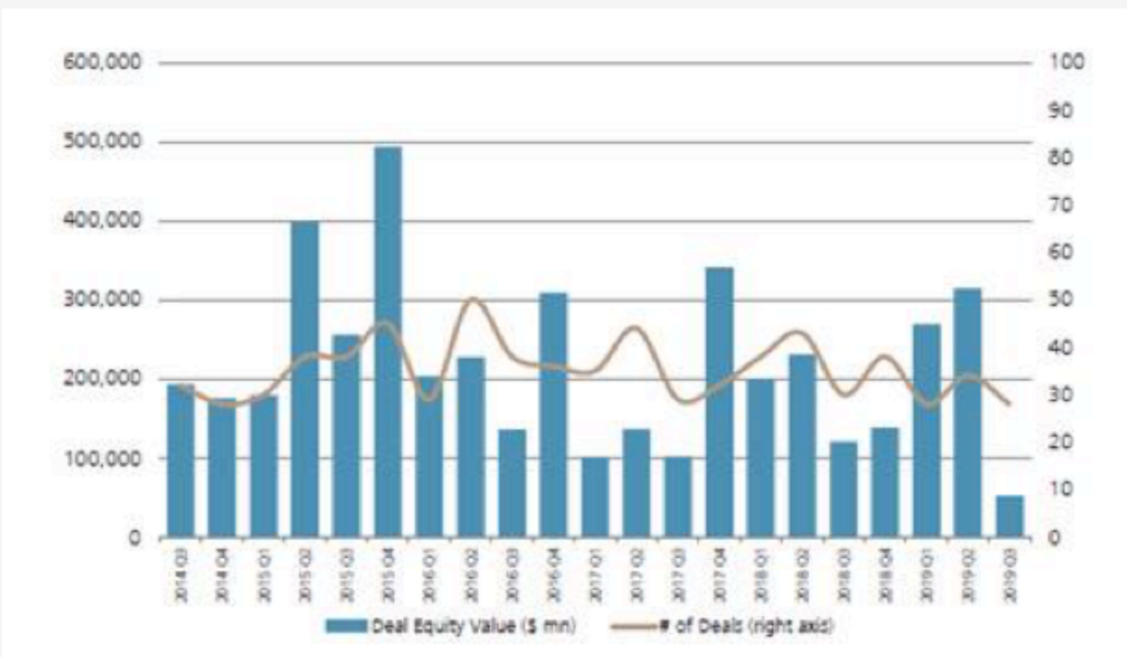
Stillness is the Key…Right?

We recently came across Ryan Holiday's new book, Stillness is the Key, which centers around the premise that downshifting our life and activities allows us to fully take in the wonder of stillness (and, as a result, the world). We couldn't help but think about the concept amid the current market backdrop. With so much up in the air surrounding key economic and geo political issues, let alone the potential paths forward, taking a step back and focusing on the present seems like a worthy exercise. Interestingly, and perhaps unsurprisingly, for all the noise and gyrations the market has experienced over the last quarter, equity and credit markets have essentially gone nowhere. Unfortunately for investors, the current stillness is not of the 'being present' kind. Rather, market participants appear to be exhibiting 'deer in headlights' behavior, unclear of the playing field or rules of the investing game.

The lack of clarity has led to a standstill of sorts – a waiting period for the dust to settle- whether it be related to global trade, FED policy, or earnings trajectory. The impact has bled into the Event Driven space where deal activity slowed substantially during the third quarter. Announced deal value of $52 billion represented an 84% sequential and 57% Year-Over-Year (YoY) decrease, reaching a five-year quarterly low. The number of deals announced with consideration greater than $400M stood at 28, matching the lowest level since the fourth quarter of 2014. Although 2019 is still on pace for healthy overall deal activity[1], the abrupt drop in action this past quarter is telling.

