Westwood®

Westwood **Real Estate Income Fund**

Commentary

3Q
2024

Investment Overview

Westwood Real Estate Income Fund seeks high current income and the potential for modest long-term growth of capital by investing in a portfolio of senior securities and high-income equities primarily issued by real estate investment companies. While the fund's focus is on real estate investment trust (REIT) preferred securities, its allocation among preferred stocks, common stocks and bonds may shift in response to market conditions.

The fund offers access to a professionally managed portfolio of REIT preferred shares and senior securities that provide income-oriented investors with an opportunity to own the preferred equity and bonds of public real estate companies at attractive yields.

- The fund also invests in high-yielding REIT common stocks and may seek opportunities in small-capitalization REITs, as well as utilize portfolio leverage in pursuit of its objectives. While the focus is on preferred/senior securities, the allocation may shift based on market conditions.
- The portfolio employs a rigorous, repeatable, bottom-up investment approach that incorporates both quantitative and qualitative analyses of companies' cash flow, assets and management to identify securities with the most risk-adjusted appreciation potential.
- The portfolio adjusts to changing market fundamentals through sector and geographic rotation, employs active stock selection and leverages the team's experience in real estate security portfolio management.

Performance (as of 09/30/24)

Westwood Real Estate Income Fund's Institutional Class shares produced a total return of 11.89% for the third quarter of 2024. The fund significantly outperformed its primary benchmark, the Bloomberg US Aggregate Bond (LBUSTRUU) Index, which returned 5.20% during the third quarter. The fund also outperformed its representative index, the MSCI REIT Preferred (M1CXIVA) Index, which returned 10.92% during the third quarter.

	Q3 2024	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception (04/28/06)
Fund (KIFYX)	11.89%	11.06%	22.08%	3.99%	4.35%	4.88%	5.41%
LBUSTRUU Index	5.20%	4.45%	11.57%	-1.39%	0.33%	1.84%	3.36%
M1CXIVA Index	10.92%	10.05%	20.00%	-1.57%	0.32%	2.30%	4.17%

Gross Expenses/Net Expenses: 1.01%/0.90%

Returns for periods greater than one year are annualized.

The performance data quoted represents past performance. Past performance is not indicative of future results. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance quoted. For performance data current to the most recent month-end, please call 877.FUND.WHG. *The total expense ratio for the KIFYX Fund is 1.01% (gross), 0.90% (net). The advisor has contractually agreed to reduce fees and reimburse expenses until April 30, 2025. In the absence of current fee waivers, total return and yield would be reduced. During the fiscal year ending October 31, 2024, the Adviser expects to recoup previous fee reductions and expense reimbursements to the extent allowed. Performance Data Source: Ultimus Fund Solutions, LLC and Bloomberg. Index returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index.*

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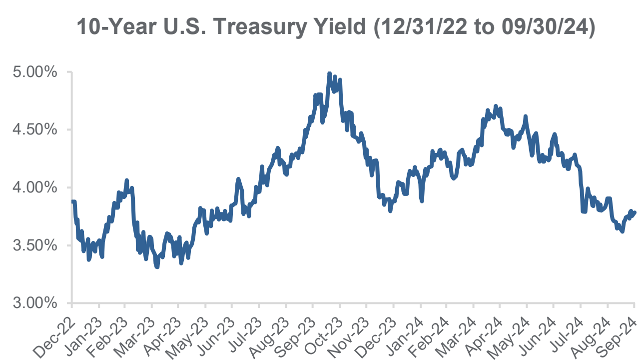
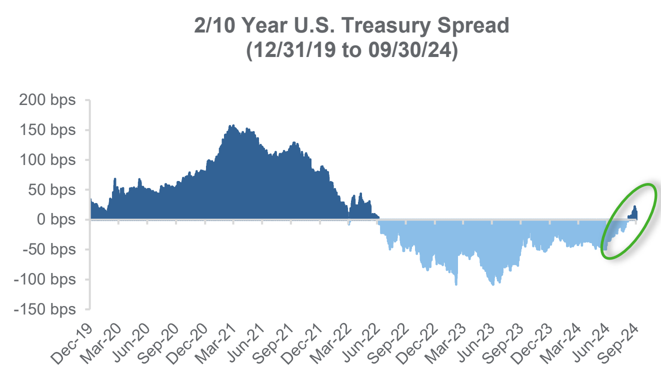
Third Quarter Macro Review

