Westwood®

Westwood **Real Estate Income Fund**

Commentary

4Q
2025

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 12/31/25)

Westwood Real Estate Income Fund's Institutional Class shares produced a total return of -1.41% for the fourth quarter of 2025. The fund underperformed its primary benchmark, the Bloomberg US Aggregate Bond (LBUSTRUU) Index, which returned 1.10% during the fourth quarter. However, the fund outperformed its representative index, the MSCI REIT Preferred (M1CXIVA) Index, which returned -3.28% during the fourth quarter.

	Q4 2025	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception (04/28/06)
Fund (KIFYX)	-1.41%	1.75%	1.75%	7.69%	4.37%	4.27%	4.95%
LBUSTRUU Index	1.10%	7.30%	7.30%	4.66%	-0.36%	2.01%	3.35%
M1CXIVA Index	-3.28%	1.56%	1.56%	5.44%	-0.93%	1.01%	3.40%

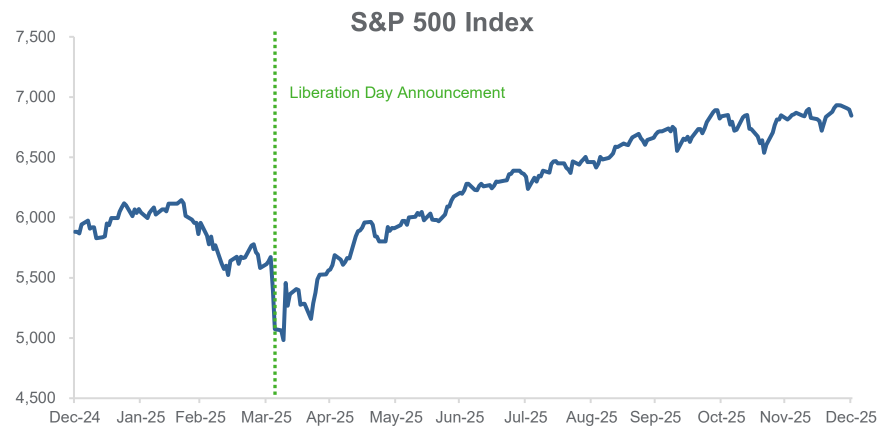
Gross Expenses/Net Expenses: 0.90%/0.93%

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 0.90% (gross) and 0.93% (net). The advisor has contractually agreed to reduce fees and reimburse expenses until March 1, 2026. In the absence of current fee waivers, total return and yield would be reduced. During the fiscal year ending October 31, 2025, 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.*

Fourth Quarter Macro Review

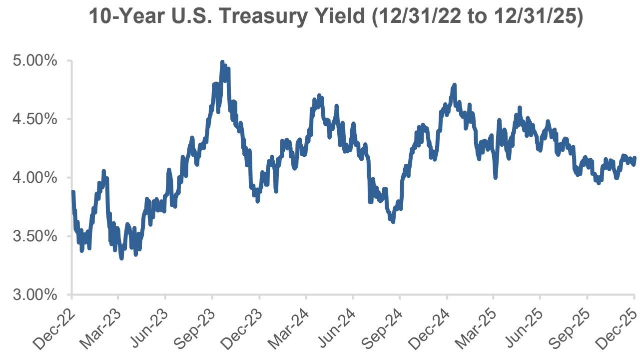
The fourth quarter capped what can best be described as a resilient 2025, as both equity and credit markets continued to push higher despite an uneven macro picture and the still-reverberating impacts of the Donald Trump administration's "Liberation Day" trade policies of early April. While the pace was certainly muted as compared to the third quarter, domestic equity indexes recorded low-single-digit positive returns for the fourth quarter, with the S&P 500 Index and the Nasdaq Composite Index posting 2.66% and 2.72%, respectively.[1] Similarly, investment-grade and high-yield credit markets produced solid quarterly results of 1.10% and 1.35%, respectively, as represented by the Bloomberg US Aggregate Bond Index and the ICE BofA US High Yield Index.[1] As has been the case all year, technology and artificial intelligence (AI)-related companies generated a significant portion of the equity market's return. The narrowness of the market remains a cause for concern, as one prominent economist estimated that data center and information processing technology investment was responsible for an estimated 92% of total U.S. gross domestic product (GDP) growth in the first half of 2025. Zooming out, we acknowledge that many key economic factors such as the unemployment rate, inflation, corporate earnings and capital markets activity project health, yet the most recent data present concerning trends.