Exhibit 1:
Recent Deal Activity (Q3 2014-Q3 2019)



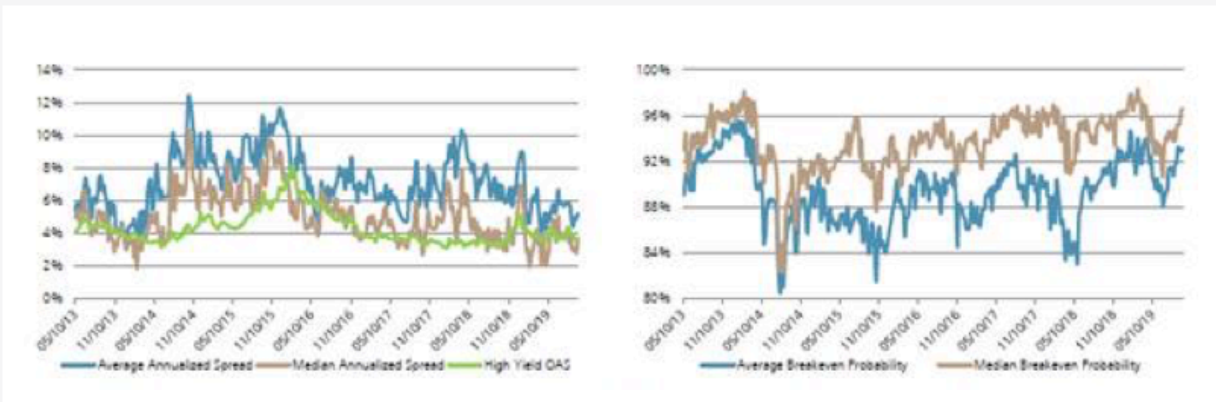
Note: Mergers with an equity value in excess of $400 million involving publicly-traded targets in the US.
Source: UBS, Bloomberg

[1]2019 is still on pace for the fifth largest year of deal activity, dating back to 1998, per UBS.

As a result, merger arbitrage spreads have compressed on the whole, a function of recent large deal closures, which necessitate that fresh capital be put to work in the space. For context, annualized deal spreads (LIBOR-adjusted) were at a representative level of 3.6% in the third quarter of 2019, implying breakeven probabilities of approximately 95%. Similarly, by way of cross asset comparison, arbitrage spreads are at or below high yield spreads, which due in part to the unquenching thirst for yield, sit at 400 basis points and an all-in yield of 6%.

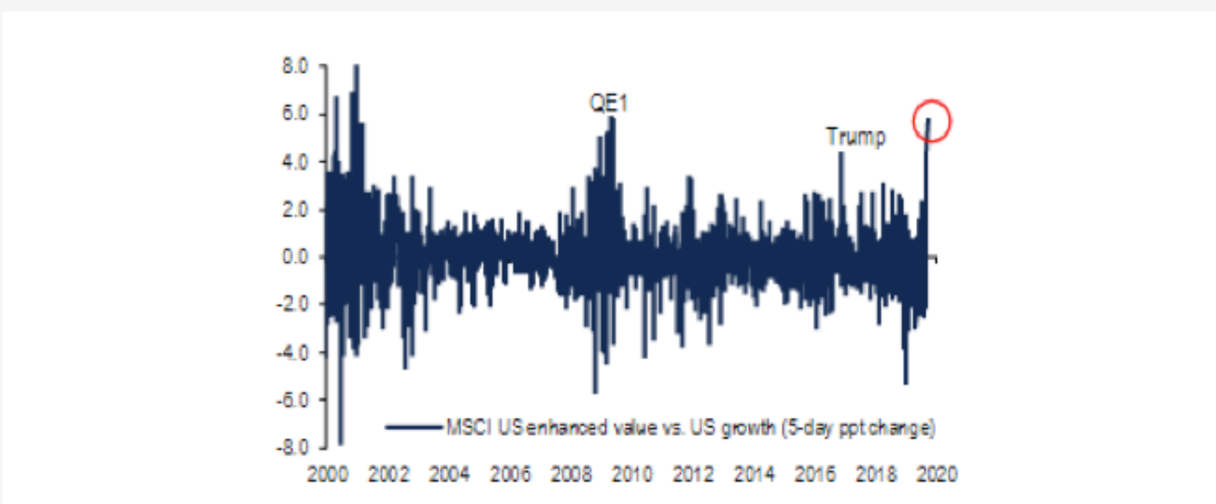
Amid the aforementioned precarious backdrop, the market was dealt another curveball to contend with in the quarter. At the outset of September, an unwind of crowded positioning moved swiftly and harshly across markets. The yield on the U.S. 10 Year rate backed up from 1.45% to 1.90%, while heavily shorted equities faced a significant squeeze. Factor performance reversed course as well, wiping out the impact of the first nine months of the year in a matter of weeks. Most notably, value experienced a near six-sigma move versus growth, leading to the second largest outperformance in 18 years.

