Westwood®

Westwood **Real Estate Income Fund**

Commentary

1Q **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 03/31/25)

Westwood Real Estate Income Fund's Institutional Class shares produced a total return of -2.29% for the first quarter of 2025. The fund underperformed its primary benchmark, the Bloomberg US Aggregate Bond (LBUSTRUU) Index, which returned 2.78% during the first quarter. However, the fund slightly outperformed its representative index, the MSCI REIT Preferred (M1CXIVA) Index, which returned -2.34% during the first quarter.

	Q1 2025	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception (04/28/06)
Fund (KIFYX)	-2.29%	-2.29%	5.53%	1.90%	11.06%	3.46%	4.93%
LBUSTRUU Index	2.78%	2.78%	4.88%	0.52%	-0.40%	1.46%	3.25%
M1CXIVA Index	-2.34%	-2.34%	-0.03%	-2.13%	3.54%	0.88%	3.62%

Gross Expenses/Net Expenses: 0.90%/0.93%

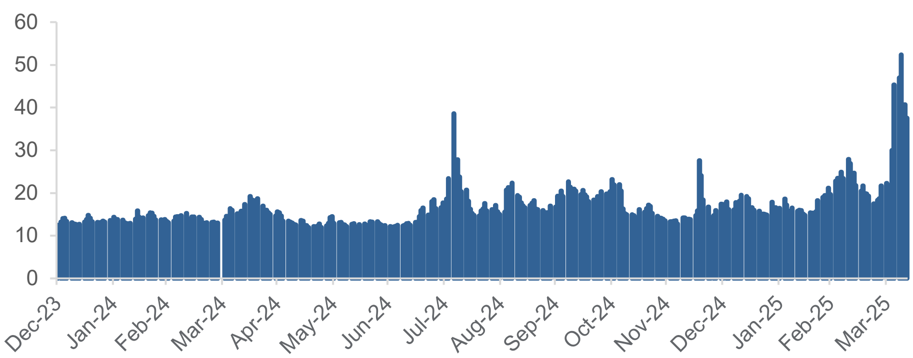
Returns for periods greater than one year are annualized.

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.*

First Quarter Macro Review

Coasting on the back of two consecutive strong years of market returns following the major interest rate realignment of 2022, investors entered 2025 with perceptible enthusiasm and numerous "bull case" theses deployed across their portfolios. The Republican party had just swept both Congress and the White House two months earlier and expectations of deregulation, lower taxes and multiple interest rate cuts informed the 2025 outlooks of most market commentators. What a difference 90 days makes! Even nonprofessional market participants can readily point to the significant increase in market volatility witnessed since January 1, 2025. Driving the market instability is the profound shift in trade policy emanating from the Trump White House. Rejecting nearly a century of economic dogma, we find the United States embarking on a dramatic decoupling from China (our largest trading partner) with the primary stated goal of revitalizing the manufacturing base of the United States. To achieve this aim, the new administration has somewhat haphazardly implemented a broad series of tariffs, both general and specific, against both friend and foe, hoping these policies reorient the flow of goods and services across the globe. While the long-term results of this heterodox statecraft remain unknown, the short-term impact is easily observable. Wall Street investors have largely moved their portfolios toward safe harbors, and general anxiety has permeated C-suites.

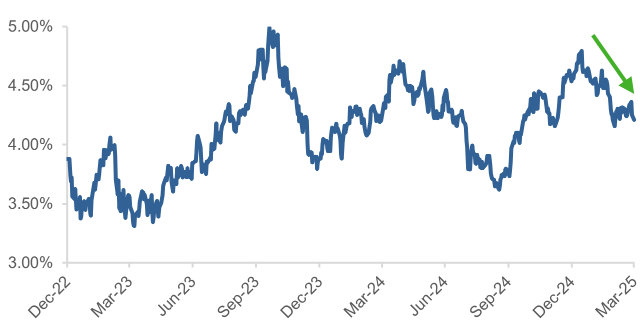
CBOE Volatility Index (VIX) (12/31/23 to 4/11/25)



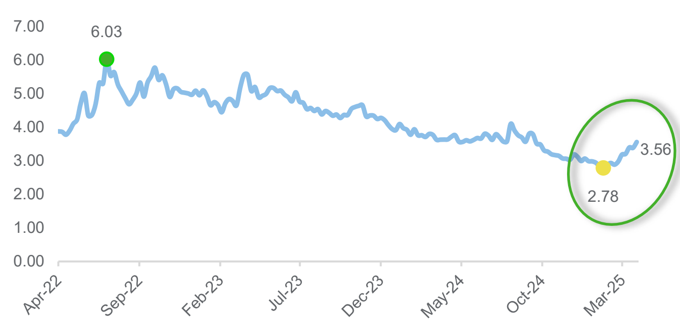
Source: Bloomberg, as of 03/31/25. For illustrative purposes only.

