From There to Here

4TH QUARTER 2021

With the turn of the calendar behind us, we spent the last few weeks reflecting on another eventful year in financial markets. Like last year (see here for our Q4 2020 letter), our macro forecasting model yet again failed to predict some of the more unexpected twists and turns. Fortunately, we are not in the macro prediction game, and we instead focus on identifiable catalysts across our large investment universe. A look back over the past year's letters depict two things that consistently caught our attention: the buildup of choppy undercurrents beneath seemingly calm markets, and this cycle's impressive breadth of corporate activity.

Beneath the Calm Surface: Swirling Currents: Q1 2021

"Entering 2021, investors were hopeful that the new year would usher in a return to normalcy and relative calm. **A cursory look at broad market indices after the first quarter of the year seems to reflect a relatively benign start to the year. However, beyond the market's placid surface in the first quarter, there lurked more volatile undercurrents.**"

The More Things Change...: Q2 2021

"The second quarter of the year exhibited many of the same trends witnessed in the first quarter of 2021: equity indices continued to climb, corporate credit spreads and yields set new record lows, and corporate merger and acquisition (M&A) activity was robust. **However, similar to what we witnessed in the first quarter 2021, beneath the placid surface, there was plenty of turbulence. This market backdrop continues to provide a wealth of opportunities** for event driven investors with opportunistic mandates."

Activity Abounds: Q3 2021

"In recent letters, we have discussed the flurry of activity that has occurred beneath the surface of seemingly placid market conditions. We have pointed to the adage of the duck that appears to effortlessly glide across the water while its legs kick chaotically beneath the surface. **During the third quarter, those sub-currents of market dislocation and corporate action rose to the surface, and today the market is flush with both macroeconomic uncertainty and an increasing amount of corporate activity.**"

Notably, it was the interplay between these two subplots that produced an attractive event driven opportunity set. The combination and shifting uncertainty set the stage for nimble investors with flexible mandates to capitalize on opportunities as they arose.

During the year, the fund was able to utilize our investment process across our three primary strategies: arbitrage, opportunistic credit, and catalyst driven equities. Encouragingly, each of these categories contributed an attractive return to the fund's performance, which further highlights the benefit of our opportunistic multi-strategy approach to event driven investing. The largest contribution came from the catalyst driven equity category, which had an average allocation of nearly half of the portfolio throughout the year (48%). Inclusive of the portfolio hedges, the return on investment capital on those investments was 13%. With respect to the credit and arbitrage portions of the portfolio, both averaged similar weightings for the year, at 18% and 17%, respectively, while returning 9% and 7% on investment capital.

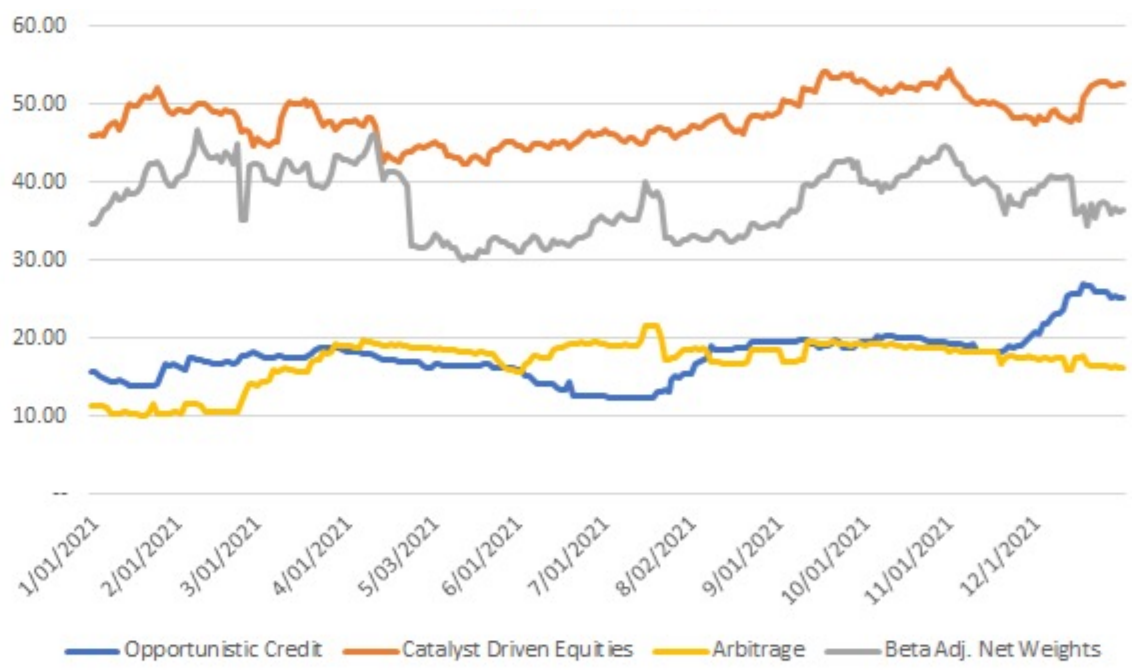
In addition to these return contributions, the fund's risk stats remained muted during the year, with a market beta of 0.38 to the S&P 500 and a correlation of 0.61.

