Quarterly Commentary—Q1 2023

Ultra Short Duration Fund

Mutual Fund | Fixed Income

Market Review

Developments in March highlighted the increasingly difficult place in which the Federal Reserve (Fed) and other central banks find themselves as they work toward restoring price stability and maintaining financial stability. The collapse of Silicon Valley Bank and Signature Bank prompted banks to rush for liquidity support from the Fed , totaling $165 billion in the immediate aftermath. Overseas, the Swiss National Bank provided the equivalent of $54 billion in emergency liquidity to Credit Suisse before a deal was struck with rival UBS to buy it for $3.25 billion.

Heightened concerns about further bank stress and central banks' ability to continue aggressively tightening monetary policy weighed heavily on market-implied expectations for the path of policy rates. Nevertheless, in March the Fed raised rates by 25 basis points (bps) and the European Central Bank raised rates by 50 basis points. We expect central banks will continue to raise rates over the next few months in their continuing effort to bring inflation to heel, despite the cracks in financial stability that are beginning to show.

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Symbols and CUSIP Numbers

	Symbol	CUSIP
Institutional	GIYIX	40169J523
A	GIYAX	40169J549

There is no up-front sales charge, no redemption fee, and no minimum holding period. No contingent deferred sales charge is imposed on redemptions of Class A shares of the Fund unless you acquire Class A shares of the Fund by exchanging Class A shares of another fund in the Guggenheim family of funds that was subject to a contingent deferred sales charge.

SEC 30-Day Yield[1]

	Subsidized	Unsubsidized
Institutional	4.79%	4.71%
A	4.53%	4.42%

1 As of 3.31.2023. SEC 30-day yield is a standard yield calculation that allows for fairer comparisons of bond funds. It reflects dividends and interest ("income") earned during the most recent 30-day period after the deduction of the fund's expenses and is calculated by dividing the income per share by the maximum offering share price on the last day of the period. Unsubsidized SEC 30-day yield is what the yield would have been had no fee waivers and/or expense reimbursement been in place.

Average Annual Total Returns (As of 3.31.2023)

	3-Month	YTD	1-Year	3-Year	5-Year	Since Fund Inception	Gross/Net Expense Ratio[2]	Fund Inception Date
Institutional	1.95%	1.95%	2.46%	1.58%	1.47%	1.36%	0.36%/0.34%	3.11.2014
A Class	1.89%	1.89%	2.19%	1.29%	—	1.09%	0.65%/0.59%	11.30.2018
Bloomberg 1-3 Month U.S. Treasury Bill Index	1.09%	1.09%	2.60%	0.91%	1.38%	0.92%[3]	—	—

Performance displayed represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate so that when shares are redeemed, they may be worth more or less than original cost. Current performance may be lower or higher than the performance data quoted. For up-to-date fund performance, including performance current to the most recent month end, please visit our website at GuggenheimInvestments.com. *Under certain circumstances, there may be a CDSC of 1% for redemptions within 12 months of purchase.*

The Guggenheim Ultra Short Duration Fund (the "Fund") is newly organized. On 11.30.2018, the Guggenheim Strategy Fund I (the "Predecessor Fund"), which also was an investment company registered under the Investment Company Act of 1940, reorganized with and into the Fund, which has adopted the Predecessor Fund's performance history. Accordingly, the performance information shown below for Institutional Class shares of the Fund reflects the performance of the Predecessor Fund and not of the fund, however the Predecessor Fund's policies, guidelines and investment objectives were the same as the Fund's in all material respects. The returns shown for the Predecessor Fund have been restated to reflect the fees and expenses applicable to the Institutional Class shares of the Fund, exclusive of any applicable expense limitation agreement.

Unless otherwise noted, data is as of 3.31.2023. Data is subject to change on a daily basis. Partial year returns are cumulative, not annualized. Returns reflect the reinvestment of dividends. The referenced index is unmanaged and not available for direct investment. Index performance does not reflect transaction costs, fees, or expenses. Index data source: FundStation.

2 The advisor has contractually agreed to waive fees and/or reimburse expenses to limit the ordinary expenses of the fund through 2.1.2024. Please read the prospectus for more information regarding fees and expenses. 3 Inception date of benchmark return is that of the fund's oldest share class.

Market Review (Continued)

relatively firm footing. March job growth came in at 236,000, well above the level needed to keep the unemployment rate from rising. Housing data has surprised to the upside, likely in response to the recent softening of mortgage rates. Meanwhile, the S&P Global U.S. composite PMI rose to a 10-month high, with strength especially evident in sub-indices for the service sector. More forward-looking data looks more concerning, however, with the Leading Economic Index turning down further, initial signs of job loss in the most cyclical and interest rate sensitive sectors, and business surveys souring on the economic outlook and plans for spending and hiring.

The Fed acknowledged in its March Federal Open Market Committee meeting statement that a contraction of credit emanating from volatility in the banking sector was likely to create new headwinds for the economy. In recognition of this new risk, the Fed's updated Summary of Economic Projections showed a small downward revision of real gross domestic product growth this year, from 0.5 percent to 0.4 percent, followed by a larger downward revision for next year, from 1.6 percent to 1.2 percent. We continue to expect a recession to begin midway through the year.

