2024 Review and 2025 Outlook: Ready for a Surge in Corporate Actions

4TH QUARTER 2024

Performance Review

In 2024, the fund achieved a return of 3.07%, driven by gains across two core investment strategies: Event Driven Credit 3.16% and Risk Arbitrage 0.78% partially offset by Event Driven Equity -0.25% and Portfolio Hedges -0.76%.[1]

The fund's largest gain (217 basis points) stemmed from a private investment in a public equity ("PIPE") within the industrials sector which was attractively priced at issuance and presents multiple compelling opportunities for value unlocking through strategic acquisitions. The second largest contributor (160 basis points) was our largest equity position- an investment in a life sciences company. Three additional positions each generated attribution in the range of 50-100 basis points.

The fund's largest single name detractors were Event Driven Equities including a regional bank (100 basis points), a regional gaming operator (88 basis points), and an equipment rental provider (81 basis points). The fund has maintained its investments in these positions, all of which have identifiable catalysts to unlock value in 2025.

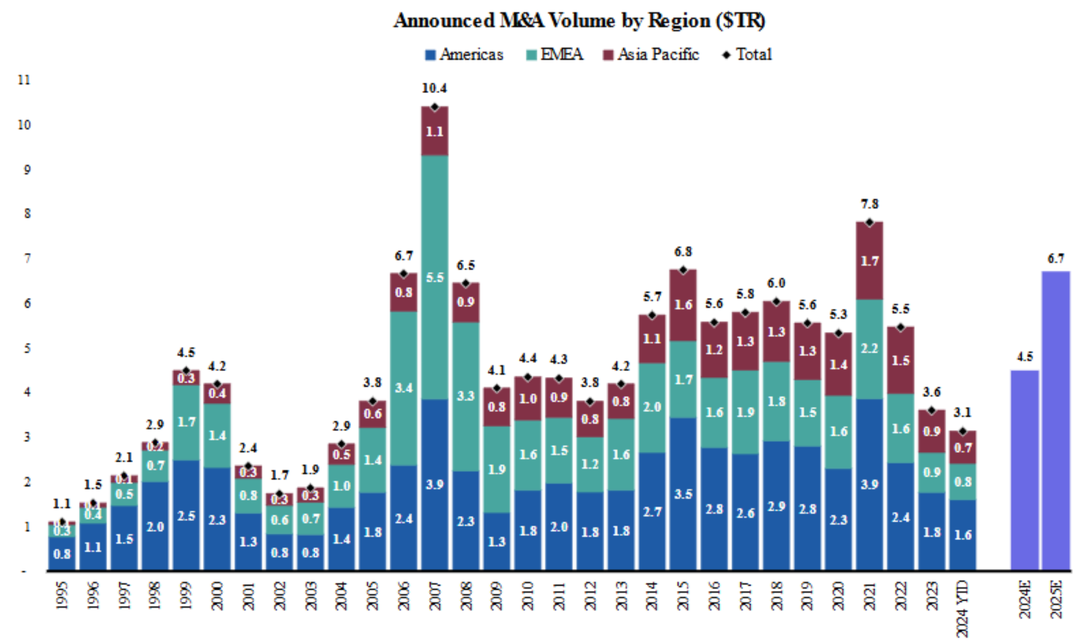
As of year-end, the fund's gross and net exposures are 93.69% and 57.26%, respectively, and beta to S&P500 is 0.27. The fund's YTD realized volatility was 5.36%, representing 42% of the S&P500, with low correlation to the index.

2025 Outlook

- Our expectations for 2025 call for a surge in corporate actions driven by significantly higher Mergers and Acquisition ("M&A") volume, continued shareholder activism, increased high yield bond issuance, and potential for an opening of the IPO window.
- The realization of these expectations should result in a particularly robust and attractive opportunity set across the fund's three core strategies: Risk Arbitrage, Event Driven Equity, and Event Driven Credit.
- As shown in the chart from Morgan Stanley below, M&A is expected to increase significantly in 2025 due to a combination of pent-up corporate and sponsor demand dovetailing with a significantly more accommodative regulatory regime.
  - Post election the number of announced US M&A deals increased by 18% month/month in November in contrast with three consecutive quarters of declines.

