**1919 FINANCIAL SERVICES FUND**
**CLASS A (SBFAX), CLASS C (SFSLX), CLASS FI*, CLASS R*, CLASS I (LMRIX)**

**1919 SOCIALLY RESPONSIVE BALANCED FUND**
**CLASS A (SSIAX), CLASS C (SESLX), CLASS FI*, CLASS R*, CLASS I (LMRNX)**

*As of the date of this Statement of Additional Information,
Class FI and Class R shares are not available for purchase.

**Each a "Fund," together, the "1919 Funds" or the "Funds"**

**Each Fund is a Series of**
**Advisor Managed Portfolios (the "Trust")**

c/o U.S. Bancorp Fund Services, LLC
P.O. Box 219252
Kansas City, MO 64121-9252
1-844-828-1919

# STATEMENT OF ADDITIONAL INFORMATION

April 30, 2025

This Statement of Additional Information (the "SAI") is not a prospectus and should be read in conjunction with the Prospectus dated April 30, 2025, as may be supplemented, for the 1919 Funds. The Funds' financial statements for the fiscal year ended December 31, 2024 are incorporated herein by reference to the Funds' annual report on Form N-CSR. A copy of the Prospectus or a Fund's financial statements may be obtained free of charge by contacting banks, brokers, dealers, insurance companies, investment advisors, financial consultants or advisors, mutual fund supermarkets and other financial intermediaries that have entered into an agreement with the 1919 Funds' distributor to sell shares of a Fund (each called a "Financial Intermediary"), by writing to 1919 Funds, c/o U.S. Bancorp Fund Services, LLC, P.O. Box 219252, Kansas City, MO 64121-9252, by calling 1-844-828-1919, by sending an e-mail request to information@1919funds.com, or by visiting the Funds' website at www.1919funds.com.

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No person has been authorized to give any information or to make any representations not contained in the Prospectus or this SAI in connection with the offerings made by the Prospectus and, if given or made, such information or representations must not be relied upon as having been authorized by a Fund or its Distributor. The Prospectus and this SAI do not constitute offerings by a Fund or by Quasar Distributors, LLC ("Quasar" or the "Distributor") in any jurisdiction in which such offerings may not lawfully be made.

## THE TRUST

The Trust is a statutory trust organized under the laws of the State of Delaware on February 16, 2023 and is registered with the U.S. Securities and Exchange Commission (the "SEC") as an open-end management investment company under the Investment Company Act of 1940, as amended (the "1940 Act").

The Trust's Agreement and Declaration of Trust (the "Declaration of Trust") permits the Trust's Board of Trustees (the "Board" or the "Trustees") to issue an unlimited number of full and fractional shares of beneficial interest, no par value per share, which may be issued in any number of series. The Trust consists of various series that represent separate investment portfolios. The Board may issue other series, the assets and liabilities of which will be separate and distinct from any other series. This SAI relates to the 1919 Financial Services Fund and 1919 Socially Responsive Balanced Fund.

Registration with the SEC does not involve supervision of the management or policies of the Funds. The Prospectus, SAI, shareholder reports and other information about the Funds are available free of charge on the EDGAR database on the SEC website at www.sec.gov. Copies of such information may be obtained from the SEC upon payment of the prescribed fee by electronic request at the following e-mail address: publicinfo@sec.gov.

Each Fund and a separate series of Trust for Advised Portfolios with a name identical to each Fund (each such series a "Predecessor Fund," and together the "Predecessor Funds") were parties to a reorganization that occurred on January 19, 2024, whereby each Predecessor Fund transferred all of its assets to the corresponding Fund in exchange for shares of such Fund, and the assumption by such Fund of all of the liabilities of the corresponding Predecessor Fund (the "Reorganization"). Prior to the Reorganization, each Fund was a "shell" fund with no assets that had not commenced operations. As part of the Reorganization, each Fund adopted the performance history of the corresponding Predecessor Fund, which was also advised by the Advisor and had the same investment objective and strategies as the corresponding Fund.

## 1919 FINANCIAL SERVICES FUND - INVESTMENT OBJECTIVE AND MANAGEMENT POLICIES

The 1919 Financial Services Fund (the "Financial Services Fund") is registered under the 1940 Act as an open-end, diversified management investment company.

The Financial Services Fund's Prospectus discusses the Financial Services Fund's investment objective and policies. The following discussion supplements the description of the Financial Services Fund's investment policies in its Prospectus.

### Investment Objective and Principal Investment Strategies

The Financial Services Fund's investment objective is to seek long-term capital appreciation by investing primarily in common stocks.

Under normal circumstances, the Fund invests at least 80% of its net assets in equity securities of issuers in the financial services industry. These companies may include, but are not limited to:

- Regional and money center banks
- Securities brokerage firms
- Asset management companies
- Savings banks and thrift institutions
- Specialty finance companies (e.g., credit card and mortgage providers)
- Insurance and insurance brokerage firms
- Government sponsored agencies, such as the Government National Mortgage Association, in the financial services industry
- Financial conglomerates

For purposes of the Fund's 80% policy, issuers in the financial services industry may also include companies that derive more than 50% of their revenues from providing products and services to the financial services industry, including software, hardware, publishing, news services, credit research and ratings services, internet services and business services. For purposes of this 80% policy, net assets include borrowings for investment purposes, if any. The Fund concentrates its assets in the financial services industry.

The Financial Services Fund may invest its assets in securities of foreign financial services companies (limited to 25% of total assets, not including American Depositary Receipts ("ADRs")).

The Financial Services Fund's 80% investment policy may be changed by the Board upon at least 60 days' prior notice to shareholders.

There is no guarantee that the Financial Services Fund will achieve its investment objective.

**1919 FINANCIAL SERVICES FUND - INVESTMENT PRACTICES AND RISK FACTORS**

The Financial Services Fund's principal investment strategies are described above. The following provides additional information about these principal strategies and describes other investment strategies and practices that may be used by the Financial Services Fund, which all involve risks of varying degrees.

*Equity Securities.* Common stocks represent an equity (ownership) interest in a corporation. Although equity securities have a history of long-term growth in value, their prices fluctuate based on changes in a company's financial condition and on overall market and economic conditions.

*Debt Securities.* Corporate debt securities are bonds or notes issued by corporations and other business organizations, including business trusts, in order to finance their credit needs. Corporate debt securities include commercial paper, which consists of short-term (usually from 1 to 270 days) unsecured promissory notes issued by corporations in order to finance their current operations.

Corporate debt securities may pay fixed or variable rates of interest, or interest at a rate contingent upon some other factor, such as the price of some commodity. These securities may be convertible into preferred or common stock, or may be bought as part of a unit containing common stock. In selecting corporate debt securities for the Financial Services Fund, 1919 Investment Counsel, LLC (the "Advisor" or "1919ic") reviews and monitors the creditworthiness of each issuer and issue. 1919ic also analyzes interest rate trends and specific developments that it believes may affect individual issuers.

The prices of debt securities fluctuate in response to perceptions of the issuer's creditworthiness and also tend to vary inversely with market interest rates. The value of such securities is likely to decline in times of rising interest rates. Conversely, when rates fall, the value of these investments is likely to rise. The longer the time to maturity the greater are such variations.

Debt securities rated BBB/Baa or better by S&P Global Ratings, a division of S&P Global Inc. ("S&P"), or Moody's Investors Service, Inc. ("Moody's") and unrated securities considered by the Financial Services Fund's Advisor to be of equivalent quality are considered investment grade. Debt securities rated below BBB/Baa, commonly known as "junk bonds," which the Financial Services Fund may purchase from time to time, are deemed by the ratings companies to be speculative and may involve major risk of exposure to adverse conditions. The prices of lower-rated securities, especially junk bonds, often are more volatile than those of higher-rated securities, and the security may be difficult to sell. Those in the lowest rating categories may involve a substantial risk of default or may be in default. Changes in economic conditions or developments regarding the individual issuer are more likely to cause price volatility and weaken the capacity of such securities to make principal and interest payments than is the case for higher grade debt securities. Securities rated below BBB/Baa may be less liquid than higher-rated securities, which means the Financial Services Fund may have difficulty selling them at times, and may have to apply a greater degree of judgment in establishing a price for purposes of valuing shares of the Fund. Moody's considers debt securities rated in the lowest investment grade category (Baa) to have speculative characteristics. A description of the rating assigned to corporate debt securities is included in Appendix A.

The market for lower-rated debt securities is generally thinner and less active than that for higher quality debt securities, which may limit the Financial Services Fund's ability to sell such securities at fair value. Judgment plays a greater role in pricing such securities than is the case for securities having more active markets. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may also decrease the values and liquidity of lower-rated debt securities, especially in a thinly traded market.

In addition to ratings assigned to individual bond issues, the Advisor will analyze interest rate trends and developments that may affect individual issuers, including factors such as liquidity, profitability and asset quality. The yields on bonds and other debt securities in which the Financial Services Fund invests are dependent on a variety of factors, including general money market conditions, general conditions in the bond market, the financial conditions of the issuer, the size of the offering, the maturity of the obligation and its rating. There may be a wide variation in the quality of bonds, both within a particular classification and between classifications. A bond issuer's obligations are subject to the provisions of bankruptcy, insolvency and other laws affecting the rights and remedies of bond holders or other creditors of an issuer; litigation or other conditions may also adversely affect the power or ability of bond issuers to meet their obligations for the payment of principal and interest. Regardless of rating levels, all debt securities considered for purchase (whether rated or unrated) are analyzed by the Advisor to determine, to the extent possible, that the planned investment is sound.

If one rating agency has rated a security A or better and another agency has rated it below A, the Advisor may rely on the higher rating in determining to purchase or retain the security. Bonds rated A may be given a "+" or "-" by a rating agency. Bonds denominated A, A+ or A- are considered to be included in the rating A.

The Financial Services Fund may invest in foreign corporate debt securities denominated in U.S. dollars or foreign currencies. Foreign debt securities include Yankee dollar obligations (U.S. dollar denominated securities issued by foreign corporations and traded on U.S. markets) and Eurodollar obligations (U.S. dollar denominated securities issued by foreign corporations and traded on foreign markets).

The Financial Services Fund may invest in the debt securities of governmental or corporate issuers in any rating category of the recognized rating agencies, including issues that are in default, and may invest in unrated debt obligations. Most foreign debt obligations are not rated. Debt securities and securities convertible into common stock need not necessarily be of a certain grade as determined by rating agencies such as S&P or Moody's; however, the Advisor does consider such ratings in determining whether the security is an appropriate investment for the Financial Services Fund.

The Financial Services Fund may invest in securities that are in lower rating categories or are unrated if the Advisor determines that the securities provide the opportunity of meeting the Financial Services Fund's objective without presenting excessive risk. The Advisor will consider all factors it deems appropriate, including ratings, in making investment decisions for the Financial Services Fund and will attempt to minimize investment risks through investment analysis and monitoring of general economic conditions and trends. While the Advisor may refer to ratings, it does not rely exclusively on ratings, but makes its own independent and ongoing review of credit quality.

*Preferred Stock.* The Financial Services Fund may purchase preferred stock as a substitute for debt securities of the same issuer when, in the opinion of the Advisor, the preferred stock is more attractively priced in light of the risks involved. Preferred stock pays dividends at a specified rate and generally has preference over common stock in the payment of dividends and the liquidation of the issuer's assets, but is junior to the debt securities of the issuer in those same respects. Unlike interest payments on debt securities, dividends on preferred stock are generally payable at the discretion of the issuer's board of directors. Shareholders may suffer a loss of value if dividends are not paid. The market prices of preferred stocks are subject to changes in interest rates and are more sensitive to changes in the issuer's creditworthiness than are the market prices of debt securities. Under normal circumstances, preferred stock does not carry voting rights.

*Convertible Securities.* The Financial Services Fund may invest in convertible securities. A convertible security is a bond, debenture, note, preferred stock or other security that may be converted into or exchanged for a prescribed amount of common stock of the same or a different issuer within a particular period of time at a specified price or formula. A convertible security entitles the holder to receive interest paid or accrued on debt or the dividend paid on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Before conversion or exchange, convertible securities ordinarily provide a stream of income with generally higher yields than those of common stocks of the same or similar issuers, but lower than the yield of nonconvertible debt. Convertible securities are usually subordinated to comparable-tier nonconvertible securities but rank senior to common stock in a corporation's capital structure.

The value of a convertible security is a function of (1) its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege and (2) its worth, at market value, if converted or exchanged into the underlying common stock. A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument, which may be less than the ultimate conversion or exchange value.

Convertible securities are subject both to the stock market risk associated with equity securities and to the credit and interest rate risks associated with fixed income securities. As the market price of the equity security underlying a convertible security falls, the convertible security tends to trade on the basis of its yield and other fixed income characteristics. As the market price of such equity security rises, the convertible security tends to trade on the basis of its equity conversion features.

*Warrants and Rights.* Warrants and rights are securities permitting, but not obligating, their holder to purchase other securities, normally the issuer's common stock.

Warrants and rights do not carry with them the right to receive dividends on or to vote the securities that they entitle their holders to purchase. They also do not entitle the holder to share in the assets of the company in liquidation. The rights to purchase common stock or other securities conferred by a warrant or right can only be exercised on specific dates or for a specific period. Trading in these instruments is affected both by the relationship of the exercise price to the current market price of the common stock or other securities and also by the period remaining until the right or warrant expires. An investment in warrants and rights may be considered more speculative than other types of equity investments. A warrant or right expires worthless if it is not exercised on or prior to its expiration date.

*Small and Medium Capitalization Company Stocks.* The Advisor for the Financial Services Fund believes that the comparative lack of attention by investment analysts and institutional investors to small and medium capitalization companies may result in opportunities to purchase the securities of such companies at attractive prices compared to historical or market price-earnings ratios, book value, return on equity or long-term prospects. Investments in securities of companies with small and medium market capitalizations are generally considered to offer greater opportunity for appreciation but involve special risks. The securities of those companies may be subject to more abrupt fluctuations in market price than larger, more established companies. Small and medium capitalization companies may have limited product lines, markets or financial resources, or they may be dependent upon a limited management group. In addition to exhibiting greater volatility, small and medium capitalization company stocks may, to a degree, fluctuate independently of larger company stocks, *i.e.*, small and medium capitalization company stocks may decline in price as the prices of large company stocks rise or vice versa.

It is anticipated that some of the portfolio securities of the Financial Services Fund may not be widely traded, and that the Financial Services Fund's position in such securities may be substantial in relation to the market for such securities. Accordingly, it may be difficult for the Financial Services Fund to dispose of such securities at prevailing market prices in order to meet redemptions.

*Financial Services.* Other than the financial services industry, the Financial Services Fund will not invest more than 25% of its total assets in a particular industry. Because of its concentration policy, the Financial Services Fund may be especially subject to risks affecting the financial services industry. Companies in the financial services industry include regional and money center banks, securities brokerage firms, asset management companies, savings banks and thrift institutions, specialty finance companies (*e.g.,* credit card and mortgage providers), insurance and insurance brokerage firms, government sponsored agencies (*e.g.,* Ginnie Mae), financial conglomerates and foreign banking and financial services companies.

Insurance companies are subject to substantial governmental regulation, predominantly at the state level, and may be subject to severe price competition. The performance of the Financial Services Fund's investments in insurance companies will be subject to risk from several additional factors. The earnings of insurance companies will be affected by, in addition to general economic conditions, pricing (including severe pricing competition from time to time), claims activity and marketing competition. Particular insurance lines will also be influenced by specific matters. Property and casualty insurer profits may be affected by certain weather catastrophes, terrorism and other disasters. Life and health insurer profits may be affected by mortality and morbidity rates.

Individual companies may be exposed to material risk, including reserve inadequacy, problems in investment portfolios (due to real estate or "junk bond" holdings, for example) and the inability to collect from reinsurance carriers. Insurance companies are subject to extensive governmental regulation, including the imposition of maximum rate levels, which may not be adequate for some lines of business. Proposed or potential anti-trust or tax law changes also may affect adversely insurance companies' policy sales, tax obligations and profitability.

Companies engaged in stock brokerage, commodity brokerage, investment banking, investment management or related investment advisory services are closely tied economically to the securities and commodities markets and can suffer during a decline in either market. These companies also are subject to the regulatory environment and changes in regulations, pricing pressure, the availability of funds to borrow and interest rates.

*Mortgage-Related Securities.* Mortgage-related securities provide capital for mortgage loans made to residential homeowners and include securities which represent interests in pools of mortgage loans made by lenders such as savings and loan institutions, mortgage bankers, commercial banks and others. Pools of mortgage loans are assembled for sale to investors (such as the Financial Services Fund) by various governmental, government-related and private organizations, such as dealers. The market value of mortgage-related securities will fluctuate as a result of changes in interest rates and mortgage rates.

Interests in pools of mortgage loans generally provide a monthly payment that consists of both interest and principal payments. In effect, these payments are a "pass-through" of the monthly payments made by the individual borrowers on their residential mortgage loans, net of any fees paid to the issuer or guarantor of such securities. Additional payments are caused by repayments of principal resulting from the sale of the underlying residential property, refinancing or foreclosure, net of fees or costs which may be incurred. Some mortgage-related securities, such as securities issued by Ginnie Mae are described as "modified pass-through" because they entitle the holder to receive all interest and principal payments owed on the mortgage pool, net of certain fees, regardless of whether the mortgagor actually makes the payment.

Commercial banks, savings and loan institutions, mortgage bankers and other secondary market issuers, such as dealers, create pass-through pools of conventional residential mortgage loans. Such issuers also may be the originators of the underlying mortgage loans. Pools created by such non-governmental issuers generally offer a higher rate of interest than government and government-related pools because there are no direct or indirect government guarantees of payments with respect to such pools. However, timely payment of interest and principal of these pools is supported by various forms of insurance or guarantees, including individual loan, title, pool and hazard insurance. There can be no assurance that the private insurers can meet their obligations under the policies. The Financial Services Fund may buy mortgage-related securities without insurance or guarantees if, through an examination of the loan experience and practices of the persons creating the pools, the Advisor determines that the securities are an appropriate investment for the Financial Services Fund.