Following a solid first half of 2024, the broader markets witnessed continued strength in the third quarter, as investors remained fixated on whether a credit-easing cycle was about to commence. After months of speculation, these hopes were finally fulfilled at the Federal Reserve's (Fed's) September Federal Open Market Committee meeting, where Fed Chair Jerome Powell announced a cut of 50 basis points (bps) to the federal funds rate, the first such cut in four years due to progress against the Fed's dual mandate of maximum employment and stable prices. As one would expect, domestic equities performed well, as evidenced by the 5.89% and 2.76% third quarter returns for the S&P 500 Index and the Nasdaq Composite Index, respectively.[1] Similarly, fixed-income markets rallied on the heels of the Fed's dovish monetary policy change, with investment-grade credit, represented by the Bloomberg US Aggregate Bond Index, posting a 5.20% return in the third quarter.[1] The Fed's initial commentary emphasized an observed slackening of the labor market, which had led some market observers to wonder if the Fed acted too late by holding too restrictive of a monetary policy for too long. However, more recent economic reports have illustrated a still-robust economy. Nonetheless, with the 10-year U.S. Treasury Note yield below 4% at quarter-end and the 2/10 Treasury yield spread reverting back into positive territory, we welcome what appears to be the opening chapter of a new and more accommodative monetary stance. At present, the forward curve implies a total of six additional Fed cuts between now and the beginning of 2026. Similar to the rate cut skepticism we felt at the start of 2024, our forecast calls for one more cut this year followed by a handful of cuts in 2025. Directionally, we agree with the consensus but not on the magnitude.





Source: Bloomberg, as of 09/30/24. For illustrative purposes only.

While we remain cautiously optimistic with regard to the rate outlook, our conviction on real estate fundamentals has notably strengthened. As we have highlighted in previous commentaries, we continue to observe strong tenant demand across most property sectors (self-storage and industrial being the notable exceptions), resulting in attractive occupancy levels, robust lease economics and growing cash flow generation. Despite the "good news on the ground," the capital markets seemed to disregard these facts for the first half of the year as REIT equities posted negative returns through the end of June, setting up a significant fair-value discount. But as Stein's Law states, "If something cannot go on forever, it will stop." And thus, we witnessed a significant reversal in REIT performance in the third quarter as the valuations-relative-to-fundamentals equation simply became too attractive for the broader markets to ignore.

Concerning our current positioning, we have constructed our portfolio to reflect what we believe should be a period of sustained, albeit moderate, economic growth driven by a healthy labor market, supportive capital markets, a more favorable rate environment and a tolerable regulatory regime. We have intentionally tilted our portfolio toward property sectors that we believe should continue to heal in this setting (office and lodging in particular) as well as thrive (grocery-anchored centers and net lease). While the U.S. unemployment rate has recently ticked up slightly, the national inflation readings continue to drift toward the Fed's target of 2%, leading some to assert that the proverbial "soft landing" we have been waiting for is finally here. Whatever history ultimately labels this period, we find this to be an incredibly constructive backdrop for publicly traded REITs and believe this could signal a favorable earnings season as we round out the year.

[1] Bloomberg, September 30, 2024

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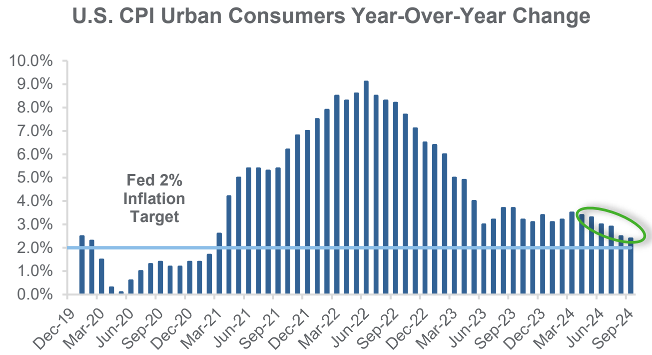

Source: Bloomberg, as of 09/3024. For illustrative purposes only.