[1]The performance data shown represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. Principal value and investment returns will fluctuate so that investors' shares, when redeemed, may be worth more or less than their original cost. Performance data represents the rate that an investor would have earned (or lost), during the given month, on an investment in the Fund (assuming reinvestment of all dividends and distributions). Average annual total return reflects annualized change. Since Fund performance is subject to change after the month-end, please call (800) 560-6111 or visit www.driehaus.com for more current performance information.

Exhibit 1: Global M&A volume is tracking up 25% in 2024 after dropping sharply in 2023. We see a significant, sustained rebound ahead.



Note: 2024 YTD as of 3Q24
Source: Dealogic, Morgan Stanley Research forecasts; Note: Data exclude rejected/cancelled deals and include carve-out deals.

Risk Arbitrage

- Merger arbitrage naturally benefits the most from increased M&A due to the increased volume of investment opportunities resulting from announced deals.
- Capital structure arbitrage opportunities will also increase due to disconnects in the implied probability of deal closure between credit and equity securities.

Event Driven Equity

- Activist investors will increasingly utilize corporate action as a tool for maximizing value to shareholders while continuing campaigns that result in increased spin-offs, corporate capital allocation optimization, stronger governance and of course, M&A.
- Sustained periods of M&A and capital markets calm are often a precursor to increased IPO issuance. We believe there is a robust pipeline of IPOs forming for launch in Q1 and Q2 2025.
- We anticipate leveraged buyout (LBO) activity will increase after the lull period of the last few years. LBOs are a consistent source of catalyst driven equity situations, with the added benefit of potential for capital structure arbitrage.

Event Driven Credit

- We expect event driven credit opportunities will increase meaningfully as M&A activity returns.
- Large scale corporate M&A creates short and long term opportunities for high yield bonds with Change of Control language in their indentures which can drive rapid dollar price appreciation or deprecation depending on the circumstances.
- Fallen Angels and Credit Agency downgrades often result from large-scale M&A and present both long and short credit opportunities.
- High yield refinancing opportunities will continue to be a source of attractive risk adjusted returns.

Admittedly, we are not alone in our belief that the next twelve months presents a favorable setup for M&A and corporate actions. The current "Wall Street" consensus anticipates a significant increase in M&A activity volumes in 2025 driven by three key factors:

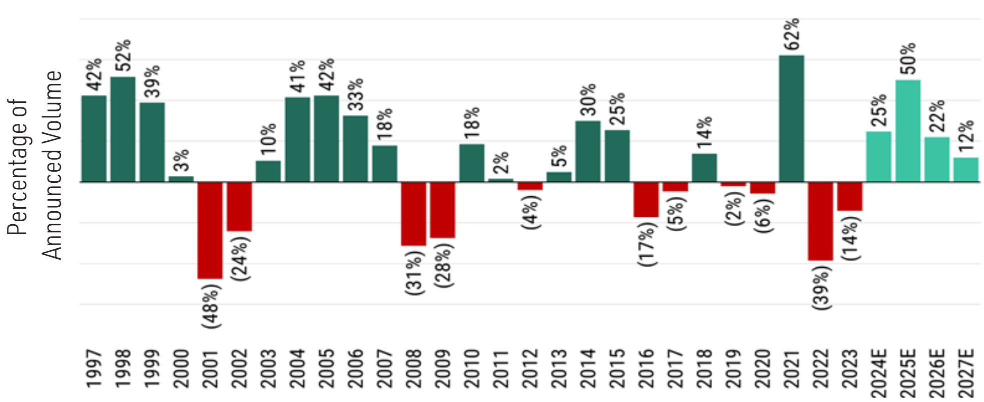
- Backlog of PE-backed Liquidity Events: An active IPO market can catalyze deal flow by unlocking an estimated $4 trillion in corporate value, represented by around 1,200 private equity-owned companies with valuations exceeding $1 billion. Notably, over 80% of these assets have been held for three years or longer, positioning them as ripe for liquidity events.
- Market Volatility (VIX/MOVE): Lower volatility levels foster a more favorable environment for deal-making, as stability in the VIX and MOVE indices typically bolsters M&A confidence.
- Antitrust Environment: A potential easing of antitrust enforcement could reignite previously stalled transactions that faced regulatory hurdles while also encouraging the pursuit of larger-scale deals.