Not surprisingly, amid this risk-off environment, credit investments have generally outperformed equities. Part of this result is explained by the movement of the 10-year U.S. Treasury yield, which ended the first quarter at 4.21%, down 36 basis points (bps) from year-end. A steady labor market and the continued deceleration of inflation throughout the quarter offers further supporting evidence. But perhaps most importantly, credit spreads continued to tighten in the opening months of the year, up until the end of March.

10-Year U.S. Treasury Yield (12/31/22 to 03/31/25)



High-Yield Spread (04/01/22 to 03/31/25)

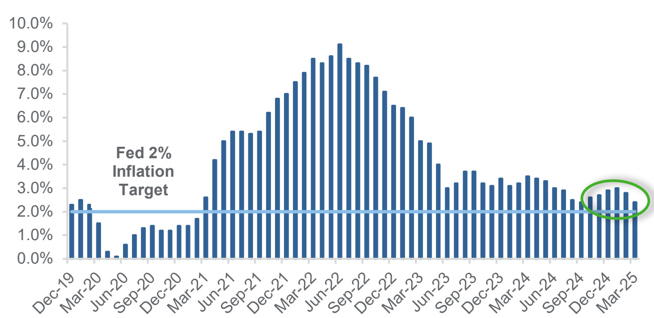


Note: High-Yield Spread = BofA Merrill Lynch US High Yield Master II Index – 10-Year U.S. Treasury

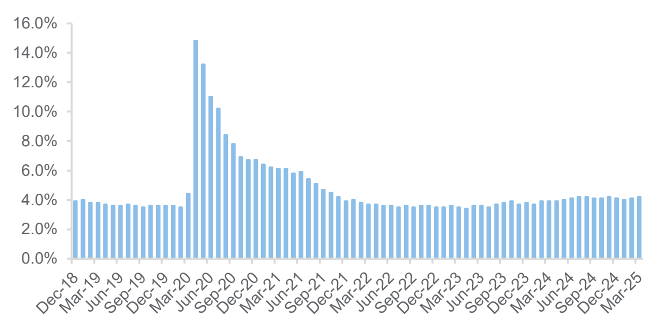
Source: Bloomberg, as of 03/31/25. For illustrative purposes only.

One could be forgiven for thinking that a credit market this sanguine would prompt the Federal Reserve (Fed) to initiate further cuts following its initial cut of 50 bps in September, a second cut of 25 bps in November and a third cut of 25 bps in December. However, the rapid widening of credit spreads in the early part of the second quarter and the substantial drop-off in consumer sentiment following the implementation of these mass tariffs may ultimately tie the Fed's hands. While economist Susan Collins, head of the Boston Fed, stated that the Fed "would absolutely be prepared" to deploy its balance sheet to stabilize financial markets and that "[the central bank] does have tools to address concerns about market functioning or liquidity should they arise,"[1] we remain somewhat skeptical of near-term Fed intervention. If one believes that at least a portion of the new tariffs will be paid by U.S. consumers, it's probable that consumer prices will face upward pressure in the months ahead, and we suspect that the data-dependent Fed will be hesitant to further goose inflation. On the positive side, the U.S. labor market continues to project strength, with the most recent job report showing that nonfarm payrolls increased 228,000 for the month of March, better than the Dow Jones estimate for 140,000.[2] Nonetheless, the future macro environment remains highly uncertain with many equity market strategists now calling for a recession later in the year. Despite all the recent noise, we stand by our earlier forecast that inflation will continue to come in above target, U.S. gross domestic product (GDP) growth will moderate in 2025, and the 10-year U.S. Treasury will stay range-bound between 4.00% and 5.00%.

U.S. CPI Urban Consumers Year-Over-Year Change



U.S. Unemployment Rate Since 12/31/18



Source: Bloomberg, as of 03/31/25. For illustrative purposes only.

