Westwood **Real Estate Income Fund**

# Commentary

2Q
**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 06/30/25)

Westwood Real Estate Income Fund's Institutional Class shares produced a total return of -0.11% for the second quarter of 2025. The fund underperformed its primary benchmark, the Bloomberg US Aggregate Bond (LBUSTRUU) Index, which returned 1.21% during the second quarter. However, the fund outperformed its representative index, the MSCI REIT Preferred (M1CXIVA) Index, which returned -0.44% during the second quarter.

| | Q2 2025 | YTD | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception (04/28/06) |
|---|---|---|---|---|---|---|---|
| Fund (KIFYX) | -0.11% | -2.39% | 5.30% | 4.42% | 7.04% | 3.69% | 4.86% |
| LBUSTRUU Index | 1.21% | 4.02% | 6.08% | 2.55% | -0.73% | 1.76% | 3.27% |
| M1CXIVA Index | -0.44% | -2.77% | 0.64% | 0.56% | 0.68% | 0.90% | 3.26% |

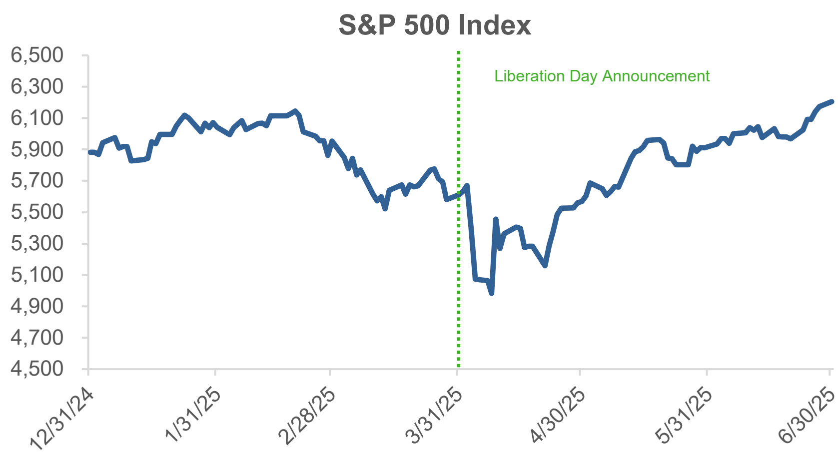
Gross Expenses/Net Expenses: 0.90%/0.93%

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.*

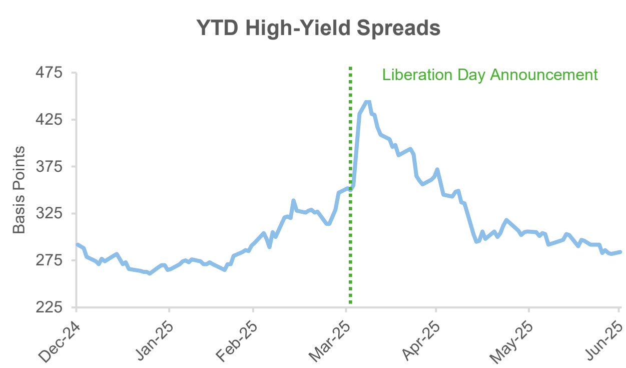
## Second Quarter Macro Review

Following a disappointing first quarter of 2025 that saw major indexes trend lower on heightened macro uncertainty, the second quarter erupted following the April 2 "Liberation Day" announcement from the Donald Trump administration, which implemented steep across-the-board tariffs and trade restrictions against most of America's largest trading partners. With the stated goal of decoupling the U.S. economy from China's and revitalizing the domestic industrial base, this unorthodox policy approach was not welcomed at home or abroad. The news sent shock waves across the globe, and we witnessed steep declines across major equity markets. Within days, the S&P 500 Index had fallen by double digits, forcing many market prognosticators to switch their economic forecasts to recession territory by year-end. Days later, the Trump administration yielded to the market's precipitous decline and engaged in a series of pauses and delays on specific tariff implementations while pursuing unilateral trade deals with each of our economic partners. This start-stop policy approach has led market participants to discount the severity of the geopolitical end state, and as a result, equity markets quickly recovered their losses and set new highs by quarter-end. While the long-term impacts (both on policy and on markets) of this negotiating tactic remain unknown, the short-term impact has clearly been high volatility and more uncertainty in company C-suites.