Another type of security representing an interest in a pool of mortgage loans is known as a collateralized mortgage obligation ("CMO"). CMOs represent interests in a short-term, intermediate-term or long-term portion of a mortgage pool. Each portion of the pool receives monthly interest payments, but the principal repayments pass through to the short-term CMO first and to the long-term CMO last. A CMO permits an investor to more accurately predict the rate of principal repayments. CMOs are issued by private issuers, such as broker/dealers, and by Fannie Mae (formally known as the Federal National Mortgage Association); and Freddie Mac (formally known as the Federal Home Loan Mortgage Corporation). Investments in CMOs are subject to the same risks as direct investments in the underlying mortgage-backed securities. In addition, in the event of a bankruptcy or other default of a broker who issued the CMO held by the Financial Services Fund, the Financial Services Fund could experience both delays in liquidating its position and losses. The Financial Services Fund may invest in CMOs in any rating category of the recognized rating services and may invest in unrated CMOs. The Financial Services Fund may also invest in "stripped" CMOs, which represent only the income portion or the principal portion of the CMO. The values of stripped CMOs are very sensitive to interest rate changes; accordingly, these instruments present a greater risk of loss than conventional mortgage-backed securities.

The Advisor expects that governmental, government-related or private entities may create mortgage loan pools offering pass-through investments in addition to those described above. The mortgages underlying these securities may be second mortgages or alternative mortgage instruments (*e.g.,* mortgage instruments whose principal or interest payments may vary or whose terms to maturity may differ from customary long-term fixed rate mortgages). As new types of mortgage-related securities are developed and offered to investors, the Advisor will, consistent with the Financial Services Fund's investment objective and policies, consider making investments in such new types of securities. The Prospectus will be amended with any necessary additional disclosure prior to the Financial Services Fund's investing in such securities.

The average life of securities representing interests in pools of mortgage loans is likely to be substantially less than the original maturity of the mortgage pools as a result of prepayments or foreclosures of such mortgages. Prepayments are passed through to the registered holder with the regular monthly payments of principal and interest, and have the effect of reducing future payments. To the extent the mortgages underlying a security representing an interest in a pool of mortgages are prepaid, the Financial Services Fund may experience a loss (if the price at which the security was acquired by the Financial Services Fund was at a premium over par, which represents the price at which the security will be redeemed upon prepayment) or a gain (if the price at which the security was acquired by the Financial Services Fund was at a discount from par). In addition, prepayments of such securities held by the Financial Services Fund will reduce the share price of the Financial Services Fund to the extent the market value of the securities at the time of prepayment exceeds their par value, and will increase the share price of the Financial Services Fund to the extent the par value of the securities exceeds their market value at the time of prepayment. Prepayments may occur with greater frequency in periods of declining mortgage rates because, among other reasons, it may be possible for mortgagors to refinance their outstanding mortgages at lower interest rates. When market interest rates increase, the market values of mortgage-backed securities decline. At the same time, however, mortgage refinancing slows, which lengthens the effective maturities of these securities. As a result, the negative effect of the rate increase on the market value of mortgage securities is usually more pronounced than it is for other types of fixed income securities.

The Financial Services Fund may invest no more than 5% of its net assets in mortgage-related securities.

*U.S. Government Obligations and Related Securities.* U.S. government obligations include a variety of securities that are issued or guaranteed by the U.S. Treasury, by various agencies of the U.S. government or by various instrumentalities that have been established or sponsored by the U.S. government. U.S. Treasury securities and securities issued by Ginnie Mae and the Small Business Administration are backed by the "full faith and credit" of the U.S. government. Other U.S. government obligations may or may not be backed by the "full faith and credit" of the U.S. government. In the case of securities not backed by the "full faith and credit" of the U.S. government, the investor must look principally to the agency or instrumentality issuing or guaranteeing the obligation (such as the Federal Farm Credit System, the Federal Home Loan Banks, Fannie Mae and Freddie Mac) for ultimate repayment and may not be able to assert a claim against the U.S. government itself in the event the agency or instrumentality does not meet its commitments.

Participation interests in U.S. government obligations are pro rata interests in such obligations which are generally underwritten by government securities dealers. Certificates of safekeeping for U.S. government obligations are documentary receipts for such obligations. Both participation interests and certificates of safekeeping are traded on exchanges and in the over-the-counter market.

The Financial Services Fund may invest in U.S. government obligations and related participation interests. In addition, the Financial Services Fund may invest in custodial receipts that evidence ownership of future interest payments, principal payments or both on certain U.S. government obligations. Such obligations are held in custody by a bank on behalf of the owners. These custodial receipts are known by various names, including Treasury Receipts, Treasury Investors Growth Receipts ("TIGRs") and Certificates of Accrual on Treasury Securities ("CATS").

U.S. government obligations also include stripped securities, which are created by separating bonds issued or guaranteed by the U.S. Treasury into their principal and interest components and selling each piece separately (commonly referred to as IOs and POs). Stripped securities are more volatile than other fixed income securities in their response to changes in market interest rates. The value of some stripped securities moves in the same direction as interest rates, further increasing their volatility. The Financial Services Fund will consider all interest-only or principal-only fixed income securities as illiquid.

*Floating and Variable Rate Obligations.* Fixed income securities may be offered in the form of floating and variable rate obligations. The Financial Services Fund may invest no more than 5% of its net assets in floating and variable rate obligations, respectively. Floating rate obligations have an interest rate that is fixed to a specified interest rate, such as the bank prime rate, and is automatically adjusted when the specified interest rate changes. Variable rate obligations have an interest rate that is adjusted at specified intervals to a specified interest rate. Periodic interest rate adjustments help stabilize the obligations' market values.

The Financial Services Fund may purchase these obligations from the issuers or may purchase participation interests in pools of these obligations from banks or other financial institutions. Variable and floating rate obligations usually carry demand features that permit the Financial Services Fund to sell the obligations back to the issuers or to financial intermediaries at par value plus accrued interest upon short notice at any time or prior to specific dates. The inability of the issuer or financial intermediary to repurchase an obligation on demand could affect the liquidity of the Financial Services Fund's portfolio. Frequently, obligations with demand features are secured by letters of credit or comparable guarantees. Floating and variable rate obligations which do not carry unconditional demand features that can be exercised within seven days or less are deemed illiquid unless the Board determines otherwise. The Financial Services Fund's investment in illiquid floating and variable rate obligations would be limited to the extent that it is not permitted to invest more than 15% of the value of its net assets in illiquid investments.

*When-Issued Securities, Delayed-Delivery and Forward Commitment Transactions.* The Financial Services Fund may purchase securities on a "when-issued" basis for delayed delivery (*i.e.*, payment or delivery occur beyond the normal settlement date at a stated price and yield) or on a forward commitment basis. The Financial Services Fund does not intend to engage in these transactions for speculative purposes, but only in furtherance of its investment objective. These transactions occur when securities are purchased or sold by the Financial Services Fund with payment and delivery taking place in the future to secure what is considered an advantageous yield and price to the Financial Services Fund at the time of entering into the transaction. The payment obligation and the interest rate that will be received on when-issued securities are fixed at the time the buyer enters into the commitment. Because of fluctuations in the value of securities purchased or sold on a when-issued, delayed-delivery or forward commitment basis, the prices obtained on such securities may be higher or lower than the prices available in the market on the dates when the investments are actually delivered to the buyers.

*Foreign Securities.* The Financial Services Fund may invest in securities of foreign financial services companies (limited to 25% of total assets, not including ADRs). The returns of the Financial Services Fund may be adversely affected by fluctuations in value of one or more currencies relative to the U.S. dollar. Investing in the securities of foreign companies involves special risks and considerations not typically associated with investing in U.S. companies. These include risks resulting from revaluation of currencies; future adverse political and economic developments; possible imposition of currency exchange blockages or other foreign governmental laws or restrictions; reduced availability of public information concerning issuers; differences in accounting, auditing and financial reporting standards; generally higher commission rates on foreign portfolio transactions; possible expropriation, nationalization or confiscatory taxation; possible withholding taxes and limitations on the use or removal of Funds or other assets, including the withholding of dividends; adverse changes in investment or exchange control regulations; political instability, which could affect U.S. investments in foreign countries; and potential restrictions on the flow of international capital. Additionally, foreign securities often trade with less frequency and volume than domestic securities and, therefore, may exhibit greater price volatility and be less liquid. Foreign securities may not be registered with, nor the issuers thereof be subject to the reporting requirements of, the SEC. Accordingly, there may be less publicly available information about the securities and about the foreign company issuing them than is available about a U.S. company and its securities. Moreover, individual foreign economies may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rate of inflation, capital reinvestment, resource self-sufficiency and balance of payment positions. The Financial Services Fund may invest in securities of foreign governments (or agencies or subdivisions thereof), and many, if not all, of the foregoing considerations apply to such investments as well. These risks are intensified when investing in countries with developing economies and securities markets, also known as "emerging markets."

The costs associated with investment in the securities of foreign financial services companies, including withholding taxes, brokerage commissions and custodial fees, may be higher than those associated with investment in domestic issuers. In addition, foreign investment transactions may be subject to difficulties associated with the settlement of such transactions. Transactions in securities of foreign issuers may be subject to less efficient settlement practices, including extended clearance and settlement periods. Delays in settlement could result in temporary periods when assets of the Financial Services Fund are uninvested and no return can be earned on them. The inability of the Financial Services Fund to make intended investments due to settlement problems could cause the Financial Services Fund to miss attractive investment opportunities. The inability to dispose of a portfolio security due to settlement problems could result in losses to the Financial Services Fund due to subsequent declines in value of the portfolio security or, if the Financial Services Fund has entered into a contract to sell the security, could result in liability to the purchaser.

Since the Financial Services Fund may invest in securities denominated in currencies other than the U.S. dollar, it may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rates between such currencies and the U.S. dollar. Changes in currency exchange rates may influence the value of the Financial Services Fund's shares and may also affect the value of dividends and interest earned by the Financial Services Fund and gains and losses realized by the Financial Services Fund. Exchange rates are determined by the forces of supply and demand in the foreign exchange markets. These forces are affected by the international balance of payments, other economic and financial conditions, government intervention, speculation and other factors.

If the Financial Services Fund invests a substantial portion of its assets in foreign securities, its expenses can be expected to be higher than those of an investment company investing exclusively in U.S. securities since the expenses of investing in foreign securities, such as custodial costs and valuation costs, are higher than those incurred through investments in U.S. securities. In addition, dividend and interest income from non-U.S. securities will generally be subject to withholding taxes imposed by the country in which the issuer is located and may not be recoverable by the Financial Services Fund.

Generally, ADRs, in registered form, are denominated in U.S. dollars and are designed for use in the domestic market. Usually issued by a U.S. bank or trust company, ADRs are receipts that demonstrate ownership of underlying foreign securities. For purposes of the Financial Services Fund's investment policies and limitations, ADRs are considered to have the same characteristics as the securities underlying them. ADRs may be sponsored or unsponsored; issuers of securities underlying unsponsored ADRs are not contractually obligated to disclose material information in the United States. Accordingly, there may be less information available about such issuers than there is with respect to domestic companies and issuers of securities underlying sponsored ADRs. The Financial Services Fund may also invest in Global Depositary Receipts ("GDRs"), European Depositary Receipts ("EDRs") and other similar instruments, which are receipts that are often denominated in U.S. dollars and are issued by either a U.S. or non-U.S. bank evidencing ownership of underlying foreign securities. Even where they are denominated in U.S. dollars, depositary receipts are subject to currency risk if the underlying security is denominated in a foreign currency. EDRs are issued in bearer form and are designed for use in European securities markets. GDRs are tradable both in the United States and Europe and are designed for use throughout the world.

*Securities of Emerging Markets Issuers.* Investors are strongly advised to consider carefully the special risks involved in emerging markets, which are in addition to the usual risks of investing in developed foreign markets around the world.

The risks of investing in securities in emerging countries include: (i) less social, political and economic stability; (ii) the smaller size of the markets for such securities and lower volume of trading, which result in a lack of liquidity and in greater price volatility; (iii) certain national policies that may restrict the Financial Services Fund's investment opportunities, including restrictions on investment in issuers or industries deemed sensitive to national interests; (iv) foreign taxation; and (v) the absence of developed structures governing private or foreign investment or allowing for judicial redress for injury to private property.

Investors should note that upon the accession to power of authoritarian regimes, the governments of a number of emerging market countries previously expropriated large quantities of real and personal property similar to the property which may be represented by the securities purchased by the Financial Services Fund. The claims of property owners against those governments were never finally settled. There can be no assurance that any property represented by securities purchased by the Financial Services Fund will not also be expropriated, nationalized, or otherwise confiscated at some time in the future. If such confiscation were to occur, the Financial Services Fund could lose a substantial portion or all of its investments in such countries. The Financial Services Fund's investments would similarly be adversely affected by exchange control regulation in any of those countries.

Certain countries in which the Financial Services Fund may invest may have vocal minorities that advocate radical religious or revolutionary philosophies or support ethnic independence. Any disturbance on the part of such individuals could carry the potential for widespread destruction or confiscation of property owned by individuals and entities foreign to such country and could cause the loss of the Financial Services Fund's investment in those countries.

Settlement mechanisms in emerging market securities may be less efficient and reliable than in more developed markets. In such emerging securities markets there may be delays and failures in share registration and delivery.

Investing in emerging markets involves risks relating to potential political and economic instability within such markets and the risks of expropriation, nationalization, confiscation of assets and property, the imposition of restrictions on foreign investments and the repatriation of capital invested. In addition, it may be difficult for the Financial Services Fund to pursue claims against a foreign issuer in the courts of a foreign country.

Inflation and rapid fluctuations in inflation rates have had, and may continue to have, very negative effects on the economies and securities markets of certain emerging markets. Economies in emerging markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be affected adversely and significantly by economic conditions, trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade.

While some emerging market countries have sought to develop a number of corrective mechanisms to reduce inflation or mitigate its effects, inflation may continue to have significant effects both on emerging market economies and their securities markets. In addition, many of the currencies of emerging market countries have experienced steady devaluations relative to the U.S. dollar and major devaluations have occurred in certain countries.

Because of the high levels of foreign-denominated debt owed by many emerging market countries, fluctuating exchange rates can significantly affect the debt service obligations of those countries. This could, in turn, affect local interest rates, profit margins and exports, which are a major source of foreign exchange earnings.

To the extent an emerging market country faces a liquidity crisis with respect to its foreign exchange reserves, it may increase restrictions on the outflow of any foreign exchange. Repatriation is ultimately dependent on the ability of the Financial Services Fund to liquidate its investments and convert the local currency proceeds obtained from such liquidation into U.S. dollars. Where this conversion must be done through official channels (usually the central bank or certain authorized commercial banks), the ability to obtain U.S. dollars is dependent on the availability of such U.S. dollars through those channels and, if available, upon the willingness of those channels to allocate those U.S. dollars to the Financial Services Fund. The Financial Services Fund's ability to obtain U.S. dollars may be adversely affected by any increased restrictions imposed on the outflow of foreign exchange. If the Financial Services Fund is unable to repatriate any amounts due to exchange controls, it may be required to accept an obligation payable at some future date by the central bank or other governmental entity of the jurisdiction involved. If such conversion can legally be done outside official channels, either directly or indirectly, the Financial Services Fund's ability to obtain U.S. dollars may not be affected as much by any increased restrictions except to the extent of the price which may be required to be paid for in U.S. dollars.

Many emerging market countries have little experience with the corporate form of business organization and may not have well-developed corporation and business laws or concepts of fiduciary duty in the business context.

The securities markets of emerging markets are substantially smaller, less developed, less liquid and more volatile than the securities markets of the United States and other more developed countries. Disclosure and regulatory standards in many respects are less stringent than in the United States and other major markets. There also may be a lower level of monitoring and regulation of emerging markets and the activities of investors in such markets; enforcement of existing regulations has been extremely limited. Investing in the securities of companies in emerging markets may entail special risks relating to the potential political and economic instability and the risks of expropriation, nationalization, confiscation or the imposition of restrictions on foreign investment, convertibility of currencies into U.S. dollars and on repatriation of capital invested. In the event of such expropriation, nationalization or other confiscation by any country, the Financial Services Fund could lose its entire investment in any such country.

Some emerging markets have different settlement and clearance procedures. In certain markets there have been times when settlements have been unable to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. The inability of the Financial Services Fund to make intended securities purchases due to settlement problems could cause the Financial Services Fund to miss attractive investment opportunities. Inability to dispose of a portfolio security caused by settlement problems could result either in losses to the Financial Services Fund due to subsequent declines in the value of the portfolio security or, if the Financial Services Fund has entered into a contract to sell the security, in possible liability to the purchaser.

The risk also exists that an emergency situation may arise in one or more emerging markets as a result of which trading of securities may cease or may be substantially curtailed and prices for the Financial Services Fund's portfolio securities in such markets may not be readily available. Section 22(e) of the 1940 Act permits a registered investment company to suspend redemption of its shares for any period during which an emergency exists, as determined by the SEC. Accordingly, if the Financial Services Fund believes that appropriate circumstances warrant, it will promptly apply to the SEC for a determination that an emergency exists within the meaning of Section 22(a) of the 1940 Act. During the period commencing from the Financial Services Fund's identification of such conditions until the date of SEC action, the portfolio securities in the affected markets will be valued at fair value as determined in good faith by or under the direction of the Board.

Although it might be theoretically possible to hedge for anticipated income and gains, the ongoing and indeterminate nature of the risks associated with emerging market investing (and the costs associated with hedging transactions) makes it very difficult to hedge effectively against such risks.

*Economic, Political and Social Factors.* Certain non-U.S. countries, including emerging markets, may be subject to a greater degree of economic, political and social instability. Such instability may result from, among other things: (i) authoritarian governments or military involvement in political and economic decision making; (ii) popular unrest associated with demands for improved economic, political and social conditions; (iii) internal insurgencies; (iv) hostile relations with neighboring countries; and (v) ethnic, religious and racial disaffection and conflict. Such economic, political and social instability could significantly disrupt the financial markets in such countries and the ability of the issuers in such countries to repay their obligations. In addition, it may be difficult for the Financial Services Fund to pursue claims against a foreign issuer in the courts of a foreign country. Investing in emerging countries also involves the risk of expropriation, nationalization, confiscation of assets and property or the imposition of restrictions on foreign investments and on repatriation of capital invested. In the event of such expropriation, nationalization or other confiscation in any emerging country, the Financial Services Fund could lose its entire investment in that country. Certain emerging market countries restrict or control foreign investment in their securities markets to varying degrees. These restrictions may limit the Financial Services Fund's investment in those markets and may increase the expenses of the Financial Services Fund. In addition, the repatriation of both investment income and capital from certain markets in the region is subject to restrictions such as the need for certain governmental consents. Even where there is no outright restriction on repatriation of capital, the mechanics of repatriation may affect certain aspects of the Financial Services Fund's operation. Economies in individual non-U.S. countries may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rates of inflation, currency valuation, capital reinvestment, resource self-sufficiency and balance of payments positions. Many non-U.S. countries have experienced substantial, and in some cases extremely high, rates of inflation for many years. Inflation and rapid fluctuations in inflation rates have had, and may continue to have, very negative effects on the economies and securities markets of certain emerging countries. Economies in emerging countries generally are dependent heavily upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been, and may continue to be, affected adversely and significantly by economic conditions in the countries with which they trade. Whether or not the Financial Services Fund invests in securities of issuers located in or with significant exposure to countries experiencing economic, financial and other difficulties, the value and liquidity of the Financial Services Fund's investments may be negatively affected by the conditions in the countries experiencing the difficulties.

