

THE MISTAKE FIXED INCOME INVESTORS MAKE

Ask the PORTFOLIO MANAGER

What is a common error that investors make?

Transcript of a video recorded on November 30, 2017.

Matt Freund, Co-CIO, Head of Fixed Income Strategies, Senior Co-Portfolio Manager, cautions investors not to think about the bond market as one single, monolithic market, but to think about sectors and exposures. The team sees opportunities in select parts of the credit markets, the structured product markets, as well as the international and convertible markets.

Investors make a great mistake when they think about the bond market as being one single, monolithic, homogenous sort of market. It's really not. You have a choice between different maturities, from very short and stable maturities but where your income is less certain to very long-term maturities where your income is pretty certain but the price can be more volatile with interest rates to credit where you're being paid quite a bit more but where there is a risk that you may not get paid back on time or receive the full return of the capital invested.

There are also different currencies you can invest in. And then there are different structures you can invest in—where you have floating rates, where you have contingent options embedded in the bonds. So the most important advice we have for investors is not to think about the bond market, but to think about the sectors that are in the bond market and the exposures that you want to have. Right now we think there are tremendous opportunities in select parts of the credit markets, in select parts of the structured product markets as well as some of the international and convertible markets.



MATT FREUND

Co-CIO, Head of Fixed Income Strategies, Senior Co-Portfolio Manager

WATCH VIDEO

Video recorded 11/30/2017.

Before investing carefully consider the fund's investment objectives, risk, charges, and expenses. Please see the prospectus and the summary prospectus containing this other information or call 1-800-583-6959. Read it carefully before investing.

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