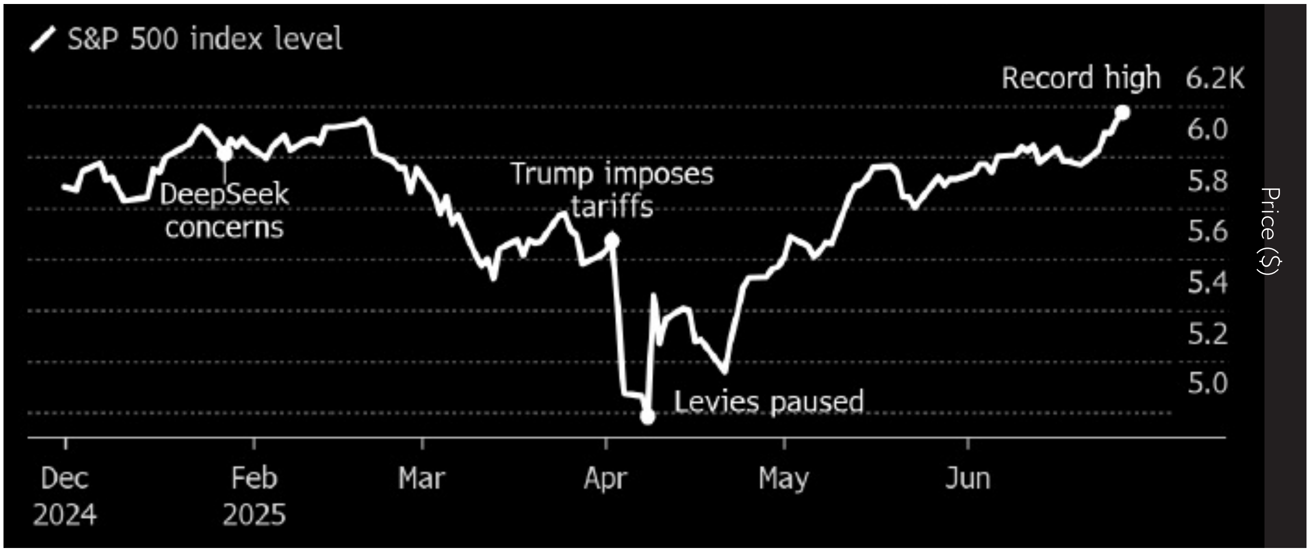
A Quarter in Two Acts

Investors began the second quarter facing a fog of uncertainty driven by looming tariff announcements, a rapidly evolving fiscal policy regime, and familiar concerns over the path of monetary policy, as noted in the fund's 1Q25 letter. Tariff-related anxiety took center stage beginning on April 2nd, with the announcement of steeper than expected tariffs on almost all U.S. trade partners. In the days that followed, volatility spiked across rates, currencies, commodities, credit spreads and equity markets. By April 8th, the S&P 500 had fallen 12% over 4 trading sessions, and the VIX reached its highest level since the pandemic-era peak in March of 2020.

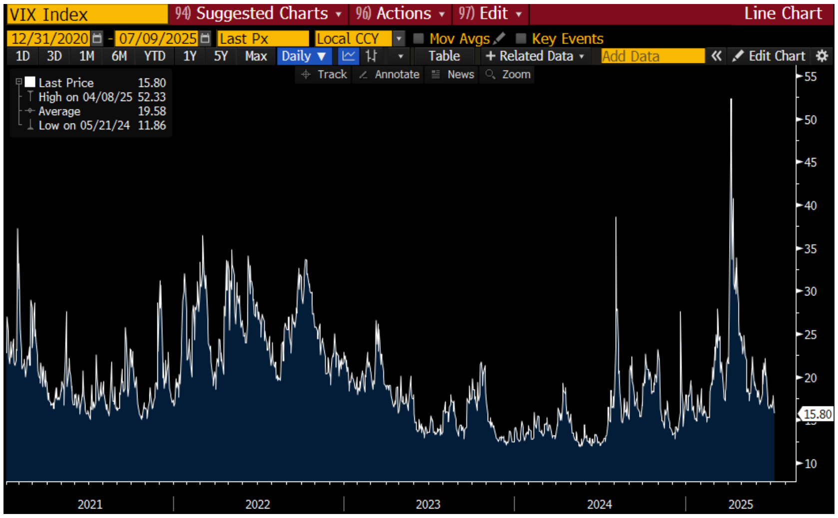
The following day brought a reprieve with the announcement of a 90 day pause to tariffs. Risk assets rallied, and the S&P 500 surged 9.5% – its best single day since 2008. In the ensuing weeks, weak "soft data" sentiment was rebutted by relatively constructive "hard data," renewed geopolitical tensions in the Middle East were shrugged off, and April's many uncertainties gave way to renewed risk-on sentiment. The S&P 500 continued its climb during June and ended the quarter at a new all-time high.