Exhibit 2:
Deal Universe Risk-Reward Weekly Trends



Source: UBS, Bloomberg

Exhibit 3:
Value vs. Growth Outperformance



Source: BofA Merrill Lynch Global Investment Strategy, Bloomberg

This added layer of uncertainty has led to heightened investor trepidation, present company included. While the impact on siloed pockets of investing have been particularly acute- case in point the standstill in merger and acquisitions (M&A) activity- the fund's multi strategy approach allows us to allocate time and resources to those areas providing the greatest opportunity at any given point in time, without limiting ourselves to dormant areas.

Under the current investing regime, the fund continues to source investment opportunities across both equity and credit, even as merger arbitrage opportunities remain sparse for the time being. Much of today's environment, in addition to being colored by general uncertainty, is clearly impacted by strong investor expectations for dis-inflation and the accompanying swell of negative yielding interest rates. We'll leave the high-level prognostications to the quarterly macro letters circulating, but we thought it would be helpful to provide insight into how the fund is able to capitalize on the circumstances of the current market environment.

Example #1: When FED rate cuts appear to overwhelm

The fund recently initiated a position in the first lien Term Loan of a recent spin company (SpinCo) in the technology space. The SpinCo builds automotive cognitive assistance solutions to power natural and intuitive interactions between automobiles, drivers and passengers, and the broader digital world. The company stands to benefit from the secular tail-winds at the intersection of the technology and automobile spaces. As we do with all spins that come to market, the fund looked at the equity as a prospective investment before deciding to pass, due to valuation. During the marketing period ahead of the spin, the Term Loan syndication met some roadblocks. A few key reasons led to the muted reception for the bank debt:

1. The loan came at a period of high new issuance on the calendar, limiting investor attention.

2. The size of the loan and the fact that the company was a first-time issuer restrained certain investors from spending time on the opportunity.

3. The story does not look like a traditional software business, therefore necessitating auto industry expertise and additional work to be done.

While these attributes were related to the specific issue, another key point impacted the process. With the FED set to continue their interest rate cuts and renewed quantitative easing (QE), investors are anticipating term loan pricing to feel the brunt of the pain, as LIBOR resets lower. While we don't disagree with the logic, the repricing of the term loan overshot fundamentals. Ultimately, the term loan pricing flexed wider from initial talk of LIBOR plus 375 at an original issue discount (OID) of 99, to LIBOR plus 600 at an OID of 94. In addition to the new pricing terms, lender friendly amendments to the credit documents and a down-sized issuance, changed the complexion of the opportunity for the fund. We were able to create our exposure at 2.2X leverage for a software business with secular tailwinds supported by an equity valuation of 11X EV/EBITDA. Looking forward, we believe after one or two quarters of the company getting on its feet and reporting to the public markets, credit investors will see the value the equity market currently does. This should enable the company to refinance its term loan into a new issue that is more in-line with the market.

Example #2: Derisking the "risky" investments (in Healthcare)

As with the limitations of siloed approaches, when the market uses a 'one size fits all' approach for an investment category, significant opportunity tends to be discarded. The fund has consistently been able to capitalize on this concept in our healthcare investments. While overall data regarding drug development suggests low probability of success, specific attributes greatly increase success rates, and therefore provide compelling investment opportunity when properly navigated.

A recent investment in a clinical-stage biotech company, is one such case. The company develops antibodies to treat cancer and has four drugs in the clinic, including MCLA-128, which is our focus of attention. At a high level, the drug is going after what are called NRG1 fusions, which are a subset of oncogenic fusions that are homogenous and more precisely targeted, as opposed to the general heterogenous population of cancers. Our hypothesis is rooted in the view that the biological mechanism of drugging oncogenic fusions works, as has been proven over the past decade. The data suggests that there is a high probability that the company's drug and approach will greatly impact tumors with NRG1 fusions. Companies with drugs that exhibit these characteristics tend to carry enterprise values in excess of $700M and yet, the equity currently has a market value of $375M and $180M in net cash, for a total enterprise value of $195M.