Summary:

- *Developments in March highlighted the increasingly difficult place in which the Fed and other central banks find themselves as they work toward restoring price stability and maintaining financial stability.*
- *We expect central banks will continue to raise rates over the next few months in their continuing effort to bring inflation to heel, despite the cracks in financial stability that are beginning to show.*
- *While markets were volatile, data releases indicated that the U.S. economy is still on a relatively firm footing.*
- *The Fed's updated Summary of Economic Projections showed a small downward revision of real gross domestic product growth this year, followed by a larger downward revision for next year.*
- *We continue to expect a recession to begin midway through the year.*

Performance Review

During the first quarter of 2023, the fund generated strong performance, with an absolute return of +1.95 percent. Notably better than its benchmark, the ICE BofA 3M U.S. Treasury Bill Index, which returned +1.07 percent, leading to outperformance of +0.88 percent. The primary driver of the fund's absolute performance was carry, which contributed +1.60 percent. Credit spreads and duration were also drivers of positive performance, contributing roughly +0.20 percent each.

The fund's positive performance was the result of several factors. There was outperformance in out-of-index sector positions, such as securities credit and investment grade corporate. These securities contributed to spread performance of the fund. Carry, which refers to the earned income, remains a priority for the fund. Lastly, duration was positive as the 2yr Treasury rallied nearly 40 bps points during the period.

Commentary continued on page 3.

Sector Allocation
(% of Net Assets)

Collateralized Loan Obligations	24.2%
Investment Grade Corporate Bonds	23.4%
Non-Agency Mortgage-Backed Securities	18.9%
Asset-Backed Securities	16.9%
Non-Agency Commercial Mortgage-Backed Securities	4.9%
High Yield Corporate Bonds	1.5%
Derivatives	1.4%
Bank Loans	1.0%
Net Short-Term Investments	7.9%
Short-Term Investments[1]	7.9%
Leverage/Reverse Repos	0.0%

PORTFOLIO CHARACTERISTICS

Weighted Average Life (WAL) to Worst[2]	2.2
Effective Duration[3]	0.6
Number of Holdings	213
Average Price[4]	$95.2

1 Short-Term Investments may include uninvested cash, net unsettled trades, money market funds, commercial paper, repos, and other liquid short duration securities. **2** Weighted average life (WAL) to worst represents the weighted average number of years for which each dollar of unpaid principal on a fixed-income security remains outstanding. This calculation is made by making the worst-case scenario assumptions on the issue, assuming any prepayment, call, or sinking fund options are used by the issuer. **3** Weighted average effective duration of the securities comprising the fund portfolio or the index. Effective duration takes into account any embedded options (i.e., a put or a call) and reflects the expected change in future cash flows caused by the options in response to changing interest rates. **4** Average Price excludes zero coupon, interest only and principal only bonds, preferred securities not priced.

Strategy and Positioning

The fund's largest allocation is to investment-grade securitized credit, comprising 66 percent of the fund, which generated attractive performance in the quarter as spreads rebounded after some underperformance in the fourth quarter of 2022. Investment-grade securitized credit spreads in absolute and relative to similarly rated corporate credits remain historically wide. Low dollar prices also continue to provide potentially high total return opportunities. Investment-grade securitized credit's inherent diversity of payment streams and ultimate obligors have become attractive attributes for investors seeking more defensive investments following March's banking crisis episode. As monetary policy tightens and cycle risks grow, concentrated, single-name credit investments are more vulnerable than usual. While these diversification features are not new, they have come to the forefront as investors seek to mitigate individual issuer risk exposures. In that environment, investment-grade securitized credit becomes an increasingly attractive defensive alternative to corporate credit, while also offering an attractive source of income.*

Corporate credit totaled approximately 25 percent of the fund with roughly 23 percent investment grade rated and 2 percent below investment grade rated. While fundamental credit metrics such as leverage and earnings before interest, tax, depreciation, and amortization (EBITDA) growth generally remain resilient, signs of weakness have begun to show in several forms including earnings estimates revisions to the downside as well as pressured interest coverage ratios, particularly in loan issuers. To that end, we have remained cautious in adding broadly to our corporate credit exposure outside of credit-specific or relative value-driven decisions. During the period, the fund used the rally in risk assets to lighten up on below investment-grade rated debt. The fund continues to prioritize liquidity given the uncertainty surrounding the macro environment. However, we remain nimble and ready to deploy capital when the opportunity presents itself.

Though the policy response from regulators to the banking crisis served to stave off immediate run risk contagion concerns, other weaknesses will likely arise as financial conditions continue to tighten. The Fed remained in a highly restrictive stance and raised interest rates by another 25 bps in March, indicating they have little tolerance for easing financial conditions until inflation concerns are convincingly extinguished. We continue to anticipate a recession starting as early as the second half of this year. As this cycle plays out, we believe investors are well-served by cautious and prudent security selection and asset allocations, but we have not lost sight of the compelling valuation opportunities across the fixed income landscape.

* Securitized credit, including asset-backed securities, mortgage-backed securities, and collateralized loan obligations (CLOs), are complex investments and not suitable for all investors. Investors in securitized credit generally receive payments that are part interest and part return of principal. These payments may vary based on the rate loans are repaid. Some securitized credit investments may have structures that make their reaction to interest rates and other factors difficult to predict, making their prices volatile and they are subject to liquidity and valuation risk. CLOs bear similar risks to investing in loans directly, including credit risk, interest rate risk, counterparty risk and prepayment risk. Loans are often below investment grade, may be unrated, and typically offer a fixed or floating interest rate.

Bps—basis points: One basis point is equal to 0.01%. **Carry:** The difference between the cost of financing an asset and the interest received on that asset.

Index Definition Bloomberg 1-3 Month U.S. Treasury Index measures the U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury with maturities of one to three months. The

referenced fund is offered in multiple share classes. Please read the prospectus for information on fees, expenses and holding periods that may apply to each class.

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