Exhibit 1: The S&P 500's Round Trip in 1H25



Source: Bloomberg.

Exhibit 2: April 8th: VIX Spikes to Post-Pandemic Era Peak



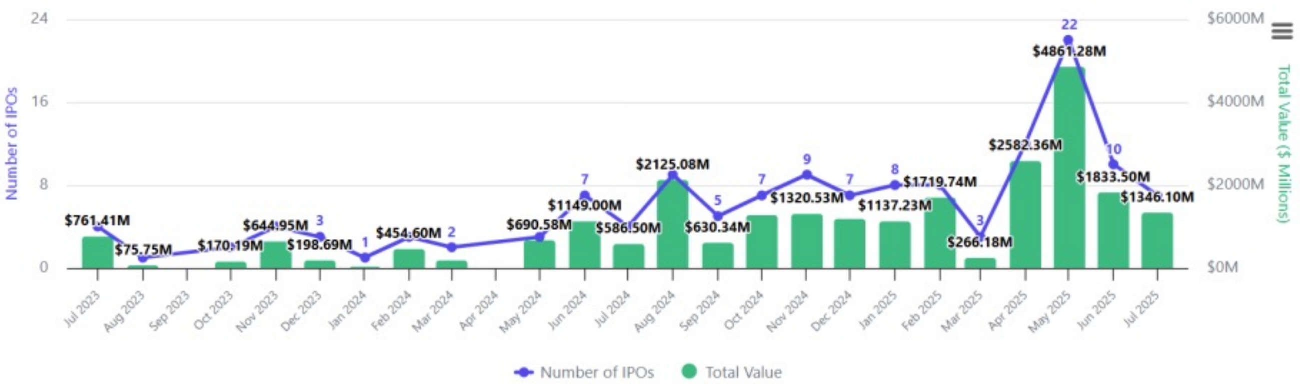
Source: Bloomberg

The rebound in risk sentiment and the broad decline in cross-asset volatility, coupled with a stable financing environment, created fertile ground for an acceleration in SPAC issuance, a flurry of strategic and sponsor-based Mergers and Acquisitions (M&A) activity, and a continued uptick in traditional IPO issuance. The sections that follow outline how these developments are contributing to a robust opportunity set across the fund's core strategies: Risk Arbitrage, Catalyst Driven Equities, and Catalyst Driven Credit.

Resurgent SPAC IPOs

As noted in last quarter's letter, "SPACs have come back to life in 2025. There were 20 SPAC IPOs in the first quarter, a greater than 3x increase from the same period in 2024." That trend persisted despite the volatility of the second quarter.

Exhibit 3: SPAC IPO Issuance Accelerated in 1H25



Source: Seaport Research Partners

SPAC arbitrage continues to offer a compelling risk adjusted return profile, balancing downside protection and equity upside optionality. A general overview of the strategy follows:

- Investors participate in newly issued SPAC units through the IPO process.
- The SPAC units typically consist of common shares and fractional warrants and are usually issued at a $10 trust value backed by U.S. Treasuries.
- If a deal is announced and the market reacts positively, investors benefit from share appreciation and warrant gains.
- If investors choose not to participate in a deal, or no deal is announced, they may redeem their shares for the trust value, typically with accrued interest.
- This combination of downside protection and upside optionality creates an asymmetric payoff profile that is idiosyncratic and uncorrelated.

Optionality can also emerge post-issuance as markets reprice SPACs in anticipation of potential deals. In several instances this quarter, share prices appreciated before formal announcements, allowing the fund to monetize gains and generate attractive absolute and annualized returns.

This latest SPAC cycle is characterized by stronger sponsor commitments, better governance, and improved deal structures. We remain selective, focusing on high-quality sponsors with a demonstrated track record of acquisition success.