While many market participants broadly paint all clinical drugs with the same brush, we would note that the biology surrounding the drug has been characterized over the past four years and is now primed for a targeted approach that will extract significant value. As it relates to the specific opportunity at hand, companies that develop effective drugs in this area have repeatedly created substantial value for investors. To frame the value creation, public companies that have targeted similar fusions this decade[2] have generated returns on the order of multiples of capital invested. With proven biology at its back and a targeted approach that has been tested, the fund sees this opportunity in a similar light.

As the rhetoric and noise surrounding the market ratchet up, the fund continues to hone in on specific opportunity sets – some newly emerging, others previous candidates. While we are not immune to the back and forth gyrations, our process and approach insulate us from the broader market uncertainty. This has come to bare itself in the portfolio's risk attributes as our volatility, correlation, and beta have continued to trend lower and remain muted. Encouragingly, even amid the noise, we continue to find opportunity in areas that are either overlooked, misunderstood, or not accessible to traditional investors.

As we head into the final quarter of the year, we remain encouraged not only by the robust opportunity set, but the unique nature of the fund's multi-strategy approach to capitalize on the landscape.

[2]The fund has invested in companies exhibiting these profiles, including LOXO oncology, which was a fund holding acquired earlier this year.

Until next quarter,

Michael, Tom & Yoav

Michael Caldwell
Portfolio Manager

Tom McCauley
Portfolio Manager

Yoav Sharon
Portfolio Manager

DEVDX Performance Review

For the third quarter of 2019, the Driehaus Event Driven Fund returned -2.99% and the S&P 500 Index returned 1.70%. The portfolio hedges trade type was the fund's biggest contributor (1.69%), while the equity catalyst trade type was the biggest detractor (-5.45%). The bond catalyst (+0.61%), risk arbitrage (+0.49%) and deep value (-0.05%) categories accounted for the remainder of the fund performance.

The largest contributors for the quarter were portfolio hedges in the healthcare space (+133bps and +47bps). The third largest contributor was a risk arbitrage position that was acquired in an all cash offer that closed during the quarter (+21bps).

The largest detractors for the quarter included an equity catalyst holding that missed earnings due to the lumpy nature of the business (-129bps), a biotechnology company that gave up some of the year's previous gains (-80bps), and a medical device company that is ramping up its product offerings through the hospital value chain (-50bps).

PERFORMANCE (%)

MONTH-END – 9/30/19

	MTH	YTD	1 Year	3 Year	5 Year	Since Inception[2]
Driehaus Event Driven Fund	-1.64	13.81	4.12	5.25	2.99	3.56
S&P 500 Index[3]	1.87	20.55	4.25	13.39	10.84	12.30
FTSE 3-Month T-Bill Index[4]	0.17	1.78	2.36	1.52	0.96	0.79

CALENDAR QUARTER-END – 9/30/19

	QTR	YTD	1 Year	3 Year	5 Year	Since Inception[2]
Driehaus Event Driven Fund	-2.99	13.81	4.12	5.25	2.99	3.56
S&P 500 Index[3]	1.70	20.55	4.25	13.39	10.84	12.30
FTSE 3-Month T-Bill Index[4]	0.56	1.78	2.36	1.52	0.96	0.79

ANNUAL OPERATING EXPENSES[5]

Gross Expenses: 1.90%
Net Expenses: 1.90%

[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 (877) 779-0079 or visit www.driehaus.com for more current performance information.**

[2]The Driehaus Event Driven Fund has an inception date of August 26, 2013. [3]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. [4]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. [5]Represents the Annual Fund Operating Expenses as disclosed in the current prospectus dated April 30, 2019. 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.

