of PetCareRx (e-commerce pet pharmacy) from 2002 to 2011 and 2015 to present. Director of New York City Center since 2005. She was a director of AB Multi-Manager Alternative Fund, Inc. (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.	75	Apollo Investment Corp. (business development company) since August 2011

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 DIRECTORSHIPS CURRENTLY HELD BY DIRECTOR
DISINTERESTED DIRECTORS (continued)			
Carol C. McMullen,# 67 (2016)	Managing Director of Slalom Consulting (consulting) since 2014, private investor and a member of the Advisory Board of Butcher Box (since 2018). Formerly, member, 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 to 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.	75	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 DIRECTORSHIPS CURRENTLY HELD BY DIRECTOR
DISINTERESTED DIRECTORS (continued)			
Garry L. Moody,# 70 (2014)	Private Investor since prior to 2017. 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 is a member of the Investment Company Institute's Board of Governors and the Independent Directors Council's Governing Council, where he serves as Chairman of its Governance Committee. He has served as a director or trustee, and as Chairman of the Audit Committees, of the AB Funds since 2008.	75	None

* The address for each of the Fund's disinterested Directors is c/o AllianceBernstein L.P., Attention: Legal and Compliance Dept.—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 Portfolio as defined in the Investment Company Act of 1940, 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	POSITION(S) HELD WITH FUND	PRINCIPAL OCCUPATION DURING PAST 5 YEARS
Onur Erzan 46	President and Chief Executive Officer	See biography above.
Gershon M. Distenfeld 47	Vice President	Senior Vice President of the Adviser**, with which he has been associated since prior to 2017. He is also Co-Head of Fixed-Income.
William Smith 35	Vice President	Senior Vice President of the Adviser**, with which he has been associated since prior to 2017. He is also a Director of US High Yield Credit.
Robert Schwartz 50	Vice President	Senior Vice President of the Manager**, with which he has been associated since prior to 2017.
Emilie D. Wrapp 67	Secretary	Senior Vice President, Assistant General Counsel and Assistant Secretary of ABI**, with which she has been associated since prior to 2017.
Michael B. Reyes 46	Senior Vice President	Vice President of the Adviser**, with which has been associated since prior to 2017.
Joseph J. Mantineo 63	Treasurer and Chief Financial Officer	Senior Vice President of ABIS**, with which he has been associated since prior to 2017.
Phyllis J. Clarke 61	Controller	Vice President of ABIS**, with which she has been associated since prior to 2017.
Vincent S. Noto 58	Chief Compliance Officer	Senior Vice President and Mutual Fund Chief Compliance Officer of the Adviser** since prior to 2017.

* 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 for a free prospectus or SAI.

Operation and Effectiveness of the Funds' 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/Trustees (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 2022, which covered the period January 1, 2021 through December 31, 2021 (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 Funds' 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 significantly recovered and improved compared to the prior reporting period which included extreme levels of price volatility and relative illiquidity beginning in March 2020 with COVID-19 impacts. As such, the Program operated in a relatively robust and benign liquidity environment experienced in markets 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.

Board Consideration of Amendment to the Fund's Advisory Agreement

At the Board Meeting held by video conference on November 3-5, 2020, the Adviser presented its recommendation that the Board of Directors (the "Board" or "Directors") of AB Bond Fund, Inc. (the "Company") consider and approve an amendment to the Company's then-current Advisory Agreement with the Adviser (the "Amended Agreement") in respect of AB FlexFee™ High Yield Portfolio (the "Fund")* to implement an advisory fee with breakpoints at specific asset levels (based on the Fund's average daily net assets) and eliminate the performance-based advisory fee. The Adviser cited the following reasons for its recommendation:

- The performance-based fee structure has failed to increase investor demand and attract significant assets for the Fund, making it more difficult for the Fund to achieve economies of scale. The Adviser also observed that the Fund's then-current advisory fee structure was not in line with those of peer funds, noting that few other firms had made a substantial effort to launch fulcrum fee funds since implementation of the performance-based fee structure for the Fund in 2018.
- The methodology used to calculate the performance-based fee is complex, preventing the Fund from being more competitive in the mutual fund marketplace.
- The performance-based fee structure creates uncertainty for investors in reasonably predicting Fund expenses, due to significant fluctuations in advisory fees and total expense ratios that can result from fund performance fluctuations. This was a particular issue in the qualified plan context, where uncertainty about the amount of future fees has been a concern.