Third Quarter Performance Review

As stated above, asset class returns were virtually positive across the board during the third quarter. As a case in point, the S&P 500 and the Nasdaq Composite produced strong positive returns of 5.89% and 2.76%, respectively.[2] Similarly, the broader fixed-income markets were equally buoyant, with the Bloomberg US Aggregate Bond Index and the ICE US Broad Municipal Index posting returns of 5.20% and 2.64%, respectively, over the same period.[2] For Real Estate Income, the fund's Institutional Class shares ended the third quarter up 11.89%, outperforming its primary benchmark, the Bloomberg US Aggregate Bond Index, and its representative index, the MSCI REIT Preferred Index, which returned 10.92%.[3] Given that the fund invests a portion of its assets in REIT common stocks in addition to REIT preferred stocks, we note that the REIT common equity market was up 16.79% for the quarter, as represented by the FTSE NAREIT All Equity REITs Total Return Index (FNERTR).[2]

Capital Raising: Capital Markets Open Up

Following a rather muted issuance environment in the second quarter where only one equity raise was completed, REITs dramatically shifted course in the third quarter as investors signaled their willingness to fund future growth. In total, 11 REITs raised nearly $7.7 billion of common equity in the third quarter, the largest quarterly raise in several years.[4] The number is somewhat padded by the initial public offering of Lineage, a cold-storage industrial REIT that completed the largest ever REIT IPO (~$5.1B) in mid-July.[4] Turning to debt issuance, 24 REITs placed over $15.9 billion of debt across 27 domestic debt issuances in the third quarter, a 52% increase compared to the $10.4 billion raised in 21 bond offerings in the second quarter of 2024.[4] Unfortunately for our fund, for the 10th quarter in a row, there were no new REIT preferred issuances completed during the third quarter of 2024.

As a reminder, there have been several dry spells regarding preferred issuance during the fund's more than 23-year track record. We believe that the dearth of recent REIT preferred offerings over the past two years is largely attributable to the present stock market turbulence related to the macroeconomic picture and the dramatic increase in domestic reference rates. Any new REIT preferred issuance will largely depend upon consistent economic conditions and willingness of management teams to fill out their capital stack as they continue to seek out new real estate investment opportunities. We endeavor to participate when favorable primary market opportunities present themselves, as these transactions represent efficient opportunities to place large amounts of capital. We hope to see a reopening of the REIT preferred market as we head into 2025 given that the interest rate landscape appears to be more favorable for issuance, but time will tell.

REIT M&A: No Deals in the Third Quarter

As happens from time to time, REIT merger and acquisition (M&A) activity effectively went quiet in the third quarter of 2024, as no U.S.-based REIT acquisitions were announced. Nevertheless, there remains an active private transaction market for real estate. Despite limited transaction volume, we continue to anticipate further REIT M&A given that many REITs remain trading at valuations meaningfully below consensus net asset value (NAV) levels and well below private

[2] Bloomberg, September 30, 2024
[3] Ultimus Fund Solutions and Bloomberg, September 30, 2024
[4] Bloomberg, September 30, 2024

market valuations. While we don't necessarily embrace "event-driven" opportunities as an explicit thesis in the fund, we remain "transaction aware" for potential future mergers.

REIT Preferred Income Remains Steady

We are happy to report that the fund continued to meet its income objective in the current yield environment, delivering attractive income in the context of total return. At quarter-end, the fund's REIT preferred stock investments were yielding approximately 7.3% and the yield available from our REIT common stocks was approximately 5.2%. Furthermore, the fund's Institutional Class shares paid a $0.3593 dividend (after fees and expenses) for the third quarter, which equates to an annualized 7.33% dividend yield when dividing by the quarter-end NAV per share.[5] The fact that REITs have continued to pay robust dividends on both their common and preferred shares means that the fund's real estate investments continued to fulfill one of their primary purposes: providing consistent, durable, periodic income. Given that current yields average 6.52%[6] across the broad REIT preferred universe and the 10-year U.S. Treasury closed out the third quarter at 3.81%,[7] the REIT preferred marketplace is priced with about 281 bps (2.81%) of spread over the 10-year risk-free rate.

Return Comparison (as of 09/30/24)

The table below demonstrates how the portfolio's components performed for the third quarter of 2024.

Q3 2024	Fund (KIFYX)[8]	Market[9]
Common Stocks	+14.20%	+16.79%
Senior Securities	+11.82%	+5.75%

Past performance does not guarantee future results.