The graphs and charts that follow highlight the supportive environment for corporate activity into 2025. As we start the new year, the team is encouraged by this backdrop and the prospects for idiosyncratic catalysts and events of all types.

Wishing you and yours a happy and healthy new year.

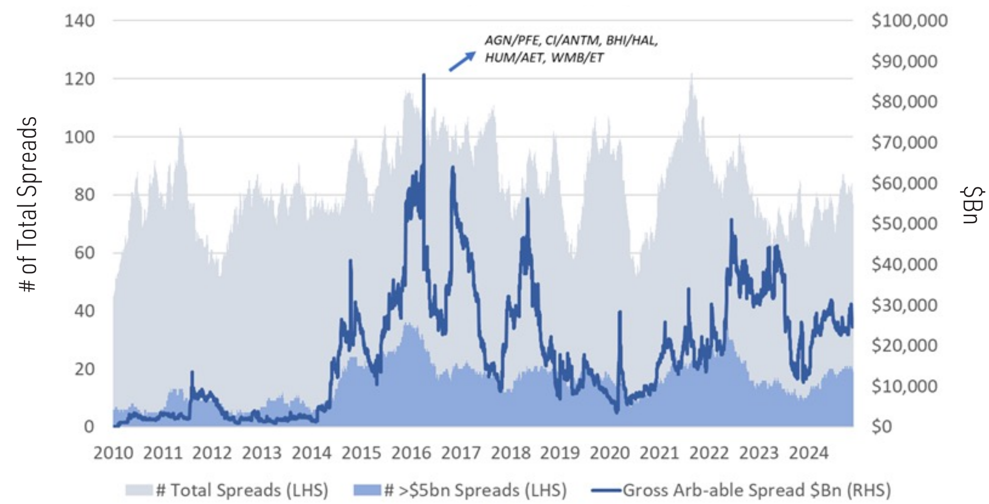
Mike, Tom and Yoav

Exhibit 2: Global M&A Announced Volume Y/Y



Source: Morgan Stanley Research

Exhibit 3: US Listed Merger Arbitrage Spreads



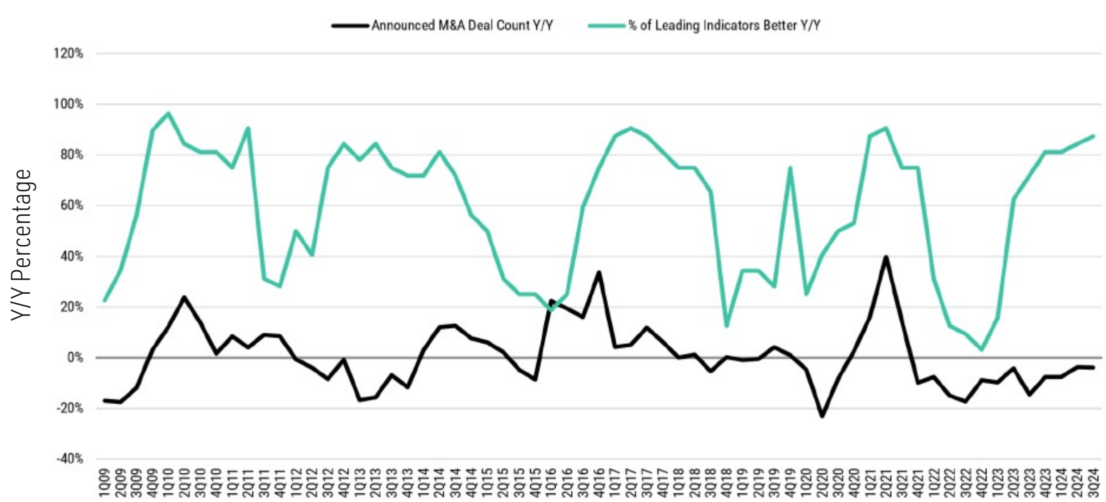
Source: BBG, Co Filings, MS Special Sits

