DRIEHAUS
CAPITAL MANAGEMENT

DRIEHAUS EVENT DRIVEN FUND

Time Will Tell

4TH QUARTER 2020

In hindsight, our 2020 macro prediction model got it wrong. This time last year, we failed to predict "global pandemic leads to worldwide market despair followed by liquidity deluge followed by market euphoria...all before the market considers the US Presidential election." Despite our lack of precise forecasting, the fund – due largely to its multi-asset, hedged composition of idiosyncratic securities, weathered the storm. As importantly, we opportunistically made a series of attractive investments prior to, during, and after the most extreme market moves.

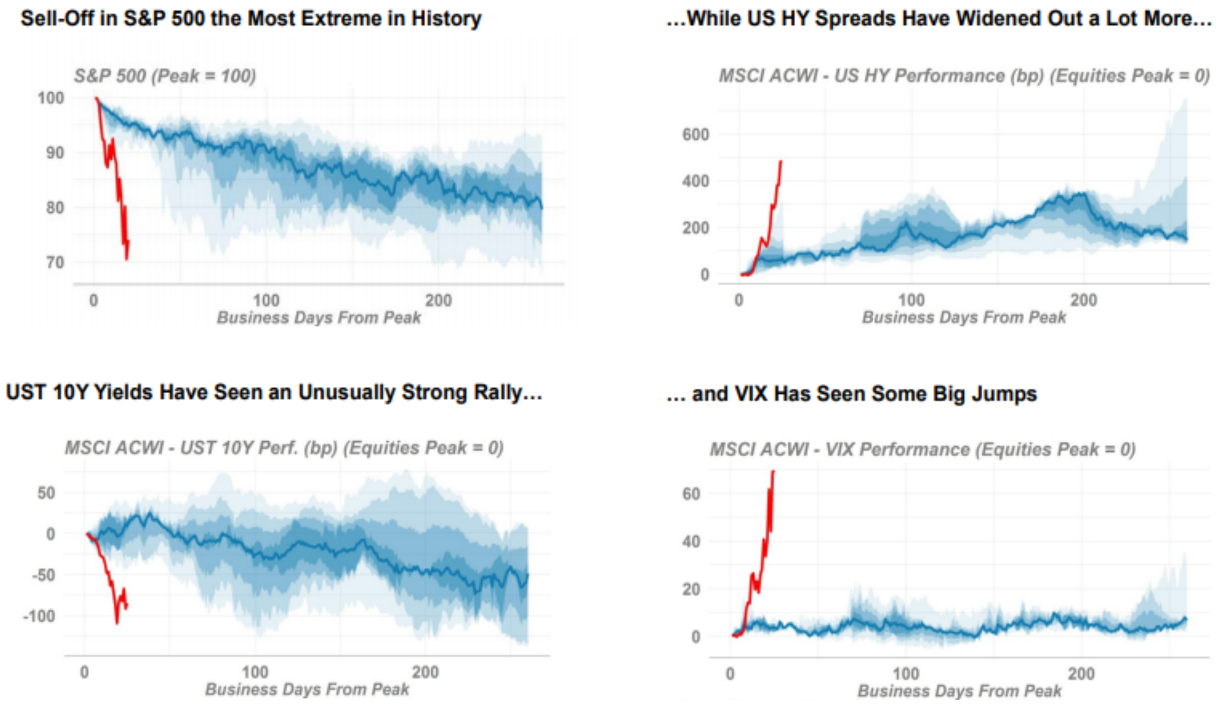
These actions helped the fund generate a return of 24.75%[1] during 2020, driven by alpha of 1,955 basis points and a beta to the S&P 500 of 0.2.

One needs to look no further than this past year's quarterly letters to understand just how dramatic (and unprecedented) this year's fluctuations in financial markets were.