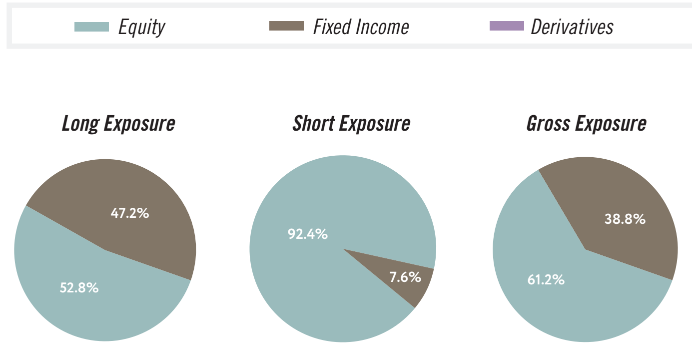
Investments in overseas markets can pose more risks than U.S. investments, and share prices are expected to be more volatile than that of a U.S.-only fund. The Driehaus Event Driven Fund invests in foreign securities, including small and mid cap stocks, which may be subject to greater volatility than 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.

DEVDX Portfolio Characteristics*

Executive Summary

Assets Under Management (AUM)	$66,135,126
Long Exposure	$59,308,137
Short Exposure	$(15,936,768)
Net Exposure	$43,371,369
Net Exposure % of AUM	65.58%
Gross Exposure	$75,244,905
Gross Exposure % of AUM	113.77%
Cash Exposure	$6,940,172
Cash Exposure % of AUM	10.49%

Exposure Breakdown by Asset Class



Trade Type

	Gross Exposure	% of Gross Exposure	% Contribution to Total Return
Bond Catalyst Driven	29,371,239	39.0%	-0.03%
Deep Value	770,734	1.0%	0.18%
Equity Catalyst Driven	24,962,060	33.2%	-2.02%
Portfolio Hedge	13,111,170	17.4%	0.34%
Risk Arbitrage	7,029,701	9.3%	0.02%
Cash and Expenses**			-0.07%
Total	**75,244,905**	**100.0%**	**-1.59%**

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

Portfolio Summary

100 Day Volatility	6.98%
S&P 500 Index 100 Day Volatility	14.23%
Beta vs. S&P 500 Index[1]	0.42
Beta vs. Merrill Lynch High Yield Index[2] (since inception)	0.93
Beta vs. Barclays US Aggregate Index[3] (since inception)	(0.50)
Correlation vs. S&P 500 Index (since inception)	0.66
Correlation vs. Merrill Lynch High Yield Index (since inception)	0.40
Correlation vs. Barclays US Aggregate Index (since inception)	(0.19)

Characteristics

FIXED INCOME	
Effective Duration	0.28 Years
Spread Duration	2.24 Years
Average % of Par – Long Credit	93.83%
Average % of Par – Short Credit	101.17%
EQUITY	
Weighted Average Market Capitalization (USD in billion)	7.39
Weighted Harmonic Average P/E using FY1 Estimation	5.3x

Source: Bloomberg

*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.

**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.

[1] 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.

[2] The BofA Merrill Lynch US High Yield Index is an unmanaged index that tracks the performance of below-investment-grade, US-dollar-denominated corporate bonds publicly issued in the US domestic market. [3] The Bloomberg Barclays Capital US Aggregate Bond Index, an unmanaged index, represents securities that are SEC-registered, taxable and dollar denominated. This index covers the US investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.

Note: *A definition of key terms can be found on page 10*

Product Type

	Long Exposure ($)	% of Long Exposure	Short Exposure ($)	% of Short Exposure	Gross Exposure ($)	% of Gross Exposure
Bank Loan	6,180,513	10.4%	0	0.0%	6,180,513	8.2%
Corporate	21,835,509	36.8%	(1,214,000)	7.6%	23,049,509	30.6%
Fixed Income	**28,016,021**	**47.2%**	**(1,214,000)**	**7.6%**	**29,230,021**	**38.8%**
ADR/GDR	2,267,918	3.8%	0	0.0%	2,267,918	3.0%
Equity Common	28,611,697	48.2%	(1,611,598)	10.1%	30,223,295	40.2%
Exchange Traded Fund	0	0.0%	(13,111,170)	82.3%	13,111,170	17.4%
Private Equity	412,500	0.7%	0	0.0%	412,500	0.5%
Equity	**31,292,115**	**52.8%**	**(14,722,768)**	**92.4%**	**46,014,883**	**61.2%**
Currency Forward	0	0.0%	0	0.0%	0	0.0%
Equity Options	0	0.0%	0	0.0%	0	0.0%
Derivatives	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
Total	**59,308,137**	**100.0%**	**(15,936,768)**	**100.0%**	**75,244,905**	**100.0%**