Exhibit 4: US Spinoffs by Calendar Year

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	*since '10*
Announced Spins #	10	22	22	36	47	44	15	27	25	16	17	32	38	20	18	11
Completed Spun $Bn	$17	$50	$71	$113	$143	$176	$98	$66	$48	$137	$72	$118	$98	$118	$72	10
BBG Spin Index TRR %	28.2%	(4.6%)	51.0%	40.5%	10.6%	(0.8%)	23.2%	35.1%	(18.7%)	9.3%	11.8%	21.7%	(11.6%)	27.2%	73.7%	1

Source: BBG, Co Filings, MS Special Sits

Exhibit 5: M&A Leading Indicators vs. Announces M&A Count



Source: Morgan Stanley

Driehaus Event Driven Fund

Ticker
DEVDX

% Quarter-End Performance (as of 12/31/24)

			Annualized				
	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Inception[1]
Driehaus Event Driven Fund	-0.78	3.07	3.07	0.55	6.35	5.52	5.15
S&P 500 Index[2]	2.41	25.02	25.02	8.94	14.53	13.10	13.85
Morningstar Event Driven Category[3]	0.57	3.86	3.86	2.67	3.68	3.56	3.60
Alpha to S&P 500 Index	--	--	-2.39%	-1.67%	2.75%	1.70%	1.10%
Beta to S&P 500 Index	--	--	0.2	0.2	0.2	0.3	0.3
Correlation to S&P 500 Index	--	0.6	0.6	0.7	0.6	0.6	0.6
Volatility as a % of S&P 500 Index	--	--	42%	37%	40%	48%	--

Morningstar Event Driven Rankings[5] (as of 12/31/24)

	1 Year	3 Year	5 Year	10 Year
Number of Funds in Category	38	35	35	29
Position - DEVDX	24	34	3	3
Percentile Ranking - DEVDX	**63%**	**97%**	**9%**	**10%**

Source: Driehaus Capital Management, FactSet
Data as of 12/31/24

The performance data shown represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. Principal value and investment returns will fluctuate so that investors' shares, when redeemed, may be worth more or less than their original cost. Performance data represents the rate that an investor would have earned (or lost), during the given month, on an investment in the Fund (assuming reinvestment of all dividends and distributions). Average annual total return reflects annualized change. Since Fund performance is subject to change after the month-end, please call (800) 560-6111 or visit www.driehaus.com for more current performance information.

[1]The Driehaus Event Driven Fund has an inception date of August 26, 2013. [2]The Standard & Poor's ("S&P") 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group. It is a market-weighted index (stock price times number of shares outstanding), with each stock's weight in the index proportionate to its market value. [3]The Morningstar Event Driven Category is generally representative of mutual funds that primarily employ strategies that seek to profit from corporate actions, such as mergers and acquisitions. Mutual funds in this category typically focus on equity securities but can invest across the capital structure. However, they typically have low to moderate equity market sensitivity since company-specific developments tend to drive security prices. [4]Represents the Annual Fund Operating Expenses as disclosed in the current prospectus dated April 30, 2024. It is important to understand that a decline in the Fund's average net assets due to unprecedented market volatility or other factors could cause the Fund's expense ratio for the current fiscal year to be higher than the expense information presented. A shareholder may be required to pay a commission to their financial intermediary. [5]Morningstar Event Driven (all share classes). Data based on monthly returns of 38, 35, 35 and 29 mutual funds (all share classes) for the one, three, five and ten year periods respectively. Net of fees. Past performance is no guarantee of future results.