> ***Q1:***
> *We are living in unprecedented times. The Covid-19 pandemic has caused global devastation on a scale that was unfathomable just a couple months ago...This period – which on many metrics surpasses the Great Financial Crisis in terms of uncertainty and financial stress...*
>
> ***Q2:***
> *It seems nearly impossible that in a matter of months (weeks?) the financial markets experienced a round trip for the ages... The first half of the year was like none other on so many levels.*
>
> ***Q3:***
> *As we begin the final quarter of this extraordinary year, we continue to be amazed by the magnitude and pace of change occurring in the world. The global economy is still grappling with an historic pandemic that has rippled through all facets of our lives.*

[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.**

Exhibit 1: The first quarter of the year might as well be ages ago – the financial markets have changed dramatically since the early days of the pandemic



Source: Bloomberg, Morgan Stanley Research

Exhibit 2: It wasn't just the markets that were wildly volatile in 2020. Fund manager surveys swung from one extreme to the other as new information came to light

Source: BofA Global Fund Manager Survey

While we cannot say precisely when the volatility will arise or pinpoint what will cause it in 2021, we are confident that bouts of volatility will continue throughout the upcoming year. With it will come both opportunities for new investments and the need to protect capital. **Importantly, within that context, the key tenants of our investment philosophy remain unchanged, even as portfolio construction tends to consistently adjust to the ever-changing opportunity set of our investment universe.** This is a bedrock foundation of the fund's multi strategy, multi asset class approach that capitalizes on idiosyncratic situations across the catalyst spectrum. Today, the fund is positioned similarly to how it was this time last year: defensive, yet able to allocate aggressively as attractive opportunities arise.

In keeping with recent tradition of the past few years, allow us to revive our "what's behind door number..." metaphor to assess the event driven landscape and our key areas of focus.

Arbitrage Situations:

After coming to a midyear standstill due to the pandemic, Mergers & Acquisitions (M&A) activity has rebounded significantly as increased growth appetite has fueled corporate demand for transactions and capital markets for deal funding remain wide open.

Bottom Line: The increase in M&A, coupled with the increased special purpose acquisition companies (SPAC) dry powder, has established risk arbitrage spreads that are beginning to pique our interest.... stay tuned.

Credit Opportunities:

With High Yield credit spreads and yields nearly converging, and the latter at all-time lows, the universe is broadly 'priced to perfection'.

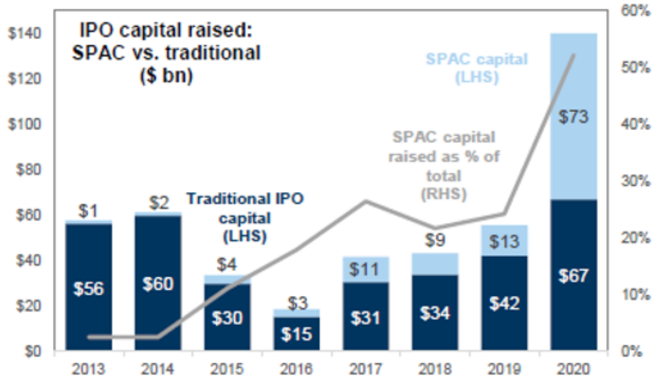
Bottom Line: Credit currently offers less attractive risk-adjusted return prospects than other areas in which we have expertise, so the fund's exposure to this area is lower than its historical average. However, if 2020 taught us anything, it's that things can change...and in a hurry. We'll be waiting.

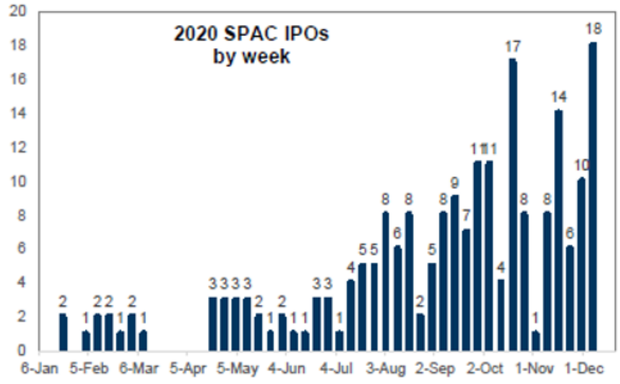
Catalyst Driven Equities:

A fruitful area of opportunity during the year, this door remains open. While we are unlikely to relive the unprecedented volatility experienced in 2020, this area requires heightened attention as the market grapples with the longer-term ramifications of the pandemic.

Bottom Line: Prone to the most noise, we would expect the landscape to shift a few times as the year unfolds, creating on-going opportunities for alpha generation.