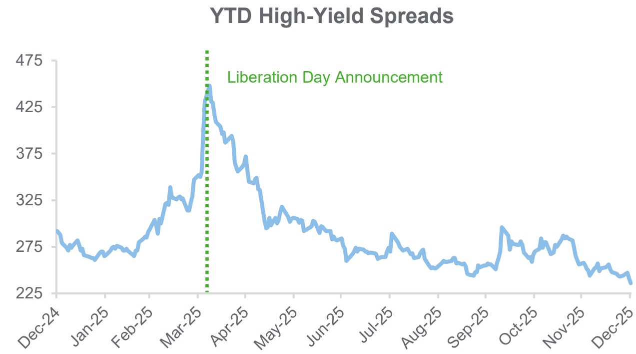


Source: Bloomberg, as of 12/31/25. For illustrative purposes only.

The quarter's biggest development from a macro policy perspective occurred at the October and December Federal Reserve (Fed) Federal Open Market Committee meetings, when the Fed cut the overnight rate by 25 basis points (bps) at each meeting, lowering the target overnight borrowing rate to 3.50%–3.75%. Credit markets have embraced the dovish posture, yet significant uncertainty remains regarding the future of rate policy in the U.S. as several Fed governors offered skeptical commentary. The 10-year U.S. Treasury Note yield started the fourth quarter at 4.15% and ended the quarter 2 bps higher.[2] Surprisingly, high-yield credit spreads shrunk 19 bps during the quarter.[2] When viewed from the start of the year, the fixed-income market has outpaced our expectations to date. Putting future Fed action to the side, we are concerned that the current pricing of fixed-income securities has tightened to the point where it appears that just getting a coupon payment is an upside scenario going forward.

[1] Ultimus Fund Solutions, LLC and Morningstar Direct, as of December 31, 2025
[2] Bloomberg, as of December 31, 2025

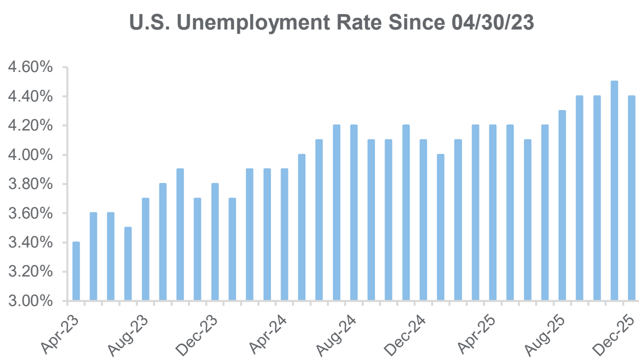


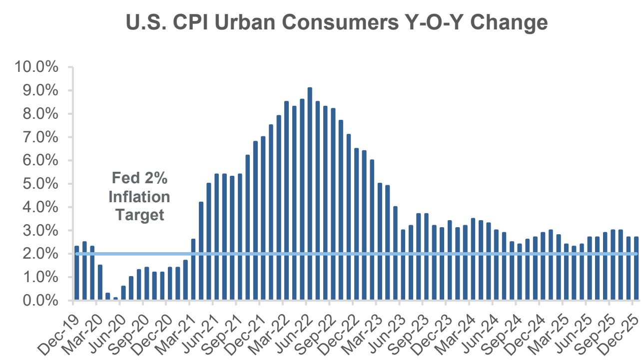


Note: High-Yield Spread = Bloomberg US Corporate High Yield Index yield minus 10-Year U.S. Treasury yield

Source: Bloomberg, as of 12/31/25. For illustrative purposes only.