Terms. **Beta:** A measure of a portfolio's volatility compared to that of the market as a whole. **Effective Duration:** Duration calculation for bonds with embedded options. Effective duration takes into account that expected cash flows will fluctuate as interest rates change. **Spread Duration:** The sensitivity of the price of a bond to a 100 basis point change to its option-adjusted spread.

Fund Overview

- The Driehaus Event Driven Fund seeks to generate consistently high alpha, low beta and low correlation to major market indexes.
- The fund invests long and short in equities and bonds that we believe are mispriced due to an announced or anticipated idiosyncratic corporate action and/or special situation.
- The fund's long/short hedged portfolio construction is designed to generate idiosyncratic returns, reduce market exposure and provide downside protection.
- The opportunistic mandate across asset classes ensures a robust investment landscape throughout the market cycle.

The Driehaus Event Driven Fund seeks to provide:

- Superior risk-adjusted returns
- Consistently strong alpha with minimized beta
- Low volatility and correlation to major asset classes
- Absolute Returns with low market exposure

Facts

Inception Date	8/26/13
Fund Assets Under Management	$223M
Strategy Assets	$450M
Firm Assets Under Management	$19.7B

Annual Operating Expenses[4]

Gross Expenses	1.60%
Net Expenses	1.60%

Portfolio Management

Yoav Sharon, Portfolio Manager
19 years industry experience

Tom McCauley, Portfolio Manager
18 years industry experience

Michael Caldwell, Portfolio Manager
17 years of industry experience

DEVDX Portfolio Characteristics*

Fund Information

Catalyst Spectrum

Hard	Mergers & Acquisitions	Opportunistic Credit	Capital Allocation	Special Situations	Activism	Regulatory	Post M&A Combinations	Soft
		Reorganizations Refinancings Recapitalizations	Repurchases Divestitures & Asset Sales	Spin-offs SPACs IPOs	Collaborative Incentive Alignment	Data Releases Bank Regulation	Synergies Shareholder Transition	

Investment Strategy

	Long Exposure	Short Exposure	Gross Exposure	Net Exposure
Arbitrage	16.3%	-3.3%	19.6%	13.0%
Credit	31.4%	-0.5%	31.9%	30.9%
Equity	27.8%	0.0%	27.8%	27.8%
Hedges	0.0%	-14.4%	14.4%	-14.4%

Overall Morningstar Rating™

Based on risk-adjusted returns as of 12/31/24

★ ★ ★

All Share Classes among 38 Funds in the Event Driven Category

Sector

GICS[1]	Long Exposure	Short Exposure	Gross Exposure	Net Exposure
Communication Services	1.4%	0.0%	1.4%	1.4%
Consumer Discretionary	15.4%	-1.8%	17.2%	13.6%
Consumer Staples	1.8%	0.0%	1.8%	1.8%
Energy	0.0%	0.0%	0.0%	0.0%
Financials	24.4%	-1.9%	26.3%	22.5%
Health Care	9.6%	-5.1%	14.8%	4.5%
Industrials	14.5%	-1.7%	16.3%	12.8%
Information Technology	1.8%	0.0%	1.8%	1.8%
Materials	0.0%	0.0%	0.0%	0.0%
Real Estate	0.0%	0.0%	0.0%	0.0%
Utilities	6.6%	0.0%	6.6%	6.6%
Other[2]	0.0%	-7.6%	7.6%	-7.6%

Top Contributors/Detractors (by Investment Strategy)

Top 5	
Hedges	0.52%
Equity	0.22%
Arbitrage	0.18%
Arbitrage	0.12%
Credit	0.09%
Total	1.13%

Bottom 5	
Hedges	-0.36%
Equity	-0.31%
Equity	-0.30%
Equity	-0.24%
Equity	-0.18%
Total	-1.39%

Source: Driehaus Capital Management, FactSet

Quarterly Contribution to Return (by Investment Strategy)

	October	November	December	4th Quarter
Arbitrage	0.17%	0.32%	-0.20%	0.29%
Credit	-0.03%	0.12%	0.19%	0.28%
Equity	-0.16%	2.02%	-3.14%	-1.33%
Hedges	-0.04%	-1.13%	1.19%	0.03%
Cash/Expenses[3]	-0.04%	0.06%	-0.03%	-0.01%
Total	-0.10%	1.39%	-1.99%	-0.74%

Preliminary data. May differ from data shown by third-party providers because of rounding or for other reasons.