Exhibit 3: The year of the SPAC became a dominant theme in the IPO markets in 2020. Both Supply and Demand increased to levels never seen before





Source: Dealogic, Goldman Sachs Global Investment Research
Special Purpose Acquisition Companies (SPACs) raise assets to seek potential acquisition opportunities. Unless and until an acquisition is completed, a SPAC generally invests its assets in U.S. government securities, money market securities, and cash. Because SPACs have no operating history or ongoing business other than seeking acquisitions, the value of their securities is particularly dependent on the ability of the entity's management to identify and complete a profitable acquisition. There is no guarantee that the SPACs in which the Fund invests will complete an acquisition or that any acquisitions that are completed will be profitable. Public stockholders of SPACs may not be afforded a meaningful opportunity to vote on a proposed initial business combination because certain stockholders, including stockholders affiliated with the management of the SPAC, may have sufficient voting power, and a financial incentive, to approve such a transaction without support from public stockholders. As a result, a SPAC maycomplete a business combination even though a majority of its public stockholders do not support such a combination. Some SPACs may pursue acquisitions only within certain industries or regions, which may increase the volatility of their prices.

Exhibit 4: Awash with government backed liquidity, credit yields are at historic all-time lows across both investment grade (IG) and high yield (HY)

Source: BofA Global Fund Manager Survey

Performance Review

For the fourth quarter of 2020, the Driehaus Event Driven Fund returned 12.22% and the S&P 500 Index returned 12.15%.[1] The equity investment strategy was the fund's biggest contributor (9.41%), while hedges were the biggest detractor (-3.14%). The arbitrage (4.87%) and credit (1.59%) strategies accounted for the remainder of the fund performance. The largest contributors for the quarter were a home medical equipment company that acquired a large competitor (+199 basis points), a precision medicine cardiovascular company (+173 basis points), and a SPAC that completed its acquisition of an online gaming platform company (+146 basis points). The largest detractors for the quarter included two industry ETF portfolio hedges (-243 basis points & -38 basis points) and a SPAC in the industrial technology space that gave up some of the years gains (-37 basis points).

Stay well,

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

This information is not intended to provide investment advice. Nothing herein should be construed as a solicitation, recommendation or an offer to buy, sell or hold any securities, market sectors, other investments or to adopt any investment strategy or strategies. You should assess your own investment needs based on your individual financial circumstances and investment objectives. This material is not intended to be relied upon as a forecast or research. The opinions expressed are those of Driehaus Capital Management LLC ("Driehaus") as of January 2021 and are subject to change at any time due to changes in market or economic conditions. The information has not been updated since January 2021 and may not reflect recent market activity. The information and opinions contained in this material are derived from proprietary and non-proprietary sources deemed by Driehaus to be reliable and are not necessarily all inclusive. Driehaus does not guarantee the accuracy or completeness of this information. 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 Event Driven Fund

Ticker

DEVDX

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

% Quarter-End Performance (as of 12/31/20)

				Annualized		
	QTR	YTD	1 Year	3 Year	5 Year	Inception[1]
Driehaus Event Driven Fund	**3.66**	**24.75**	**24.75**	**12.69**	**9.67**	**6.80**
S&P 500 Index[2]	3.84	18.40	18.40	14.18	15.22	14.00
FTSE 3-Month T-Bill Index[3]	0.01	0.58	0.58	1.56	1.16	0.80
Alpha to S&P 500 Index	--	--	19.5%	8.6%	5.1%	2.4%
Beta to S&P 500 Index	--	--	0.2	0.3	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	--	38%	38%	45%	50%	--

Morningstar Multi-Alternative Rankings[5] (as of 12/31/20)

	1 Year	3 Year	5 Year
Number of Funds in Category	88	76	66
Position - DEVDX	2	1	3
Percentile Ranking - DEVDX	**2%**	**1%**	**5%**

Source: Driehaus Capital Management, FactSet
Data as of 12/31/20

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, 2020. 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 peer group: Morningstar Multi Alternative Category (all share classes). Data based on monthly returns of 88, 76 and 66 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.

