Westwood®

Westwood **Real Estate Income Fund**

Commentary

2Q
2026

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 06/30/26)

Westwood Real Estate Income Fund's Institutional Class shares produced a total return of 4.31% for the second quarter of 2026. The fund outperformed its primary benchmark, the Bloomberg US Aggregate Bond (LBUSTRUU) Index, which returned 0.67% during the second quarter as well as its representative index, the MSCI REIT Preferred (M1CXIVA) Index, which returned 1.82%.

	Q2 2026	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception (04/28/06)
Fund (KIFYX)	4.31%	2.22%	6.57%	6.20%	2.78%	3.59%	4.94%
LBUSTRUU Index	0.67%	0.62%	3.79%	4.16%	0.08%	1.54%	3.30%
M1CXIVA Index	1.82%	0.05%	4.51%	2.39%	-2.05%	0.54%	3.32%

Gross Expenses/Net Expenses: 0.85%/0.85%

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 0.85% (gross) and 0.85% (net). 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

The second quarter of 2026 began where the first left off — in a state of acute geopolitical anxiety. The U.S.-Israel military strikes on Iran in late February had sent oil prices surging toward $113 per barrel,[1] closed the Strait of Hormuz to commercial traffic and left markets rattled heading into April. Yet, what unfolded over the ensuing three months confounded the recession-callers and the stagflation pessimists alike. In a quarter that began with maximum uncertainty and ended with equity markets posting some of their strongest gains of the decade, the principal lesson was one the market has taught before: Don't confuse the headlines with the fundamentals.

The decisive turn came in mid-April, when a ceasefire brokered by a coalition of Persian Gulf States, supported by quiet diplomatic pressure from the United States and China, brought an end to active hostilities. The Strait of Hormuz gradually reopened to commercial shipping traffic through May, and energy markets responded quickly. West Texas Intermediate crude oil retreated to approximately $69 by quarter-end[1] — below its pre-conflict average, as an oversupplied global energy market cushioned the return to normalcy. U.S. gasoline prices similarly retreated from a peak of $4.50 per gallon to approximately $3.83 by June 30,[2] a meaningful relief for the American consumer even if the pump remains more expensive than before the conflict.

With the geopolitical fog lifting, markets refocused on fundamentals — and what they found was genuinely encouraging. Corporate earnings for the first quarter of 2026 came in better than expected across nearly every sector, with overall S&P 500 earnings per share growth of approximately 27.7% year over year,[3] though a substantial portion of that headline figure was concentrated in hyperscalers, semiconductor firms and other artificial intelligence (AI)-related companies. The labor market rebounded smartly in the spring following a soft patch, with hiring accelerating in leisure, hospitality and local government. The three-month rolling average for nonfarm payroll additions turned meaningfully positive through May and June,[4] easing fears of a broadening economic slowdown.

Against this backdrop, the equity market delivered a powerful recovery. The S&P 500 returned 15.20% for the second quarter, and the Russell 2000 Index — long a laggard in this cycle — surged 21.49% as investors reached for value and cyclical exposure following the Iran-driven sell-off.[5] Emerging markets were the standout globally, with the MSCI Emerging Markets Index returning 24.14% for the quarter, led overwhelmingly by South Korea and Taiwan — markets with outsized exposure to AI-related semiconductor demand.[6] The MSCI EAFE Index returned 11.08%, though European returns were more mixed as the region contended with moderating economic data and above-average energy price sensitivity.[6]

The fixed-income picture was more nuanced during the second quarter. The Bloomberg US Aggregate Bond Index returned 0.67% for the quarter,[5] a positive but modest result that masks meaningful intraquarter volatility. Treasury yields surged in April and May as the conflict-driven inflation spike pushed the headline Consumer Price Index reading higher and caused markets to dramatically revise their Federal Reserve (Fed) rate expectations. Where investors began the year pricing in multiple rate cuts, by quarter-end, the market had shifted to pricing in rate hikes — with implied federal funds rate expectations for year-end 2026 rising from approximately 3.05% (as of December 31, 2025) to approximately 4.01%.[6] The upper bound of the federal funds target range currently sits at 3.75%,[7] and the Fed found itself in precisely the position we flagged in our first quarter commentary: frozen between a resilient economy and stubborn above-target inflation with limited room to maneuver. High-yield credit spreads tightened meaningfully through the quarter, with the ICE BofA US High Yield Index returning 2.45%, as recovering risk sentiment overwhelmed the rate headwind.[6]

One longer-term theme that crystallized during the quarter deserves mention: The AI trade has become the dominant organizing principle of global equity markets. Technology now represents nearly one-third of the MSCI All Country World Index.[8] This concentration creates genuine index-level fragility should AI capital expenditure expectations moderate or if the revenue translation from AI investment disappoints. We are watching this dynamic carefully, as it has direct relevance to the relative appeal of real assets and income-oriented strategies that are largely insulated from AI multiple expansion and equally insulated from any valuation reset that may follow.