Current Positioning

As the table below shows, 70.7% of the fund's investments were in senior securities (all in preferred stocks) at quarter-end, which is slightly above where the fund's senior security exposure stood at the end of the second quarter of 2024. Our senior securities continued to remain healthy from a credit point of view as the portfolio's fixed charge coverage ratio (FCCR) was 3.19x as of September 30. These issuers generally have stable leverage levels (45% or less of their total capitalization funded through debt or debt equivalents), limited development exposure and well-staggered debt maturities. We continually monitor the call risk and reinvestment risk of our senior security sleeve while simultaneously looking for new transactions that we think make sense.

Our common stock sleeve increased to 28.5% (all long) at quarter-end, up 1.0% from the end of the second quarter. We held 12 common stocks with a weighted average yield of 5.22% and an attractive relative valuation profile. We continue to look for common stocks that meet our yield mandate and represent good value for a portion of the fund's assets.

At quarter-end, our net exposure for the overall portfolio was approximately 99.2%. We also ended the quarter with 0.8% net cash and equivalents. Having cash on hand provides us with the ability to source attractive investments.

[5] As of September 30, 2024, KIFYX's 30-day SEC yield is 5.32% and 30-day unsubsidized SEC yield is 5.32%.
[6] MSCI, Inc., as of September 30, 2024
[7] U.S. Federal Reserve, September 30, 2024
[8] Viewed as an independent portfolio composed of various long positions and short positions
[9] Common stocks: FTSE NAREIT Equity REITs Total Return Index USD (FNRETR); senior securities: ICE BofAML Index (POP1)

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Security Exposures (as of 09/30/24)

Preferred	70.7%
Common (Long)	28.5%
Common (Short)	0.0%
Bonds	0.0%
Options	0.0%
Net	99.2%

These holdings may not reflect the current or future positions in the portfolio. Current or future portfolio holdings are subject to risk. Portfolio holdings are subject to change. Percentages may not add up to 100% due to rounding.

Investment Outlook: Third Quarter Delivers, Optimism Abounds

As noted earlier, the fund produced a notable positive return in the third quarter following two lackluster quarters to start the year. In fact, the third quarter results were the third-best quarterly performance for the fund since the Great Financial Crisis from 2007 to 2009. Despite this encouraging result, we believe that the REIT common stocks and REIT preferred securities that the fund currently owns may offer investors additional upside from here, as the sector continues to trade at a discount on an absolute and relative basis. The underlying strength in real estate fundamentals highlighted earlier underscores the confidence we have in our forward operating projections and informs our tailored sector approach to REIT portfolio construction. In addition to strong fundamentals, sector valuations continue to reflect wide cap rates relative to private market comps, discounted cash flow multiples compared to historical averages and attractive yield opportunities.

As readers of this commentary know, the majority of the fund's assets are invested in preferred securities issued by REITs, a segment of the preferred market that we continue to feel is underappreciated by investors. One reason for this lack of investor attention corresponds to the fact that a substantial portion of the REIT preferred universe remains unrated by rating agencies. Given our expertise in underwriting real estate credit, we exploit this opportunity by rigorously monitoring REIT balance sheets, carefully evaluating any development exposure our holdings take and maintaining close contact with the management teams in which we invest. Our approach has favored making senior security investments in companies with lower overall leverage profiles and limited near-term debt maturities. We believe our portfolio remains insulated from a credit perspective and that we are receiving more than fair yields for the risks we are accepting.

Shifting to the REIT common sleeve in the fund, which has averaged roughly 25%–30% of the fund's assets in recent years, we continue to observe a disconnect between private and publicly traded real estate valuations as well as with other sectors of the market. The chart below highlights the cumulative performance of the 10 GICS sectors of the S&P 500 since the end of 2021. REITs significantly underperformed all other sectors, and this relative underperformance has persisted for the better part of the past three years even with the strong rally we experienced in the third quarter. We continue to believe our REIT common sleeve will be a positive contributor to the fund's returns over the next several quarters.