The U.S. labor market remains our biggest concern heading into 2026 as the unemployment rate continues to slowly trend upward. And while the headline unemployment number ended 2025 at 4.4%, private-sector hiring has slowed considerably. From our viewpoint, it is difficult to interpret whether this cautiousness on the part of the employer is related to AI or broader concerns about growth in 2026. Nevertheless, we have shifted our portfolio to a slightly more defensive posture. Finally, the domestic inflation rate, as represented by the Consumer Price Index (CPI), spent the better part of the year oscillating between 2.3% and 3.0%, leading some strategists to conclude that the Fed's 2% target may be ultimately adjusted slightly upward. Given these conflicting signals (strong realized investment returns against a weakening economic backdrop), we advise caution and recommend a refreshed underwriting of go-forward assumptions.





Source: Bloomberg, as of 12/31/25. For illustrative purposes only.

Fourth Quarter Performance Review

As referenced above, asset class returns during the fourth quarter of 2025 were solidly positive for both equity and fixed-income securities. Our representative indexes for the broader equity markets remain the S&P 500 Index and the Nasdaq Composite Index, and these indexes produced positive returns of 2.66% and 2.72%, respectively, during the fourth quarter of 2025.[3] Switching to the bond market, investors received positive returns for credit exposures during the fourth quarter of the year. Both the investment-grade credit market (represented by the Bloomberg US Aggregate Bond Index) as well as the high-yield market (ICE BofA US High Yield Index) generated positive returns of 1.10% and 1.35%, respectively, during the fourth quarter.[3] Meanwhile, the ICE US Broad Municipal Index posted a positive return of 1.48%.[4]

For Real Estate Income, the fund's Institutional Class shares ended the fourth quarter with a negative -1.41%, underperforming the fund's primary benchmark, the Bloomberg US Aggregate Bond Index (as referenced above), but

[3] Ultimus Fund Solutions, LLC and Morningstar Direct, as of December 31, 2025
[4] Morningstar Direct, as of December 31, 2025

outperforming its representative index, the MSCI REIT Preferred Index, which returned -3.28%.[5] 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 down -2.15% for the quarter, as represented by the FTSE NAREIT All Equity REITs Total Return Index (FNERTR).[4]

Capital Raising: Issuance Down but Preferred Market Finally Opens Up

The capital markets were somewhat subdued for REITs in the fourth quarter of 2025. Publicly traded REITs issued equity only once during the quarter, a $447 million follow-on offering.[6] This issuance compares to $2.3 billion of common equity across seven transactions in the previous quarter.[6]

Turning to the fixed-income markets, 14 REITs placed approximately $7.6 billion across 15 domestic debt issuances in the fourth quarter, a decrease of approximately -57% from the prior quarter.[6] Importantly, the spread over the appropriate reference rate averaged 149 bps,[6] indicating a healthy willingness of market participants to invest in REIT credit.

Importantly, after a nearly four-year drought of no REIT preferred issuance, the fourth quarter welcomed two new REIT preferred transactions. Both were on the smaller side, $50 million, and both carried an attractive 8.0% coupon. Given our long-standing relationships and reputation across the industry, we were fortunate to be able to participate in these transactions with meaningful allocations. Time will tell whether these transactions signal a greater willingness by REIT management teams to source new capital through the preferred security structure or whether the market will go back to sleep.

REIT M&A: Deals Accelerate in the Fourth Quarter

Following a resurgent M&A market in the third quarter, transaction activity continued to accelerate in the fourth quarter with five announced transactions. Despite the heightened level of market volatility and macro uncertainty, we applaud this result as it indicates management teams' willingness to maximize value. It remains our belief that the pace of M&A activity will continue to accelerate throughout 2026, as the Real Estate sector has significantly lagged other parts of the market.