To start 2022, the fund's allocation by strategy remains largely in-line with its 2021 average levels: catalyst driven equities now represent 47% of the fund, we have increased opportunistic credit exposure to 25% and arbitrage sits just below 20%. We have increased the fund's portfolio-level hedges to counter the increased market volatility stemming from the potential headwinds of Covid, inflation and the expected actions of the Federal Reserve; as a result, the fund's beta-adjusted net exposure is approximately 30%, which is below the fund's average level over the last year of 38%.

We do not manage the portfolio based on a top-down macro view, but if this market cycle has taught us anything, it is how quickly market headwinds can become market tailwinds and vice versa. That is one of the reasons why we believe it is a critical advantage to be able to invest opportunistically across asset classes and investment strategies.

The fund's exposure to the three primary categories we invest in (catalyst driven equities, opportunistic credit and arbitrage) varies based on the prospective risk-adjusted return opportunity we see within the individual catalysts in each. The fund's exposure to these categories varies based on the prospective risk-adjusted return opportunity we see within the individual catalysts in each. We thought it would be helpful to review the 2021 allocations to each investment category and provide a brief summary of what we expect from each in 2022 (See Exhibit 1).

Exhibit 1: Driehaus Event Driven Sub Strategy Weightings 2021



Source: Driehaus Capital Management

- We expect our exposure to catalyst driven equities to remain relatively in-line with the 45-55% level we maintained during 2021. In 2022, companies will not have the "low hanging fruit" that they had in 2021 to drive earnings growth (e.g. easy comparable years and scale from Covid cost cutting); nonetheless, pressure to deliver earnings growth remains high. We believe this dynamic will likely lead corporate management teams to explore strategic avenues and corporate actions to drive growth. Corporate balance sheets are better positioned than they have been in many years, and this will allow companies to opportunistically utilize their balance sheet health to fund M&A, accretive capital allocation and attractive growth initiatives. Thus, we are expecting a robust opportunity set for catalyst driven equities in 2022.

- The fund's exposure to opportunistic credit increased during the fourth quarter to end the year at approximately 25% and we expect it to remain at-or-slightly-above its current level during 2022. The high yield credit market was relatively placid during the first half of 2021. Yields tightened throughout the first half of the year and eventually bottomed at just under 3.8% in the third quarter, which was an all-time low yield for the ICE BAML US High Yield Index[1]. Not coincidentally, the fund's exposure to credit declined throughout the first and second quarters and bottomed at 12% in July, as the rising market tide lifted all bond prices to levels that we found unattractive. In the fourth quarter, the combination of the Omicron variant and the prospect of rising UST yields caused high yield risk spreads to widen. We then began to selectively add exposure to the loans and bonds of companies that are protected by their clean balance sheet profiles and sturdy operating outlooks. Going forward, we expect increased volatility in corporate credit as the market digests rising yields and widening risk premia. This is likely to lead to an increasing amount of attractive investment opportunities, so we expect the fund's allocation to credit to remain in-line or higher than its current level.