No.	S&P 500 GICS Sector	Index Price 12/31/2021	Index Price 09/30/2024	% Change
1.	Energy	422.7	676.5	60.0%
2.	Information Technology	3,055.5	4,403.7	44.1%
3.	Industrials	895.0	1,147.1	28.2%
4.	Communication Services	267.5	314.6	17.6%
5.	Financials	650.0	754.2	16.0%
6.	Utilities	363.7	410.3	12.8%
7.	Consumer Staples	804.6	887.8	10.3%
8.	Health Care	1,643.9	1,796.5	9.3%
9.	Consumer Discretionary	1,610.8	1,605.4	-0.3%
10.	**Real Estate**	**324.8**	**280.5**	**-13.6%**

Overall, we feel the fund remains an attractive investment opportunity for investors. By prospectus, we pursue our income mandate in the context of total return from a diversified portfolio of high-quality real estate companies. Importantly, publicly traded REITs generally utilize far less leverage than private peers (and have very limited floating

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rate debt exposure) and continue to maintain access to equity and debt capital markets. As a result, we believe our companies are positioned to exploit opportunities that may become available. Lastly, using the fund's resources and the fund's footprint in the business, we believe we can deliver attractive income and total returns. We remain confident of the fund's future and welcome any questions or comments. As always, we value your confidence and trust.

Performance (%) as of 09/30/24

	Q3	YTD	1 YR	3 YR	5 YR	10 YR	Since Inception
Institutional	11.89%	11.06%	22.08%	3.99%	4.35%	4.88%	5.41%
Class A @NAV*	11.81%	10.81%	21.77%	3.67%	3.98%	4.50%	7.26%
Class A @MOP**	8.48%	7.47%	18.14%	1.64%	2.76%	3.88%	6.99%
Class C @NAV†	11.64%	10.28%	20.91%	2.99%	3.36%	3.87%	6.54%
Class C @MOP‡	10.64%	9.28%	19.91%	2.99%	3.36%	3.87%	6.54%
Bloomberg US Aggregate Bond Index	5.20%	4.45%	11.57%	-1.39%	0.33%	1.84%	—
MSCI REIT Preferred Index	10.92%	10.05%	20.00%	-1.57%	0.32%	2.30%	—

Returns for periods greater than one year are annualized.
* Excludes sales charge. ** Reflects effects of the fund's maximum sales charge of **3.00%.**
† Excludes the effects of the 1% contingent deferred sales charge. ‡ Includes the effects of the 1% contingent deferred sales charge.

The performance quoted represents past performance, does not guarantee future results and current performance may be lower or higher than the data quoted. The investment return and principal value of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Performance data current to the most recent month-end may be obtained at westwoodfunds.com. Investment performance may reflect fee waivers in effect. In the absence of fee waivers, total return would be lower. Total return is based on NAV, assuming reinvestment of all distributions. Performance does not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares.

Total Annual Fund Operating Expenses by Share Class: Institutional Class: 1.01%; Class A: 1.25%; Class C: 1.97%. The Adviser has contractually agreed to reduce fees and reimburse expenses until April 30, 2025. In the absence of current fee waivers, total return and yield would be reduced. During the fiscal year ending October 31, 2024, the Adviser expects to recoup previous fee reductions and expense reimbursements to the extent allowed.

Top 10 Holdings (as of 09/30/24)

Security	% of Net Assets
Kimco Realty Corp (Preferred Stock)	3.98
KKR Real Estate Finance Trust, Inc. (Preferred Stock)	3.85
CTO Realty Growth Inc. (Preferred Stock)	3.81
RLJ Lodging Trust (Preferred Stock)	3.55
LXP Industrial Trust (Preferred Stock)	3.55

Security	% of Net Assets
Pebblebrook Hotel Trust (Preferred Stock)	3.52
OUTFRONT Media Inc. (Common Stock)	3.32
National Storage Affiliates Trust (Preferred Stock)	3.32
Saul Centers Inc. (Preferred Stock)	3.20
American Homes 4 Rent (Preferred Stock)	3.11

These holdings may not reflect the current or future positions in the portfolio. Excludes cash.

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Top Contributors & Detractors by Holding (as of 09/30/24)

	Top Contributors	Contribution	Top Detractors	Contribution
Senior Securities	KREF 6.5% Series A Pfd.	0.75	INN 6.25% Series E Pfd.	-0.02
	CTO 6.375% Series A Pfd.	0.67	HOV 7.625% Series A Pfd.	-0.01
	LXP 6.5% Series C Pfd.	0.54	-	-
	AHH 6.75% Series A Pfd.	0.52	-	-
	KIM 7.25% Series N Pfd.	0.52	-	-
Common Stocks	OUTFRONT Media, Inc.	0.95	Boise Cascade Co.	-0.20
	BXP, Inc.	0.73	Kohl's Corporation	-0.11
	COPT Defense Properties	0.56	AvalonBay Communities, Inc.	-0.03
	Gaming and Leisure Properties, Inc.	0.42	Global Medical REIT, Inc.	-0.01
	Equity Residential	0.23	-	-

Past performance does not guarantee future results. These holdings may not reflect the current or future positions in the portfolio.