[1] Oilprice.com, as of July 15, 2026
[2] Macro Trends, as of July 15, 2026
[3] FactSet, May 15, 2026
[4] U.S. Bureau of Labor Statistics, June 2, 2026
[5] Ultimus Fund Solutions, LLC, as of June 30, 2026
[6] Bloomberg, as of June 30, 2026
[7] Board of Governors of the Federal Reserve System, as of July 15, 2026
[8] MSCI, as of June 30, 2026

Second Quarter Performance Review

As referenced above, asset class returns during the second quarter of 2026 were broadly and strongly positive across equity markets, as the de-escalation of the Iran conflict and resilient corporate earnings drove a sharp recovery from the first quarter's geopolitically induced losses. Our representative indexes for the broader equity markets remain the S&P 500 and the Nasdaq Composite Index, and these indexes produced strong returns during the second quarter of 2026. Switching to the bond market, the investment-grade credit market (represented by the Bloomberg US Aggregate Bond Index) returned 0.67% for the quarter, while the high-yield market (ICE BofA US High Yield Index) returned 2.45%.

For Real Estate Income, the fund's Institutional Class shares delivered a strong second quarter return of 4.31%, outperforming the fund's primary benchmark, the Bloomberg US Aggregate Bond Index, which returned 0.67%. The fund also outperformed its representative index, the MSCI REIT Preferred Index, which returned 1.82% for the quarter. 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 generated a return of 10.73% for the quarter, as represented by the FTSE NAREIT All Equity REITs Total Return Index (FNERTR).[9]

Capital Raising: Issuance Rapidly Accelerates in the Second Quarter

REIT capital markets activity significantly increased during the second quarter of 2026. Publicly traded REITs completed a total of 11 equity offerings (nine follow-ons and two IPOs) raising approximately $8.2 billion in new capital.[10] This issuance compares to just $3.1 billion of common equity across nine transactions in the previous quarter.[11]

Turning to the fixed-income markets, 16 REITs placed approximately $9.9 billion across 18 domestic debt issuances in the second quarter, a slight decrease from the prior quarter.[10,11] Importantly, the spread over the appropriate reference rate averaged 148 basis points,[10] indicating a healthy willingness of market participants to invest in REIT credit.

Importantly for our fund, there were no new REIT preferred issuances in the second quarter. Time will tell whether REIT management teams will look to source new capital through the preferred security structure given the strong willingness of market participants to invest in REIT credit or whether the market will remain closed.

REIT M&A: Deals Continue Apace in the Second Quarter

Following a healthy first quarter M&A market, transaction activity maintained a steady pace in the second quarter with three announced transactions. The recovery in equity markets and improved visibility on the interest rate trajectory following the ceasefire with Iran has created a more conducive environment for strategic transactions. REIT valuations, while improved from first-quarter lows, continue to reflect meaningful discounts to private market marks and net asset values (NAVs) in several property sectors — a setup that has historically been fertile ground for mergers, acquisitions and take-private transactions. We continue to monitor the M&A landscape actively as a potential source of portfolio upside.

Announce Date	Target	Property Sector	Acquirer
April 9, 2026	Whitestone REIT (WSR)	Retail	Ares Management Corp. (ARES)
April 20, 2026	Sila Realty Trust (SILA)	Health Care	Oak Street Real Estate Capital
May 21, 2026	AvalonBay Communities (AVB)	Apartments	Equity Residential (EQR)

Sources: Bloomberg and company public filings, as of 06/30/26. For illustrative purposes only.

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

[9] Bloomberg, as of June 30, 2026
[10] Westwood Management and Bloomberg, as of June 30, 2026
[11] Westwood Management and Bloomberg, as of March 31, 2026

yielding approximately 8.25%, and the yield available from our REIT common stocks was approximately 4.63%.[12] Furthermore, the fund's Institutional Class shares paid a $0.3475 dividend (after fees and expenses) for the second quarter, which equates to an annualized 8.10% dividend yield when divided by the quarter-end NAV per share.[13] 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.

Return Comparison (as of 06/30/26)

The table below demonstrates how the portfolio's components performed for the second quarter of 2026.