At the recommendation of the Adviser, the Board, including a majority of the Directors who are not interested persons of the Company (the "Independent Directors") as defined in the Investment Company Act of 1940, as amended ("1940 Act"), approved the Amended Agreement between the Company, on behalf of the Fund, and the Adviser, for an initial two-year period, at the Board Meeting. The Board, including the Independent Directors, also recommended approval of the Amended Agreement by stockholders.

At the Board Meeting, the Board also approved, upon recommendation of the Adviser, (i) changing the Fund's name to "AB High Yield Portfolio"; (ii) changing the benchmark against which the Fund's performance is compared in the Fund's prospectus and shareholder reports from the Markit iBoxx USD Liquid High Yield Index to the Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Capped Index, the index used by the Fund

* Effective April 30, 2021, the Fund changed its name to AB High Yield Portfolio.

prior to the implementation of the performance-based fee structure; (iii) changing the Fund's fiscal year end from December 31 to October 31, to be consistent with the other fixed-income mutual funds advised by the Adviser with conventional asset-based advisory fees; and (iv) changing the Fund's dividend policy to declare dividends daily instead of monthly. The Directors also noted the Adviser's intent, in connection with these changes, to offer Class A and Class Z shares in addition to Advisor Class shares. Implementation of the foregoing changes and actions was conditioned upon approval by stockholders of the Amended Agreement and would be effective on or about May 1, 2021.

The Directors also considered that the Fund would not bear the expenses relating to the above-referenced changes, including expenses relating to the special meeting of stockholders called to approve the Amended Agreement and the preparation, printing and mailing of the proxy materials and of all related solicitations, in light of the applicable expense limitation agreement and the Adviser's agreement to bear such expenses to the extent not subject to such expense limitation agreement.

At the Board Meeting, the Directors also approved the continuance of the Fund's then-current Advisory Agreement for an additional annual term or, if earlier, until such time as the Amended Agreement takes effect.

Prior to their approval of the Amended Agreement and the continuance of the then-current Advisory Agreement, the Directors had requested from the Adviser, and received and evaluated, extensive materials. They reviewed the proposed Amended Agreement and the proposed continuance of the then-current 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 Analyst for the Fund. The Directors also discussed the proposed approvals in private sessions with counsel.

The Directors considered the fact that the Amended Agreement would have terms and conditions substantially identical to those of the then-current Advisory Agreement, except for (i) the absence of the performance-based advisory fee and adoption of a more conventional advisory fee, which would consist of an advisory fee with breakpoints at specific asset levels (based on the Fund's average daily net assets) under the Amended Agreement and (ii) the change in the name of the Fund.

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 then-current and proposed management fees. In connection with their consideration of the then-current management fee, the Directors considered materials presented to them concerning the SEC's published guidance on factors that should be considered in connection with fulcrum fee arrangements, including the following factors: (1) the fairness of the fulcrum fee; (2) selection of an appropriate index against which fund performance should be measured; (3) variations in periods used for computing average asset values and performance; (4) length of period over which performance is computed; (5) computation of performance over a rolling period; (6) performance for transitional periods; (7) computation of the performance of the fund and the index with respect to payment of dividends and capital gains distributions; and (8) avoidance of basing significant fee adjustments upon random or insignificant differences. 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 then-current Advisory Agreement and the Amended Agreement, 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 then-current Advisory Agreement and to be provided under the Amended 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 Amended Agreement, similar to the then-current 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. The Directors noted that the Adviser had not requested any reimbursements from the Fund in 2020 through the date of the Board Meeting, in the Fund's fiscal year ended December 31, 2019, in the two-month fiscal period ended December 31, 2018 and in the fiscal year ended October 31, 2018. 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 then-current Advisory Agreement and to be provided to the Fund under the Amended Agreement.

Costs of Services to be Provided and Profitability

In connection with their approval of the continuance of the Fund's then-current Advisory Agreement 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 2018 and 2019 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 then-current 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 noted that the Fund was not profitable to the Adviser in the periods reviewed. The Directors noted that, due to the performance fee component of the advisory fee under the then-current Advisory Agreement, profitability would tend to be higher with better performance relative to the Fund's benchmark index, which they considered to create an appropriate alignment of incentives. The Directors noted that, due to the elimination of the performance fee, profitability in respect of periods after the effective date of the Amended Agreement (if it becomes effective) would no longer be directly affected by investment performance relative to the Fund's benchmark index.