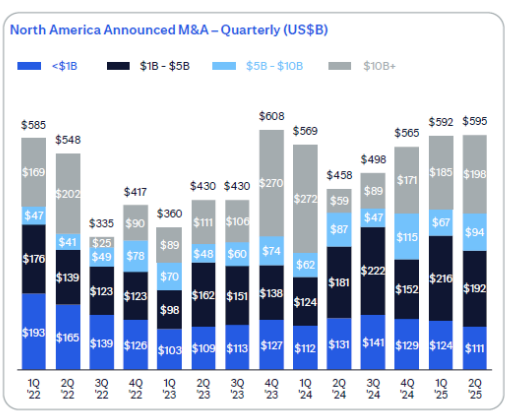
Mergers & Arbitrage Activity Gaining Momentum

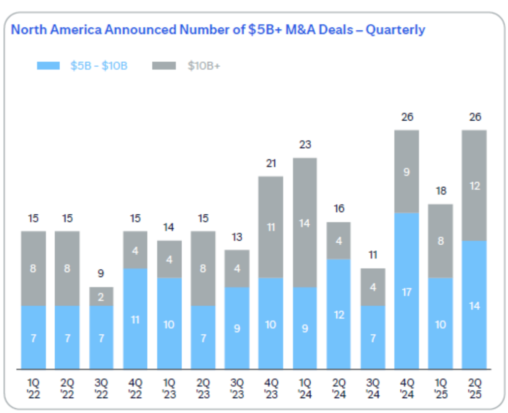
M&A activity is a core driver of opportunities in merger arbitrage and new issue leveraged loans and high yield bonds. At the outset of 2025, we anticipated that pent-up strategic and sponsor-driven demand, stable credit markets, and a more permissive regulatory environment would set the stage for a breakout year. Although April and May appeared to derail that thesis, M&A activity rebounded sharply in June.

Large-cap strategic transactions were the primary catalyst, led by the $34.5B merger of two very large providers of cable and broadband services, both of which have significant market share. The data show growing momentum, with deals sized above $5.0B contributing meaningfully to the overall announced volume.

Exhibit 4: North American M&A Market Momentum Extends into 2Q25

2Q 2025 marked North America M&A's second-best quarter since 2021, with $595 billion in announced volume. $5B+ deals reached their highest count since 2021, while twelve $10B+ deals made this the second-strongest quarter for such transactions since 2021.

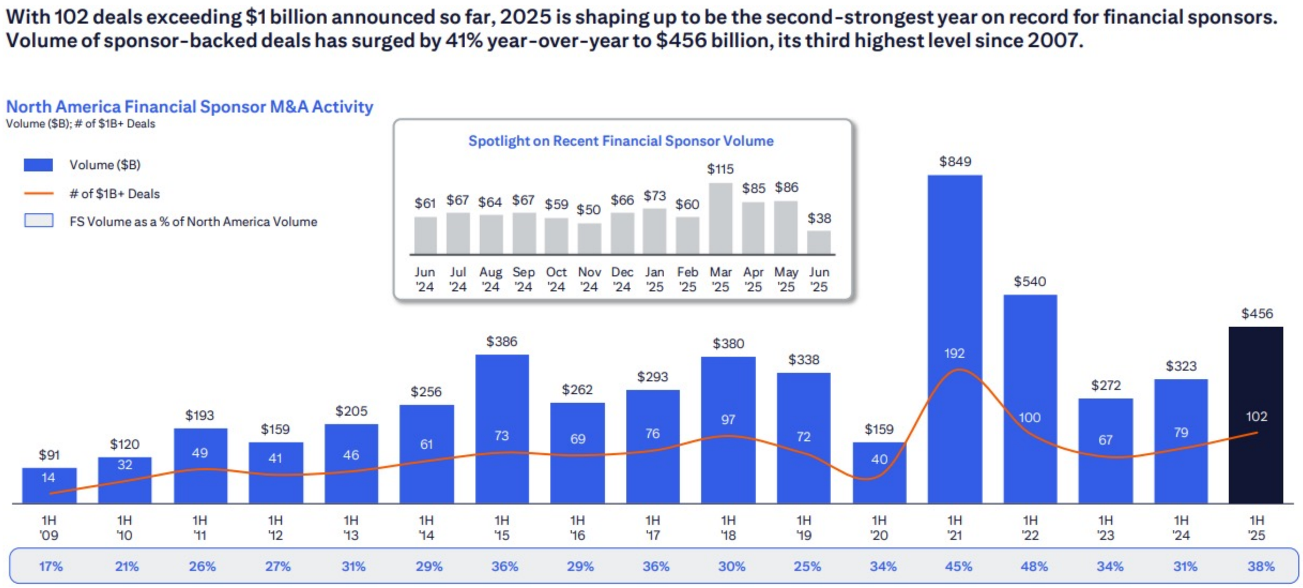




Sources: Citi, Dealogic. Activity in North America is based on the geography of target, acquiror, or divestor