*Exposure: please note exposure may be different than market value. For equities, bonds, foreign exchange forwards and interest rate swap products, exposure is the same as market value. For options, exposure represents delta-adjusted underlying exposure. For credit default swap and credit default swap indices,-exposure represents bond equivalent exposure. [1]The Global Industry Classification Standard (GICS), a collaboration between Standard & Poor's and Morgan Stanley Capital International, is a system of classification that identifies a company according to its business activity. [2]The Other Industry Sector data is not categorized within the GICS classification system. [3]Estimated expenses for the month (not annualized) as a percentage of the fund's net assets for the month. Interest on cash balances is netted against fund expenses.

The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. The Driehaus Event Driven Fund has a one star rating for the three year period, and four star rating for the five and ten year periods, with 35, 35 and 29 funds respectively in the category.

Sector Breakout by Top Weighted Investment Strategy

Sector	Investment Strategy	Security Type	Average Weight	Contribution To Return
Communication Services			**1.38**	**0.04**
	Credit	Bank Loan	1.38	0.04
Consumer Discretionary			**13.15**	**-0.27**
	Credit	Corporate	3.71	0.09
	Equity	Equity Common	2.35	-0.09
	Arbitrage	Corporate	2.07	-0.01
	Hedges	Total Return Swap	-1.64	-0.03
	Credit	Bank Loan	1.38	0.04
Consumer Staples			**1.75**	**0.12**
	Arbitrage	Equity Common	1.75	0.12
Financials			**18.68**	**-0.35**
	Arbitrage	Equity Common	4.70	0.25
	Equity	Equity Common	3.61	-0.18
	Credit	Corporate	3.53	-0.10
	Credit	Corporate	2.21	0.08
	Hedges	Total Return Swap	-1.52	-0.36
Health Care			**5.43**	**0.29**
	Hedges	Total Return Swap	-4.88	0.52
	Equity	Equity Common	4.37	0.03
	Equity	Equity Common	2.64	0.00
	Equity	Equity Common	1.84	-0.30
	Equity	Equity Common	0.79	0.22
Industrials			**13.30**	**-0.63**
	Credit	Corporate	3.08	0.05
	Equity	Equity Common	2.86	-0.31
	Credit	Preferred	2.43	0.03
	Equity	Equity Common	2.32	-0.16
	Credit	Corporate	2.21	0.03
Information Technology			**2.12**	**0.06**
	Equity	Equity Common	2.11	0.07
	Arbitrage	Warrant / Right	0.01	-0.01
Utilities			**6.80**	**0.01**
	Credit	Corporate	4.26	0.01
	Credit	Corporate	2.53	0.00

Important Disclosures
Investments in overseas markets can pose more risks than U.S. investments, and share prices are expected to be more volatile than that of a U.S.-only fund. The Driehaus Event Driven Fund invests in foreign securities, including small and mid cap stocks, which may be subject to greater volatility than other investments. In addition, returns of this Fund will fluctuate with changes in stock market conditions, currency values, interest rates, foreign government regulations, and economic and political conditions in countries in which this Fund invests. These risks are generally greater when investing in emerging markets. These and other risk considerations are discussed in the prospectus for this Fund. At times, a significant portion of the Fund's return may be attributable to investments in initial public offerings (IPOs) or concentrations in certain strong performing sectors, such as technology. Returns from IPOs or sector concentrations may not be repeated or consistently achieved in the future. In addition, participating in IPOs and other investments during favorable market conditions may enhance the performance of a Fund with a smaller asset base, and this Fund may not experience similar performance results as its assets grow. Stocks of medium-sized companies tend to be more volatile in price than those of larger companies and may have underperformed the stocks of small and large companies during some periods. In addition, investments in medium-sized companies may be more susceptible to particular economic events or competitive factors than are larger, more broadly diversified companies. Growth stocks may involve special risks and their prices may be more volatile than the overall market.