The Adviser agreed to provide the Directors with profitability information in connection with future proposed continuances of the Amended Agreement and the Directors recognized that such information for 2021 and subsequent years would differ from that reviewed previously as a result of the elimination of the performance fee.

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 to be received by the Fund's principal underwriter (which is a wholly owned subsidiary of the Adviser) in respect of Class A shares to be offered with the implementation of the Amended Agreement, and transfer agency fees paid by the Fund to a wholly owned subsidiary of the Adviser. The Directors recognized that the Fund's unprofitability to the Adviser would be exacerbated 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 Board Meeting, the Directors receive detailed performance information for the Fund at each regular Board meeting during the year.

At the Board Meeting, the Directors reviewed performance information for the Fund's operations 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 period ended July 31, 2020. Based on their review, the Directors concluded that the Fund's investment performance was acceptable. In connection with their consideration of the Amended Agreement, the Directors noted that the Fund's performance would have been different had the fee schedule in the Amended Agreement been in effect during such periods.

Management Fees and Other Expenses

The Directors considered the advisory fee rate payable by the Fund to the Adviser under the then-current Advisory Agreement and the proposed advisory fee rate payable by the Fund to the Adviser under the Amended Agreement, 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 considered the

Fund's contractual effective advisory fee rate under the then-current Advisory Agreement against a peer group median. The Directors also compared the Fund's proposed contractual effective advisory fee rate under the Amended Agreement with a peer group median. The information reviewed by the Directors showed that its proposed contractual effective advisory fee rate under the Amended Agreement was lower than the peer group median.

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 Analyst and noted the differences between the Fund's fee schedule under the then-current Advisory Agreement and the Amended Agreement, 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 Directors previously discussed these matters with an independent fee consultant.

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 stockholders 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.

The Directors noted that the Fund invests in shares of exchange-traded funds ("ETFs"), subject to the restrictions and limitations of the 1940 Act as these may be varied as a result of exemptive orders issued by the SEC. The Directors also noted that ETFs pay advisory fees pursuant to their

advisory contracts, and that the Adviser had provided, and they had reviewed, information about the expense ratios of the relevant ETFs. The Directors concluded, based on the Adviser's explanation of how it uses ETFs when they are the most cost-effective way to obtain desired exposures, in some cases pending purchases of underlying securities, that the advisory fee for the Fund is for services that are in addition to, rather than duplicative of, the services provided under the advisory contracts of the ETFs.

In connection with their review of the Fund's operations under the then-current performance-based advisory fee structure, the Directors also considered the total expense ratio of the Advisor Class shares of the Fund in comparison to 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 the Directors considered 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 the 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. Based on their review, the Directors concluded that the Fund's expense ratio was acceptable.

With respect to the Fund's proposed implementation of an asset-based advisory fee with breakpoints at specific asset levels as provided in the Amended Agreement, the Directors considered the proposed total expense ratio of the Advisor Class shares of the Fund (Class A and Class Z shares will also be offered) in comparison to a peer group and peer universe selected by the 15(c) service provider. The Directors also considered the Adviser's proposed expense cap for the Fund's Advisor Class shares, with corresponding expense caps for the other classes of shares, for an initial period to end no earlier than April 30, 2022. 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. Based on their review, the Directors concluded that the Fund's proposed expense ratios were acceptable.

Economies of Scale

The Directors noted that the proposed advisory fee schedule for the Fund in the Amended Agreement, unlike the advisory fee schedule in the then-current Advisory Agreement, 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 previously discussed economies of scale with an independent fee consultant. The Directors also had requested and received from the Adviser certain updates on economies of scale in advance of the Board 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 stockholders 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 Strategic
Core Portfolio
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
High Yield Portfolio
Income Fund
Intermediate Duration Portfolio
Limited Duration High
Income Portfolio
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 Income Portfolio
All Market Total Return Portfolio
Emerging Markets Multi-
Asset Portfolio
Global Risk Allocation Fund
Sustainable Thematic
Balanced Portfolio
Tax-Managed All Market
Income Portfolio

CLOSED-END FUNDS

AllianceBernstein Global High
Income Fund
AllianceBernstein National
Municipal Income Fund

EXCHANGE-TRADED FUNDS

Tax-Aware Short Duration
Municipal ETF
Ultra Short Income 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 or contact your AB representative. Please read the prospectus and/or summary prospectus carefully before investing.



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