*Sovereign Government and Supranational Debt.* The Financial Services Fund may invest in all types of debt securities of governmental issuers in all countries, including emerging markets. These sovereign debt securities may include: debt securities issued or guaranteed by governments, governmental agencies or instrumentalities and political subdivisions located in emerging market countries; debt securities issued by government owned, controlled or sponsored entities located in emerging market countries; interests in entities organized and operated for the purpose of restructuring the investment characteristics of instruments issued by any of the above issuers; Brady Bonds, which are debt securities issued under the framework of the Brady Plan as a means for debtor nations to restructure their outstanding external indebtedness; participations in loans between emerging market governments and financial institutions; or debt securities issued by supranational entities such as the World Bank. A supranational entity is a bank, commission or company established or financially supported by the national governments of one or more countries to promote reconstruction or development.

Sovereign debt is subject to risks in addition to those relating to non-U.S. investments generally. As a sovereign entity, the issuing government may be immune from lawsuits in the event of its failure or refusal to pay the obligations when due. The debtor's willingness or ability to repay in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its non-U.S. reserves, the availability of sufficient non-U.S. exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the sovereign debtor's policy toward principal international lenders and the political constraints to which the sovereign debtor may be subject. Sovereign debtors may also be dependent on disbursements or assistance from foreign governments or multinational agencies, the country's access to trade and other international credits, and the country's balance of trade. Assistance may be dependent on a country's implementation of austerity measures and reforms, which measures may limit or be perceived to limit economic growth and recovery. Some sovereign debtors have rescheduled their debt payments, declared moratoria on payments or restructured their debt to effectively eliminate portions of it, and similar occurrences may happen in the future. There is no bankruptcy proceeding by which sovereign debt on which governmental entities have defaulted may be collected in whole or in part.

*European Event*s. In January 2020 the United Kingdom left the European Union ("Brexit"), highlighting political divisions within the United Kingdom and between the United Kingdom and European Union. As a consequence of Brexit, there has been uncertainty in both United Kingdom and European markets and the broader world economy. Markets, specifically in the United Kingdom and European Union, may be impacted, leading to increased volatility, lower liquidity, and slower economic growth that could potentially have an adverse effect on the value of the Fund's investments.

*Money Market Instruments.* The Financial Services Fund may invest, for temporary defensive purposes, in short-term corporate and government money market instruments. Money market instruments in which the Financial Services Fund may invest include: U.S. government securities; certificates of deposit ("CDs"), time deposits ("TDs") and bankers' acceptances issued by domestic banks (including their branches located outside the United States and subsidiaries located in Canada), domestic branches of foreign banks, savings and loan associations and similar institutions; high grade commercial paper; and repurchase agreements with respect to the foregoing types of instruments. The following is a more detailed description of such money market instruments.

CDs are short-term, negotiable obligations of commercial banks. TDs are non-negotiable deposits maintained in banking institutions for specified periods of time at stated interest rates. Bankers' acceptances are time drafts drawn on commercial banks by borrowers, usually in connection with international transactions.

Domestic commercial banks organized under federal law are supervised and examined by the Comptroller of the Currency (the "COTC") and are required to be members of the Federal Reserve System and to be insured by the Federal Deposit Insurance Corporation (the "FDIC"). Domestic banks organized under state law are supervised and examined by state banking authorities but are members of the Federal Reserve System only if they elect to join. Most state banks are insured by the FDIC (although such insurance may not be of material benefit to the Financial Services Fund, depending upon the principal amount of CDs of each bank held by the Financial Services Fund) and are subject to federal examination and to a substantial body of federal law and regulation. As a result of governmental regulations, domestic branches of domestic banks are, among other things, generally required to maintain specified levels of reserves, and are subject to other supervision and regulation.

Obligations of foreign branches of domestic banks, such as CDs and TDs, may be general obligations of the parent bank in addition to the issuing branch, or may be limited by the terms of a specific obligation and government regulation. Such obligations are subject to different risks than are those of domestic banks or domestic branches of foreign banks. These risks include foreign economic and political developments, foreign governmental restrictions that may adversely affect payment of principal and interest on the obligations, foreign exchange controls and foreign withholding and other taxes on interest income. Foreign branches of domestic banks are not necessarily subject to the same or similar regulatory requirements that apply to domestic banks, such as mandatory reserve requirements, loan limitations, and accounting, auditing and financial recordkeeping requirements. In addition, less information may be publicly available about a foreign branch of a domestic bank than about a domestic bank.

Obligations of domestic branches of foreign banks may be general obligations of the parent bank in addition to the issuing branch, or may be limited by the terms of a specific obligation and by governmental regulation as well as governmental action in the country in which the foreign bank has its head office. A domestic branch of a foreign bank with assets in excess of $1 billion may or may not be subject to reserve requirements imposed by the Federal Reserve System or by the state in which the branch is located if the branch is licensed in that state. In addition, branches licensed by the COTC and branches licensed by certain states ("State Branches") may or may not be required to: (a) pledge to the regulator by depositing assets with a designated bank within the state, an amount of its assets equal to 5% of its total liabilities; and (b) maintain assets within the state in an amount equal to a specified percentage of the aggregate amount of liabilities of the foreign bank payable at or through all of its agencies or branches within the state. The deposits of State Branches may not necessarily be insured by the FDIC. In addition, there may be less publicly available information about a domestic branch of a foreign bank than about a domestic bank.

In view of the foregoing factors associated with the purchase of CDs and TDs issued by foreign branches of domestic banks or by domestic branches of foreign banks the Advisor will carefully evaluate such investments on a case-by-case basis.

*Investment in Other Investment Companies.* The Financial Services Fund may invest up to 10% of its assets in the securities of other investment companies, which can include open-end funds, closed-end funds and unit investment trusts, subject to the limits set forth in the 1940 Act that apply to those types of investments. Investments in other investment companies are subject to the risks of the securities in which those investment companies invest. In addition, to the extent the Financial Services Fund invests in securities of other investment companies, Financial Services Fund shareholders would indirectly pay a portion of the operating costs of such companies in addition to the expenses of the Financial

Services Fund's own operation. These costs include management, brokerage, shareholder servicing and other operational expenses.

Section 12(d)(1)(A) of the 1940 Act normally prohibits a fund from purchasing (1) more than 3% of the total outstanding voting stock of another fund; (2) securities of another fund having an aggregate value in excess of 5% of the value of the acquiring fund; and (3) securities of the other fund and all other funds having an aggregate value in excess of 10% of the value of the total assets of the acquiring fund. There are some exceptions, however, to these limitations within the 1940 Act and pursuant to various rules promulgated by the SEC. For example, the SEC has adopted Rule 12d1-4 under the 1940 Act. Subject to certain conditions on both the acquired fund and acquiring fund, Rule 12d1-4 provides an exemption that permits the acquiring fund to invest in the securities of other registered investment companies in excess of the limits of Section 12(d)(1) of the 1940 Act.

The Financial Services Fund may invest in shares of mutual funds or unit investment trusts that are traded on a stock exchange, called exchange-traded funds ("ETFs"). Typically an ETF seeks to track the performance of an index, such as the S&P 500 Index, the NASDAQ-100 Index, the Barclays Treasury Bond Index or more narrow sector or foreign indexes, by holding in its portfolio either the same securities that comprise the index, or a representative sample of the index. Investing in an ETF will give the Financial Services Fund exposure to the securities comprising the index on which the ETF is based.

Unlike shares of typical mutual funds or unit investment trusts, shares of ETFs are designed to be traded throughout the trading day, bought and sold based on market prices rather than net asset value ("NAV"). Shares can trade at either a premium or discount to NAV. However, the portfolios held by index-based ETFs are publicly disclosed on each trading day, and an approximation of actual NAV is disseminated throughout the trading day. Because of this transparency, the trading prices of index-based ETFs tend to closely track the actual NAV of the underlying portfolios and the Financial Services Fund will generally gain or lose value depending on the performance of the index. However, gains or losses on the Financial Services Fund's investment in ETFs will ultimately depend on the purchase and sale price of the ETF. In the future, as new products become available, the Financial Services Fund may invest in ETFs that are actively managed. Actively-managed ETFs will likely not have the transparency of index-based ETFs and, therefore, may be more likely to trade at a larger discount or premium to actual NAVs.

The Financial Services Fund may invest in closed-end funds that hold securities of U.S. and/or non-U.S. issuers. Because shares of closed-end funds trade on an exchange, investments in closed-end funds may entail the additional risk that the discount from NAV could increase while the Financial Services Fund holds the shares.

*Repurchase Agreements.* The Financial Services Fund may agree to purchase securities from a bank or recognized securities dealer and simultaneously commit to resell the securities to the bank or dealer at an agreed-upon date and price reflecting a market rate of interest unrelated to the coupon rate or maturity of the purchased securities ("repurchase agreements"). Under the terms of a typical repurchase agreement, the Financial Services Fund would acquire an underlying debt obligation for a relatively short period (usually not more than one week) subject to an obligation of the seller to repurchase, and the Financial Services Fund to resell, the obligation at an agreed-upon price and time, thereby determining the yield during the Financial Services Fund's holding period. If the value of such securities were less than the repurchase price, plus interest, the other party to the agreement would be required to provide additional collateral so that at all times the collateral is at least 102% of the repurchase price plus accrued interest. The financial institutions with which the Financial Services Fund may enter into repurchase agreements will be banks and non-bank dealers of U.S. government securities that are on the Federal Reserve Bank of New York's list of reporting dealers, if such banks and non-bank dealers are deemed creditworthy by the Advisor. Repurchase agreements could involve certain risks in the event of default or insolvency of the other party, including possible delays or restrictions upon the Financial Services Fund's ability to dispose of the underlying securities, the risk of a possible decline in the value of the underlying securities during the period in which the Financial Services Fund seeks to assert its right to them, the risk of incurring expenses associated with asserting those rights and the risk of losing all or part of the income from the agreement. The Advisor, acting under the supervision of the Board, reviews on an ongoing basis the value of the collateral and creditworthiness of those banks and dealers with which the Financial Services Fund enters into repurchase agreements to evaluate potential risks.

Pursuant to an exemptive order issued by the SEC, the Financial Services Fund, along with other affiliated entities managed by the Advisor or its affiliates, may transfer uninvested cash balances into one or more joint repurchase accounts. These balances are invested in one or more repurchase agreements, secured by U.S. government securities. Each joint repurchase arrangement requires that the market value of the collateral be sufficient to cover payments of interest and principal; however, in the event of default by the other party to the agreement, retention or sale of the collateral may be subject to legal proceedings.

*Reverse Repurchase Agreements.* The Financial Services Fund may enter into reverse repurchase agreements, which involve the sale of Financial Services Fund securities with an agreement to repurchase the securities at an agreed-upon price, date and interest payment and are considered borrowings. Since the proceeds of borrowings under reverse repurchase agreements are invested, this would introduce the speculative factor known as “leverage.” The securities purchased with the funds obtained from the agreement and securities collateralizing the agreement will have maturity dates no later than the repayment date. Generally, the effect of such a transaction is that the Financial Services Fund can recover all or most of the cash invested in the portfolio securities involved during the term of the reverse repurchase agreement, while in many cases it will be able to keep some of the interest income associated with those securities. Such transactions are advantageous only if the Financial Services Fund has an opportunity to earn a greater rate of interest on the cash derived from the transaction than the interest cost of obtaining that cash. Opportunities to realize earnings from the use of the proceeds equal to or greater than the interest required to be paid may not always be available, and the Financial Services Fund intends to use the reverse repurchase technique only when the Advisor believes it will be advantageous to the Financial Services Fund. The use of reverse repurchase agreements may exaggerate any interim increase or decrease in the value of the Financial Services Fund’s assets.

*Securities Lending.* Consistent with applicable regulatory requirements, the Financial Services Fund may lend portfolio securities to brokers, dealers and other financial organizations meeting capital and other credit requirements or other criteria established by the Board. From time to time, the Financial Services Fund may pay to the borrower and/or a third party which is unaffiliated with the Financial Services Fund is acting as a “finder” a part of the interest earned from the investment of collateral received for securities loaned. Although the borrower will generally be required to make payments to the Financial Services Fund in lieu of any dividends the Financial Services Fund would have otherwise received had it not loaned the shares to the borrower, such payments will not be treated as “qualified dividend income” for purposes of determining what portion of the Financial Services Fund’s regular dividends (as defined below) received by individuals may be taxed at the rates generally applicable to long-term capital gains (see “Distribution and Tax Information” below).

Requirements of the SEC, which may be subject to future modification, currently provide that the following conditions must be met whenever the Financial Services Fund lends its portfolio securities: (a) the Financial Services Fund must receive at least 100% cash collateral or U.S. government securities from the borrower; (b) the borrower must increase such collateral whenever the market value of the securities rises above the level of such collateral; (c) the Financial Services Fund must be able to terminate the loan at any time; (d) the Financial Services Fund must receive reasonable interest on the loan, as well as any dividends, interest or other distributions on the loaned securities, and any increase in market value; (e) the Financial Services Fund may pay only reasonable custodian fees in connection with the loan; and (f) voting rights on the loaned securities may pass to the borrower. However, if a material event adversely affecting the investment in the loaned securities occurs, the Financial Services Fund must terminate the loan and regain the right to vote the securities.

The risks in lending portfolio securities, as with other extensions of secured credit, consist of possible delay in receiving additional collateral or in the recovery of the securities or possible loss of rights in the collateral should the borrower fail financially. The Financial Services Fund could also lose money if its short-term investment of the cash collateral declines in value over the period of the loan. Loans will be made to firms deemed by the Advisor to be of good standing and will not be made unless, in the judgment of the Advisor, the consideration to be earned from such loans would justify the risk.

*Illiquid Investments and Restricted Securities.* The Financial Services Fund may not acquire an illiquid investment if, immediately after the acquisition, the Financial Services Fund would have invested more than 15% of its net assets in illiquid investments that are assets. An illiquid investment is any investment that the Financial Services Fund reasonably expects cannot be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment. If illiquid investments exceed 15% of the Financial Services Fund’s net assets, certain remedial actions will be taken as required by Rule 22e-4 under the 1940 Act and the Financial Services Fund’s policies and procedures.

Restricted securities are securities subject to legal or contractual restrictions on their resale, such as private placements. Such restrictions might prevent the sale of restricted securities at a time when the sale would otherwise be desirable. Under SEC regulations, certain restricted securities acquired through private placements can be traded freely among qualified purchasers. While restricted securities are generally classified as illiquid, the SEC has stated that an investment company’s board of directors, or its investment advisor acting under authority delegated by the board, may determine that a security eligible for trading under this rule is “liquid.” The Financial Services Fund intends to rely on this rule, to the extent appropriate, to deem specific securities acquired through private placement as “liquid.” The Board has delegated to the Advisor, pursuant to guidelines established by the Board, the responsibility for determining whether a particular security eligible for trading under this rule is “liquid.” Investing in these restricted securities could have the effect of increasing the Financial Services Fund’s illiquidity if qualified purchasers become, for a time, uninterested in buying these securities.

Restricted securities may be sold only (1) pursuant to SEC Rule 144A or another exemption, (2) in privately negotiated transactions or (3) in public offerings with respect to which a registration statement is in effect under the Securities Act of 1933, as amended (the “1933” Act). Rule 144A securities, although not registered in the U.S., may be sold to qualified institutional buyers in accordance with Rule 144A under the 1933 Act. As noted above, the Advisor, acting pursuant to guidelines established by the Board, may determine that some Rule 144A securities are liquid. Where registration is required, the Financial Services Fund may be obligated to pay all or part of the registration expenses and a considerable period may elapse between the time of the decision to sell and the time the Financial Services Fund may be permitted to sell a restricted security under an effective registration statement. If, during such a period, adverse market conditions were to develop, the Financial Services Fund might obtain a less favorable price than prevailed when it decided to sell.

Illiquid investments may be difficult to value, and the Financial Services Fund may have difficulty disposing of such investments promptly. The Financial Services Fund does not consider non-U.S. securities to be restricted if they can be freely sold in the principal markets in which they are traded, even if they are not registered for sale in the U.S.

*Defensive Investing.* The Financial Services Fund's 80% investment policy will not be applicable during periods when the Financial Services Fund pursues a temporary defensive strategy, as discussed in the Prospectus. The Financial Services Fund may depart from its principal investment strategies in response to adverse market, economic or political conditions by taking temporary defensive positions in any type of money market instruments, short-term debt securities or cash without regard to any percentage limitations. If the Financial Services Fund takes a temporary defensive position, it may be unable to achieve its investment objective.

*Derivatives.* Rule 18f-4 under the 1940 Act (the "Derivatives Rule") provides a comprehensive framework for the Financial Services Fund's use of derivatives. The Derivatives Rule requires registered investment companies that enter into derivatives transactions and certain other transactions that create future payment or delivery obligations to, among other things, (i) comply with a value-at-risk ("VaR") leverage limit, and (ii) adopt and implement a comprehensive written derivatives risk management program. These and other requirements apply unless the Fund qualifies as a "limited derivatives user," which the Derivatives Rule defines as a fund that limits its derivatives exposure to 10% of its net assets. Each Fund qualifies as a limited derivatives user. Complying with the Derivatives Rule may increase the cost of the Fund's investments and cost of doing business. The Derivatives Rule may not be effective to limit the Fund's risk of loss. In particular, measurements of VaR rely on historical data and may not accurately measure the degree of risk reflected in the Fund's derivatives or other investments.

The Financial Services Fund may invest in certain derivative instruments (also called "Financial Instruments"), discussed below, to attempt to hedge its investments, among other things, as described in the Prospectus. The use of Financial Instruments is subject to applicable regulations of the SEC, the several exchanges upon which they are traded and the Commodity Futures Trading Commission (the "CFTC"). In addition, the Financial Services Fund's ability to use Financial Instruments may be limited by tax considerations. In addition to the instruments, strategies and risks described below, the Advisor expects that additional opportunities in connection with Financial Instruments and other similar or related techniques may become available. These new opportunities may become available as the Advisor develops new techniques, as regulatory authorities broaden the range of permitted transactions and as new Financial Instruments or other techniques are developed. The Advisor may utilize these opportunities to the extent that they are consistent with the Financial Services Fund's investment objective and are permitted by its investment limitations and applicable regulatory authorities. The Financial Services Fund might not use any of these strategies, and there can be no assurance that any strategy used will succeed.