- The opportunity set in arbitrage was relatively benign to start 2021, as prices in both special purpose acquisition companies (SPAC) arbitrage and merger arbitrage were buoyed by the market bullishness that carried over from 2020 and resulted in moderate yields and below-average risk-adjusted return prospects. By mid-February, risk aversion crept back into the arbitrage market and spreads began to rationalize, creating a more attractive environment for risk-adjusted returns. As a result, we increased the fund's exposure to approximately 20% and it remained near that level for much of the year. We expect the exposure to remain in the 15-25% range in the intermediate term as the M&A market remains robust and new SPAC IPOs are returning.

[1]ICE BofA US High Yield Index tracks the performance of US dollar denominated below investment grade rated corporate debt publicly issued in the US domestic market.

Performance Review

For the fourth quarter of 2021, the Driehaus Event Driven Fund returned 1.32% and the S&P 500 Index returned 11.03%.[1] The portfolio hedges investment strategy was the fund's biggest contributor (0.95%). The bond catalyst (0.60%), risk arbitrage (0.30%), and catalyst driven equities (-0.11%) strategies accounted for the remainder of the fund performance.

The largest contributors for the quarter were a clinical stage pharmaceutical company developing treatments for endocrine and cancer diseases (1.13%), a portfolio hedge in the healthcare sector (1.07%), and a modular space and storage provider benefitting from a recently completed merger and follow on capital raise (0.76%). The largest detractors for the quarter were a diagnostic testing company (-0.91%), a clinical stage oncology company (-0.31%) and a cable company that provided updated key performance indicators at an industry conference (-0.30%).

As the new year begins, volatility and change have once again come to the forefront of investor minds, and we remain encouraged by the level of activity we are seeing across capital markets. The backdrop may be shifting – with increased fears of inflation amid a tricky FED handoff – but the theme of robust corporate activity seems to be one of the few constants in the sea of market changes. We remain encouraged by the outlook across our three primary areas of investment and are positioned to act opportunistically to capitalize on this favorable outlook for idiosyncratic investments.

Until next quarter,

Mike, Tom and Yoav

[1]Performance Disclosure

The performance data shown represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. Principal value and investment returns will fluctuate so that investors' shares, when redeemed, may be worth more or less than their original cost. Performance data represents the rate that an investor would have earned (or lost), during the given month, on an investment in the Fund (assuming reinvestment of all dividends and distributions). Average annual total return reflects annualized change. **Since Fund performance is subject to change after the month-end, please call (800) 560-6111 or visit www.driehaus.com for more current performance information.**

Driehaus Event Driven Fund

Ticker
DEVDX

% Quarter-End Performance (as of 12/31/21)

			Annualized			
	QTR	YTD	1 Year	3 Year	5 Year	Inception[1]
Driehaus Event Driven Fund	1.32	7.29	7.29	16.96	9.89	6.86
S&P 500 Index[2]	11.03	28.71	28.71	26.07	18.47	15.67
FTSE 3-Month T-Bill Index[3]	0.01	0.05	0.05	0.96	1.11	0.71
Alpha to S&P 500 Index	--	--	-2.47%	10.40%	4.68%	1.97%
Beta to S&P 500 Index	--	--	0.4	0.2	0.3	0.3
Correlation to S&P 500 Index	--	0.6	0.6	0.6	0.6	0.6
Volatility as a % of S&P 500 Index	--	--	62%	44%	49%	--

Morningstar Event Driven Rankings[5] (as of 12/31/21)

	1 Year	3 Year	5 Year
Number of Funds in Category	39	39	37
Position - DEVDX	8	3	3
Percentile Ranking - DEVDX	**21%**	**8%**	**8%**

Source: Driehaus Capital Management, FactSet
Data as of 12/31/21

The performance data shown represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. Principal value and investment returns will fluctuate so that investors' shares, when redeemed, may be worth more or less than their original cost. Performance data represents the rate that an investor would have earned (or lost), during the given month, on an investment in the Fund (assuming reinvestment of all dividends and distributions). Average annual total return reflects annualized change. Since Fund performance is subject to change after the month-end, please call (800) 560-6111 or visit www.driehaus.com for more current performance information.