While strategic M&A led activity in 1H25, financial sponsor activity also picked up. Private equity firms remain under pressure to both deploy dry powder and return capital to LP's. This urgency, coupled with supportive financing and seemingly more accommodating regulatory backdrops underpinned a diverse range of deal activity in 1H25 including asset sales to corporates, IPO exits, and LBOs. Sponsor-backed deal volume rose 41% year over year to $456B, the third highest level since 2007.

Exhibit 5: Strong First Half as Financial Sponsors Transact at Near Record Levels

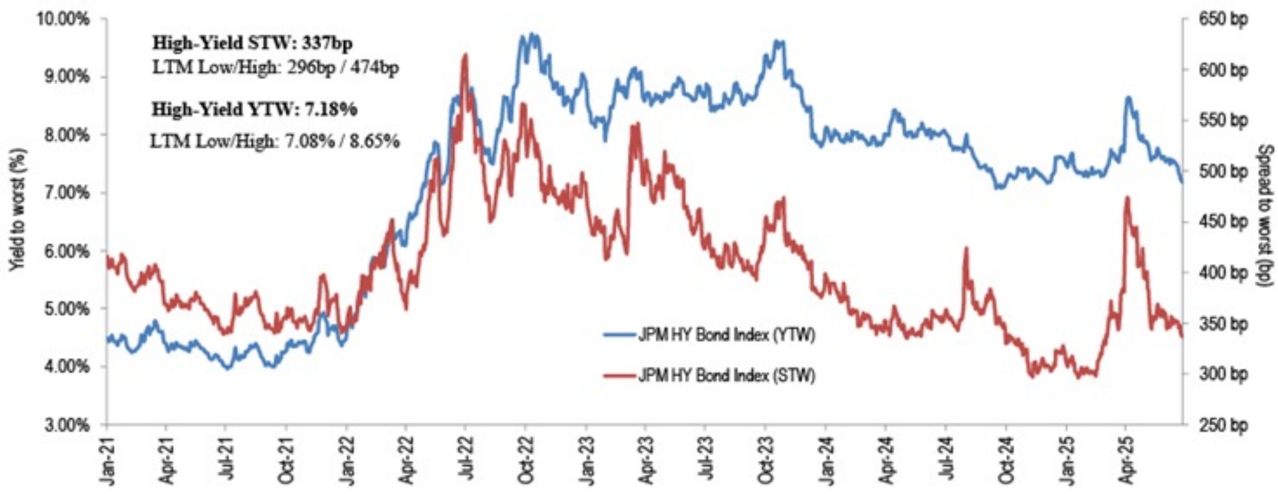


Sources: Citi and Dealogic. Activity in North America is based on the geography of target, acquiror or divestor. Includes acquisitions and divestitures from financial sponsors, venture capital firms and private equity investors.

Supportive Financing and Regulatory Backdrops May Fuel Additional M&A

The return of lower volatility in public markets and narrowing of credit spreads off the early April wides supported a more constructive financing environment. In high yield, secondary spread tightening was matched by strong primary market demand. June was the most active month for high yield issuance since September of 2021, according to JP Morgan.

Exhibit 6: HY Credit Spread Tightening Provides Supportive Financing Backdrop for M&A Activity



Source: JP Morgan. Data as of 6/30/25

Further, June offered a potential inflection point in the regulatory landscape. The Federal Trade Commission (FTC) approved a global advertising agency's $13.5B buyout of a rival, an outcome that, together with the announced cable industry transaction discussed above, may encourage more sponsors and corporates to pursue transactions previously considered non-starters. Increased deal volume and deal spreads that skew more idiosyncratic as the regulatory regime is "tested" would drive additional expansion of the fund's multi-asset risk arbitrage opportunity set.

Traditional IPOs and Follow-On Issuances

Supportive equity markets and reduced volatility in the latter half of the second quarter also benefitted traditional IPO activity. 2025 has already produced the largest number of IPOs doubling in their first session since 2021, according to Bloomberg. As more issuers achieve successful outcomes, we expect growing appetite for new issuance among private companies and investors.