Each Financial Instrument purchased for the Financial Services Fund is reviewed and analyzed by the Advisor to assess the risk and reward of each such instrument in relation to the Financial Services Fund's investment strategy. The decision to invest in derivative instruments or conventional securities is made by measuring the respective instrument's ability to provide value to the Financial Services Fund.

Hedging strategies can be broadly categorized as "short hedges" and "long hedges." A short hedge is a purchase or sale of a Financial Instrument intended partially or fully to offset potential declines in the value of one or more investments held in the Financial Services Fund's portfolio. In a short hedge, the Financial Services Fund takes a position in a Financial Instrument whose price is expected to move in the opposite direction of the price of the investment being hedged.

Conversely, a long hedge is a purchase or sale of a Financial Instrument intended partially or fully to offset potential increases in the acquisition cost of one or more investments that the Financial Services Fund intends to acquire. In a long hedge, the Financial Services Fund takes a position in a Financial Instrument whose price is expected to move in the same direction as the price of the prospective investment being hedged. A long hedge is sometimes referred to as an anticipatory hedge. In an anticipatory hedge transaction, the Financial Services Fund does not own a corresponding security and, therefore, the transaction does not relate to a security the Financial Services Fund owns. Rather, it relates to a security that the Financial Services Fund intends to acquire. If the Financial Services Fund does not complete the hedge by purchasing the security as anticipated, the effect on the Financial Services Fund's portfolio is the same as if the transaction were entered into for speculative purposes.

Financial Instruments on securities may be used to attempt to hedge against price movements in one or more particular securities positions that the Financial Services Fund owns or intends to acquire. Financial Instruments on indexes, in contrast, may be used to attempt to hedge against price movements in market sectors in which the Financial Services Fund has invested or expects to invest. Financial Instruments on debt securities may be used to hedge either individual securities or broad debt market sectors.

*Special Risks.* The use of Financial Instruments involves special considerations and risks, certain of which are described below. In general, these techniques may increase the volatility of the Financial Services Fund and may involve a small investment of cash relative to the magnitude of the risk assumed.

- Successful use of most Financial Instruments depends upon the Advisor's ability to predict movements of the overall securities, currency and interest rate markets, which requires different skills than predicting changes in the prices of individual securities. There can be no assurance that any particular strategy will succeed and use of Financial Instruments could result in a loss, regardless of whether the intent was to enhance returns or manage risk.

- When Financial Instruments are used for hedging purposes, the historical correlation between price movements of a Financial Instrument and price movements of the investments being hedged might change so as to make the hedge less effective or unsuccessful. For example, if the value of a Financial Instrument used in a short hedge increased by less than the decline in value of the hedged investment, the hedge would not be fully successful. Such a change in correlation might occur due to factors unrelated to the value of the investments being hedged, such as speculative or other pressures on the markets in which Financial Instruments are traded. The effectiveness of hedges using Financial Instruments on indexes will depend on the degree to which correlation between price movements in the index and price movements in the securities being hedged can be accurately predicted.

  Because there are a limited number of types of exchange-traded options and futures contracts, it is likely that the standardized contracts available will not match the Financial Services Fund's current or anticipated investments exactly. The Financial Services Fund may invest in options and futures contracts based on securities with different issuers, maturities or other characteristics from the securities in which it typically invests, which involves the risk that the options or futures position will not track the performance of the Financial Services Fund's other investments.

  Options and futures prices can also diverge from the prices of their underlying instruments, even if the underlying instruments match the Financial Services Fund's investments well. Options and futures prices are affected by factors that may not affect security prices the same way, such as current and anticipated short-term interest rates, changes in volatility of the underlying instrument and the time remaining until expiration of the contract.

  Imperfect correlation may also result from differing levels of demand in the options and futures markets and the securities markets, from structural differences in how options and futures are traded as compared to securities or from the imposition of daily price fluctuation limits or trading halts. The Financial Services Fund may purchase or sell options and futures contracts with a greater or lesser value than the securities it wishes to hedge or intends to purchase in order to attempt to compensate for differences in volatility between the contract and the securities, although this may not be successful in all cases. If price changes in the Financial Services Fund's options or futures positions have a low correlation with its other investments, the positions may fail to produce anticipated gains or result in losses that are not offset by gains in other investments.

- If successful, the hedging strategies discussed above can reduce the risk of loss by wholly or partially offsetting the negative effect of unfavorable price movements. However, such strategies can also reduce opportunity for gain by offsetting the positive effect of favorable price movements. For example, if the Financial Services Fund entered into a short hedge because its Advisor projected a decline in the price of a security in the Financial Services Fund's portfolio, and the price of that security increased instead, the gain from that increase might be wholly or partially offset by a decline in the price of the Financial Instrument. Moreover, if the price of the Financial Instrument declined by more than the increase in the price of the security, the Financial Services Fund could suffer a loss. In either such case, the Financial Services Fund would have been in a better position had it not attempted to hedge at all.

- The Financial Services Fund may be subject to the risk that the other party to a Financial Instrument (the "counterparty") will not be able to honor its financial obligation to the Financial Services Fund.

- Many Financial Instruments are traded in institutional markets rather than on an exchange. Nevertheless, many Financial Instruments are actively traded and can be priced with as much accuracy as conventional securities. Financial Instruments that are custom designed to meet the specialized investment needs of a relatively narrow group of institutional investors such as the Financial Services Fund are not readily marketable and are subject to the Financial Services Fund's restrictions on illiquid investments.

The Financial Services Fund's ability to close out a position in a Financial Instrument prior to expiration or maturity depends on the existence of a liquid secondary market or, in the absence of such a market, the ability and willingness of the counterparty to enter into a transaction closing out the position. Therefore, there is no assurance that any position can be closed out at a time and price that is favorable to the Financial Services Fund.

*Options, Futures and Currency Strategies.* The Financial Services Fund may, but is not required to, use forward currency contracts and certain options and futures strategies to attempt to hedge its portfolio, *i.e.,* hedge against the economic impact of adverse changes in the market value of its securities because of changes in stock market prices, currency exchange rates or interest rates, to settle transactions quoted in foreign currencies, as a substitute for buying or selling securities or as a cash flow management technique. There can be no assurance that such efforts will succeed.

To attempt to hedge against adverse movements in exchange rates between currencies, the Financial Services Fund may enter into forward currency contracts for the purchase or sale of a specified currency at a specified future date. Such contracts may involve the purchase or sale of a foreign currency against the U.S. dollar or may involve two foreign currencies. The Financial Services Fund may enter into forward currency contracts either with respect to specific transactions or with respect to its portfolio positions. For example, when the Advisor anticipates making a purchase or sale of a security, it may enter into a forward currency contract in order to set the rate (either relative to the U.S. dollar or another currency) at which the currency exchange transaction related to the purchase or sale will be made ("transaction hedging"). Further, when the Advisor believes that a particular currency may decline compared to the U.S. dollar or another currency, the Financial Services Fund may enter into a forward currency contract to sell the currency the Advisor expects to decline in an amount approximating the value of some or all of the Financial Services Fund's securities denominated in that currency. When the Advisor believes that one currency may decline against a currency in which some or all of the portfolio securities held by the Financial Services Fund are denominated, it may enter into a forward contract to buy the currency expected to appreciate for a fixed amount ("position hedging"). In this situation, the Financial Services Fund may, in the alternative, enter into a forward currency contract to sell a different currency for a fixed amount of the currency expected to decline where the Advisor believes that the value of the currency to be sold pursuant to the forward currency contract will fall whenever there is a decline in the value of the currency in which portfolio securities of the Financial Services Fund are denominated ("cross hedging"). The Financial Services Fund's custodian places cash or other liquid assets in a separate account of the Financial Services Fund having a value equal to the aggregate amount of the Financial Services Fund's commitments under forward currency contracts entered into with respect to position hedges and cross-hedges. If the value of the securities placed in a separate account declines, additional cash or securities are placed in the account on a daily basis so that the value of the account will equal the amount of the Financial Services Fund's commitments with respect to such contracts.

For hedging purposes, the Financial Services Fund may write covered call options and purchase put and call options on currencies to hedge against movements in exchange rates and on securities to hedge against the risk of fluctuations in the prices of securities held by the Financial Services Fund or which the Advisor intends to include in its portfolio.

The Financial Services Fund also may use interest rate futures contracts and options thereon to hedge against changes in the general level in interest rates and on stock index futures and options thereon to hedge against fluctuations in the value of securities.

The Financial Services Fund may write call options on securities and currencies only if they are covered, and such options must remain covered so long as the Financial Services Fund is obligated as a writer. A written call option is also covered if the Financial Services Fund holds on a share-for-share basis a purchased call on the same security or holds a call on the same currency as the call written where the exercise price of the call held is equal to less than the exercise price of the call written or greater than the exercise price of the call written if the difference is maintained by the Financial Services Fund in cash or other liquid assets.

The use of forward currency contracts, options and futures involves certain investment risks and transaction costs to which the Financial Services Fund might not otherwise be subject. These risks include: dependence on the Advisor's ability to predict movements in the prices of individual securities, fluctuations in the general equity and fixed-income markets and movements in interest rates and currency markets; imperfect correlation between movements in the price of currency, options, futures contracts or options thereon and movements in the price of the currency or security hedged or used for cover; the fact that skills and techniques needed to trade options, futures contracts and options thereon or to use forward currency contracts are different from those needed to select the securities in which the Financial Services Fund invests; the lack of assurance that a liquid market will exist for any particular option, futures contract or options thereon at any particular time; and the possible need to defer or accelerate closing out certain options, futures contracts and options thereon in order to continue to qualify for the beneficial tax treatment afforded a regulated investment company ("RIC") under the Internal Revenue Code of 1986, as amended (the "Code").

Over-the-counter options in which the Financial Services Fund may invest differ from exchange-traded options in that they are two-party contracts, with price and other terms negotiated between buyer and seller, and generally do not have as much market liquidity as exchange-traded options. The Financial Services Fund may be required to treat as illiquid over-the-counter options purchased and securities being used to cover certain written over-the-counter options.

*Futures Contracts and Options on Futures Contracts.* The Financial Services Fund may invest in stock index futures contracts and options on futures contracts that are traded on a domestic exchange or board of trade.

The purpose of entering into a futures contract is to protect the Financial Services Fund from fluctuations in the value of securities without actually buying or selling the securities. For example, in the case of stock index futures contracts, if the Financial Services Fund anticipates an increase in the price of stocks that it intends to purchase at a later time, the Financial Services Fund could enter into contracts to purchase the stock index (known as taking a “long” position) as a temporary substitute for the purchase of stocks. If an increase in the market occurs that influences the stock index as anticipated, the value of the futures contracts increases and thereby serves as a hedge against the Financial Services Fund’s not participating in a market advance. The Financial Services Fund then may close out the futures contracts by entering into offsetting futures contracts to sell the stock index (known as taking a “short” position) as it purchases individual stocks. But by using futures contracts as an investment tool to reduce risk, given the greater liquidity in the futures market, it may be possible to accomplish the same result more easily and more quickly.

No consideration will be paid or received by the Financial Services Fund upon the purchase or sale of a futures contract. Initially, the Financial Services Fund will be required to deposit with the broker an amount of cash or cash equivalents equal to approximately 2% to 10% of the contract amount (this amount is subject to change by the exchange or board of trade on which the contract is traded and brokers or members of such board of trade may charge a higher amount). This amount is known as “initial margin” and is in the nature of a performance bond or good faith deposit on the contract, which is returned to the Financial Services Fund upon termination of the futures contract, assuming all contractual obligations have been satisfied. Subsequent payments, known as “variation margin,” to and from the broker, will be made daily as the price of the index or securities underlying the futures contract fluctuates, making the long and short positions in the futures contract more or less valuable, a process known as “marking-to-market.” In addition, when the Financial Services Fund enters into a long position in a futures contract or an option on a futures contract, it must maintain an amount of cash or cash equivalents equal to the total market value of the underlying futures contract, less amounts held in the Financial Services Fund’s commodity brokerage account at its broker. At any time prior to the expiration of a futures contract, the Financial Services Fund may elect to close the position by taking an opposite position, which will operate to terminate the Financial Services Fund’s existing position in the contract.

Positions in futures contracts may be closed out only on the exchange on which they were entered into (or through a linked exchange) and no secondary market exists for those contracts. In addition, although the Financial Services Fund intends to enter into futures contracts only if there is an active market for the contracts, there is no assurance that an active market will exist for the contracts at any particular time. Most futures exchanges and boards of trade limit the amount of fluctuation permitted in futures contract prices during a single trading day. Once the daily limit has been reached in a particular contract, no trades may be made that day at a price beyond that limit. It is possible that futures contract prices could move to the daily limit for several consecutive trading days with little or no trading, thereby preventing prompt liquidation of futures positions and subjecting some futures traders to substantial losses. In such event, and in the event of adverse price movements, the Financial Services Fund would be required to make daily cash payments of variation margin; in such circumstances, an increase in the value of the portion of the portfolio being hedged, if any, may partially or completely offset losses on the futures contract. As described above, however, no assurance can be given that the price of the securities being hedged will correlate with the price movements in a futures contract and thus provide an offset to losses on the futures contract.

*Commodity Exchange Act Regulation.* The Financial Services Fund is operated by persons who have claimed an exclusion, granted to operators of registered investment companies like the Financial Services Fund, from registration as a “commodity pool operator” with respect to the Financial Services Fund under the Commodity Exchange Act (the “CEA”), and, therefore, are not subject to registration or regulation with respect to the Financial Services Fund under the CEA. As a result, the Financial Services Fund is limited in its ability to use commodity futures (which include futures on broad-based securities indexes and interest rate futures) or options on commodity futures, engage in certain swaps transactions or make certain other investments (whether directly or indirectly through investments in other investment vehicles) for purposes other than “bona fide hedging,” as defined in the rules of the CFTC. With respect to transactions other than for bona fide hedging purposes, either: (1) the aggregate initial margin and premiums required to establish the Financial Services Fund’s positions in such investments may not exceed 5% of the liquidation value of the Financial Services Fund’s portfolio (after accounting for unrealized profits and unrealized losses on any such investments); or (2) the aggregate net notional value of such instruments, determined at the time the most recent position was established, may not exceed 100% of the liquidation value of the Financial Services Fund’s portfolio (after accounting for unrealized profits and unrealized losses on any such positions). In addition to meeting one of the foregoing trading limitations, the Financial Services Fund may not market itself as a commodity pool or otherwise as a vehicle for trading in the futures, options or swaps markets.

*Options on Securities.* The Financial Services Fund may engage in the writing of covered call options. The Financial Services Fund may also purchase put options and enter into closing transactions.

The principal reason for writing covered call options on securities is to attempt to realize, through the receipt of premiums, a greater return than would be realized on the securities alone. In return for a premium, the writer of a covered call option forfeits the right to any appreciation in the value of the underlying security above the strike price for the life of the option (or until a closing purchase transaction can be effected). Nevertheless, the call writer retains the risk of a decline in the price of the underlying security. Similarly, the principal reason for writing covered put options is to realize income in the form of premiums. The writer of a covered put option accepts the risk of a decline in the price of the underlying security. The size of the premiums the Financial Services Fund may receive may be adversely affected as new or existing institutions, including other investment companies, engage in or increase their option-writing activities.

Options written by the Financial Services Fund will normally have expiration dates between one and six months from the date written. The exercise price of the options may be below, equal to, or above the current market values of the underlying securities at the times the options are written. In the case of call options, these exercise prices are referred to as “in-the-money,” “at-the-money” and “out-of-the-money,” respectively.

The Financial Services Fund may write (a) in-the-money call options when the Advisor expects the price of the underlying security to remain flat or decline moderately during the option period, (b) at-the-money call options when the Advisor expects the price of the underlying security to remain flat or advance moderately during the option period and (c) out-of-the-money call options when the Advisor expects that the price of the security may increase but not above a price equal to the sum of the exercise price plus the premiums received from writing the call option. In any of the preceding situations, if the market price of the underlying security declines and the security is sold at this lower price, the amount of any realized loss will be offset wholly or in part by the premium received. Writing out-of-the-money, at-the-money and in-the-money put options (the reverse of call options as to the relation of exercise price to market price) may be utilized in the same market environments as such call options are used in equivalent transactions.

So long as the obligation of the Financial Services Fund as the writer of an option continues, the Financial Services Fund may be assigned an exercise notice by the broker/dealer through which the option was sold, requiring it to deliver, in the case of a call, or take delivery of, in the case of a put, the underlying security against payment of the exercise price. This obligation terminates when the option expires or the Financial Services Fund effects a closing purchase transaction. The Financial Services Fund can no longer effect a closing purchase transaction with respect to an option once it has been assigned an exercise notice. To secure its obligation to deliver the underlying security when it writes a call option, or to pay for the underlying security when it writes a put option, the Financial Services Fund will be required to deposit in escrow the underlying security or other assets in accordance with the rules of the Options Clearing Corporation (“OCC”) or similar clearing corporation and the securities exchange on which the option is written.

An option position may be closed out only where there exists a secondary market for an option of the same series on a recognized securities exchange or in the over-the-counter market. The Financial Services Fund expects to write options only on national securities exchanges or in the over-the-counter market. The Financial Services Fund may purchase put options issued by the OCC or in the over-the-counter market.

The Financial Services Fund may realize a profit or loss upon entering into a closing transaction. In cases in which the Financial Services Fund has written an option, it will realize a profit if the cost of the closing purchase transaction is less than the premium received upon writing the original option and will incur a loss if the cost of the closing purchase transaction exceeds the premium received upon writing the original option. Similarly, when the Financial Services Fund has purchased an option and engages in a closing sale transaction, whether it recognizes a profit or loss will depend upon whether the amount received in the closing sale transaction is more or less than the premium the Financial Services Fund initially paid for the original option plus the related transaction costs.

