GLOSSARY of TERMS

"Collatarised leverage"	Any loan obligation usually backed by middle market or leveraged bank loans
"Investment company subsidiary"	Any subsidiary company of an Investment Company used for the purpose of making investments on behalf of that Investment Company
"Price scrubbing"	The process of validating a security price using several vendors
"Recognised market"	Any market of a recognised investment exchange designated as a recognised stock exchange by an order made by the Commissioner for HM Revenue and Customs and any market outside the UK designated in such an order
"Rehypothecation rights"	The practice by banks and brokers of using, for their own purposes, assets that have been posted as collateral by their clients
"Stabilisation"	Any purchase or offer to purchase relevant securities, or any transaction in stabilisation instruments equivalent thereto, by investment firms or credit institutions, which is undertaken in the context of a significant distribution of such relevant securities exclusively for supporting the market price of these relevant securities for a predetermined period of time, due to a selling pressure in such securities
"Delta"	Delta measures the degree to which an option is exposed to shifts in the price of the underlying asset (i.e. stock) or commodity (i.e. futures contract). Values range from 1.0 to –1.0 (or 100 to –100, depending on the convention employed)
"Delta Adjusted Exposure"	Delta times the underlying security's notional exposure for options. For all other instruments, the notional exposure of the security. At the sector and portfolio levels, this is the sum of the individual security delta adjusted exposures
"Value at Risk"	Value at risk (VaR) is a statistical technique used to measure and quantify the level of financial risk within a firm or investment portfolio over a specific timeframe
"Parametric Value at Risk"	VaR calculation method using Normally distributed returns. Returns are assumed to be serially independent in that no prior return should influence the current return
"Monte Carlo Simulation Value at Risk"	VaR calculation method using computer generated model for returns
"Historical Simulation Value at Risk"	VaR calculation method using past historical returns
"Beta"	In finance, the Beta of an investment indicates whether the investment is more or less volatile than the market as a whole. In general, a beta less than 1 indicates that the investment is less volatile than the market, while a beta more than 1 indicates that the investment is more volatile than the market. Volatility is measured as the fluctuation of the price around the mean: the standard deviation

"Gamma"	Gamma is the rate of change in an option's delta given a move in the underlying asset's price. Gamma is an important measure of the convexity of a derivative's value, in relation to the underlying
"Net Long Exposure/Net Assets ratio"	Portfolio Delta Adjusted Exposure / Net Asset Value
"Active Share"	Active share, a measure of how actively a portfolio is managed, is the percentage of the portfolio that differs from its comparative index. It is calculated by summing the absolute differences between benchmark and portfolio holdings' weights, then dividing by two (to eliminate double counting). An active share of 100 indicates no overlap with the index and an active share of zero indicates a portfolio that tracks the index (when using leverage, maximum active share levels can exceed 100%)
"Portfolio Historic Volatility"	A measure of portfolio volatility using the standard deviations of historically calculated Portfolio returns.
"Portfolio Modelled Volatility"	A measure of portfolio volatility using underlying standard deviations for each current security in the portfolio as well as the correlations of each security pair in the portfolio.