*Source: Bloomberg, as of 06/30/25. For illustrative purposes only.*

Not surprisingly, credit investments generally performed well during the immediate risk-off environment and significantly outperformed equity markets during the initial freefall. Yet, when viewed from the start of the year, fixed income has largely performed as expected and has actually lagged the equity market. The 10-year U.S. Treasury yield started the second quarter at 4.21% and ended the quarter only 3 basis points (bps) higher. Similarly, high-yield credit spreads tightened 68 bps during the quarter but saw significant widening intra-quarter.

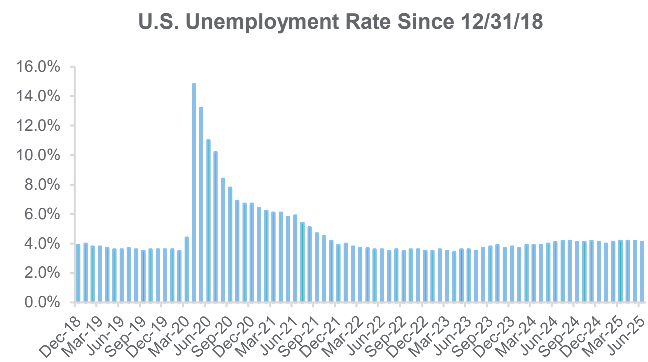



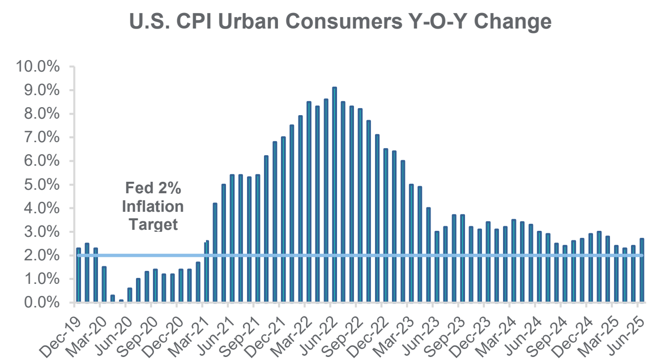

*Note: High-Yield Spread = Bloomberg US Corporate High Yield Index yield minus 10-Year U.S. Treasury yield*

*Source: Bloomberg, as of 06/30/25. For illustrative purposes only.*

Despite all the recent economic noise, the broad macro environment continues to run fairly undisturbed. The U.S. labor market remains solid, with the most recent job report showing that nonfarm payrolls increased 147,000 for the month of June, well above the consensus estimate for 110,000.[1] Equally important, the domestic inflation rate continues to hover slightly above the Federal Reserve's (Fed's) 2% target, though it ticked up to 2.7% in June. Finally, growth expectations, as referenced by analyst consensus expectations for corporate earnings of 9.3% for the full year 2025, indicate resilience.[2]

The biggest single question outstanding relates to the Fed's willingness (i.e., ability) to cut interest rates in the present economic environment. Somewhat optimistically, Fed Chair Jerome Powell recently stated during congressional testimony that "If it turns out that inflation pressures do remain contained, we will get to a place where we cut rates sooner rather than later, but I wouldn't want to point to a particular meeting." Of course, that is a big *if,* given the unusual trade policy experiment currently underway. If at least a portion of the new tariffs (wherever they land) will be paid by U.S. consumers, it is unlikely that inflationary pressures recede much further. Therefore, we remain unconvinced that more than one cut will occur between now and the end of the year.




*Source: Bloomberg, as of 06/30/25. For illustrative purposes only.*

## Second Quarter Performance Review

As referenced above, asset class returns during the second quarter of 2025 were mostly 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 strongly positive returns of 10.94% and 17.96%, respectively, during the second quarter of 2025.[3] Switching to the bond market, we saw mostly positive returns for credit exposures during the second 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 1.21% and 3.57%, respectively, during the second quarter.[3] Meanwhile, the ICE US Broad Municipal Index posted a slightly negative return of -0.13%.[3]

For Real Estate Income, the fund's Institutional Class shares ended the second quarter slightly down at -0.11%, underperforming the fund's primary benchmark, the Bloomberg US Aggregate Bond Index (as referenced above), but outperforming its representative index, the MSCI REIT Preferred Index, which returned -0.44%.[2] 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 -0.93% for the quarter, as represented by the FTSE NAREIT All Equity REITs Total Return Index (FNERTR).[3]

[1] Bureau of Labor Statistics, July 3, 2025
[2] FactSet, as of June 30, 2025
[3] Morningstar Direct, as of June 30, 2025

## Capital Raising: Activity Accelerates in the Second Quarter

Following a rather muted capital markets environment in the first quarter where only one REIT transaction raised just $69 million of common equity, REITs issued a little over $2.1 billion of common equity across four transactions (three follow-ons and one initial public offering)[4] in the second quarter.