During the quarter, the fund participated in the IPO of a financial services company priced at a modest valuation of 6x forward year earnings. The stock rose 26% in its first session and was among the fund's top three single name contributors for the quarter. Similarly, the fund evaluated several follow-on equity offerings and participated in the issuance of a building materials products distributor, which also produced a successful outcome. We will continue to engage in IPOs and follow-on issuances selectively, focusing on stocks that are mispriced relative to intrinsic value and present a clear path and catalysts for unlocking that value.

Performance Review

For the second quarter of 2025, the Driehaus Event Driven Fund returned 2.40%.[1] Risk Arbitrage contributed 1.55%, Catalyst Driven Credit contributed 1.02%, Catalyst Driven Equity contributed 0.95%, and Portfolio Hedges detracted -1.02%.

The largest contributors for the quarter were a Risk Arbitrage position in a holding company (+0.50%), a Catalyst Driven Equity in the life sciences sector (+0.47%), and Catalyst Driven Equity in the financials sector (+0.43%). The largest detractors were Catalyst Driven Equities in the life sciences (-0.48%) and industrials (-0.44% and -0.35%) sectors.

Conclusion

The DEVDX team remains committed to constructing a portfolio of idiosyncratic investments with attractive risk-adjusted returns and clearly defined catalysts for value creation. The fund's multi-asset strategy and capacity to invest in a wide range of event-driven scenarios ensures a broad opportunity set in volatile and benign markets alike. We look forward to evaluating additional risk arbitrage and catalyst driven equity opportunities in the third quarter and are prepared to take advantage of credit widening should it emerge.

As always, we welcome conversations about the current environment, portfolio positioning, or individual investments. Thank you.

Best,

Yoav and Mike

[1]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 6/30/25)

	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Inception[1]
				Annualized			
Driehaus Event Driven Fund	2.40	-1.59	2.09	3.88	5.15	4.95	4.79
S&P 500 Index[2]	10.94	6.20	15.16	19.71	16.64	13.65	13.81
Morningstar Event Driven Category[3]	2.81	4.18	7.75	5.28	5.03	3.86	3.81
Alpha to S&P 500 Index	--	--	-1.22%	-0.21%	1.08%	1.17%	0.88%
Beta to S&P 500 Index	--	--	0.2	0.2	0.3	0.3	0.3
Correlation to S&P 500 Index	--	0.7	0.7	0.6	0.6	0.6	0.6
Volatility as a % of S&P 500 Index	--	--	31%	34%	42%	46%	47%

Morningstar Event Driven Rankings[5] (as of 6/30/25)

	1 Year	3 Year	5 Year	10 Year
Number of Funds in Category	38	35	35	29
Position - DEVDX	38	35	9	3
Percentile Ranking - DEVDX	**100%**	**100%**	**26%**	**10%**

Source: Driehaus Capital Management, FactSet
Data as of 6/30/25

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 Morningstar Event Driven Category is generally representative of mutual funds that primarily employ strategies that seek to profit from corporate actions, such as mergers and acquisitions. Mutual funds in this category typically focus on equity securities but can invest across the capital structure. However, they typically have low to moderate equity market sensitivity since company-specific developments tend to drive security prices. [4]Represents the Annual Fund Operating Expenses as disclosed in the current prospectus dated April 30, 2025. 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 38, 35, 35 and 29 mutual funds (all share classes) for the one, three, five and ten 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	$115M
Strategy Assets	$325M
Firm Assets Under Management	$21.4B

Annual Operating Expenses[4]	
Gross Expenses	1.43%
Net Expenses	1.43%

Portfolio Management

Yoav Sharon, Portfolio Manager
19 years industry experience

Michael Caldwell, Portfolio Manager
17 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	25.5%	0.0%	25.5%	25.5%
Credit	27.1%	-0.6%	27.8%	26.5%
Equity	33.2%	0.0%	33.2%	33.2%
Hedges	0.0%	-22.2%	22.2%	-22.2%