Announce Date	Target	Property Sector	Acquirer
October 14, 2025	PotlatchDeltic (PCH)	Timber	Rayonier (RYN)
October 24, 2025	Plymouth Industrial REIT (PLYM)	Industrials	Ares Management Makarora Management
October 27, 2025	Sotherly Hotels (SOHO)	Lodging	KW Kingfisher
November 4, 2025	Whitestone REIT (WSR)	Diversified	MCB Real Estate
December 8, 2025	Alexander & Baldwin (ALEX)	Diversified	DivcoWest MW Group Blackstone Real Estate

Sources: Bloomberg and company public filings, as of 12/31/25. For illustrative purposes only.

REIT Preferred Income Remains Strong in the Fourth Quarter

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 8.18%, and the yield available from our REIT common stocks was approximately 4.68%.[7] Furthermore, the fund's Institutional Class shares paid a $0.355 dividend (after fees and expenses) for the fourth quarter, which equates to an annualized 8.14% dividend yield when divided by the quarter-end net asset value (NAV) per share.[8] 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 7.06%[9] across the broad REIT preferred universe and the

[5] Bloomberg, as of December 31, 2025
[6] Westwood Management and Bloomberg, as of December 31, 2025
[7] Westwood Management and Bloomberg, as of December 31, 2025
[8] As of December 31, 2025, KIFYX's 30-day SEC yield is 5.28% and 30-day unsubsidized SEC yield is 5.28%
[9] MSCI, as of December 31, 2025

10-year U.S. Treasury closed out the third quarter at 4.17%,[10] the REIT preferred marketplace is priced with about 289 bps (2.89%) of spread over the 10-year risk-free rate.

Return Comparison (as of 12/31/25)

The table below demonstrates how the portfolio's components performed for the fourth quarter of 2025.

Q4 2025	Fund (KIFYX)[11]	Market[12]
Common Stocks	-1.38%	-2.15%
Senior Securities	-1.52%	-3.28%

Past performance does not guarantee future results.

Current Positioning

As the table below shows, 75.3% of the fund's investments were in senior securities (all in preferred stocks) at quarter-end, which is 3.5% above where the fund's senior security exposure stood at the end of the third quarter of 2025. Our senior securities continued to remain healthy from a credit point of view as the portfolio's fixed charge coverage ratio (FCCR) was at 2.9x as of December 31, 2025.[13] 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 decreased meaningfully to 22.6% (all long) at quarter-end, down 5.1% from the end of the third quarter as we made room for two new preferred issuances. We held 10 common stocks with a weighted average yield of 4.68% 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 97.9%. We also ended the quarter with 2.1% net cash and equivalents. Having some cash on hand provides us with the ability to source attractive investments.

Security Exposures (as of 12/31/25)

Preferred	75.3%
Common (Long)	22.6%
Common (Short)	0.0%
Bonds	0.0%
Options	0.0%
Net	97.9%

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: Turning the Page, Optimism Remains

As referenced in our previous outlook, publicly traded REITs have now underwhelmed, in both absolute and relative terms, for the past four years. The fourth quarter of 2025 continued this disappointing trend, elevating investor fatigue and once again leaving market participants questioning when prosperity will return to the real estate market. With the benefit of hindsight, it's clear that the massive interest rate regime change initiated in 2022 and the seismic trade policy reversal launched earlier this year have been a one-two punch that has set back real estate (and most other industries

[10] Bloomberg, December 31, 2025

[11] Viewed as an independent portfolio composed of various long positions and short positions

[12] Common stocks: FTSE NAREIT Equity REITs Total Return Index USD (FNRETR); senior securities: MSCI REIT Preferred Index

[13] Bloomberg, December 31, 2025

not named technology) by a significant margin over this period. Despite these specific headwinds, it has been hard to reconcile the generally strong macro picture (low employment, resilient consumer spending) and the strong operating environment for real estate (healthy occupancies, consistently positive rental spreads) with the disappointing market results produced by REITs. The cleanest explanation for this disconnect is that, broadly speaking, investors have embraced an aggressive risk-seeking posture and have decidedly tilted their portfolios toward growth (or the promise of growth) at the expense of current yield and stability. Given where technology and "growth-oriented" companies are presently valued, the proverbial "stretched rubber band" metaphor seems rather quaint. In fact, the phrases "valuation don't matter anymore" and "there are no moats" are routinely bandied about as received wisdom. We, for one, do not indulge in this invincible combination of optimism and naivete and therefore anticipate an asymmetrical return profile accruing to real estate when the tides inevitably reverse.