Top Contributors & Detractors by Sector (as of 09/30/24)

	Top Contributors	Contribution	Top Detractors	Contribution
Senior Securities	Hospitality	1.58	Other	-0.01
	Retail	1.54	-	-
	Diversified	1.19	-	-
	Mortgage	0.75	-	-
	Specialized	0.54	-	-
Common Stocks	Specialized	1.37	Other	-0.31
	Office	1.29	Health Care	-0.01
	Retail	0.43	-	-
	Multi-Family Residential	0.36	-	-
	Hospitality	0.24	-	-

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To determine if this Fund is an appropriate investment for you, carefully consider the Fund's investment objectives, risk factors and charges and expenses before investing. This and other information can be found in the Fund's prospectus, which may be obtained by downloading at westwoodfunds.com or calling 877.FUND.WHG (877.386.3944). Please read the prospectus carefully before investing.

Westwood Funds are distributed by Ultimus Fund Distributors, LLC. (Member FINRA). Ultimus Fund Distributors and Westwood Funds (or Westwood Holdings Group, Inc.) are separate and unaffiliated.

RISKS

There are risks involved with investing, including loss of principal. Past performance does not guarantee future results, share prices will fluctuate and you may have a gain or loss when you redeem shares.

Borrowing for investment purposes creates leverage, which can increase the risk and volatility of a fund.

Concentration in a particular industry will involve a greater degree of risk than a more diversified portfolio.

Debt securities are subject to interest rate risk. If interest rates increase, the value of debt securities generally declines. Debt securities with longer durations tend to be more sensitive to changes in interest rates and more volatile than securities with shorter durations.

Derivative instruments involve risks different from those associated with investing directly in securities and may cause, among other things, increased volatility and transaction costs or a fund to lose more than the amount invested.

Investing in exchange-traded funds (ETFs) will subject a fund to substantially the same risks as those associated with the direct ownership of the securities or other property held by the ETFs.

Investing in lower-rated ("high yield") debt securities involves special risks in addition to those associated with investments in higher-rated debt securities, including a high degree of credit risk.

Mortgage and asset-backed securities are debt instruments that are secured by interests in pools of mortgage loans or other financial instruments. Mortgage-backed securities are subject to, among other things, prepayment and extension risks.

Investing in the real estate industry or in real-estate-related securities involves the risks associated with direct ownership of real estate, which include, among other things, changes in economic conditions (e.g., interest rates), the macro real estate development market, government intervention (e.g., property taxes) or environmental disasters. These risks may also affect the value of equities that service the real estate sector.

Short selling involves additional risks and transaction costs, and creates leverage, which can increase the risk and volatility of a fund.

Investing in smaller companies generally will present greater investment risks, including greater price volatility, greater sensitivity to changing economic conditions and less liquidity than investing in larger, more mature companies.

There is no guarantee the companies in our portfolio will continue to pay dividends.

As of September 30, 2024, KIFYX's 30-day SEC yield is 5.32% and 30-day unsubsidized SEC yield is 5.32%.

Definition of Terms

2/10 Treasury yield spread is the difference between the 10-year U.S. Treasury yield and the 2-year U.S. Treasury yield. It is the main indicator of the steepness of the yield curve.

2-year U.S. Treasury is a debt obligation issued by the U.S. Treasury that has a term of two years.

10-year U.S. Treasury is a debt obligation issued by the U.S. Treasury that has a term of more than one year but not more than 10 years.

30-day SEC yield is a standardized calculation adopted by the SEC based on a 30-day period that helps investors compare funds using a consistent method of calculating yield.

30-day SEC yield (unsubsidized) is a standardized calculation adopted by the SEC based on a 30-day period that helps investors compare funds using a consistent method of calculating yield. It excludes expense waivers and reimbursements.

Basis point is a unit that is equal to 1/100th of 1%, used to denote the change in a financial instrument.

Bloomberg US Aggregate Bond Index represents securities that are U.S. domestic, taxable and dollar denominated. The index covers the U.S. investment-grade, fixed-rate bond market, with index components for government and corporate securities, mortgage pass-through securities and asset-backed securities.