Overall Morningstar Rating™

Based on risk-adjusted returns as of 6/30/25

★★★

All Share Classes among 46 Funds in the Event Driven Category

Sector

GICS[1]	Long Exposure	Short Exposure	Gross Exposure	Net Exposure
Communication Services	2.6%	0.0%	2.6%	2.6%
Consumer Discretionary	11.7%	-1.6%	13.2%	10.1%
Consumer Staples	1.0%	0.0%	1.0%	1.0%
Energy	0.0%	0.0%	0.0%	0.0%
Financials	38.1%	-3.4%	41.4%	34.7%
Health Care	11.5%	-6.8%	18.4%	4.7%
Industrials	12.0%	-2.1%	14.1%	9.9%
Information Technology	0.8%	0.0%	0.8%	0.8%
Materials	0.0%	0.0%	0.0%	0.0%
Real Estate	0.0%	0.0%	0.0%	0.0%
Utilities	8.2%	0.0%	8.2%	8.2%
Other[2]	0.0%	-9.0%	9.0%	-9.0%

Top Contributors/Detractors (by Investment Strategy)

Top 5	
Arbitrage	0.50%
Equity	0.47%
Equity	0.43%
Equity	0.43%
Equity	0.35%
Total	2.18%

Bottom 5	
Equity	-0.48%
Equity	-0.44%
Equity	-0.35%
Hedges	-0.33%
Hedges	-0.24%
Total	-1.85%

Source: Driehaus Capital Management, FactSet

Quarterly Contribution to Return (by Investment Strategy)

	April	May	June	2nd Quarter
Arbitrage	0.12%	0.29%	1.14%	1.55%
Credit	-0.08%	0.83%	0.27%	1.02%
Equity	-0.41%	-0.70%	2.06%	0.95%
Hedges	-0.21%	-0.06%	-0.75%	-1.02%
Cash/Expenses[3]	-0.04%	-0.05%	-0.03%	-0.11%
Total	-0.60%	0.31%	2.69%	2.39%

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 is 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% three year 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 two star rating for the three year period, three star rating for the five year period and a four star rating for the ten year period, with 42, 41 and 32 funds respectively in the category.

Sector Breakout by Top Weighted Investment Strategy

Sector	Investment Strategy	Security Type	Average Weight	Contribution To Return
Communication Services			**2.01**	**0.05**
	Credit	Bank Loan	2.01	0.05
Consumer Discretionary			**9.20**	**0.42**
	Equity	Equity Common	2.73	0.35
	Credit	Bank Loan	2.14	0.07
	Credit	Bank Loan	2.01	0.05
	Equity	Equity Common	1.70	-0.08
	Hedges	Total Return Swap	-1.48	-0.18
Consumer Staples			**0.43**	**-0.11**
	Arbitrage	Equity Common	0.39	-0.12
	Arbitrage	Equity Common	0.04	0.01
Financials			**32.40**	**2.20**
	Arbitrage	Equity Common	4.32	0.47
	Equity	Equity Common	4.08	0.08
	Credit	Corporate	3.46	0.14
	Arbitrage	Equity Common	3.04	0.06
	Arbitrage	Equity Common	3.00	0.08
Health Care			**3.82**	**-0.25**
	Hedges	Total Return Swap	-5.67	-0.24
	Equity	Equity Common	3.14	-0.48
	Equity	Equity Common	3.07	-0.16
	Equity	Equity Common	1.50	0.04
	Equity	Equity Common	0.97	0.47
Industrials			**11.57**	**-0.15**
	Credit	Corporate	3.65	0.06
	Equity	Equity Common	2.69	-0.04
	Equity	Equity Common	2.10	-0.44
	Equity	Equity Common	1.62	0.43
	Hedges	Total Return Swap	-1.61	-0.33
Information Technology			**3.39**	**0.37**
	Arbitrage	Corporate	1.88	0.03
	Credit	Corporate	1.16	0.26
	Arbitrage	Equity Common	0.35	0.07
	Arbitrage	Warrant / Right	0.01	0.00
Utilities			**7.85**	**0.17**
	Credit	Corporate	5.07	0.08
	Credit	Corporate	2.78	0.09

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 under performing 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 non diversified 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.

Fund holdings are subject to change and should not be viewed as a recommendation to buy or sell any security. Dividends are not guaranteed and may fluctuate.

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 July 16, 2025 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.

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.

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.

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.

High Yield (HY) - are bonds that pay higher interest rates because they have lower credit ratings than investment-grade bonds.

Investment Grade (IG) - Bonds that are believed to have a lower risk of default and receive higher ratings by the credit rating agencies.

World Government Bonds Benchmark – yields over a variety of short-, medium- and long-term time frames for a global array of government bonds.

Risk-Free Rate – the theoretical return attributed to an investment that provides a guaranteed return with zero risks.