We remain unbowed in our conviction that better times (and better returns) await our fund investors and as such, we have pursued our time-worn investment process with vigilance. While some may consider our bottom-up approach of on-site property tour appraisals married with frequent 1x1 management meetings as the "yeoman's work" of real estate investing, we are consistently surprised by the insights this work reveals. As stated previously, the fund's portfolio holdings clearly reflect our investing biases: 1) the quality of the underlying real estate assets matter tremendously, 2) recurring cash-flow generation is the cleanest way to judge performance across time periods and 3) a board and/or management team can significantly enhance or destroy value within a REIT given the fungible nature of real estate.

At present, REIT balance sheets remain very healthy, with low overall leverage levels, limited floating-rate debt and virtually no near-term maturities. Importantly, REITs have maintained strong access to the capital markets (including recent preferred issuance), which further insulates our portfolio from near-term liquidity challenges. Lastly, our core holdings rely on high-quality investment-grade tenants for much of their occupancy, demonstrating a high level of durability to their rent collections. In this environment, we believe REIT credit looks attractive, especially when compared to the pricing observed across most of the broader fixed-income markets.

While pricing appears attractive, we cautiously observe a labor market that looks to be on the back foot, and as such, we have shifted some of our portfolio allocations away from consumer-sensitive property sectors such as hospitality and apartments and have replaced them with longer duration asset classes, such as industrials, health care and towers, that would likely benefit if a lower rate environment materializes. Our general sense is that core real estate fundamentals (occupancy and rental rates) should gain momentum in the coming quarters, largely driven by the fact that new supply is down considerably for most property sectors and geographies. Tactically, we are also finding distinct opportunities in the office and mortgage REIT sectors, where current valuations reflect substantial discounts to historical fair value, replacement cost and private market marks.

We maintain our overall enthusiasm for the long-term role that real estate investment can play in the portfolios of our clients. Our pledge is to continue to design a portfolio that offers investors high-conviction themes and portfolio positioning that emphasizes property sectors that we believe should continue to deliver sustainable year-over-year cash-flow growth and to avoid property sectors facing pronounced leasing risk or extended valuations. Given that our strategy caters to investors seeking current income in addition to real estate exposure, our cross-capital stack approach allows investors the ability to get paid today via robust dividends while they wait for the prospect of capital appreciation over time.

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. 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 12/31/25

	Q4	YTD	1 YR	3 YR	5 YR	10 YR	Since Inception
Institutional	-1.41%	1.75%	1.75%	7.69%	4.37%	4.27%	4.95%
Class A @NAV*	-1.48%	1.50%	1.50%	7.40%	4.03%	3.89%	6.79%
Class A @MOP**	-4.43%	-1.52%	-1.52%	6.32%	2.81%	3.28%	6.53%
Bloomberg US Aggregate Bond Index	1.10%	7.30%	7.30%	4.66%	-0.36%	2.01%	3.35%
MSCI REIT Preferred Index	-3.28%	1.56%	1.56%	5.44%	-0.93%	1.01%	3.40%

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.

Gross/Net Annual Fund Operating Expenses by Share Class: Institutional Class: 0.90%/0.93%; Class A: 1.20/1.23%. The Adviser has contractually agreed to reduce fees and reimburse expenses until March 1, 2026. In the absence of current fee waivers, total return and yield would be reduced. During the fiscal year ending October 31, 2025, the Adviser expects to recoup previous fee reductions and expense reimbursements to the extent allowed.