Call risk is the risk faced by a holder of a callable bond that the bond issuer will take advantage of the callable bond feature and redeem the issue prior to maturity.

Capital stack is a description of the total capital invested in a project, including pure debt, hybrid debt and equity. The stack is described as containing the most risk at the top and least risky positions at the bottom.

Cash flow is a revenue or expense stream that changes a cash account over a given period.

Consumer Price Index (CPI) is an index number measuring the average price of consumer goods and services purchased by households. The percentage change in the CPI is a measure of inflation.

Discounted cash flow (DCF) is a valuation method used to estimate the attractiveness of an investment opportunity.

Dividend is a distribution of a portion of a company's earnings issued to shareholders in the form of cash payments, shares of stock or other property.

Dividend yield is a financial ratio that shows how much a company pays out in dividends each year relative to its share price.

Federal funds rate is the interest rate at which a depository institution lends immediately available funds to another depository institution overnight.

Federal Reserve is the central bank of the United States that is responsible for regulating the U.S. monetary and financial systems.

Fixed-charge coverage ratio is the ratio that indicates a firm's ability to satisfy fixed charges, such as debt payments, insurance premiums and equipment leases.

Fixed-to-float refers to securities that pay a defined coupon for a given period of time, and then they "float" or change what they pay based on some other criteria, which is very specifically stated in any agreement.

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Fixed-rate perpetual preferred stock is a financial instrument that has characteristics of both debt (fixed dividends) and equity (potential appreciation).

Forward curve defines the prices at which a contract for future delivery or payment can be concluded today.

FTSE NAREIT Equity REITs Index is representative of the tax-qualified REITs listed on the New York Stock Exchange, the American Stock Exchange and the NASDAQ National Market, excluding timber and infrastructure REITs.

ICE BofAML Fixed Rate Preferred Securities Index consists of investment-grade, fixed and fixed-to-floating rate U.S. dollar-denominated preferred securities.

ICE US Broad Municipal Index tracks the performance of over 58,000 investment grade tax-exempt municipal bonds representing over $1.6 trillion in total market capitalization.

Initial public offering (IPO) refers to the process of offering shares of a private corporation to the public in a new stock issuance.

Inflation is the rate at which the general level of prices for goods and services is rising, and, subsequently, purchasing power is falling.

Leverage is the use of various financial instruments or borrowed capital, such as margin, to increase the potential return of an investment.

M&A (mergers and acquisitions) refers to a process by which two companies become one. A merger is when two companies integrate their operations, management and stock to form a new company while an acquisition is when one company purchases another.

MSCI REIT Preferred Index is a preferred stock market capitalization-weighted total return index of certain exchange-traded perpetual preferred securities issued by U.S. equity and U.S. hybrid REITs.

Nasdaq Composite Index is a capitalization-weighted index designed to measure the performance of 3,000 stocks listed on the Nasdaq exchange, which includes large technology and biotech companies.

Net asset value (NAV) is equal to a fund’s or company’s total assets less its liabilities.

Reference rate is an interest rate benchmark used to set other interest rates.

Reinvestment risk is the chance that an investor will not be able to reinvest cash flows from an investment at a rate equal to the investment’s current rate of return.

Real estate investment trust (REIT) is a security that sells like a stock on the major exchanges and invests in real estate directly, either through properties or mortgages.

S&P 500 Index is an unmanaged index of 500 common stocks chosen to reflect the industries in the U.S. economy.

Spread is the difference between the rate of volume demand and the rate of volume supply.

Spread to Treasury refers to the difference in yield between a U.S. Treasury security and any other debt security with a similar maturity.

Stein’s Law refers to an economic principal devised by Herbert Stein, Chair of the Council of Economic Advisers under the Nixon and Ford administrations, that says, “If something cannot go on forever, it will stop,” meaning unsustainable trends are unsustainable.

Valuation is the process of determining the value of an asset or company based on earnings and the market value of assets.

Volatility is a statistical measure of the dispersion of returns for a given security or market index.

Weighted average yield is an average in which each yield to be averaged is assigned a weight. These weightings determine the relative importance of each yield on the average.

Yield is the interest or dividends received from a security and is usually expressed annually as a percentage based on the investment’s cost or on the U.S. government’s debt obligations.

Yield curve is a line that plots the interest rates, at a set point in time, of bonds having equal credit quality but differing maturity dates.

One cannot invest directly in an index.

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