[1]The Driehaus Event Driven Fund has an inception date of August 26, 2013. [2]The Standard & Poor's ("S&P") 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group. It is a market-weighted index (stock price times number of shares outstanding), with each stock's weight in the index proportionate to its market value. [3]The FTSE 3-Month T-Bill Index is designed to mirror the performance of the 3-Month U.S. Treasury Bill. The FTSE 3-Month T-Bill Index is unmanaged and its returns include reinvested dividends. An investor cannot invest directly in an index. [4]Represents the Annual Fund Operating Expenses as disclosed in the current prospectus dated April 30, 2021. It is important to understand that a decline in the Fund's average net assets due to unprecedented market volatility or other factors could cause the Fund's expense ratio for the current fiscal year to be higher than the expense information presented. A shareholder may be required to pay a commission to their financial intermediary. [5]Morningstar Event Driven (all share classes). Data based on monthly returns of 39, 39 and 37 mutual funds (all share classes) for the one, three and five year periods respectively. Net of fees. Past performance is no guarantee of future results.

Terms. **Beta:** A measure of a portfolio's volatility compared to that of the market as a whole. **Effective Duration:** Duration calculation for bonds with embedded options. Effective duration takes into account that expected cash flows will fluctuate as interest rates change. **Spread Duration:** The sensitivity of the price of a bond to a 100 basis point change to its option-adjusted spread.

Fund Overview

- The Driehaus Event Driven Fund seeks to generate consistently high alpha, low beta and low correlation to major market indexes.
- The fund invests long and short in equities and bonds that we believe are mispriced due to an announced or anticipated idiosyncratic corporate action and/or special situation.
- The fund's long/short hedged portfolio construction is designed to generate idiosyncratic returns, reduce market exposure and provide downside protection.
- The opportunistic mandate across asset classes ensures a robust investment landscape throughout the market cycle.

The Driehaus Event Driven Fund seeks to provide:

- Superior risk-adjusted returns
- Consistently strong alpha with minimized beta
- Low volatility and correlation to major asset classes
- Absolute Returns with low market exposure

Facts

Inception Date	8/26/13
Fund Assets Under Management	$203M
Strategy Assets	$780M
Firm Assets Under Management	$15.1B

Annual Operating Expenses[4]	
Gross Expenses	1.63%
Net Expenses	1.63%

Portfolio Management

Yoav Sharon, Portfolio Manager
15 years industry experience

Tom McCauley, Portfolio Manager
14 years industry experience

Michael Caldwell, Portfolio Manager
13 years of industry experience

DEVDX Portfolio Characteristics*

Fund Information

Catalyst Spectrum

Hard	Mergers & Acquisitions	Opportunistic Credit	Capital Allocation	Special Situations	Activism	Regulatory	Post M&A Combinations	Soft
		Reorganizations Refinancings Recapitalizations	Repurchases Divestitures & Asset Sales	Spin-offs SPACs IPOs	Collaborative Incentive Alignment	Data Releases Bank Regulation	Synergies Shareholder Transition	

Investment Strategy

	Long Exposure	Short Exposure	Gross Exposure	Net Exposure
Arbitrage	18.1%	-1.9%	20.0%	16.2%
Credit	25.1%	0.0%	25.1%	25.1%
Equity	52.7%	0.0%	52.7%	52.7%
Hedges	0.0%	-22.5%	22.5%	-22.5%