The Fund, in addition to investing in unrated and investment grade bonds, may also invest in junk bonds, which involve greater credit risk, including the risk of default. The prices of high yield bonds are more sensitive to changing economic conditions and can fall dramatically in response to negative news about the issuer or its industry, or the economy in general. The use of derivatives involves risks different from, and possibly greater than, the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid and difficult to value, and there is a risk that changes in the value of a derivative held by the Fund will not correlate with the Fund's other investments. Further, the Fund may invest in derivatives for speculative purposes. Gains or losses from speculative positions in a derivative may be much greater than the derivative's original cost and potential losses may be substantial. The Fund may make short sales. Short sales expose the Fund to the risk of loss. No investment strategy, including an absolute return strategy, can ensure a profit or protect against loss. Additionally, investing in an absolute return strategy may lead to under performing results during an upward moving market. When interest rates increase, bond prices decrease and bond funds become more volatile. It is anticipated that the Fund will experience high rates of portfolio turnover, which may result in payment by the Fund of above-average transaction costs. This is a non diversified fund compared to other funds, the Fund may invest a greater percentage of assets in a particular issuer or a small number of issuers. As a consequence, the Fund may be subject to greater risks and larger losses than diversified funds.

Fund holdings are subject to change and should not be viewed as a recommendation to buy or sell any security. Dividends are not guaranteed and may fluctuate.

Please consider the investment objectives, risks, fees and expenses of the Fund carefully prior to investing. The prospectus and summary prospectus contain this and other important information about the Fund. To obtain a copy of the prospectus and/or summary prospectus, please call us at (800) 560-6111. Please read the prospectus and summary prospectus carefully before investing.

This snapshot is not intended to provide investment advice. Nothing herein should be construed as a solicitation or a recommendation to buy or sell securities or other investments. You should assess your own investment needs based on your individual financial circumstances and investment objectives. Driehaus does not guarantee the accuracy or completeness of this information. This data was prepared on January 8, 2025 and has not been updated since then. It may not reflect recent market activity. Driehaus assumes no obligation to update or supplement this information to reflect subsequent changes. This material is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy. The information and opinions contained in this material are derived from proprietary and non-proprietary sources deemed by Driehaus to be reliable, are not necessarily all inclusive and are not guaranteed as to accuracy. There is no guarantee that any forecasts made will come to pass. Reliance upon information in this material is at the sole discretion of the reader.

Foreside Financial Services, LLC, Distributor

FUND INFORMATION

Types of events in which the fund frequently invests include:

Corporate action: Changes to the company's strategy or capital structure as a result of mergers, acquisitions, spin-offs, lawsuits, etc.

Earnings: A trade involving an upside or downside surprise to earnings versus market expectations.

Market dislocation: Any mispricing of a security for a non-fundamental reason.

Product cycle: A key change to the company's product/service offering, or a change in customer preferences for the company's product/service.

Restructuring: A change to the company's capital structure or business prospects as a result of bankruptcy, reorganization or corporate distress.

Types of trades in which the fund frequently invests include:

Bond catalyst driven: Event-driven trades that are expressed predominately through bond positions.

Deep value: Trade that attempts to capture the mispricing of an extremely undervalued security.

Equity catalyst driven: Event-driven trades that are expressed predominately through equity positions.

Portfolio hedge: A hedge to an unwanted factor exposure, such as equity, volatility, credit or interest rate risk.

Risk arbitrage: Trades that attempt to capture a valuation discrepancy between similar securities.