Turning to the fixed income markets, 25 REITs placed just over $14 billion across 28 domestic debt issuances in the second quarter, an increase of approximately 75% from the prior quarter.[5] Importantly, the spread over the appropriate reference rate averaged 146 bps, indicating a healthy willingness of market participants to invest in REIT credit.[5] No REIT preferred securities were issued in the second quarter.

## REIT M&A: Deal Pause Continues in 2025

For the second quarter in a row, there were no REIT transactions announced in the second quarter. Given the heightened level of market volatility and macro uncertainty, this result is unsurprising. It should be noted that multiple REITs announced they were commencing strategic reviews, which could lead to future transactions. It remains our belief that the pace of M&A activity will continue to move slowly throughout 2025 as management teams are prioritizing internal growth given the pronounced macro uncertainty.

## REIT Preferred Income Remains Strong in the Second 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 8.23%, and the yield available from our REIT common stocks was approximately 5.73%.[5] Furthermore, the fund's Institutional Class shares paid a $0.3224 dividend (after fees and expenses) for the second quarter, which equates to an annualized 7.40% dividend yield when divided by the quarter-end net asset value (NAV) per share.[6] 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 7.30%[7] across the broad REIT preferred universe and the 10-year U.S. Treasury closed out the first quarter at 4.24%,[8] the REIT preferred marketplace is priced with about 306 bps (3.06%) of spread over the 10-year risk-free rate.

## Return Comparison (as of 06/30/25)

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

| Q2 2025 | Fund (KIFYX)[9] | Market[10] |
|---|---:|---:|
| Common Stocks | -2.29% | -0.93% |
| Senior Securities | 1.20% | 0.93% |

*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 0.9% above where the fund's senior security exposure stood at the end of the first quarter of 2025. Our senior securities continued to remain healthy from a credit point of view as the portfolio's fixed charge coverage ratio

[4] Bloomberg, June 30, 2025
[5] Bloomberg and FactSet, as of June 30, 2025
[6] As of June 30, 2025, KIFYX's 30-day SEC yield is 5.69% and 30-day unsubsidized SEC yield is 5.69%
[7] MSCI, Inc., as of June 30, 2025
[8] Bloomberg, June 30, 2025
[9] Viewed as an independent portfolio composed of various long positions and short positions
[10] Common stocks: FTSE NAREIT Equity REITs Total Return Index USD (FNRETR); senior securities: ICE BofAML Fixed Rate Preferred Securities Index (POP1)

(FCCR) was above 3.7x as of June 30, 2025.[11] 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 to 27.8% (all long) at quarter-end, down 0.7% from the end of the first quarter. We held 13 common stocks with a weighted average yield of 5.73% 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 98.5%. We also ended the quarter with 1.5% net cash and equivalents. Having cash on hand provides us with the ability to source attractive investments.

## Security Exposures (as of 06/30/25)

| | |
|---|---|
| Preferred | 70.7% |
| Common (Long) | 27.8% |
| Common (Short) | 0.0% |
| Bonds | 0.0% |
| Options | 0.0% |
| Net | 98.5% |

*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: Potential for a Second Half Melt Up

As stated in previous commentaries, when constructing our portfolio, we always endeavor to put investor capital to work with a long-term mindset in place. The elevated level of volatility witnessed in the second quarter is a clear reminder that mistakes are often made when that framework is abandoned. We remain committed to our underwriting process and our valuations-relative-to-fundamentals methodology when it is sunny as well as when it is raining.

With the year half over, REITs have some ground to make up to reach our full-year return expectations. Our general sense is that the labor market will remain resilient for the remainder of 2025, but inflation will continue to hover annoyingly above the Fed's 2% target. Assuming that backdrop, it is hard to expect much more than one cut to nominal interest rates before the year is over. So, if lower rates are not going to be the catalyst, what could drive REIT performance in the back half?

My compass is pointing to building momentum in core real estate fundamentals (occupancy and rental rates) over the next six months in certain property sectors across the REIT landscape. In particular, we are emphasizing exposure to residential (apartments) and grocery-anchored centers, as those sectors display a significant secular imbalance between supply and demand, resulting in landlord-favorable rents and historically low vacancy. Tactically, we are also finding distinct opportunities in the office (specific geographies), lodging and mortgage sectors, where current valuations reflect substantial discounts to historical fair value, replacement cost and private market marks.