Overall Morningstar Rating™

Based on risk-adjusted returns as of 12/31/21

★★★★★

All Share Classes among 39 Funds in the Event Driven Category

Sector

GICS[1]	Long Exposure	Short Exposure	Gross Exposure	Net Exposure
Communication Services	9.9%	0.0%	9.9%	9.9%
Consumer Discretionary	18.8%	0.0%	18.8%	18.8%
Consumer Staples	0.9%	0.0%	0.9%	0.9%
Energy	0.0%	0.0%	0.0%	0.0%
Financials	29.5%	-4.8%	34.3%	24.6%
Health Care	22.0%	-12.3%	34.3%	9.7%
Industrials	10.7%	0.0%	10.7%	10.7%
Information Technology	0.0%	0.0%	0.0%	0.0%
Materials	0.0%	0.0%	0.0%	0.0%
Real Estate	0.0%	0.0%	0.0%	0.0%
Utilities	2.4%	0.0%	2.4%	2.4%
Other[2]	1.6%	-7.3%	8.8%	-5.7%

Top Contributors/Detractors (by Investment Strategy)

Top 5	
Equity	1.13%
Hedges	1.07%
Equity	0.76%
Equity	0.45%
Arbitrage	0.43%
Total	**3.84%**

Bottom 5	
Equity	-0.91%
Equity	-0.31%
Equity	-0.30%
Equity	-0.28%
Equity	-0.27%
Total	**-2.07%**

Source: Driehaus Capital Management, FactSet

Quarterly Contribution to Return (by Investment Strategy)

	October	November	December	4th Quarter
Arbitrage	0.21%	-0.06%	0.15%	0.30%
Credit	0.21%	-0.05%	0.44%	0.60%
Equity	0.61%	-2.22%	1.53%	-0.11%
Hedges	-0.12%	1.04%	0.03%	0.95%
Cash/Expenses[3]	-0.12%	-0.15%	-0.13%	-0.41%
Total	**0.79%**	**-1.45%**	**2.02%**	**1.33%**

Preliminary data. May differ from data shown by third-party providers because of rounding or for other reasons.

*Exposure: please note exposure may be different than market value. For equities, bonds, foreign exchange forwards and interest rate swap products, exposure is the same as market value. For options, exposure represents delta-adjusted underlying exposure. For credit default swap and credit default swap indices,-exposure represents bond equivalent exposure. [1]The Global Industry Classification Standard (GICS), a collaboration between Standard & Poor's and Morgan Stanley Capital International, is a system of classification that identifies a company according to its business activity. [2]The Other Industry Sector data is not categorized within the GICS classification system. [3]Estimated expenses for the month (not annualized) as a percentage of the fund's net assets for the month. Interest on cash balances are netted against fund expenses.

The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% threeyear rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. The Driehaus Event Driven Fund has a five star rating for the three and five year periods, with 39 and 37 funds respectively in the category.

Sector Breakout by Top Weighted Investment Strategy

Sector	Investment Strategy	Security Type	Average Weight	Contribution To Return
Communication Services			**9.45**	**-0.27**
	Credit	Corporate	3.62	0.03
	Equity	Equity Common	1.52	-0.16
	Equity	Equity Common	1.51	0.06
	Credit	Preferred	1.37	0.09
	Equity	Equity Common	1.13	-0.30
Consumer Discretionary			**15.75**	**0.41**
	Equity	Equity Common	4.31	0.14
	Credit	Corporate	2.87	0.04
	Equity	Equity Common	2.00	0.19
	Credit	Corporate	1.94	0.04
	Credit	Corporate	1.74	0.04
Consumer Staples			**0.83**	**-0.08**
	Equity	Equity Common	0.83	-0.08
Energy			**0.74**	**-0.01**
	Credit	Corporate	0.74	-0.01
Financials			**24.73**	**0.28**
	Hedges	Exchange Traded Fund	-4.56	-0.24
	Equity	Equity Common	2.92	-0.01
	Equity	Equity Common	2.26	0.16
	Credit	Corporate	2.08	0.09
	Equity	Equity Common	2.01	0.10
Health Care			**8.34**	**0.44**
	Hedges	Exchange Traded Fund	-9.57	1.07
	Equity	Equity Common	3.29	1.13
	Equity	Equity Common	2.79	0.01
	Hedges	Exchange Traded Fund	-2.20	0.13
	Hedges	Exchange Traded Fund	-1.56	0.25
Industrials			**11.18**	**0.79**
	Equity	Equity Common	3.05	0.76
	Credit	Corporate	2.67	0.03
	Equity	Equity Common	1.95	-0.21
	Equity	Equity Common	1.82	0.26
	Equity	Equity Common	1.13	-0.03
Information Technology			**-0.01**	**0.00**
	Arbitrage	Equity Common	-0.01	0.00
	Arbitrage	Equity Common	0.00	0.00
Real Estate			**0.72**	**0.00**
	Equity	Equity Common	0.72	0.00
Utilities			**0.65**	**0.03**
	Credit	Corporate	0.53	0.02
	Credit	Corporate	0.12	0.00