First Quarter Performance Review

As referenced above, asset class returns during the first quarter of 2025 were largely bifurcated into positive returns for fixed-income instruments and negative returns for equity securities. Our representative indexes for the broader equity markets remain the S&P 500 Index and the Nasdaq Composite Index, and these indexes produced negative returns of -4.28% and -10.26%, respectively, during the first quarter of 2025.[3] Even though our fund's investable universe primarily concerns domestic investments, it's worth noting that major equity indexes across Europe registered positive first-quarter returns. We have not seen such strong U.S. equity underperformance relative to European equities in quite some time and wonder aloud whether this theme could play out for the remainder of 2025. Switching to the bond market, we saw mostly positive returns for credit exposures during the first quarter of the year as reference rates trended lower throughout the quarter. 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 2.78% and 0.94%, respectively, during the first quarter.[3] In contrast, the ICE US Broad Municipal Index posted a slightly negative return of -0.36%.[3]

For Real Estate Income, the fund's Institutional Class shares ended the first quarter down -2.29%, underperforming the fund's primary benchmark, the Bloomberg US Aggregate Bond Index (as referenced above), but slightly outperforming its representative index, the MSCI REIT Preferred Index, which returned -2.34%.[3,4] 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 2.75% for the quarter, as represented by the FTSE NAREIT All Equity REITs Total Return Index (FNERTR).[2]

[1] Financial Times, April 11, 2025
[2] Bureau of Labor Statistics, March 2025
[3] Bloomberg, March 31, 2025
[4] Ultimus Fund Solutions, March 31, 2025

Capital Raising: Activity Continues to Slow Given Rising Volatility

Following a rather muted environment in the fourth quarter where nine REITs raised nearly $2.9 billion of common equity,[5] REITs equity issuance dramatically slowed in the first quarter as investors repositioned their portfolios toward less risk. In total, one small REIT raised just $69 million of common equity in the first quarter.[6]

Turning to the fixed-income markets, 11 REITs placed just under $8.1 billion across 14 domestic debt issuances in the first quarter, a decrease of approximately 10% from the prior quarter.[5] Importantly, the spread over the appropriate reference rate averaged 155 bps, indicating a healthy willingness of market participants to invest in REIT credit.[5] No REIT preferred securities were issued in the first quarter.

REIT M&A: A Pause to Start 2025

Following two REIT transactions announced in the fourth quarter, no public REIT mergers and acquisitions (M&A) transactions were declared in the first quarter. Given the heightened level of market volatility and macro uncertainty, this result is unsurprising. We believe that CEOs continue to focus on internal operations, and as such, expect that the pace of M&A activity will continue to move slowly throughout 2025.

REIT Preferred Income Remains Strong in the First 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 8.04%, and the yield available from our REIT common stocks was approximately 5.63%.[7] Furthermore, the fund's Institutional Class shares paid a $0.3281 dividend (after fees and expenses) for the first quarter, which equates to an annualized 7.39% 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 6.96%[9] across the broad REIT preferred universe and the 10-year U.S. Treasury closed out the first quarter at 4.21%,[10] the REIT preferred marketplace is priced with about 275 bps (2.75%) of spread over the 10-year risk-free rate.

Return Comparison (as of 03/31/25)

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

Q1 2025	Fund (KIFYX)[11]	Market[12]
Common Stocks	-2.34%	2.75%
Senior Securities	-1.49%	0.08%

Past performance does not guarantee future results.

Current Positioning

As the table below shows, 69.8% of the fund's investments were in senior securities (all in preferred stocks) at quarter-end, which is 1.0% above where the fund's senior security exposure stood at the end of the fourth 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 above 2.8x as of March 31, 2025.[10] These issuers generally have stable leverage levels (45% or less of

[5] Bloomberg, December 31, 2024
[6] Bloomberg, March 31, 2025
[7] Bloomberg and FactSet, as of March 31, 2025
[8] As of March 31, 2025, KIFYX's 30-day SEC yield is 5.82% and 30-day unsubsidized SEC yield is 5.82%
[9] MSCI, Inc., as of March 31, 2025
[10] Bloomberg, March 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: ICE BofAML Fixed Rate Preferred Securities Index (POP1)

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 to 28.5% (all long) at quarter-end, down 1.8% from the end of the fourth quarter. We held 12 common stocks with a weighted average yield of 5.51% 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 98.3%. We also ended the quarter with 1.7% net cash and equivalents. Having cash on hand provides us with the ability to source attractive investments.