Although the Financial Services Fund generally will purchase or write only those options for which the Advisor believes there is an active secondary market so as to facilitate closing transactions, there is no assurance that sufficient trading interest to create a liquid secondary market on a securities exchange will exist for any particular option or at any particular time, and for some options no such secondary market may exist or may cease to exist. In the past, for example, higher than anticipated trading activity or order flow, or other unforeseen events, have at times rendered certain of the facilities of the OCC and national securities exchanges inadequate and resulted in the institution of special procedures, such as trading rotations, restrictions on certain types of orders or trading halts or suspensions in one or more options. There can be no assurance that similar events, or events that may otherwise interfere with the timely execution of customers’ orders, will not recur. In such event, it might not be possible to effect closing transactions in particular options. If, as a covered call option writer, the Financial Services Fund is unable to effect a closing purchase transaction in a secondary market, it will not be able to sell the underlying security until the option expires or it delivers the underlying security upon exercise.

Securities exchanges generally have established limitations governing the maximum number of calls and puts of each class which may be held or written, or exercised within certain periods, by an investor or group of investors acting in concert (regardless of whether the options are written on the same or different securities exchanges or are held, written or exercised in one or more accounts or through one or more brokers). It is possible that the Financial Services Fund and other clients of the manager or Advisor and certain of their affiliates may be considered to be such a group. A securities exchange may order the liquidation of positions found to be in violation of these limits, and it may impose certain other sanctions.

In the case of options written by the Financial Services Fund that are deemed covered by virtue of the Financial Services Fund's holding convertible or exchangeable preferred stock, the time required to convert or exchange and obtain physical delivery of the underlying common stock with respect to which the Financial Services Fund has written options may exceed the time within which the Financial Services Fund must make delivery in accordance with an exercise notice. In these instances, the Financial Services Fund may purchase or temporarily borrow the underlying securities for purposes of physical delivery. By so doing, the Financial Services Fund will not bear any market risk because the Financial Services Fund will have the absolute right to receive from the issuer of the underlying security an equal number of shares to replace the borrowed stock, but the Financial Services Fund may incur additional transaction costs or interest expenses in connection with any such purchase or borrowing.

Although the Advisor will attempt to take appropriate measures to minimize the risks relating to the Financial Services Fund's writing of call options and purchasing of put and call options, there can be no assurance that the Financial Services Fund will succeed in its option-writing program.

If positions held by the Financial Services Fund were treated as "straddles" for federal income tax purposes, or the Financial Services Fund's risk of loss with respect to a position was otherwise diminished as set forth in Treasury regulations, dividends on stocks that are a part of such positions would not constitute qualified dividend income subject to such favorable income tax treatment in the hands of non-corporate shareholders or eligible for the dividends received deduction for corporate shareholders. In addition, generally, straddles are subject to certain rules that may affect the amount, character and timing of the Financial Services Fund's gains and losses with respect to straddle positions by requiring, among other things, that: (1) any loss realized on disposition of one position of a straddle may not be recognized to the extent that the Financial Services Fund has unrealized gains with respect to the other position in such straddle; (2) the Financial Services Fund's holding period in straddle positions be suspended while the straddle exists (possibly resulting in a gain being treated as short-term capital gain rather than long-term capital gain); (3) the losses recognized with respect to certain straddle positions that are part of a mixed straddle and that are not subject to Section 1256 of the Code be treated as 60% long-term and 40% short-term capital loss; (4) losses recognized with respect to certain straddle positions that would otherwise constitute short-term capital losses be treated as long-term capital losses; and (5) the deduction of interest and carrying charges attributable to certain straddle positions may be deferred.

*Stock Index Options.* The Financial Services Fund may purchase put and call options and write call options on domestic stock indexes listed on domestic exchanges for the purpose of hedging its portfolio. A stock index fluctuates with changes in the market values of the stocks included in the index. Some stock index options are based on a broad market index such as the NYSE Composite Index or the Canadian Market Portfolio Index, or a narrower market or industry index such as the S&P 100 Index, the NYSE Arca Oil Index or the NYSE Arca Computer Technology Index.

Options on stock indexes are generally similar to options on stock except for the delivery requirements. Instead of giving the right to take or make delivery of stock at a specified price, an option on a stock index gives the holder the right to receive a cash "exercise settlement amount" equal to (a) the amount, if any, by which the fixed exercise price of the option exceeds (in the case of a put) or is less than (in the case of a call) the closing value of the underlying index on the date of exercise, multiplied by (b) a fixed "index multiplier." Receipt of this cash amount will depend upon the closing level of the stock index upon which the option is based being greater than, in the case of a call, or less than, in the case of a put, the exercise price of the option. The amount of cash received will be equal to such difference between the closing price of the index and the exercise price of the option expressed in dollars or a foreign currency, as the case may be, times a specified multiple. The writer of the option is obligated, in return for the premium received, to make delivery of this amount. The writer may offset its position in stock index options prior to expiration by entering into a closing transaction on an exchange or it may let the option expire unexercised.

The effectiveness of purchasing or writing stock index options as a hedging technique will depend upon the extent to which price movements in the portion of the securities portfolio of the Financial Services Fund being hedged correlate with price movements of the stock index selected. Because the value of an index option depends upon movements in the level of the index rather than the price of a particular stock, whether the Financial Services Fund will realize a gain or loss from the purchase or writing of options on an index depends upon movements in the level of stock prices in the stock market generally or, in the case of certain indexes, in an industry or market segment, rather than movements in the price of a particular stock. Accordingly, successful use by the Financial Services Fund of options on stock indexes will be subject to the Advisor's ability to predict correctly movements in the direction of the stock market generally or of a particular industry. This requires different skills and techniques than predicting changes in the price of individual stocks.

*Swaps.* As one way of managing its exposure to different types of investments, the Financial Services Fund may enter into interest rate swaps and currency swaps. In a typical interest rate swap, the Financial Services Fund and a counterparty exchange their right to receive or their obligation to pay interest on a security. For example, one party may agree to make regular payments equal to a floating interest rate times a “notional principal amount,” in return for payments equal to a fixed rate times the same notional amount, for a specified period of time. A currency swap is an agreement to exchange cash flows on a notional amount of two or more currencies based on the relative value differential among them. If a swap agreement provides for payment in different currencies, the parties might agree to exchange the notional principal amount as well.

Swap agreements will tend to shift the Financial Services Fund’s investment exposure from one type of investment to another. For example, if the Financial Services Fund agreed to exchange payments in U.S. dollars for payments in a foreign currency, the swap agreement would tend to decrease the Financial Services Fund’s exposure to U.S. interest rates and increase its exposure to foreign currency and interest rates. Depending on how they are used, swap agreements may increase or decrease the overall volatility of the Financial Services Fund’s investments and its share price and yield.

Swap agreements are sophisticated risk management instruments that typically require a small cash investment relative to the magnitude of risks assumed. As a result, swaps can be highly volatile and may have a considerable impact on the Financial Services Fund’s performance. Swap agreements entail both interest rate risk and credit risk. There is a risk that, based on movements of interest rates in the future, the payments made by the Financial Services Fund under a swap agreement will be greater than the payments it received. Swap agreements are subject to credit risks related to the counterparty’s ability to perform, and may decline in value if the counterparty’s creditworthiness deteriorates. The creditworthiness of firms with which the Financial Services Fund enters into swaps will be monitored by the Advisor. If a firm’s creditworthiness declines, the value of the agreement would be likely to decline, potentially resulting in losses. If a default occurs by the other party to such transaction, the Financial Services Fund will have contractual remedies pursuant to the agreements related to the transaction. The Financial Services Fund may also suffer losses if it is unable to terminate outstanding swap agreements or reduce its exposure through offsetting transactions.

*Mortgage-Backed Securities and Asset-Backed Securities.* As the Financial Services Fund may invest in mortgage-backed securities (“MBS”), including those that are issued by private issuers, it may have some exposure to subprime loans as well as to the mortgage and credit markets generally. Private issuers include commercial banks, savings associations, mortgage companies, investment banking firms, finance companies and special purpose finance entities (called special purpose vehicles or “SPVs”) and other entities that acquire and package mortgage loans for resale as MBS. Unlike MBS issued or guaranteed by the U.S. government or one of its sponsored entities, MBS issued by private issuers do not have a government or government-sponsored entity guarantee, but may have credit enhancement provided by external entities such as banks or financial institutions or achieved through the structuring of the transaction itself. Examples of such credit support arising out of the structure of the transaction include the issue of senior and subordinated securities (*e.g*., the issuance of securities by an SPV in multiple classes or “tranches,” with one or more classes being senior to other subordinated classes as to the payment of principal and interest, with the result that defaults on the underlying mortgage loans are borne first by the holders of the subordinated class); creation of “reserve funds” (in which case cash or investments, sometimes funded from a portion of the payments on the underlying mortgage loans, are held in reserve against future losses); and “overcollateralization” (in which case the scheduled payments on, or the principal amount of, the underlying mortgage loans exceed that required to make payment of the securities and pay any servicing or other fees). However, there can be no guarantee that credit enhancements, if any, will be sufficient to prevent losses in the event of defaults on the underlying mortgage loans.

In addition, MBS that are issued by private issuers are not subject to the underwriting requirements for the underlying mortgages that are applicable to those MBS that have a government or government-sponsored entity guarantee. As a result, the mortgage loans underlying private MBS may, and frequently do, have less favorable collateral, credit risk or other underwriting characteristics than government or government-sponsored MBS and have wider variances in a number of terms including interest rate, term, size, purpose and borrower characteristics. Privately issued pools more frequently include second mortgages, high loan-to-value mortgages and manufactured housing loans. The coupon rates and maturities of the underlying mortgage loans in a private-label MBS pool may vary to a greater extent than those included in a government guaranteed pool, and the pool may include subprime mortgage loans. Subprime loans refer to loans made to borrowers with weakened credit histories or with a lower capacity to make timely payments on their loans. For these reasons, the loans underlying these securities have had in many cases higher default rates than those loans that meet government underwriting requirements.

The risk of non-payment is greater for MBS that are backed by mortgage pools that contain subprime loans, but a level of risk exists for all loans. Market factors adversely affecting mortgage loan repayments may include a general economic turndown, high unemployment, a general slowdown in the real estate market, a drop in the market prices of real estate, or an increase in interest rates resulting in higher mortgage payments by holders of adjustable rate mortgages.

If the Financial Services Fund purchases subordinated MBS, the subordinated MBS may serve as a credit support for the senior securities purchased by other investors. In addition, the payments of principal and interest on these subordinated securities generally will be made only after payments are made to the holders of securities senior to the Financial Services Fund's securities. Therefore, if there are defaults on the underlying mortgage loans, the Financial Services Fund will be less likely to receive payments of principal and interest, and will be more likely to suffer a loss.

Privately issued MBS are not traded on an exchange and there may be a limited market for the securities, especially when there is a perceived weakness in the mortgage and real estate market sectors. Without an active trading market, MBS held in the Financial Services Fund's portfolio may be particularly difficult to value because of the complexities involved in assessing the value of the underlying mortgage loans.

Since the Financial Services Fund may also purchase asset-backed securities ("ABS"), it may be subject to many of the same characteristics and risks as the MBS described above, except that ABS may be backed by non-real-estate loans, leases or receivables such as auto, credit card or home equity loans.

*Commercial Paper.* The Financial Services Fund may purchase commercial paper, including asset-backed commercial paper ("ABCP") that is issued by structured investment vehicles or other conduits. These conduits may be sponsored by mortgage companies, investment banking firms, finance companies, hedge funds, private equity firms and special purpose finance entities. ABCP typically refers to a debt security with an original term to maturity of up to 270 days, the payment of which is supported by cash flows from underlying assets, or one or more liquidity or credit support providers, or both. Assets backing ABCP, which may be included in revolving pools of assets with large numbers of obligors, include credit card, car loan and other consumer receivables and home or commercial mortgages, including subprime mortgages. The repayment of ABCP issued by a conduit depends primarily on the cash collections received from the conduit's underlying asset portfolio and the conduit's ability to issue new ABCP. Therefore, there could be losses to the Financial Services Fund in the event of credit or market value deterioration in the conduit's underlying portfolio, mismatches in the timing of the cash flows of the underlying asset interests and the repayment obligations of maturing ABCP, or the conduit's inability to issue new ABCP. To protect investors from these risks, ABCP programs may be structured with various protections, such as credit enhancement, liquidity support, and commercial paper stop-issuance and wind-down triggers. However there can be no guarantee that these protections will be sufficient to prevent losses to investors in ABCP.

Some ABCP programs provide for an extension of the maturity date of the ABCP if, on the related maturity date, the conduit is unable to access sufficient liquidity through the issue of additional ABCP. This may delay the sale of the underlying collateral and the Financial Services Fund may incur a loss if the value of the collateral deteriorates during the extension period. Alternatively, if collateral for ABCP commercial paper deteriorates in value, the collateral may be required to be sold at inopportune times or at prices insufficient to repay the principal and interest on the ABCP. ABCP programs may provide for the issuance of subordinated notes as an additional form of credit enhancement. The subordinated notes are typically of a lower credit quality and have a higher risk of default. A Fund purchasing these subordinated notes will, therefore, have a higher likelihood of loss than investors in the senior notes.

The Financial Services Fund may also invest in other types of fixed income securities that are subordinated or "junior" to more senior securities of the issuer, or which represent interests in pools of such subordinated or junior securities. Such securities may include preferred stock. Under the terms of subordinated securities, payments that would otherwise be made to their holders may be required to be made to the holders of more senior securities, and/or the subordinated or junior securities may have junior liens, if they have any rights at all, in any collateral (meaning proceeds of the collateral are required to be paid first to the holders of more senior securities). As a result, subordinated or junior securities will be disproportionately adversely affected by a default or even a perceived decline in creditworthiness of the issuer.

The Financial Services Fund's compliance with its investment restrictions and limitations is usually determined at the time of investment. If the credit rating on a security is downgraded or the credit quality deteriorates after purchase by the Financial Services Fund, or if the maturity of a security is extended after purchase by the Financial Services Fund, the Advisor will decide whether the security should be held or sold. Certain mortgage- or asset-backed securities may provide, upon the occurrence of certain triggering events or defaults, for the investors to become the holders of the underlying assets. In that case the Financial Services Fund may become the holder of securities that it could not otherwise purchase, based on its investment strategies or its investment restrictions and limitations, at a time when such securities may be difficult to dispose of because of adverse market conditions.

*Cyber-Security Risk.* Investment companies, such as the Fund, and its service providers may be subject to operational and information security risks resulting from cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information or various other forms of cyber security breaches. Cyber-attacks affecting the Fund or the Advisor, custodian, transfer agent, intermediaries and other third-party service providers may adversely impact the Fund. For instance, cyber-attacks may interfere with the processing of shareholder transactions, impact the Fund's ability to calculate its net asset value, cause the release of private shareholder information or confidential company information, impede trading, subject the Fund to regulatory fines or financial losses, and cause reputational damage. The Fund may also incur additional costs for cyber security risk management purposes. Similar types of cyber security risks are also present for issuers of securities in which the Fund invests, which could result in material adverse consequences for such issuers, and may cause the Fund's investment in such portfolio companies to lose value.

## 1919 FINANCIAL SERVICES FUND - INVESTMENT POLICIES

The Financial Services Fund has adopted the fundamental and non-fundamental investment policies below for the protection of shareholders. Fundamental investment policies of the Financial Services Fund may not be changed without the vote of a majority of the outstanding shares of the Financial Services Fund, defined under the 1940 Act as the lesser of (a) 67% or more of the voting power of the Financial Services Fund present at a shareholder meeting, if the holders of more than 50% of the voting power of the Financial Services Fund are present in person or represented by proxy, or (b) more than 50% of the voting power of the Financial Services Fund. The Board may change non-fundamental investment policies at any time.

If any percentage restriction described below is complied with at the time of an investment, a later increase or decrease in the percentage resulting from a change in values or assets will not constitute a violation of such restriction. These limitations do not apply to the Fund's borrowings or illiquid investments.

### Diversification

The Financial Services Fund is currently classified as a diversified fund under the 1940 Act. This means that the Financial Services Fund may not purchase securities of an issuer (other than obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities) if, with respect to 75% of its total assets, (a) more than 5% of the Financial Services Fund's total assets would be invested in securities of that issuer or (b) the Financial Services Fund would hold more than 10% of the outstanding voting securities of that issuer. With respect to the remaining 25% of its total assets, the Financial Services Fund can invest more than 5% of its assets in one issuer. Under the 1940 Act, the Financial Services Fund cannot change its classification from diversified to non-diversified without shareholder approval.

### Fundamental Investment Policies

The Financial Services Fund's fundamental investment policies are as follows:

1) The Financial Services Fund may not borrow money except as permitted by (i) the 1940 Act or interpretations or modifications by the SEC, SEC staff or other authority with appropriate jurisdiction, or (ii) exemptive or other relief or permission from the SEC, SEC staff or other authority.

2) The Financial Services Fund may not engage in the business of underwriting the securities of other issuers except as permitted by (i) the 1940 Act or interpretations or modifications by the SEC, SEC staff or other authority with appropriate jurisdiction, or (ii) exemptive or other relief or permission from the SEC, SEC staff or other authority.

3) The Financial Services Fund may lend money or other assets to the extent permitted by (i) the 1940 Act or interpretations or modifications by the SEC, SEC staff or other authority with appropriate jurisdiction, or (ii) exemptive or other relief or permission from the SEC, SEC staff or other authority.

4) The Financial Services Fund may not issue senior securities except as permitted by (i) the 1940 Act or interpretations or modifications by the SEC, SEC staff or other authority with appropriate jurisdiction, or (ii) exemptive or other relief or permission from the SEC, SEC staff or other authority.

5) The Financial Services Fund may not purchase or sell real estate except as permitted by (i) the 1940 Act or interpretations or modifications by the SEC, SEC staff or other authority with appropriate jurisdiction, or (ii) exemptive or other relief or permission from the SEC, SEC staff or other authority.

6) The Financial Services Fund may purchase or sell commodities or contracts related to commodities to the extent permitted by (i) the 1940 Act or interpretations or modifications by the SEC, SEC staff or other authority with appropriate jurisdiction, or (ii) exemptive or other relief or permission from the SEC, SEC staff or other authority.

7) The Financial Services Fund will not purchase or sell the securities of any issuer, if, as a result of such purchase or sale, less than 25% of the assets of the Financial Services Fund would be invested in the securities of issuers principally engaged in the business activities having the specific characteristics denoted by the Financial Services Fund. The Fund will be concentrated in the financial services industry.

8) The Financial Services Fund is a "diversified company" as defined by the 1940 Act.