Risk Premium – the investment return an asset is expected to yield in excess of the risk-free rate of return.

Par – the fact value of a bond or stock, as stated in the issuing company's corporate charter.

Drawdown – a peak-to-trough decline during a specific period for an investment, trading account, or fund.

Yield to Call – refers to the return a bondholder receives if the bond is held until the call date, which occurs sometime before it reaches maturity.

Hurdle Rate – is the minimum required rate of return or target rate that investors are expecting to receive on an investment.

Free Cash Flow – is the amount by which a business's operating cash flow exceeds its working capital needs and expenditures on fixed assets.

Alpha – is the measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a mutual fund and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark index is a fund's alpha.

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

Arbitrage Spread – is a difference in price between two markets or exchanges for a particular security, currency, or commodity.

Basis Point (BP) – a unit of measure used in finance to describe the percentage change in the value or rate of a financial instrument.

Percentage Point (PP) – the term is used when comparing two different percentages.

Return-to-Risk Ratio – marks the prospective reward an investor can earn for every dollar they risk on an investment.

Volatility – a measure of dispersion around the mean or average return of a security. We define volatility as standard deviation.

Standard Deviation – A statistical measure of the degree to which an individual portfolio return tends to vary from the mean, based on the entire population. The greater degree of dispersion, the greater degree of risk.

CBOE Volatility Index (VIX) –also known as the Fear Index, measures expected market volatility using a portfolio of options on the S&P 500.

Global Economic Uncertainty Index – is calculated by taking a Gross Domestic Product (GDP)-weighted average of national Economic Policy Uncertainty (EPU) indices for 21 countries.

Bank of America High Yield Index – tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market.

Bank of America leveraged loan index (LLI) – is a market-weighted index that tracks the performance of institutional leveraged loans.

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Bloomberg U.S. Corporate Investment Grade Index – futures are designed to bring liquidity and efficiency to the broad corporate credit market. These contracts allow for new hedging and risk management solutions in investment grade credit, making them ideal for expressing tactical views, implementing relative value trades, hedging or improving liquidity management strategies.

Dow Jones Industrial – market index that tracks 30 large, publicly owned blue-chip companies trading on the New York Stock Exchange (NYSE) and Nasdaq.

S&P 500 – is a market-capitalization-weighted index of 500 leading publicly traded companies in the U.S.

S&P Financials – comprises those companies included in the S&P 500 that are classified as members of the GICS financials sector.

S&P Utilities – comprises those companies included in the S&P 500 that are classified as members of the GICS utilities sector.

S&P Midcap – index comprises 400 companies that broadly represent companies with mid-sized market capitalization.

S&P Smallcap –index comprises 600 companies that broadly represent companies with small market capitalization.

NASDAQ Composite – a market capitalization-weighted index of more than 2,500 stocks listed on the Nasdaq stock exchange. It is a broad index that is heavily weighted toward the important technology sector. The index is composed of both domestic and international companies.

NASDAQ Ind – is a stock market index that includes almost all stocks listed on the Nasdaq stock exchange.

NASDAQ 100 – a collection of the 100 largest, most actively traded companies listed on the Nasdaq stock exchange.

Russell 1000 – a stock market index used as a benchmark by investors. It is a subset of the larger Russell 3000 Index and represents the 1,000 top companies by market capitalization in the United States.

Russell 2000 – a stock market index that measures the performance of the 2,000 smaller companies included in the Russell 3000 Index.

Russell 3000 – a market index that measures the performance of the largest 3,000 U.S. companies representing approximately 96% of the investable U.S. equity market.

Wilshire 5000 – a market-capitalization-weighted index of the market value of all American stocks actively traded in the United States.

MSCI EAFE – a performance benchmark for the major international equity markets. It includes companies in 21 countries in Europe, Australasia, and the Far East (East Asia)—forming the acronym EAFE.

Dry Powder – is cash that's been committed by investors but has yet to be "called" by investment managers in order to be allocated to a specific investment.

J.P. Morgan High Yield (HY) Bond Index – is a comprehensive, broad-based composite benchmark. It tracks U.S. Dollar, Euro, and Pound Sterling-denominated global corporate debt issuances across both Developed Markets (DM) and Emerging Markets (EM) debt segments. The benchmark index covers High-Yield (HY) debt issuances across Asia, Europe, Latin America, North America, and the Middle East & Africa regions.