Security Exposures (as of 03/31/25)

Preferred	69.8%
Common (Long)	28.5%
Common (Short)	0.0%
Bonds	0.0%
Options	0.0%
Net	98.3%

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: Perception vs. Reality for REITs in 2025

Given the elevated level of volatility that we have witnessed recently, we were reminded of the following quote attributed to Vladimir Lenin: "There are decades where nothing happens; and there are weeks where decades happen."

It feels that we are potentially in the midst of one of those important time periods, and therefore it's worth reminding ourselves where our market outlook stood at the start of the year. As we stated in our previous quarter commentary, we came into 2025 believing that economic growth would be moderate and that returns would be distributed in a very uneven fashion across property sectors. Specifically, we highlighted two assumptions that underscored our top-down view:

1) Inflation would continue to remain doggedly above the Fed's 2% target.

2) The labor market would stay rather tight throughout 2025 with unemployment oscillating around 4%.

Our sense was that those two factors would severely limit the number of rate cuts the Fed would be able to implement in 2025 and that the 10-year U.S. Treasury would remain range bound between 400 bps and 500 bps. We believed that the U.S. consumer would remain resilient, that expiring tax breaks would likely be extended and that capital markets would remain accommodative for real estate companies seeking targeted growth. Hindsight being what it is, we somewhat embarrassingly commented that: "As with many economists, we share some concern over the prospect of a significant tariff regime as promised by the incoming administration, but we are not yet convinced that a full-blown trade war is in the offing."

This, of course, was all before the Trump administration returned to Washington, D.C., in late January. Having participated in financial markets for over two decades, we cannot recall a more disorienting and difficult-to-underwrite macro environment. Even the fear-inducing COVID-19 pandemic offered a more straightforward cause-effect relationship than the present environment. What we can offer investors is that while the macro environment remains uncertain, publicly traded REITs are particularly well-suited for these turbulent times. REIT balance sheets remain in pristine condition, with low overall leverage levels, limited floating debt and virtually no near-term maturities. Furthermore, most property sectors rely on high-quality investment-grade tenants for much of their occupancy, demonstrating a high level of durability to their rent collections. Lastly, REITs have maintained strong access to the capital markets, which further insulates them from the financial headlines dominating cable news.

In terms of fundamentals, we have spoken previously about the broad strength witnessed across most of the commercial real estate sectors for the past several quarters. While it is simply too soon to know the full extent of trade-related impacts to real estate fundamentals, we know certain property sectors (industrial, hospitality) are more exposed to these headwinds. As such, we have spent a lot of time over the past six weeks touring properties, speaking with property brokers, and meeting directly with REIT executives at industry conferences to get a better sense of what's happening on the ground. Most dialogue remains constructive yet cautious, and our expectation is that at a minimum, decisions (especially around leasing) are simply going to take longer. As we've stated previously, occupancy and rents are purely the product of supply and demand. And while tenant demand (both renewals and expansion leasing) may decelerate in the coming quarters given all the macro uncertainty, the supply picture for the next 24 months is very positive (limited new supply) as new starts have declined precipitously over the past couple of years given that higher interest rates make new development unfeasible. In summary, we have adjusted downward some of our net operating income growth assumptions and anticipate some REITs lowering full-year guidance as the first quarter earnings season kicks off next week, yet we remain cautiously optimistic that REIT fundamentals and earnings will endure.

Quickly turning to valuations, as we have frequently highlighted on our quarterly calls, publicly traded REITs have underperformed most sectors of the S&P 500 since the end of 2021. Some of this underperformance has to do with the dramatic interest rate shift in 2022 that impacted REITs significantly. However, at present, REIT valuations look attractive relative to most other industries, and given the strength of their balance sheets and business models, they likely will offer investors a potential ballast amid all the economic uncertainty. REIT cap rates remain wide by historical standards, and cash-flow multiples look several turns cheaper than comparable risk assets. Our view remains that REITs present both stability and value at present and should be considered in client portfolios.

In conclusion, we have endured to "take the long view" and have not made irrational moves based on wild intraday swings. We continue to design a portfolio that offers investors high-conviction themes and portfolio positioning that exploits our "fundamentals vs. valuations" framework. Given the heightened level of uncertainty, we have emphasized property sectors that we believe should continue to deliver sustainable year-over-year cash flow growth (office, residential and grocery-anchored centers in particular) and have avoided property sectors facing pronounced interest-rate or trade risk (industrial and self-storage in particular). While some may interpret this as an unfavorable backdrop in which to put capital to work, we commit ourselves to navigating the current environment in our trademark fashion: rigorously monitoring REIT balance sheets to find opportunities where we can make smart credit bets and source unique transactions with our preferred sleeve, while also identifying unloved REIT equities that trade at meaningful discounts to NAV and compressed relative valuations.