With respect to a fundamental policy relating to borrowing money set forth in (1) above, the 1940 Act permits the Financial Services Fund to borrow money in amounts of up to one-third of the Financial Services Fund's total assets from banks for any purpose, and to borrow up to 5% of the Financial Services Fund's total assets from banks or other lenders for temporary purposes. (The Financial Services Fund's total assets include the amounts being borrowed.) To limit the risks attendant to borrowing, the 1940 Act requires the Financial Services Fund to maintain an "asset coverage" of at least 300% of the amount of its borrowings, provided that in the event that the Financial Services Fund's asset coverage falls below 300%, the Financial Services Fund is required to reduce the amount of its borrowings so that it meets the 300% asset coverage threshold within three days (not including Sundays and holidays). Asset coverage means the ratio that the value of the Financial Services Fund's total assets (including amounts borrowed), minus liabilities other than borrowings, bears to the aggregate amount of all borrowings. Certain trading practices and investments, such as reverse repurchase agreements, may be considered to be borrowings and thus subject to the 1940 Act restrictions. Borrowing money to increase portfolio holdings is known as "leveraging." Borrowing, especially when used for leverage, may cause the value of the Financial Services Fund's shares to be more volatile than if the Financial Services Fund did not borrow. This is because borrowing tends to magnify the effect of any increase or decrease in the value of the Financial Services Fund's portfolio holdings. Borrowed money thus creates an opportunity for greater gains, but also greater losses. To repay borrowings, the Financial Services Fund may have to sell securities at a time and at a price that is unfavorable to the Financial Services Fund. There also are costs associated with borrowing money, and these costs would offset and could eliminate the Financial Services Fund's net investment income in any given period. Currently, the Financial Services Fund has no intention of borrowing money for leverage. The policy in (1) above will be interpreted to permit the Financial Services Fund to engage in trading practices and investments that may be considered to be borrowing to the extent permitted by the 1940 Act. Short-term credits necessary for the settlement of securities transactions and arrangements with respect to securities lending will not be considered to be borrowings under the policy. Practices and investments that may involve leverage but are not considered to be borrowings are not subject to the policy.

With respect to a fundamental policy relating to underwriting set forth in (2) above, the 1940 Act does not prohibit the Financial Services Fund from engaging in the underwriting business or from underwriting the securities of other issuers; in fact, the 1940 Act permits the Financial Services Fund to have underwriting commitments of up to 25% of its assets under certain circumstances. Those circumstances currently are that the amount of the Financial Services Fund's underwriting commitments, when added to the value of the Financial Services Fund's investments in issuers where the Financial Services Fund owns more than 10% of the outstanding voting securities of those issuers, cannot exceed the 25% cap. A fund engaging in transactions involving the acquisition or disposition of portfolio securities may be considered to be an underwriter under the 1933 Act. Under the 1933 Act, an underwriter may be liable for material omissions or misstatements in an issuer's registration statement or prospectus. Securities purchased from an issuer and not registered for sale under the 1933 Act are considered restricted securities. There may be a limited market for these securities. If these securities are registered under the 1933 Act, they may then be eligible for sale but participating in the sale may subject the seller to underwriter liability. These risks could apply to a fund investing in restricted securities. Although it is not believed that the application of the 1933 Act provisions described above would cause the Financial Services Fund to be engaged in the business of underwriting, the policy in (2) above will be interpreted not to prevent the Financial Services Fund from engaging in transactions involving the acquisition or disposition of portfolio securities, regardless of whether the Financial Services Fund may be considered to be an underwriter under the 1933 Act.

With respect to a fundamental policy relating to lending set forth in (3) above, the 1940 Act does not prohibit the Financial Services Fund from making loans; however, SEC staff interpretations currently prohibit funds from lending more than one-third of their total assets, except through the purchase of debt obligations or the use of repurchase agreements. (A repurchase agreement is an agreement to purchase a security, coupled with an agreement to sell that security back to the original seller on an agreed-upon date at a price that reflects current interest rates. The SEC frequently treats repurchase agreements as loans.) While lending securities may be a source of income to the Financial Services Fund, as with other extensions of credit, there are risks of delay in recovery or even loss of rights in the underlying securities should the borrower fail financially. However, loans would be made only when the Financial Services Fund's Advisor believes the income justifies the attendant risks. The Financial Services Fund also will be permitted by this policy to make loans of money, including to other funds. The Financial Services Fund would have to obtain exemptive relief from the SEC to make loans to other funds. The policy in (3) above will be interpreted not to prevent the Financial Services Fund from purchasing or investing in debt obligations and loans. In addition, collateral arrangements with respect to options, forward currency and futures transactions and other derivative instruments, as well as delays in the settlement of securities transactions, will not be considered loans.

With respect to a fundamental policy relating to issuing senior securities set forth in (4) above, "senior securities" are defined as fund obligations that have a priority over a fund's shares with respect to the payment of dividends or the distribution of fund assets. The 1940 Act prohibits the Financial Services Fund from issuing senior securities, except that the Financial Services Fund may borrow money from a bank in amounts of up to one-third of the Financial Services Fund's total assets from banks for any purpose. The Financial Services Fund may also borrow up to 5% of the Financial

Services Fund's total assets from banks or other lenders for temporary purposes, and these borrowings are not considered senior securities. The issuance of senior securities by the Financial Services Fund can increase the speculative character of the Financial Services Fund's outstanding shares through leveraging. Leveraging of the Financial Services Fund's portfolio through the issuance of senior securities magnifies the potential for gain or loss on monies, because even though the Financial Services Fund's net assets remain the same, the total risk to investors is increased to the extent of the Financial Services Fund's gross assets. The policy in (4) above will be interpreted not to prevent collateral arrangements with respect to swaps, options, forward or futures contracts or other derivatives, or the posting of initial or variation margin.

With respect to a fundamental policy relating to real estate set forth in (5) above, the 1940 Act does not prohibit the Financial Services Fund from owning real estate; however, the Financial Services Fund is limited in the amount of illiquid assets it may purchase. Investing in real estate may involve risks, including that real estate is generally considered illiquid and may be difficult to value and sell. Owners of real estate may be subject to various liabilities, including environmental liabilities. To the extent that investments in real estate are considered illiquid, the current SEC position generally limits the Financial Services Fund's purchases of illiquid investments to 15% of net assets. The policy in (5) above will be interpreted not to prevent the Financial Services Fund from investing in real estate-related companies, companies whose businesses consist in whole or in part of investing in real estate, instruments (like mortgages) that are secured by real estate or interests therein, or real estate investment trust securities.

With respect to a fundamental policy relating to commodities set forth in (6) above, the 1940 Act does not prohibit the Financial Services Fund from owning commodities, whether physical commodities and contracts related to physical commodities (such as oil or grains and related futures contracts), or financial commodities and contracts related to financial commodities (such as currencies and, possibly, currency futures). However, the Financial Services Fund is limited in the amount of illiquid assets it may purchase. To the extent that investments in commodities are considered illiquid, the current SEC position generally limits the Financial Services Fund's purchases of illiquid investments to 15% of net assets. If the Financial Services Fund was to invest in a physical commodity or a physical commodity-related instrument, the Financial Services Fund would be subject to the additional risks of the particular physical commodity and its related market. The value of commodities and commodity-related instruments may be extremely volatile and may be affected either directly or indirectly by a variety of factors. There may also be storage charges and risks of loss associated with physical commodities. The policy in (6) above will be interpreted to permit investments in exchange-traded funds that invest in physical and/or financial commodities.

With respect to a fundamental policy relating to concentration set forth in (7) above, the 1940 Act does not define what constitutes "concentration" in an industry or group of industries. The SEC has stated the position that investment of 25% or more of a fund's total assets in one or more issuers conducting their principal activities in the same industry or group of industries constitutes concentration. It is possible that interpretations of concentration could change in the future. A fund that invests a significant percentage of its total assets in a single industry or group of industries may be particularly susceptible to adverse events affecting that industry or group of industries and may be more risky than a fund that does not concentrate in an industry. The policy in (7) above will be interpreted to refer to concentration as that term may be interpreted from time to time. The policy prohibits the Financial Services Fund from making purchases or sales of securities of an issuer if doing so would result in the Financial Services Fund's investments not being concentrated (per the SEC view of what constitutes "concentration"). The Fund will be concentrated in the financial services industry.

The policy also will be interpreted to permit investment without limit in the following: securities of the U.S. government and its agencies or instrumentalities; securities of state, territory, or possession; and repurchase agreements collateralized by any such obligations. Accordingly, issuers of the foregoing securities will not be considered to be members of any industry. For purposes of the Financial Services Fund's concentration limitations, municipal securities backed principally by the assets and revenues of a non-governmental user, such as an industrial corporation or a privately owned or operated hospital, are not subject to this exception. There also will be no limit on investment in issuers domiciled in a single jurisdiction or country. The policy also will be interpreted to give broad authority to the Financial Services Fund as to how to classify issuers within or among industries or groups of industries.

The Financial Services Fund's fundamental policies will be interpreted broadly. For example, the policies will be interpreted to refer to the 1940 Act and the related rules as they are in effect from time to time, and to interpretations and modifications of or relating to the 1940 Act by the SEC and others as they are given from time to time. When a policy provides that an investment practice may be conducted as permitted by the 1940 Act, the policy will be interpreted to mean either that the 1940 Act expressly permits the practice or that the 1940 Act does not prohibit the practice.

**1919 Financial Services Fund - Non-Fundamental Investment Policies**

The Fund's investment objective is non-fundamental and may be changed by the Board without shareholder approval. The Fund's non-fundamental policy concerning "80% of the Fund's net assets" may be changed by the Board of Trustees without shareholder approval, but shareholders would be given at least 60 days' prior notice. The Fund also has the following non-fundamental policy:

> The Financial Services Fund may not invest in other registered open-end management investment companies and registered unit investment trusts in reliance upon the provisions of subparagraphs (G) or (F) of Section 12(d)(1) of the 1940 Act. The foregoing investment policy does not restrict the Financial Services Fund from (i) acquiring securities of other registered investment companies in connection with a merger, consolidation, reorganization, or acquisition of assets, or (ii) purchasing the securities of registered investment companies, to the extent otherwise permissible under Section 12(d)(1) of the 1940 Act.

**Portfolio Turnover**

For reporting purposes, the Financial Services Fund's portfolio turnover rate is calculated by dividing the lesser of purchases or sales of portfolio securities for the fiscal year by the monthly average of the value of the portfolio securities owned by the Financial Services Fund during the fiscal year. In determining such portfolio turnover, all securities whose maturities at the time of acquisition were one year or less are excluded. A 100% portfolio turnover rate would occur, for example, if all of the securities in the Financial Services Fund's investment portfolio (other than short-term money market securities) were replaced once during the fiscal year.

In the event that portfolio turnover increases, this increase necessarily results in correspondingly greater transaction costs which must be paid by the Financial Services Fund. To the extent the portfolio trading results in realization of net short-term capital gains, shareholders will be taxed on such gains at ordinary tax rates (except shareholders who invest through individual retirement accounts ("IRAs") and other retirement plans which are not taxed currently on accumulations in their accounts). Portfolio turnover will not be a limiting factor should the Advisor deem it advisable to purchase or sell securities.

The table below shows the Financial Services Fund's portfolio turnover rate for the fiscal year ended December 31, 2024 and the Predecessor Fund's portfolio turnover rate for the fiscal year ended December 31, 2023.

| December 31, 2024 | December 31, 2023 |
|---|---|
| 4% | 4% |

**1919 SOCIALLY RESPONSIVE BALANCED FUND - INVESTMENT OBJECTIVE AND MANAGEMENT POLICIES**

The 1919 Socially Responsive Balanced Fund (the "Socially Responsive Fund") is registered under the 1940 Act as an open-end, diversified management investment company.

The Socially Responsive Fund's Prospectus discusses the Socially Responsive Fund's investment objective and policies. The following discussion supplements the description of the Socially Responsive Fund's investment policies in its Prospectus.

**Investment Objective and Principal Investment Strategies**

The Socially Responsive Fund seeks to provide high total return consisting of capital appreciation and current income.

The Socially Responsive Fund invests in a mix of common stocks and other equity securities, including preferred equity securities, of U.S. companies of any market capitalization and fixed income securities which are primarily investment grade and may be of any maturity and any duration. The Socially Responsive Fund will maintain at least 25% of the value of its assets in fixed income securities, which are primarily investment grade and may be of any maturity and duration. The Socially Responsive Fund may invest up to 25% (and generally less than 15%) in foreign securities, including those of issuers in emerging market countries. The Socially Responsive Fund emphasizes companies that offer both attractive investment opportunities and demonstrate an awareness of their impact on the society in which they operate.

There is no guarantee that the Socially Responsive Fund will achieve its investment objective.

The Advisor, on behalf of the Socially Responsive Fund, has claimed an exclusion from the definition of the term "commodity pool operator" under the Commodity Exchange Act. As a result, the Socially Responsive Fund is not subject to registration or regulation as a commodity pool operator under such Act even though it may engage to a limited extent in certain transactions that might otherwise subject it to such registration and regulation.

**1919 SOCIALLY RESPONSIVE BALANCED FUND - INVESTMENT PRACTICES AND RISK FACTORS**

The Socially Responsive Fund's principal investment strategies are described above. The following provides additional information about these principal strategies and describes other investment strategies and practices that may be used by the Socially Responsive Fund, which all involve risks of varying degrees.

***Socially Responsive Criteria***

The portfolio managers believe that there is a direct correlation between companies that demonstrate an acute awareness of their impact on the society within which they operate and companies that offer attractive long-term investment potential. The portfolio managers believe that actively addressing environmental and social issues can translate into sound business. For example, by ensuring a product or service does not negatively impact the environment, a company can avoid costly litigation and clean-up costs; by maintaining positive standards for the workplace and a diverse employee population, a company can better ensure access to quality talent and improved productivity; and by becoming more involved in the community, a company can enhance its consumer franchise. The portfolio managers also believe that top quality management teams that successfully balance their companies' business interests with their social influences can gain long-term competitive advantages, which may result in increased shareholder value and, therefore, make the company's shares a better investment. The Socially Responsive Fund is designed to consider both financial and social criteria in all of its investment decisions.

The portfolio managers consider whether, relative to other companies in an industry, a company that meets these investment criteria is also sensitive to environmental and social issues related to its products, services, or methods of doing business.

Socially responsive factors considered include:

- Fair and reasonable employment practices, with due consideration of a diverse workforce
- Contributions to the general well-being of the citizens of its host communities and countries and respect for human rights
- Efforts and strategies to minimize the negative impact of business activities and to preserve the earth's ecological heritage with those environmental policies, practices and procedures that are currently acceptable, or are exhibiting improvement
- Exposure to fossil fuel real assets including oil, gas and coal
- Avoidance of investments in companies that:
    - Manufacture nuclear weapons or other weapons of mass destruction
    - Derive more than 5% of their revenue from the production and sale of non-nuclear weaponry
    - Derive more than 5% of their revenue from the production or sales of tobacco

The portfolio managers perform their own independent review of issuers based on the above factors and every investment the Fund makes is reviewed against these factors (excluding securities issued by the U.S. Government or its agencies). In conducting this review, portfolio managers will seek to understand the business profile of an issuer and to identify any concerns relating to the above factors relative to established industry norms. This review is a fundamental, qualitative analysis based on third-party data, publicly available information and issuer disclosures and is not based on any pre-established quantitative screens with respect to any particular data.

With respect to "fair and reasonable employment practices," the portfolio managers will assess whether a company has public labor relations issues, such as lawsuits, workplace accidents, or union-related disputes. In considering a company's "contribution to the general well-being of citizens," the portfolio managers assess whether a company has existing conflicts or controversies with the communities or citizens thereof in which it operates. Similarly, in assessing whether a company's business activities have a "negative impact," the portfolio managers review whether a company has had disclosed or public controversies or conflicts with respect to its local environment.

The Fund also assesses control of or exposure to fossil fuel real assets by evaluating a company's ownership interest in oil, gas, and/or coal assets and to what degree the company's business is dependent on the extraction, transportation, processing, and/or distribution of oil, gas, and/or coal. In making these assessments, the portfolio managers may review sources of revenue, capital expense, planned and implemented investments, company strategic direction or other relevant factors.

Socially responsive factors are not the exclusive considerations in investment decisions but companies that are not, in the view of the portfolio managers, satisfying the above factors -- or making efforts to satisfy the above factors -- consistent with applicable industry norms will not be purchased. These portfolio restrictions are based on the belief that a company will benefit from being socially responsive by enabling it to better position itself in developing business opportunities while avoiding liabilities that may be incurred when a product or service is determined to have a negative social impact.

The portfolio managers use their best efforts to assess a company's environmental and social performance. The portfolio managers monitor the related progress or deterioration of each company in which the Socially Responsive Fund invests. The Trustees monitor the socially responsive criteria used by the Socially Responsive Fund, and the portfolio managers may, upon approval of the Trustees, change the criteria used to rate the environmental and social performance of an issuer without prior notice or approval by shareholders.

While the application of the Socially Responsive Fund's socially responsive criteria may preclude some companies with strong earnings and growth potential, the portfolio managers believe that there are sufficient investment opportunities among those companies that satisfy the socially responsive criteria to meet the Socially Responsive Fund's investment objective.

*Equity Securities.* Investors should realize that risk of loss is inherent in the ownership of any securities and that the NAV of the Socially Responsive Fund will fluctuate, reflecting fluctuations in the market value of its portfolio positions.

*Common Stocks.* The Socially Responsive Fund may purchase common stocks. Common stocks are shares of a corporation or other entity that entitle the holder to a pro rata share of the profits of the corporation, if any, without preference over any other shareholder or class of shareholders, including holders of the entity's preferred stock and other senior equity. Common stock usually carries with it the right to vote and frequently an exclusive right to do so. Common stocks include securities issued by limited partnerships, limited liability companies, business trusts and companies organized outside the United States.

Common stocks do not represent an obligation of the issuer. The issuance of debt securities or preferred stock by an issuer will create prior claims which could adversely affect the rights of holders of common stock with respect to the assets of the issuer upon liquidation or bankruptcy.

*Convertible Securities.* The Socially Responsive Fund may invest in convertible securities. A convertible security is a bond, debenture, note, preferred stock or other security that may be converted into or exchanged for a prescribed amount of common stock of the same or a different issuer within a particular period of time at a specified price or formula. A convertible security entitles the holder to receive interest paid or accrued on debt or the dividend paid on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Before conversion or exchange, convertible securities ordinarily provide a stream of income with generally higher yields than those of common stocks of the same or similar issuers, but lower than the yield of nonconvertible debt. Convertible securities are usually subordinated to comparable-tier nonconvertible securities but rank senior to common stock in a corporation's capital structure.

The value of a convertible security is a function of (1) its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege and (2) its worth, at market value, if converted or exchanged into the underlying common stock. A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument, which may be less than the ultimate conversion or exchange value.