Important Disclosures
Investments in overseas markets can pose more risks than U.S. investments, and share prices are expected to be more volatile than that of a U.S.-only fund. The Driehaus Event Driven Fund invests in foreign securities, including small and mid cap stocks, which may be subject to greater volatility than other investments. In addition, returns of this Fund will fluctuate with changes in stock market conditions, currency values, interest rates, foreign government regulations, and economic and political conditions in countries in which this Fund invests. These risks are generally greater when investing in emerging markets. These and other risk considerations are discussed in the prospectus for this Fund. At times, a significant portion of the Fund's return may be attributable to investments in initial public offerings (IPOs) or concentrations in certain strong performing sectors, such as technology. Returns from IPOs or sector concentrations may not be repeated or consistently achieved in the future. In addition, participating in IPOs and other investments during favorable market conditions may enhance the performance of a Fund with a smaller asset base, and this Fund may not experience similar performance results as its assets grow. Stocks of medium-sized companies tend to be more volatile in price than those of larger companies and may have underperformed the stocks of small and large companies during some periods. In addition, investments in medium-sized companies may be more susceptible to particular economic events or competitive factors than are larger, more broadly diversified companies. Growth stocks may involve special risks and their prices may be more volatile than the overall market.

The Fund, in addition to investing in unrated and investment grade bonds, may also invest in junk bonds, which involve greater credit risk, including the risk of default. The prices of high yield bonds are more sensitive to changing economic conditions and can fall dramatically in response to negative news about the issuer or its industry, or the economy in general. The use of derivatives involves risks different from, and possibly greater than, the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid and difficult to value, and there is a risk that changes in the value of a derivative held by the Fund will not correlate with the Fund's other investments. Further, the Fund may invest in derivatives for speculative purposes. Gains or losses from speculative positions in a derivative may be much greater than the derivative's original cost and potential losses may be substantial. The Fund may make short sales. Short sales expose the Fund to the risk of loss. No investment strategy, including an absolute return strategy, can ensure a profit or protect against loss. Additionally, investing in an absolute return strategy may lead to underperforming results during an upward moving market. When interest rates increase, bond prices decrease and bond funds become more volatile. It is anticipated that the Fund will experience high rates of portfolio turnover, which may result in payment by the Fund of above-average transaction costs. This is a nondiversified fund compared to other funds, the Fund may invest a greater percentage of assets in a particular issuer or a small number of issuers. As a consequence, the Fund may be subject to greater risks and larger losses than diversified funds.

Market Turbulence Resulting from COVID-19. The outbreak of COVID-19 has negatively affected the worldwide economy, individual countries, individual companies and the market in general. The future impact of COVID-19 is currently unknown, and it may exacerbate other risks that apply to the Fund.

Please consider the investment objectives, risks, fees and expenses of the Fund carefully prior to investing. The prospectus and summary prospectus contain this and other important information about the Fund. To obtain a copy of the prospectus and/or summary prospectus, please call us at (800) 560-6111. Please read the prospectus and summary prospectus carefully before investing.