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 03/31/25

	Q1	YTD	1 YR	3 YR	5 YR	10 YR	Since Inception
Institutional	-2.29%	-2.29%	5.53%	1.90%	11.06%	3.46%	4.93%
Class A @NAV*	-2.35%	-2.35%	5.18%	1.58%	10.67%	3.08%	6.83%
Class A @MOP**	-5.26%	-5.26%	2.03%	-0.41%	9.37%	2.47%	6.57%
Bloomberg US Aggregate Bond Index	2.78%	2.78%	4.88%	0.52%	-0.40%	1.46%	3.62%
MSCI REIT Preferred Index	-2.34%	-2.34%	-0.03%	-2.13%	3.54%	0.88%	—

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 03/31/25)

Security	% of Net Assets	Security	% of Net Assets
KKR Real Estate Finance Trust, Inc. (Preferred Stock)	4.06	Blackstone Mortgage Trust Inc. (Common Stock)	3.43
CTO Realty Growth, Inc. (Preferred Stock)	3.72	EPR Properties (Preferred Stock)	3.39
RLJ Lodging Trust (Preferred Stock)	3.70	National Storage Affiliates Trust (Preferred Stock)	3.31
LXP Industrial Trust (Preferred Stock)	3.53	Saul Centers, Inc. (Preferred Stock)	3.24
Hovnanian Enterprises, Inc. (Preferred Stock)	3.49	Pebblebrook Hotel Trust (Preferred Stock)	3.22

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

Top Contributors & Detractors by Holding (as of 03/31/25)

	Top Contributors	Contribution	Top Detractors	Contribution
Senior Securities	EPR 9% Series E Pfd.	0.33	CTO 6.375% Series A Pfd.	-0.32
	NSA 6.0% Series A Pfd.	0.16	PEB 5.7% Series H Pfd.	-0.30
	KREF 6.5% Series A Pfd.	0.07	PEB Hotel Trust 6.3% Series F Pfd.	-0.20
	GMRE 7.5% Series A Pfd.	0.06	PEB Hotel Trust 6.375% Series G Pfd.	-0.15
	REG 6.25% Series A Pfd.	0.06	CLDT 6.625% Series A Pfd.	-0.13
Common Stocks	Blackstone Mortgage Trust, Inc. Class A	0.50	Ryman Hospitality Properties, Inc.	-0.32
	Gaming and Leisure Properties, Inc.	0.15	OUTFRONT Media, Inc.	-0.30
	Getty Realty Corp.	0.14	Apple Hospitality REIT, Inc.	-0.30
	Crown Castle, Inc.	0.12	COPT Defense Properties	-0.24
	Rayonier, Inc.	0.12	BXP, Inc.	-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 03/31/25)

	Top Contributors	Contribution	Top Detractors	Contribution
Senior Securities	Specialized	0.40	Hospitality	-1.01
	Self-Storage	0.16	Diversified	-0.34
	Mortgage	0.07	Banks	-0.11
	Health Care	0.06	Single-Family Rental	-0.10
	Retail	0.03	Industrial	-0.10
Common Stocks	Mortgage	0.50	Hospitality	-0.62
	Retail	0.12	Office	-0.47
	Towers	0.12	Specialized	-0.23
	Timber	0.12	Single-Family Rental	-0.06
	Health Care	0.02	Industrial	-0.06

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, 2024, KIFYX's 30-day SEC yield is 5.48% and 30-day unsubsidized SEC yield is 5.48%.

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.

BofA Merrill Lynch U.S. High Yield Master II Index tracks the performance of below-investment-grade, U.S. dollar-denominated corporate bonds issued in the U.S. domestic market.

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.

Capitalization rate (cap rate) indicates the rate of return that is expected to be generated on a real estate investment property. It is calculated by dividing a property's net operating income by the current market value.

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

CBOE Volatility Index (VIX, the ticker symbol for the Chicago Board Options Exchange Volatility Index) is a popular measure of market risk and is constructed using the implied volatility of S&P 500 index options.

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

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

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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 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 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.

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.

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.

Net operating income (NOI) is a calculation used to analyze real estate investments that generate income. NOI equals all revenue from the property minus all reasonably necessary operating expenses.

Recession is a period of declining economic performance across an entire economy that lasts for several months.

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.

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.

One cannot invest directly in an index.

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