DEFINITIONS OF KEY TERMS

Credit Default Swap (CDS) - A contract in which the buyer of the CDS makes a series of payments to the seller and, in exchange, receives a payoff if a credit instrument (typically a bond or loan) goes into default. In its simplest form, a credit default swap is a bilateral contract between the buyer and seller of protection.

Delta - The ratio that compares the change in the price of a derivative to the corresponding change in the price of an underlying asset.

Derivatives Premium – Value of a derivatives contract.

Effective Duration - A duration calculation for bonds with embedded options. Effective duration takes into account that expected cash flows will fluctuate as interest rates change.

Portfolio Coupon - The annualized interest earned for the portfolio.

Portfolio Current Yield - The annual income (interest or dividends) divided by the current price of the security, aggregated to the portfolio level.

Portfolio Yield-to-Worst - The lowest potential yield that can be received on a bond without the issuer actually defaulting, aggregated to the portfolio level. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call or sinking fund, are used by the issuer.

Spread Duration - The sensitivity of the price of a bond to a 100 basis point change to its option-adjusted spread. As the rate of the Treasury security in the option-adjusted spread increases, the rate of the option-adjusted spread also increases.

Swap - A derivative in which two counterparties exchange certain benefits of one party's financial instrument for those of the other party's financial instrument.

Special Purpose Acquisition Company (SPAC) - a company with no commercial operations that is formed strictly to raise capital through an initial public offering (IPO) for the purpose of acquiring or merging with an existing company.

Leveraged Buyout (LBO) - the acquisition of another company using a significant amount of borrowed money to meet the cost of acquisition.

Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) - a measure of a company's overall financial performance and is used as an alternative to net income in some circumstances.

Return on Invested Capital (ROIC) - a calculation used to assess a company's efficiency at allocating the capital under its control to profitable investments.

Mortgage Servicing Rights (MSR) - a contractual agreement in which the right to service an existing mortgage is sold by the original mortgage lender to another party that specializes in the various functions involved with servicing mortgages.

High Yield (HY) - are bonds that pay higher interest rates because they have lower credit ratings than investment-grade bonds.

Investment Grade (IG) - Bonds that are believed to have a lower risk of default and receive higher ratings by the credit rating agencies.

World Government Bonds Benchmark – yields over a variety of short-, medium- and long-term time frames for a global array of government bonds.

Russell 2000 Index (RTY) – is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 8% of the Russell 3000 total market capitalization.

Credit Default Index (CDX) – is a financial instrument composed of a set of credit securities issued by North American or emerging market companies.

Risk-Free Rate – the theoretical return attributed to an investment that provides a guaranteed return with zero risks.

Risk Premium – the investment return an asset is expected to yield in excess of the risk-free rate of return.

Par – the fact value of a bond or stock, as stated in the issuing company's corporate charter.

Drawdown – a peak-to-trough decline during a specific period for an investment, trading account, or fund.

Yield to Call – refers to the return a bondholder receives if the bond is held until the call date, which occurs sometime before it reaches maturity.

Hurdle Rate – is the minimum required rate of return or target rate that investors are expecting to receive on an investment.

Free Cash Flow – is the amount by which a business's operating cash flow exceeds its working capital needs and expenditures on fixed assets.

Alpha – is the measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a mutual fund and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark index is a fund's alpha.

Sharpe Ratio – is calculated by finding the portfolio's excess return and then dividing by the portfolio's standard deviation.

Arbitrage Spread – is a difference in price between two markets or exchanges for a particular security, currency, or commodity.

Basis Point (BP) – a unit of measure used in finance to describe the percentage change in the value or rate of a financial instrument.

Percentage Point (PP) – the term is used when comparing two different percentages.

Return-to-Risk Ratio – marks the prospective reward an investor can earn for every dollar they risk on an investment.

Volatility – a measure of dispersion around the mean or average return of a security. We define volatility as standard deviation.

Standard Deviation – A statistical measure of the degree to which an individual portfolio return tends to vary from the mean, based on the entire population. The greater degree of dispersion, the greater degree of risk.