Facts

Inception Date	8/26/13
Fund Assets Under Management	$140M
Strategy Assets	$638M
Firm Assets Under Management	$12.3B

Annual Operating Expenses[4]	
Gross Expenses	1.93%
Net Expenses	1.93%

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

Investment Strategy

	Long Exposure	Short Exposure	Gross Exposure	Net Exposure
Arbitrage	19.8%	-1.6%	21.4%	18.2%
Equity	39.6%	-0.7%	40.3%	38.9%
Credit	15.7%	-0.1%	15.8%	15.7%
Hedges	0.0%	-13.1%	13.1%	-13.1%

Overall Morningstar Rating™

Based on risk-adjusted returns as of 12/31/20

★★★★★

All Share Classes among 274 Funds in the Multi Alternative Category

Sector

GICS[1]	Long Exposure	Short Exposure	Gross Exposure	Net Exposure
Communication Services	4.6%	-0.7%	5.3%	3.9%
Consumer Discretionary	4.7%	0.0%	4.7%	4.7%
Consumer Staples	0.0%	0.0%	0.0%	0.0%
Energy	1.4%	0.0%	1.4%	1.4%
Financials	23.9%	-0.7%	24.6%	23.2%
Health Care	30.6%	-13.1%	43.7%	17.5%
Industrials	3.6%	-0.1%	3.7%	3.6%
Information Technology	2.1%	-0.9%	2.9%	1.2%
Materials	0.0%	0.0%	0.0%	0.0%
Real Estate	2.6%	0.0%	2.6%	2.6%
Utilities	1.7%	0.0%	1.7%	1.7%
Other[2]	0.0%	0.0%	0.0%	0.0%

Top Contributors/Detractors (by Investment Strategy)

Top 5		Bottom 5	
Arbitrage	1.99%	Hedges	-2.43%
Equity	1.73%	Hedges	-0.38%
Arbitrage	1.46%	Arbitrage	-0.37%
Equity	1.18%	Hedges	-0.33%
Equity	0.79%	Credit	-0.14%
Total	**7.14%**	**Total**	**-3.65%**

Source: Driehaus Capital Management, FactSet

Quarterly Contribution to Return (by Investment Strategy)

	Oct	Nov	Dec	4th QTR
Arbitrage	0.11%	2.15%	2.41%	4.87%
Equity	1.57%	6.31%	1.31%	9.41%
Credit	-0.07%	0.68%	0.89%	1.59%
Hedges	-0.26%	-2.07%	-0.73%	-3.14%
Cash/Expenses[3]	-0.09%	-0.14%	-0.21%	-0.45%
Total	**1.27%**	**6.94%**	**3.67%**	**12.27%**

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.

Sector Breakout by Top Weighted Investment Strategy

Sector	Investment Strategy	Security Type	Average Weight	Contribution To Return
Communication Services			**4.27**	**0.84**
	Credit	Corporate	2.19	0.19
	Equity	Equity Common	1.57	0.83
	Arbitrage	Corporate	1.37	0.04
	Credit	Corporate	-0.65	-0.06
	Equity	Equity Common	-0.64	-0.12
Consumer Discretionary			**2.96**	**0.28**
	Credit	Corporate	1.33	0.12
	Arbitrage	Equity Common	0.95	0.13
	Credit	Corporate	0.67	0.02
	Equity	Equity Common	0.00	0.00
	Equity	Preferred	0.00	0.01
Energy			**1.38**	**0.11**
	Credit	Corporate	1.38	0.11
Financials			**20.81**	**4.46**
	Credit	Corporate	2.85	0.15
	Equity	Equity Common	2.05	0.47
	Equity	Equity Common	2.01	0.79
	Arbitrage	Equity Common	1.94	1.19
	Credit	Corporate	1.85	-0.14
Health Care			**19.81**	**6.13**
	Hedges	Exchange Traded Fund	-9.77	-2.43
	Equity	Equity Common	5.41	-0.11
	Arbitrage	Equity Common	3.58	1.99
	Hedges	Exchange Traded Fund	-3.17	-0.38
	Equity	Equity Common	3.02	-0.04
Industrials			**3.05**	**0.71**
	Credit	Corporate	0.98	0.30
	Equity	Equity Common	0.71	0.24
	Credit	Corporate	0.70	0.07
	Credit	Corporate	0.46	0.04
	Equity	Equity Common	0.25	0.10
Information Technology			**0.73**	**-0.40**
	Arbitrage	Equity Common	0.59	-0.03
	Arbitrage	Private Equity	0.32	-0.73
	Arbitrage	Equity Common	-0.24	0.00
	Arbitrage	Equity Common	0.07	0.36
Real Estate			**3.50**	**0.51**
	Equity	Equity Common	1.86	0.26
	Arbitrage	Equity Common	0.83	0.23
	Equity	Equity Common	0.82	0.02
Utilities			**1.64**	**0.09**
	Equity	Equity Common	1.64	0.09

Notes

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 7, 2021 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.