Q2 2026	Fund (KIFYX)[14]	Market[15]
Common Stocks	7.76%	10.73%
Senior Securities	3.32%	1.82%

Past performance does not guarantee future results.

Current Positioning

As the table below shows, 71.1% of the fund's investments were in senior securities (all in preferred stocks) at quarter-end, which is 0.3% below where the fund's senior security exposure stood at the end of the first quarter of 2026. Our senior securities continue to remain healthy from a credit point of view as the issuers generally have stable leverage levels (45% or less of their total capitalization funded through debt or debt equivalents), limited development exposure and well-staggered debt maturities. We continually monitor the call risk and reinvestment risk of our senior security sleeve while simultaneously looking for new transactions that we think make sense.

Our common stock sleeve increased to 27.3% (all long) at quarter-end, up 0.7% from the end of the first quarter. We held 11 common stocks with a weighted average yield of 4.63% 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 98.4%. We also ended the quarter with 1.6% net cash and equivalents. Having some cash on hand provides us with the ability to source attractive investments.

Security Exposures (as of 06/30/26)

Preferred	71.1%
Common (Long)	27.3%
Common (Short)	0.0%
Bonds	0.0%
Options	0.0%
Net	98.4%

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.

[12] Westwood Management and Bloomberg, as of June 30, 2026
[13] As of June 30, 2026, KIFYX's 30-day SEC yield is 5.96% and 30-day unsubsidized SEC yield is 5.96%
[14] Viewed as an independent portfolio composed of various long positions and short positions
[15] Common stocks: FTSE NAREIT Equity REITs Total Return Index USD (FNRETR); senior securities: MSCI REIT Preferred Index

Investment Outlook: The Spoils of Staying the Course

Coming into the second quarter, we were candid with our investors about the difficulty of underwriting the macro environment. The Iran conflict, the frozen Fed, the volatile oil market and the Supreme Court's tariff ruling — the inputs to any rigorous forecast — were unusually unreliable. Our posture was not to pretend otherwise, but to rely on what we could underwrite with confidence: the quality of REIT balance sheets, the durability of cash flows from high-quality tenants and the structural undersupply of new commercial real estate inventory that underpins rental rate growth across most property types. That framework served the portfolio well in the second quarter.

While the geopolitical backdrop remains uncertain, the macro environment looks considerably more constructive heading into the second half of 2026. That said, we are not declaring victory prematurely. The Fed finds itself in a genuinely difficult position as rate increases are looking increasingly likely given that inflation has reaccelerated and remains above the Fed's 2% target. Wage growth is moderating and now trails inflation in real terms, which will weigh on consumer purchasing power in the coming quarters. We continue to believe that the Fed will remain restrictive for longer than the consensus expects, and we are positioning the portfolio accordingly.

On the REIT fundamental side, the story is increasingly one of opportunistic divergence. The sectors we have emphasized — health care, grocery-anchored retail, net lease and select office — have demonstrated exactly the durable, inflation-linked cash flow characteristics that make them valuable in the present environment. Occupancy remains high, lease renewals are coming in at or above prior expectations and the supply pipeline in most of these property types remains constrained. The industrial sector has been the more complicated story: While long-term demand drivers remain intact, near-term leasing velocity has been affected by trade uncertainty and the broader hesitation around new logistics commitments. We have maintained disciplined underwriting in this sector and continue to see more compelling risk-adjusted value elsewhere.

From a valuation standpoint, the REIT sector as a whole presents a genuinely interesting opportunity set. Despite the strong second-quarter recovery, publicly traded REITs have significantly lagged the AI-fueled equity rally of the past several years, and we believe this relative underperformance does not reflect the underlying quality or cash flow trajectory of well-managed real estate companies. REIT cap rates remain wide by historical standards. Cash flow multiples look several turns less expensive than comparable risk assets in the broader market. And with the 10-year U.S. Treasury yield at 4.47% as of June 30, 2026,[16] and REIT preferred spreads offering several hundred basis points of additional income, the income equation for Real Estate Income looks as compelling as it has in years. We are not making the argument that REITs will immediately close their valuation gap to the S&P 500 — that would require either a significant derating of AI-exposed technology multiples or a catalyst that returns investor focus to income and real asset value. But we are making the argument that investors who accept this relative valuation are being paid generously to wait.