Top 10 Holdings (as of 12/31/25)

Security	**% of Net Assets**
Hovnanian Enterprises, Inc. (Preferred Stock)	4.38
KKR Real Estate Finance Trust, Inc. (Preferred Stock)	3.95
RLJ Lodging Trust (Preferred Stock)	3.87
CTO Realty Growth, Inc. (Preferred Stock)	3.79
LXP Industrial Trust (Preferred Stock)	3.69
Pebblebrook Hotel Trust (Preferred Stock)	3.57
EPR (Preferred Stock)	3.53
COPT Defense Properties (Common Stock)	3.45
Saul Centers, Inc. (Preferred Stock)	3.29
Essex Property Trust (Common Stock)	3.24

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

Top Contributors & Detractors by Holding (as of 12/31/25)

	Top Contributors	Contribution	Top Detractors	Contribution
Senior Securities	HPP 4.750% Series C Pfd.	0.45	NSA 6.000% Series A Pfd.	-0.45
	HOV 7.625% Pfd.	0.24	EPR 9.000% Series E Conv. Pfd.	-0.37
	IQHQ 10.50% Pfd.	0.24	KREF 6.500% Series A Pfd.	-0.36
	RLJ 1.95 Series A Conv. Pfd.	0.10	BFS 6.125% Series D Pfd.	-0.26
	DBRG 7.125% Series H Pfd.	0.05	CTO 6.375 Series A Pfd.	-0.25
Common Stocks	Centerspace	1.25	VICI Properties	-0.67
	Blackstone Mortgage Trust	0.54	Hudson Pacific Properties	-0.66
	Phillips Edison	0.33	Extra Space Storage	-0.46
	Lamar Advertising	0.21	Crown Castle	-0.36
	Vail Resorts	0.10	COPT Defense Properties	-0.27

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 12/31/25)

	Top Contributors	Contribution	Top Detractors	Contribution
Senior Securities	Office	0.45	Retail	-0.70
	Homebuilders	0.24	Specialty	-0.56
	Health Care	0.17	Lodging/Resorts	-0.54
	Infrastructure	0.15	Self-Storage	-0.48
	Banks	0.01	Commercial Mortgage	-0.36
Common Stocks	Residential	0.97	Office	-0.93
	Commercial Mortgage	0.54	Specialty	-0.47
	Retail	0.33	Self-Storage	-0.46
	Other	0.10	Telecommunications	-0.36
	N/A	--	Lodging/Resorts	-0.34

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

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 December 31, 2025, KIFYX's 30-day SEC yield is 5.28% and 30-day unsubsidized SEC yield is 5.28%.

Definition of Terms

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.

Bloomberg US Corporate High Yield Bond Index covers the USD-denominated, noninvestment-grade, fixed-rate, taxable corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below.

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.

Credit spread is the spread between Treasury securities and non-Treasury securities that are identical in all respects except for quality rating.

Current yield is an investment's annual income, including both interest payments and dividend payments, which are then divided by the current price of the security.

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.

Duration is a measure of the sensitivity of the price of a fixed-income investment to a change in interest rates and is expressed as a number of years.

Fair value is a tool used by investors to understand the relationship between the value of futures contracts and the current price of a stock.

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

Floating-rate debt is a debt instrument with a variable interest rate that adjusts to reflect changes in borrowing rates.

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.

Gross domestic product (GDP) is the monetary value of all the finished goods and services produced in a country in a given year. GDP is one way of measuring the size of a country's economy.

ICE BofA US High Yield Index is a capitalization-weighted index that tracks the performance of U.S. dollar-denominated below-investment-grade-rated corporate debt publicly issued in the U.S. domestic market.

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.

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

Interest rate risk is the risk that an investment's value will change due to a change in interest rates.

Leasing risk refers to the potential financial and operational challenges associated with lease agreements.

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

Liquidity is the degree to which an asset or security can be bought or sold in the market without affecting the asset's price.

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.

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.

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.

Replacement cost refers to the price that it would cost to replace an existing asset with a similar asset at the current market price.

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.

Trade risk refers to the potential for financial loss or negative consequences arising from fluctuations in the value of goods or services traded between different countries.

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 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.

One cannot invest directly in an index.

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