From a credit perspective, REIT balance sheets remain in pristine condition, with low overall leverage levels, limited floating-rate debt and virtually no near-term maturities. Furthermore, 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. Lastly, REITs have maintained strong access to capital markets, which further insulates them from the financial headlines dominating cable news. In that environment, we believe REIT credit looks attractive.

In these transitory times, 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 emphasizes property sectors that we believe should continue to deliver sustainable year-over-year cash flow growth and have avoided property sectors facing pronounced interest-rate or trade risk. 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

[11] Bloomberg, June 30, 2025

credit bets and source innovative 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 06/30/25

| | Q2 | YTD | 1 YR | 3 YR | 5 YR | 10 YR | Since Inception |
|---|---|---|---|---|---|---|---|
| Institutional | -0.11% | -2.39% | 5.30% | 4.42% | 7.04% | 3.69% | 4.86% |
| Class A @NAV* | -0.13% | -2.48% | 5.01% | 4.12% | 6.68% | 3.32% | 6.76% |
| Class A @MOP** | -3.11% | -5.38% | 1.88% | 2.09% | 5.42% | 2.71% | 6.49% |
| Bloomberg US Aggregate Bond Index | 1.21% | 4.02% | 6.08% | 2.55% | -0.73% | 1.76% | 3.27% |
| MSCI REIT Preferred Index | -0.44% | -2.77% | 0.64% | 0.56% | 0.68% | 0.90% | 3.26% |

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 06/30/25)

| Security | % of Net Assets | Security | % of Net Assets |
|---|---|---|---|
| KKR Real Estate Finance Trust, Inc. (Preferred Stock) | 4.32 | National Storage Affiliates Trust (Preferred Stock) | 3.36 |
| CTO Realty Growth, Inc. (Preferred Stock) | 3.68 | COPT Defense Properties (Common Stock) | 3.32 |
| RLJ Lodging Trust (Preferred Stock) | 3.58 | Hovnanian Enterprises, Inc. (Preferred Stock) | 3.29 |
| EPR Properties (Preferred Stock) | 3.54 | Saul Centers, Inc. (Preferred Stock) | 3.24 |
| LXP Industrial Trust (Preferred Stock) | 3.52 | Pebblebrook Hotel Trust (Preferred Stock) | 3.18 |

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

## Top Contributors & Detractors by Holding (as of 06/30/25)

| | Top Contributors | Contribution | Top Detractors | Contribution |
|---|---|---|---|---|
| Senior Securities | KREF 6.5% Series A Pfd. | 0.35 | DBRG 7.125% Series H Pfd. | -0.26 |
| | HPP 4.75% Series C Pfd. | 0.31 | DBRG 7.15% Series I Pfd. | -0.18 |
| | EPR 9.0% Series E Pfd. | 0.20 | INN 6.25% Series E Pfd. | -0.17 |
| | NSA 6.0% Series A Pfd. | 0.14 | HOV 7.625% Series A Pfd. | -0.09 |
| | AMH 5.875% Series G Pfd. | 0.09 | INN 5.875% Series F Pfd. | -0.09 |
| Common Stocks | Ryman Hospitality Properties, Inc. | 0.18 | Rayonier Inc. | -0.29 |
| | OUTFRONT Media Inc. | 0.11 | Getty Realty Corp. | -0.19 |
| | COPT Defense Properties | 0.11 | BXP Inc | -0.18 |
| | Extra Space Storage Inc. | 0.11 | Gaming and Leisure Properties, Inc. | -0.18 |
| | Essex Property Trust, Inc. | 0.09 | Centerspace | -0.17 |

*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 06/30/25)

| | Top Contributors | Contribution | Top Detractors | Contribution |
|---|---|---|---|---|
| Senior Securities | Mortgage | 0.35 | Asset Management & Custody Banks | -0.52 |
| | Office | 0.31 | Homebuilding | -0.09 |
| | Specialized | 0.25 | Commercial & Residential Mortgage | -0.04 |
| | Retail | 0.24 | Regional Banks | -0.01 |
| | Self-Storage | 0.14 | Hotels & Resort | -0.01 |
| Common Stocks | Self-Storage | 0.11 | Timber | -0.29 |
| | Health Care | 0.09 | Retail | -0.19 |
| | Packaged Food & Meats | 0.06 | Multi-Family Residential | -0.15 |
| | Hotels & Resorts | 0.04 | Specialized | -0.12 |
| | Diversified | 0.01 | Asset Management & Custody Banks | -0.09 |

*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 June 30, 2025, KIFYX's 30-day SEC yield is 5.69% and 30-day unsubsidized SEC yield is 5.69%.

**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.

**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 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.

**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.



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**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.

**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 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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