Convertible securities are subject both to the stock market risk associated with equity securities and to the credit and interest rate risks associated with fixed income securities. As the market price of the equity security underlying a convertible security falls, the convertible security tends to trade on the basis of its yield and other fixed income characteristics. As the market price of such equity security rises, the convertible security tends to trade on the basis of its equity conversion features.

*Preferred Stock.* The Socially Responsive Fund may invest in preferred stocks. Preferred stock pays dividends at a specified rate and generally has preference over common stock in the payment of dividends and the liquidation of the issuer's assets, but is junior to the debt securities of the issuer in those same respects. Unlike interest payments on debt securities, dividends on preferred stock are generally payable at the discretion of the issuer's board of directors. Holders of preferred stock may suffer a loss of value if dividends are not paid. The market prices of preferred stocks are subject to changes in interest rates and are more sensitive to changes in the issuer's creditworthiness than are the prices of debt securities. Generally, under normal circumstances, preferred stock does not carry voting rights. Upon liquidation, preferred stocks are entitled to a specified liquidation preference, which is generally the same as the par or stated value, and are senior in right of payment to common stock. Preferred stocks are, however, equity securities in the sense that they do not represent a liability of the issuer and, therefore, do not offer as great a degree of protection of capital or assurance of continued income as investments in corporate debt securities. In addition, preferred stocks are subordinated in right of payment to all debt obligations and creditors of the issuer, and convertible preferred stocks may be subordinated to other preferred stock of the same issuer.

*Warrants.* The Socially Responsive Fund may invest in warrants, which provide the Socially Responsive Fund with the right to purchase other securities of the issuer at a later date. The Socially Responsive Fund has undertaken that its investment in warrants, valued at the lower of cost or market, will not exceed 5% of the value of its net assets and not more than 2% of such assets will be invested in warrants which are not listed on the NYSE. Warrants acquired by the Socially Responsive Fund in units or attached to securities will be deemed to be without value for purposes of this restriction.

Warrants are subject to the same market risks as stocks, but may be more volatile in price. Because investing in warrants can provide a greater potential for profit or loss than an equivalent investment in the underlying security, warrants involve leverage and are considered speculative investments. At the time of issuance of a warrant, the cost is generally substantially less than the cost of the underlying security itself, and therefore, the investor is able to gain exposure to the underlying security with a relatively low capital investment. Price movements in the underlying security are generally magnified in the price movements of the warrant, although changes in the market value of the warrant may not necessarily correlate to the prices of the underlying security. The Socially Responsive Fund's investment in warrants will not entitle it to receive dividends or exercise voting rights and will become worthless if the warrants cannot be profitably exercised before the expiration dates.

*Real Estate Investment Trusts.* The Socially Responsive Fund may invest without limitation in shares of real estate investment trusts ("REITs"), which are pooled investment vehicles that invest in real estate or real estate loans or interests. REITs are generally classified as equity REITs, mortgage REITs or a combination of equity and mortgage (hybrid) REITs. Equity REITs invest the majority of their assets directly in real property and derive income primarily from the collection of rents. Equity REITs can also realize capital gains by selling properties that have appreciated in value. Mortgage REITs invest the majority of their assets in real estate mortgages and derive income from the collection of interest payments. A mortgage REIT can make construction, development or long-term mortgage loans, which are sensitive to the credit quality of the borrower. Hybrid REITs combine the characteristics of both equity and mortgage trusts, generally by holding both ownership interests and mortgage interests in real estate. U.S. REITs are not taxed on income distributed to shareholders provided they comply with the applicable requirements of the Code. Debt securities issued by REITs, for the most part, are general and unsecured obligations and are subject to risks associated with REITs. Like mutual funds, REITs have expenses, including advisory and administration fees paid by REIT shareholders and, as a result, an investor is subject to a duplicate level of fees if the Socially Responsive Fund invests in REITs.

Investing in REITs involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. An equity REIT may be affected by changes in the value of the underlying properties owned by the REIT. A mortgage REIT may be affected by changes in interest rates and the ability of the issuers of its portfolio mortgages to repay their obligations. REITs are dependent upon the skills of their managers and are not diversified. REITs are generally dependent upon maintaining cash flows to repay borrowings and to make distributions to shareholders and are subject to the risk of default by lessees and borrowers. REITs whose underlying assets are concentrated in properties used by a particular industry, such as health care, are also subject to industry related risks.

REITs (especially mortgage REITs) are also subject to interest rate risks. When interest rates decline, the value of a REIT's investment in fixed income obligations can be expected to rise. Conversely, when interest rates rise, the value of a REIT's investment in fixed rate obligations can be expected to decline. If the REIT invests in adjustable rate mortgage loans (the interest rates on which are reset periodically) yields on a REIT's investments in such loans will gradually align themselves to reflect changes in market interest rates. This causes the value of such investments to fluctuate less dramatically in response to interest rate fluctuations than would investments in fixed rate obligations. REITs may have limited financial resources, may trade less frequently and in a limited volume and may be subject to more abrupt or erratic price movements than larger company securities.

The values of securities issued by REITs are affected by tax and regulatory requirements and by perceptions of management skill. They are also subject to heavy cash flow dependency, defaults by borrowers or tenants, self-liquidation, the possibility of failing to qualify for the ability to avoid tax by satisfying distribution requirements under the Code, and failing to maintain exemption from the 1940 Act. Also, the Socially Responsive Fund will indirectly bear its proportionate share of expenses incurred by REITs in which the Socially Responsive Fund invests. REITs are also sensitive to factors such as changes in real estate values and property taxes, interest rates, overbuilding and creditworthiness of the issuer.

*Investment in Other Investment Company Securities.* The Socially Responsive Fund may invest in the securities of other investment companies, which can include open-end funds, closed-end funds and unregistered investment companies, subject to the limits set forth in the 1940 Act that apply to these types of investments. Investments in other investment companies are subject to the risks of the securities in which those investment companies invest. In addition, to the extent the Socially Responsive Fund invests in securities of other investment companies, Socially Responsive Fund shareholders would indirectly pay a portion of the operating costs of such companies in addition to the expenses of the Socially Responsive Fund's own operation. These costs include management, brokerage, shareholder servicing and other operational expenses.

Section 12(d)(1)(A) of the 1940 Act normally prohibits a fund from purchasing (1) more than 3% of the total outstanding voting stock of another fund; (2) securities of another fund having an aggregate value in excess of 5% of the value of the acquiring fund; and (3) securities of the other fund and all other funds having an aggregate value in excess of 10% of the value of the total assets of the acquiring fund. There are some exceptions, however, to these limitations within the 1940 Act and pursuant to various rules promulgated by the SEC. For example, the SEC has adopted Rule 12d1-4 under the

1940 Act. Subject to certain conditions on both the acquired fund and acquiring fund, Rule 12d1-4 provides an exemption that permits the acquiring fund to invest in the securities of other registered investment companies in excess of the limits of Section 12(d)(1) of the 1940 Act.

The Socially Responsive Fund may invest in shares of mutual funds or unit investment trusts that are traded on a stock exchange, called exchange-traded funds ("ETFs"). Typically, an ETF seeks to track the performance of an index, such as the S&P 500® Index, the NASDAQ-100 Index, the Barclays Treasury Bond Index, or more narrow sector or foreign indexes, by holding in its portfolio either the same securities that comprise the index, or a representative sample of the index. Investing in an ETF will give the Socially Responsive Fund exposure to the securities comprising the index on which the ETF is based.

Unlike shares of typical mutual funds or unit investment trusts, shares of ETFs are designed to be traded throughout the trading day, bought and sold based on market prices rather than NAV. Shares can trade at either a premium or discount to NAV. However, the portfolios held by index-based ETFs are publicly disclosed on each trading day, and an approximation of actual NAV is disseminated throughout the trading day. Because of this transparency, the trading prices of index-based ETFs tend to closely track the actual NAV of the underlying portfolios and the Socially Responsive Fund will generally gain or lose value depending on the performance of the index. However, gains or losses on the Socially Responsive Fund's investment in ETFs will ultimately depend on the purchase and sale price of the ETF. In the future, as new products become available, the Socially Responsive Fund may invest in ETFs that are actively managed. Actively managed ETFs will likely not have the transparency of index-based ETFs and, therefore, may be more likely to trade at a larger discount or premium to actual NAVs.

The Socially Responsive Fund may invest in closed-end funds, which hold securities of U.S. and/or non-U.S. issuers. Because shares of closed-end funds trade on an exchange, investments in closed-end funds may entail the additional risk that the discount from NAV could increase while the Socially Responsive Fund holds the shares.

*Fixed Income Securities.* The Socially Responsive Fund may invest in certain debt and fixed income securities.

These securities share three principal risks: First, the level of interest income generated by the Socially Responsive Fund's fixed income investments may decline due to a decrease in market interest rates. When fixed income securities mature or are sold, they may be replaced by lower-yielding investments. Second, their values fluctuate with changes in interest rates. A decrease in interest rates will generally result in an increase in the value of the Socially Responsive Fund's fixed income investments. Conversely, during periods of rising interest rates, the value of the Socially Responsive Fund's fixed income investments will generally decline. However, a change in interest rates will not have the same impact on all fixed rate securities. For example, the magnitude of these fluctuations will generally be greater for a security whose duration or maturity is longer. Changes in the value of portfolio securities will not affect interest income from those securities, but will be reflected in the Socially Responsive Fund's NAV. The Socially Responsive Fund's investments in fixed income securities with longer terms to maturity or greater duration are subject to greater volatility than the Socially Responsive Fund's shorter-term securities. The volatility of a security's market value will differ depending upon the security's duration, the issuer and the type of instrument. Third, certain fixed income securities are subject to credit risk, which is the risk that an issuer of securities will be unable to pay principal and interest when due, or that the value of the security will suffer because investors believe the issuer is unable to pay.

*Issuer Risk.* The value of fixed income securities issued by corporations may decline for a number of reasons which directly relate to the issuer such as management performance, financial leverage or reduced demand for the issuer's goods and services.

*Interest Rate Risk.* When interest rates decline, the market value of fixed income securities tends to increase. Conversely, when interest rates increase, the market value of fixed income securities tends to decline. The volatility of a security's market value will differ depending upon the security's duration, the issuer and the type of instrument.

*Default Risk/Credit Risk.* Investments in fixed income securities are subject to the risk that the issuer of the security could default on its obligations, causing the Socially Responsive Fund to sustain losses on such investments. A default could impact both interest and principal payments.

*Call Risk and Extension Risk.* Fixed income securities may be subject to both call risk and extension risk. Call risk exists when the issuer may exercise its right to pay principal on an obligation earlier than scheduled, which would cause cash flows to be returned earlier than expected. This typically results when interest rates have declined and the Socially Responsive Fund will suffer from having to reinvest in lower yielding securities. Extension risk exists when the issuer may exercise its right to pay principal on an obligation later than scheduled, which would cause cash flows to be returned later than expected. This typically results when interest rates have increased, and the Socially Responsive Fund will suffer from the inability to invest in higher yield securities.

*Below Investment Grade Fixed Income Securities.* A description of the ratings used by Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings, a division of S&P Global Inc. ("S&P") is set forth in Appendix A. Securities which are rated BBB by S&P or Baa by Moody's are generally regarded as having adequate capacity to pay interest and repay principal, but may have some speculative characteristics. Securities rated below BBB by S&P or Baa by Moody's are considered to have speculative characteristics, including the possibility of default or bankruptcy of the issuers of such securities, market price volatility based upon interest rate sensitivity, questionable creditworthiness and relative liquidity of the secondary trading market. Because high yield bonds have been found to be more sensitive to adverse economic changes or individual corporate developments and less sensitive to interest rate changes than higher-rated investments, an economic downturn could disrupt the market for high yield bonds and adversely affect the value of outstanding bonds and the ability of issuers to repay principal and interest. In addition, in a declining interest rate market, issuers of high yield bonds may exercise redemption or call provisions, which may force the Socially Responsive Fund, to the extent it owns such securities, to replace those securities with lower yielding securities. This could result in a decreased return.

*Investment Grade Categories.* Fixed income securities rated in the highest four ratings categories for long-term debt by a Nationally Recognized Statistical Rating Organization ("NRSRO") are considered "investment grade." Obligations rated in the lowest of the top four ratings (*e.g.*, BBB by S&P or Baa by Moody's) are considered to have some speculative characteristics. Unrated securities will be considered to be investment grade if deemed by the Advisor to be comparable in quality to instruments so rated, or if other outstanding obligations of the issuer of such securities are rated BBB/Baa or better. A description of the ratings by Moody's and S&P is set forth in Appendix A of this SAI.

*Corporate Debt Obligations.* The Socially Responsive Fund may invest in corporate debt obligations and zero coupon securities issued by financial institutions and corporations. Corporate debt obligations are subject to the risk of an issuer's inability to meet principal and interest payments on the obligations and may also be subject to price volatility due to such factors as market interest rates, market perception of the creditworthiness of the issuer and general market liquidity. Zero coupon securities are securities sold at a discount to par value and on which interest payments are not made during the life of the security. Because zero coupon bonds do not pay current interest in cash, these securities are subject to greater credit risk and greater fluctuation in value in response to changes in market interest rates than debt obligations that pay interest currently.

*Mortgage-Backed and Asset-Backed Securities.* The Socially Responsive Fund may purchase fixed or adjustable rate mortgage-backed securities ("MBS") issued by the Government National Mortgage Association ("Ginnie Mae"), Fannie Mae (formally known as the Federal National Mortgage Association) or Freddie Mac (formally known as the Federal Home Loan Mortgage Corporation), and other asset-backed securities ("ABS"), including securities backed by automobile loans, equipment leases or credit card receivables. Ginnie Mae is a wholly owned U.S. government corporation within the Department of Housing and Urban Development. The mortgage-backed securities guaranteed by Ginnie Mae are backed by the full faith and credit of the United States. Fannie Mae and Freddie Mac are stockholder-owned companies chartered by Congress. Fannie Mae and Freddie Mac guarantee the securities they issue as to timely payment of principal and interest, but such guarantee is not backed by the full faith and credit of the United States. These securities directly or indirectly represent a participation in, or are secured by and payable from, fixed or adjustable rate mortgage or other loans which may be secured by real estate or other assets. Unlike traditional debt instruments, payments on these securities include both interest and a partial payment of principal. Prepayments of the principal of underlying loans may shorten the effective maturities of these securities and may result in the Socially Responsive Fund having to reinvest proceeds at a lower interest rate. The Socially Responsive Fund may also purchase collateralized mortgage obligations, which are a type of bond secured by an underlying pool of mortgages, or mortgage pass-through certificates that are structured to direct payments on underlying collateral to different series or classes of the obligations.

MBS may be issued by private companies or by agencies of the U.S. government and represent direct or indirect participations in, or are collateralized by and payable from, mortgage loans secured by real property. ABS represent participations in, or are secured by and payable from, assets such as installment sales or loan contracts, leases, credit card receivables and other categories of receivables. Certain debt instruments may only pay principal at maturity or may only represent the right to receive payments of principal or payments of interest on underlying pools of mortgages, assets or government securities, but not both. The value of these types of instruments may change more drastically than debt securities that pay both principal and interest. The Socially Responsive Fund may obtain a below market yield or incur a loss on such instruments during periods of declining interest rates. Principal only and interest only instruments are subject to extension risk. For mortgage derivatives and structured securities that have imbedded leverage features, small changes in interest or prepayment rates may cause large and sudden price movements. Mortgage derivatives can also become illiquid and hard to value in declining markets. Certain MBS or ABS may provide, upon the occurrence of certain triggering events or defaults, for the investors to become the holders of the underlying assets. In that case, the Socially Responsive Fund may become the holder of securities that it could not otherwise purchase, based on its investment strategies or its investment restrictions and limitations, at a time when such securities may be difficult to dispose of because of adverse market conditions.

Commercial banks, savings and loan institutions, mortgage bankers and other secondary market issuers, such as dealers, create pass-through pools of conventional residential mortgage loans. Such issuers also may be the originators of the underlying mortgage loans. Pools created by such non-governmental issuers generally offer a higher rate of interest than government and government-related pools because there are no direct or indirect government guarantees of payments with respect to such pools. However, timely payment of interest and principal of these pools is supported by various forms of insurance or guarantees, including individual loan, title, pool and hazard insurance. There can be no assurance that the private insurers can meet their obligations under the policies. The Socially Responsive Fund may buy mortgage-related securities without insurance or guarantees if, through an examination of the loan experience and practices of the persons creating the pools, the Advisor determines that the securities are an appropriate investment for the Socially Responsive Fund.

*When-Issued and Delayed Delivery Transactions.* In order to secure yields or prices deemed advantageous at the time, the Socially Responsive Fund may purchase or sell securities on a when-issued or delayed-delivery basis. The Socially Responsive Fund will enter into a when-issued transaction for the purpose of acquiring portfolio securities and not for the purpose of leverage. In when-issued or delayed-delivery transactions, delivery of the securities occurs beyond normal settlement periods, but no payment or delivery will be made by the Socially Responsive Fund prior to the actual delivery or payment by the other party to the transaction. The Socially Responsive Fund will not accrue income with respect to a when-issued or delayed-delivery security prior to its stated delivery date. In entering into a when-issued or delayed-delivery transaction, the Socially Responsive Fund relies on the other party to consummate the transaction and may be disadvantaged if the other party fails to do so.

*Other Fixed Income Securities.* The Socially Responsive Fund may also invest in other types of fixed income securities which are subordinated or "junior" to more senior securities of the issuer, or which represent interests in pools of such subordinated or junior securities. Such securities may include preferred stock. Under the terms of subordinated securities, payments that would otherwise be made to their holders may be required to be made to the holders of more senior securities, and/or the subordinated or junior securities may have junior liens, if they have any rights at all, in any collateral (meaning proceeds of the collateral are required to be paid first to the holders of more senior securities). As a result, subordinated or junior securities will be disproportionately adversely affected by a default or even a perceived decline in creditworthiness of the issuer.

*Credit Ratings.* The Socially Responsive Fund's compliance with its investment restrictions and limitations is usually determined at the time of investment. If the credit rating on a security is downgraded or the credit quality deteriorates after purchase by the Socially Responsive Fund, or if the maturity of a security is extended after purchase by the Socially Responsive Fund, the Advisor will decide whether the security should be held or sold. Certain MBS or ABS may provide, upon the occurrence of certain triggering events or defaults, for the investors to become the holders of the underlying assets. In that case, the Socially Responsive Fund may become the holder of securities that it could not otherwise purchase, based on its investment strategies or its investment restrictions and limitations, at a time when such securities may be difficult to dispose of because of adverse market conditions.