Region*

	Long Exposure ($)	% of Long Exposure	Short Exposure ($)	% of Short Exposure	Gross Exposure ($)	% of Gross Exposure
Developed	8,270,679	13.9%	0	0.0%	8,270,679	11.0%
Emerging	0	0.0%	0	0.0%	0	0.0%
United States	51,037,457	86.1%	(15,936,768)	100.0%	66,974,225	89.0%
Total	**59,308,137**	**100.0%**	**(15,936,768)**	**100.0%**	**75,244,905**	**100.0%**

Contributors (by Trade Type)

TOP 5	
Portfolio Hedge	0.49%
Equity Catalyst Driven	0.49%
Equity Catalyst Driven	0.26%
Deep Value	0.18%
Portfolio Hedge	0.16%
Total	**1.59%**

BOTTOM 5	
Equity Catalyst Driven	-0.61%
Equity Catalyst Driven	-0.52%
Equity Catalyst Driven	-0.52%
Portfolio Hedge	-0.31%
Equity Catalyst Driven	-0.23%
Total	**-2.19%**

Source: Bloomberg
*Region exposure is based on country of domicile
Note: *A definition of key terms can be found on page 10*

Sector

GICS[1]	Long Exposure ($)	% of Long Exposure	Short Exposure ($)	% of Short Exposure	Gross Exposure ($)	% of Gross Exposure
Communication Services	6,887,004	11.6%	0	0.0%	6,887,004	9.2%
Consumer Discretionary	4,710,259	7.9%	0	0.0%	4,710,259	6.3%
Consumer Staples	4,120,620	6.9%	(141,218)	0.9%	4,261,837	5.7%
Energy	0	0.0%	0	0.0%	0	0.0%
Financials	16,439,610	27.7%	(3,731,725)	23.4%	20,171,336	26.8%
Health Care	19,532,231	32.9%	(12,063,825)	75.7%	31,596,056	42.0%
Industrials	2,493,370	4.2%	0	0.0%	2,493,370	3.3%
Information Technology	5,125,043	8.6%	0	0.0%	5,125,043	6.8%
Materials	0	0.0%	0	0.0%	0	0.0%
Real Estate	0	0.0%	0	0.0%	0	0.0%
Utilities	0	0.0%	0	0.0%	0	0.0%
Other[2]	0	0.0%	0	0.0%	0	0.0%
Total	**59,308,137**	**100.0%**	**(15,936,768)**	**100.0%**	**75,244,905**	**100.0%**

Quarterly Trade Type

% Contribution to Total Return	July	August	September	3rd Quarter
Bond Catalyst Driven	0.13%	0.52%	-0.03%	0.61%
Deep Value	-0.05%	-0.18%	0.18%	-0.05%
Equity Catalyst Driven	-0.77%	-2.68%	-2.02%	-5.45%
Portfolio Hedge	0.29%	1.06%	0.34%	1.69%
Risk Arbitrage	0.43%	0.04%	0.02%	0.49%
Cash/Expenses*	-0.07%	-0.08%	-0.07%	-0.22%
Total	**-0.05%**	**-1.31%**	**-1.59%**	**-2.93%**

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

*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.

Source: Bloomberg, Moody's, Standard & Poor's

[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

Notes

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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 (877) 779-0079. 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 October 14, 2019 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.

Driehaus Securities 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

Average % of Par – Long Credit - The average dollar price of a bond the Fund is long as a percentage of par.

Average % of Par – Short Credit - The average dollar price of a bond the Fund is short as a percentage of par.

Beta - A measure describing the relation of a portfolio's returns with that of the financial market as a whole. A portfolio with a beta of 0 means that its price is not at all correlated with the market. A positive beta means that the portfolio generally follows the market. A negative beta shows that the portfolio inversely follows the market; the portfolio generally decreases in value if the market goes up and vice versa.

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.