The credit environment remains supportive of our core preferred sleeve. High-yield spreads remain tight by historical norms at approximately 270 basis points,[17] which reflects an underlying corporate credit landscape that continues to hold up well despite the rate turbulence of the past year and a half. Within real estate credit specifically, REIT issuers with investment-grade balance sheets and long-duration, net-leased assets continue to demonstrate exceptional credit quality. Our portfolio's fixed charge coverage ratio remains well above 2x,[18] providing a meaningful buffer against any near-term cash flow disruption.

We remain on track through the first half of 2026, and the second quarter's results validate that discipline. We commit ourselves to navigating the rest of the year in our trademark fashion: rigorously monitoring REIT balance sheets to find opportunities where we can make smart credit bets 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. 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.

[16] Bloomberg, as of June 30, 2026

[17] The difference between the yield of the Bloomberg US Corporate High Yield Bond Index and the 10-Year U.S. Treasury yield; Bloomberg, as of June 30, 2026

[18] Westwood Management, as of June 30, 2026

Performance (%) as of 06/30/26

	Q2	YTD	1 YR	3 YR	5 YR	10 YR	Since Inception	Inception Date
Institutional	4.31%	2.22%	6.57%	6.20%	2.78%	3.59%	4.94%	04/28/2006
Class A @NAV*	4.27%	2.06%	6.21%	5.89%	2.45%	3.23%	6.73%	03/30/2001
Class A @MOP**	1.15%	-0.99%	3.04%	4.81%	1.24%	2.62%	6.48%	03/30/2001
Bloomberg US Aggregate Bond Index	0.67%	0.62%	3.79%	4.16%	0.08%	1.54%	3.30%	04/28/2006
MSCI REIT Preferred Index	1.82%	0.05%	4.51%	2.39%	-2.05%	0.54%	3.32%	04/28/2006

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: 0.85%/0.85%; Class A: 1.14/1.14%.

Top 10 Holdings (as of 06/30/26)

Security	% of Net Assets	Security	% of Net Assets
Hovnanian Enterprises, Inc. (Preferred Stock)	4.55	Pebblebrook Hotel Trust (Preferred Stock)	3.71
CTO Realty Growth, Inc. (Preferred Stock)	4.06	National Storage Affiliates (Preferred Stock)	3.53
KKR Real Estate Finance Trust (Preferred Stock)	4.01	Saul Centers, Inc. (Preferred Stock)	3.44
RLJ Lodging Trust (Preferred Stock)	3.95	Public Storage (Common Stock)	3.41
LXP Industrial Trust (Preferred Stock)	3.72	Chiron Real Estate, Inc. (Preferred Stock)	3.25

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

Top Contributors & Detractors by Holding (as of 06/30/26)

	Top Contributors	Contribution	Top Detractors	Contribution
Senior Securities	CTO 6.375% Series A Pfd.	0.36	BFS 6.000% Series E Pfd.	-0.05
	HPP 4.750% Series C Pfd.	0.28	INN 5.875% Series F Pfd.	-0.01
	KREF 6.500% Series A Pfd.	0.26	--	--
	EPR 9.000% Series E Conv. Pfd.	0.24	--	--
	SHO 6.125% Series H Pfd.	0.22	--	--
Common Stocks	COPT Defense Properties	2.28	Blackstone Mortgage Trust, Inc.	-0.95
	Macerich Co.	2.27	Crown Castle, Inc.	-0.52
	Public Storage	1.96	Realty Income Corp.	-0.14
	Welltower, Inc.	1.11	Centerspace	-0.02
	W.P. Carey, Inc.	0.74	--	--

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 06/30/26)

	Top Contributors	Contribution	Top Detractors	Contribution
Senior Securities	Lodging	0.80	--	--
	Retail	0.66	--	--
	Health Care	0.37	--	--
	Specialty	0.35	--	--
	Office	0.28	--	--
Common Stocks	Retail	2.42	Commercial Mortgage	-0.95
	Office	2.28	Towers	-0.52
	Self-Storage	1.96	Apartments	-0.02
	Health Care	1.11	--	--
	Diversified	0.74	--	--

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, 2026, KIFYX's 30-day SEC yield is 5.96% and 30-day unsubsidized SEC yield is 5.96%.

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.

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.

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.

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).

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

FTSE NAREIT All 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.

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.

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

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

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.

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 ACWI (All Country World Index) is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets.

MSCI EAFE (Europe, Australasia and Far East) Index is a stock market index that is designed to measure the equity market performance of developed markets outside of the U.S. and Canada.

MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

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.

Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index. The Russell 3000 Index represents approximately 98% of the investable U.S. equity market.

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.

Stagflation refers to an economy that is experiencing a simultaneous increase in inflation and stagnation of economic output.

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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