This snapshot is not intended to provide investment advice. Nothing herein should be construed as a solicitation or a recommendation to buy or sell securities or other investments. You should assess your own investment needs based on your individual financial circumstances and investment objectives. Driehaus does not guarantee the accuracy or completeness of this information. This data was prepared on January 18, 2022 and has not been updated since then. It may not reflect recent market activity. Driehaus assumes no obligation to update or supplement this information to reflect subsequent changes. This material is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy. The information and opinions contained in this material are derived from proprietary and non-proprietary sources deemed by Driehaus to be reliable, are not necessarily all inclusive and are not guaranteed as to accuracy. There is no guarantee that any forecasts made will come to pass. Reliance upon information in this material is at the sole discretion of the reader.

Foreside Financial Services, LLC, Distributor

FUND INFORMATION

Types of events in which the fund frequently invests include:

Corporate action: Changes to the company's strategy or capital structure as a result of mergers, acquisitions, spin-offs, lawsuits, etc.

Earnings: A trade involving an upside or downside surprise to earnings versus market expectations.

Market dislocation: Any mispricing of a security for a non-fundamental reason.

Product cycle: A key change to the company's product/service offering, or a change in customer preferences for the company's product/service.

Restructuring: A change to the company's capital structure or business prospects as a result of bankruptcy, reorganization or corporate distress.

Types of trades in which the fund frequently invests include:

Bond catalyst driven: Event-driven trades that are expressed predominately through bond positions.

Deep value: Trade that attempts to capture the mispricing of an extremely undervalued security.

Equity catalyst driven: Event-driven trades that are expressed predominately through equity positions.

Portfolio hedge: A hedge to an unwanted factor exposure, such as equity, volatility, credit or interest rate risk.

Risk arbitrage: Trades that attempt to capture a valuation discrepancy between similar securities.

DEFINITIONS OF KEY TERMS

Credit Default Swap (CDS) - A contract in which the buyer of the CDS makes a series of payments to the seller and, in exchange, receives a payoff if a credit instrument (typically a bond or loan) goes into default. In its simplest form, a credit default swap is a bilateral contract between the buyer and seller of protection.

Delta - The ratio that compares the change in the price of a derivative to the corresponding change in the price of an underlying asset.
Derivatives Premium – Value of a derivatives contract.

Effective Duration - A duration calculation for bonds with embedded options. Effective duration takes into account that expected cash flows will fluctuate as interest rates change.

Equity Gamma - The ratio that compares the rate of change for the delta with respect to the underlying asset's price.

Portfolio Coupon - The annualized interest earned for the portfolio.

Portfolio Current Yield - The annual income (interest or dividends) divided by the current price of the security, aggregated to the portfolio level.

Portfolio Yield-to-Worst - The lowest potential yield that can be received on a bond without the issuer actually defaulting, aggregated to the portfolio level. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call or sinking fund, are used by the issuer.

Spread Duration - The sensitivity of the price of a bond to a 100 basis point change to its option-adjusted spread. As the rate of the Treasury security in the option-adjusted spread increases, the rate of the option-adjusted spread also increases.

Sharpe Ratio is calculated by finding the portfolio's excess return and then dividing by the portfolio's standard deviation.

Stock Vega - The change in the price of an option that results from a 1% change in volatility. Vega changes when there are large price movements in the underlying asset and Vega falls as the option gets closer to maturity. Vega can change even if there is no change in the price of the underlying asset (e.g., if there is a change in expected volatility).

Swap - A derivative in which two counterparties exchange certain benefits of one party's financial instrument for those of the other party's financial instrument.

Theta - A measure of the rate of decline in the value of an option due to the passage of time. Theta can also be referred to as the time decay on the value of an option.

Special Purpose Acquisition Company (SPAC) - a company with no commercial operations that is formed strictly to raise capital through an initial public offering (IPO) for the purpose of acquiring or merging with an existing company.

Leveraged Buyout (LBO) - the acquisition of another company using a significant amount of borrowed money to meet the cost of acquisition.

Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) - a measure of a company's overall financial performance and is used as an alternative to net income in some circumstances.

Return on Invested Capital (ROIC) - a calculation used to assess a company's efficiency at allocating the capital under its control to profitable investments.

Mortgage Servicing Rights (MSR) - a contractual agreement in which the right to service an existing mortgage is sold by the original mortgage lender to another party that specializes in the various functions involved with servicing mortgages.