*Floating and Variable Rate Income Securities.* The Socially Responsive Fund may invest in floating and variable rate income securities. Income securities may provide for floating or variable rate interest or dividend payments. The floating or variable rate may be determined by reference to a known lending rate, such as a bank's prime rate, a certificate of deposit ("CD") or the London Inter-Bank Offered Rate ("LIBOR"). Alternatively, the rate may be determined through an auction or remarketing process. The rate also may be indexed to changes in the values of interest rate or securities indexes, currency exchange rates or other commodities. The amount by which the rate paid on an income security may increase or decrease may be subject to periodic or lifetime caps. Floating and variable rate income securities include securities whose rates vary inversely with changes in market rates of interest. Such securities may also pay a rate of interest determined by applying a multiple to the variable rate. The extent of increases and decreases in the value of securities whose rates vary inversely with changes in market rates of interest generally will be larger than comparable changes in the value of an equal principal amount of a fixed rate security having similar credit quality, redemption provisions and maturity. Such securities include variable rate master demand notes.

*Zero Coupon, Discount and Payment-in-kind Securities.* The Socially Responsive Fund may invest in "zero coupon" and other deep discount securities of governmental or private issuers. Zero coupon securities generally pay no cash interest (or dividends in the case of preferred stock) to their holders prior to maturity. Accordingly, such securities usually are issued and traded at a deep discount from their face or par value and generally are subject to greater fluctuations of market value in response to changing interest rates than securities of comparable maturities and credit quality that pay cash interest (or dividends in the case of preferred stock) on a current basis.

The values of these securities may be highly volatile as interest rates rise or fall. In addition, the Socially Responsive Fund's investments in zero coupon securities will result in special tax consequences. Although zero coupon securities do not make interest payments, for tax purposes, a portion of the difference between a zero coupon security's stated redemption price at maturity and its issue price is taxable income of the Socially Responsive Fund each year. The value of zero coupon bonds is subject to greater fluctuation in market value in response to changes in market interest rates than bonds of comparable maturity which pay interest currently. Zero coupon bonds allow an issuer to avoid the need to generate cash to meet current interest payments. Accordingly, such bonds may involve greater credit risks than bonds that pay interest currently. Even though such bonds do not pay current interest in cash, the Socially Responsive Fund is nonetheless required to accrue interest income on such investments and to distribute such amounts at least annually to shareholders. Accordingly, for the Socially Responsive Fund to continue to qualify for tax treatment as a RIC and to avoid income and possibly excise tax, the Socially Responsive Fund may be required to distribute as a dividend an amount that is greater than the total amount of cash it actually receives. These distributions must be made from the Socially Responsive Fund's cash assets or, if necessary, from the proceeds of sales of portfolio securities. The Socially Responsive Fund will not be able to purchase additional income-producing securities with cash used to make such distributions and its current income ultimately may be reduced as a result.

*U.S. Government Securities.* The Socially Responsive Fund may invest in U.S. government securities, which include (1) U.S. Treasury bills (maturity of one year or less), U.S. Treasury notes (maturity of one to ten years) and U.S. Treasury bonds (maturities generally greater than ten years) and (2) obligations issued or guaranteed by U.S. government agencies or instrumentalities which are supported by any of the following: (a) the full faith and credit of the U.S. government; (b) the right of the issuer to borrow an amount limited to specific line of credit from the U.S. government (such as obligations of the Federal Home Loan Banks); (c) the discretionary authority of the U.S. government to purchase certain obligations of agencies or instrumentalities (such as securities issued by Fannie Mae); or (d) only the credit of the instrumentality (such as securities issued by Freddie Mac). In the case of obligations not backed by the full faith and credit of the United States, the Socially Responsive Fund must look principally to the agency or instrumentality issuing or guaranteeing the obligation for ultimate repayment and may not be able to assert a claim against the U.S. government itself in the event the agency or instrumentality does not meet its commitments. Therefore, the Socially Responsive Fund will invest in obligations issued by such an instrumentality only if the Socially Responsive Fund's Advisor determines the credit risk with respect to the instrumentality does not make its securities unsuitable for investment by the Socially Responsive Fund. Neither the U.S. government nor any of its agencies or instrumentalities guarantees the market value of the securities they issue. Therefore, the market value of such securities will fluctuate in response to changes in interest rates.

*Short-Term Investments.* When the portfolio managers believe that a defensive investment posture is warranted or when attractive investment opportunities do not exist, the Socially Responsive Fund may temporarily invest all or a portion of its assets in short-term money market instruments. The money market instruments in which the Socially Responsive Fund may invest are U.S. government securities, certificates of deposit ("CDs"), time deposits ("TDs") and bankers' acceptances issued by domestic banks (including their branches located outside the United States and subsidiaries located in Canada), domestic branches of foreign banks, savings and loan associations and other banking institutions having total assets in excess of $500 million; high grade commercial paper; and repurchase agreements with respect to the foregoing types of instruments. To the extent the Socially Responsive Fund is investing in short-term investments as a temporary defensive posture, the Socially Responsive Fund's investment objective may not be achieved. CDs are short-term negotiable obligations of commercial banks. TDs are non-negotiable deposits maintained in banking institutions for specified periods of time at stated interest rates. Bankers' acceptances are time drafts drawn on commercial banks by borrowers usually in connection with international transactions.

Domestic commercial banks organized under federal law are supervised and examined by the Comptroller of the Currency (the "COTC") and are required to be members of the Federal Reserve System and to be insured by the Federal Deposit Insurance Corporation (the "FDIC"). Domestic banks organized under state law are supervised and examined by state banking authorities but are members of the Federal Reserve System only if they elect to join. Most state banks are insured by the FDIC (although such insurance may not be of material benefit to the Socially Responsive Fund, depending upon the principal amount of CDs of each bank held by the Socially Responsive Fund) and are subject to federal examination and to a substantial body of federal law and regulation. As a result of governmental regulations, domestic branches of domestic banks are, among other things, generally required to maintain specified levels of reserves, and are subject to other supervision and regulation.

Obligations of foreign branches of domestic banks, such as CDs and TDs, may be general obligations of the parent bank in addition to the issuing branch or may be limited by the terms of a specific obligation and government regulation. Such obligations are subject to different risks than are those of domestic banks or domestic branches of foreign banks. These risks include foreign economic and political developments, foreign governmental restrictions that may adversely affect payment of principal and interest on the obligations, foreign exchange controls and foreign withholding and other taxes on interest income. Foreign branches of domestic banks are not necessarily subject to the same or similar regulatory requirements that apply to domestic banks, such as mandatory reserve requirements, loan limitations, and accounting, auditing and financial recordkeeping requirements. In addition, less information may be publicly available about a foreign branch of a domestic bank than about a domestic bank.

Obligations of domestic branches of foreign banks may be general obligations of the parent bank in addition to the issuing branch, or may be limited by the terms of a specific obligation and by governmental regulation as well as governmental action in the country in which the foreign bank has its head office. A domestic branch of a foreign bank with assets in excess of $1 billion may or may not be subject to reserve requirements imposed by the Federal Reserve System or by the state in which the branch is located if the branch is licensed in that state. In addition, branches licensed by the COTC and branches licensed by certain states ("State Branches") may or may not be required to: (a) pledge to the regulator by depositing assets with a designated bank within the state, an amount of its assets equal to 5% of its total liabilities; and (b) maintain assets within the state in an amount equal to a specified percentage of the aggregate amount of liabilities of the foreign bank payable at or through all of its agencies or branches within the state. The deposits of State Branches may not necessarily be insured by the FDIC. In addition, there may be less publicly available information about a domestic branch of a foreign bank than about a domestic bank.

In view of the foregoing factors associated with the purchase of CDs and TDs issued by foreign branches of domestic banks or by domestic branches of foreign banks, the Advisor will carefully evaluate such investments on a case-by-case basis.

*Commercial Paper.* Commercial paper consists of short-term (usually from 1 to 270 days) unsecured promissory notes issued by corporations in order to finance their current operations. The Socially Responsive Fund may invest in short-term debt obligations of issuers that at the time of purchase are rated A-2, A-1 or A-1+ by S&P or Prime-2 or Prime-1 by Moody's or, if unrated, are issued by companies having an outstanding unsecured debt issue currently rated within the two highest ratings of S&P or Moody's.

*Variable Rate Demand Notes.* The Socially Responsive Fund may invest in variable rate master demand notes, which typically are issued by large corporate borrowers providing for variable amounts of principal indebtedness and periodic adjustments in the interest rate according to the terms of the instrument. Variable rate demand notes are direct lending arrangements between the Socially Responsive Fund and an issuer, and are not normally traded in a secondary market. The Socially Responsive Fund, however, may demand payment of principal and accrued interest at any time. In addition, while variable rate demand notes generally are not rated, their issuers must satisfy the same criteria as those set forth above for issuers of commercial paper. The Advisor will consider the earning power, cash flow and other liquidity ratios of issuers of variable rate demand notes and continually will monitor their financial ability to meet payment on demand.

*Derivatives.* Rule 18f-4 under the 1940 Act (the "Derivatives Rule") provides a comprehensive framework for the Socially Responsive Fund's use of derivatives. The Derivatives Rule requires registered investment companies that enter into derivatives transactions and certain other transactions that create future payment or delivery obligations to, among other things, (i) comply with a value-at-risk ("VaR") leverage limit, and (ii) adopt and implement a comprehensive written derivatives risk management program. These and other requirements apply unless the Fund qualifies as a "limited derivatives user," which the Derivatives Rule defines as a fund that limits its derivatives exposure to 10% of its net assets. Each Fund qualifies as a limited derivatives user. Complying with the Derivatives Rule may increase the cost of the Fund's investments and cost of doing business.

The Socially Responsive Fund may utilize a variety of transactions using derivatives, such as futures and options on securities or securities indexes and options on these futures and interest rate futures (collectively, "Financial Instruments"). The Socially Responsive Fund may use Financial Instruments as a hedging technique in an attempt to manage risk in the Socially Responsive Fund's portfolio, as a substitute for buying or selling securities and as a cash flow management technique. The Socially Responsive Fund may choose not to make use of derivatives for a variety of reasons, and no assurance can be given that any derivatives strategy employed will be successful.

The use of Financial Instruments may be limited by applicable law and any applicable regulations of the SEC, the Commodity Futures Trading Commission (the "CFTC"), or the exchanges on which some Financial Instruments may be traded. (Note, however, that some Financial Instruments that the Socially Responsive Fund may use may not be listed on any exchange and may not be regulated by the SEC or the CFTC.) In addition, the Socially Responsive Fund's ability to use Financial Instruments may be limited by tax considerations.

In addition to the instruments and strategies discussed in this section, the Advisor may discover additional opportunities in connection with Financial Instruments and other similar or related techniques. These opportunities may become available as the Advisor develops new techniques, as regulatory authorities broaden the range of permitted transactions and as new Financial Instruments or other techniques are developed. The Advisor may utilize these opportunities and techniques to the extent that they are consistent with the Socially Responsive Fund's investment objective and permitted by its investment limitations and applicable regulatory authorities. These opportunities and techniques may involve risks different from or in addition to those summarized herein.

This discussion is not intended to limit the Socially Responsive Fund's investment flexibility, unless such a limitation is expressly stated, and therefore will be construed by the Socially Responsive Fund as broadly as possible. Statements concerning what the Socially Responsive Fund may do are not intended to limit any other activity. Also, as with any investment or investment technique, even when the Prospectus or this discussion indicates that the Socially Responsive Fund may engage in an activity, it may not actually do so for a variety of reasons, including cost considerations.

*Additional Financial Instrument Risks*. The use of Financial Instruments involves special considerations and risks, certain of which are summarized below, and may result in losses to the Socially Responsive Fund. In general, the use of Financial Instruments may increase the volatility of the Socially Responsive Fund and may involve a small investment of cash relative to the magnitude of the risk or exposure assumed. Even a small investment in derivatives may magnify or otherwise increase investment losses to the Socially Responsive Fund. As noted above, there can be no assurance that any derivatives strategy will succeed.

- Financial Instruments are subject to the risk that the market value of the derivative itself or the market value of underlying instruments will change in a way adverse to the Socially Responsive Fund's interest. Many Financial Instruments are complex, and successful use of them depends in part upon the Advisor's ability to forecast correctly future market trends and other financial or economic factors or the value of the underlying security, index, interest rate, currency or other instrument or measure. Even if the Advisor's forecasts are correct, other factors may cause distortions or dislocations in the markets that result in unsuccessful transactions. Financial Instruments may behave in unexpected ways, especially in abnormal or volatile market conditions.

- The Socially Responsive Fund's ability to close out or unwind a position in a Financial Instrument prior to expiration or maturity depends on the existence of a liquid market or, in the absence of such a market, the ability and willingness of the other party to the transaction (the "counterparty") to enter into a transaction closing out the position. If there is no market or the Socially Responsive Fund is not successful in its negotiations, the Socially Responsive Fund may not be able to sell or unwind the derivative position at a particular time or at an anticipated price. This may also be the case if the counterparty to the Financial Instrument becomes insolvent. The Socially Responsive Fund may be required to make delivery of portfolio securities or other assets underlying a Financial Instrument in order to close out a position or to sell portfolio securities or assets at a disadvantageous time or price in order to obtain cash to close out the position. While the position remains open, the Socially Responsive Fund continues to be subject to investment risk on the Financial Instrument. The Socially Responsive Fund may or may not be able to take other actions or enter into other transactions, including hedging transactions, to limit or reduce its exposure to the Financial Instrument.

- Certain Financial Instruments transactions may have a leveraging effect on the Socially Responsive Fund, and adverse changes in the value of the underlying security, index, interest rate, currency or other instrument or measure can result in losses substantially greater than the amount invested in the Financial Instrument itself. When the Socially Responsive Fund engages in transactions that have a leveraging effect, the value of the Socially Responsive Fund is likely to be more volatile and all other risks also are likely to be compounded. This is because leverage generally magnifies the effect of any increase or decrease in the value of an asset and creates investment risk with respect to a larger pool of assets than the Socially Responsive Fund would otherwise have. Certain Financial Instruments have the potential for unlimited loss, regardless of the size of the initial investment.

- Many Financial Instruments may be difficult to value, which may result in increased payment requirements to counterparties or a loss of value to the Socially Responsive Fund.

- Liquidity risk exists when a particular Financial Instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid, the Socially Responsive Fund may be unable to initiate a transaction or liquidate a position at an advantageous time or price. Certain Financial Instruments, including certain over-the-counter ("OTC") options and swaps, may be considered illiquid and therefore subject to the Socially Responsive Fund's limitation on illiquid investments.

- In a hedging transaction there may be imperfect correlation, or even no correlation, between the identity, price or price movements of a Financial Instrument and the identity, price or price movements of the investments being hedged. This lack of correlation may cause the hedge to be unsuccessful and may result in the Socially Responsive Fund incurring substantial losses and/or not achieving anticipated gains. Even if the strategy works as intended, the Socially Responsive Fund might have been in a better position had it not attempted to hedge at all.

- Financial Instruments used for non-hedging purposes may result in losses which would not be offset by increases in the value of portfolio holdings or declines in the cost of securities or other assets to be acquired. In the event that the Socially Responsive Fund uses a Financial Instrument as an alternative to purchasing or selling other investments or in order to obtain desired exposure to an index or market, the Socially Responsive Fund will be exposed to the same risks as are incurred in purchasing or selling the other investments directly, as well as the risks of the transaction itself.

- Certain Financial Instruments involve the risk of loss resulting from the insolvency or bankruptcy of the counterparty or the failure by the counterparty to make required payments or otherwise comply with the terms of the contract. In the event of default by a counterparty, the Socially Responsive Fund may have contractual remedies pursuant to the agreements related to the transaction, which may be limited by applicable law in the case of the counterparty's bankruptcy.

- Financial Instruments involve operational risk. There may be incomplete or erroneous documentation or inadequate collateral or margin, or transactions may fail to settle. For Financial Instruments not guaranteed by an exchange or clearinghouse, the Socially Responsive Fund may have only contractual remedies in the event of a counterparty default, and there may be delays, costs or disagreements as to the meaning of contractual terms and litigation in enforcing those remedies.

- Certain Financial Instruments transactions, including certain options, swaps, forward contracts, and certain options on foreign currencies, are entered into directly by the counterparties or through financial institutions acting as market makers ("OTC derivatives"), rather than being traded on exchanges or in markets registered with the CFTC or the SEC. Many of the protections afforded to exchange participants will not be available to participants in OTC derivatives transactions. For example, OTC derivatives transactions are not subject to the guarantee of an exchange, and only OTC derivatives that either are required to be cleared or submitted voluntarily for clearing to a clearinghouse will enjoy the protections that central clearing provides against default by the original counterparty to the trade. In an OTC derivatives transaction that is not cleared, the Socially Responsive Fund bears the risk of default by its counterparty. In a cleared derivatives transaction, the Socially Responsive Fund is instead exposed to the risk of default of the clearinghouse and the risk of default of the broker through which it has entered into the transaction. Information available on counterparty creditworthiness may be incomplete or outdated, thus reducing the ability to anticipate counterparty defaults.

- Financial Instruments transactions conducted outside the United States may not be conducted in the same manner as those entered into on U.S. exchanges, and may be subject to different margin, exercise, settlement or expiration procedures. Many of the risks of OTC derivatives transactions are also applicable to Financial Instruments used outside the United States. Financial Instruments used outside the United States also are subject to the risks affecting foreign securities, currencies and other instruments.

- Financial Instruments involving currency are subject to additional risks. Currency related transactions may be negatively affected by government exchange controls, blockages, and manipulations. Exchange rates may be influenced by factors extrinsic to a country's economy. Also, there is no systematic reporting of last sale information with respect to foreign currencies. As a result, the information on which trading in currency derivatives is based may not be as complete as, and may be delayed beyond, comparable data for other transactions.

- Use of Financial Instruments involves transaction costs, which may be significant. Use of Financial Instruments also may increase the amount of taxable income to shareholders.

The Socially Responsive Fund's ability to close out a position in a Financial Instrument prior to expiration or maturity depends on the existence of a liquid secondary market or, in the absence of such a market, the ability and willingness of the counterparty to enter into a transaction closing out the position. Therefore, there is no assurance that any position can be closed out at a time and price that is favorable to the Socially Responsive Fund.

*Options on Securities.* The Socially Responsive Fund may write covered call options and enter into closing transactions with respect thereto. The principal reason for writing covered call options on securities is to attempt to realize, through the receipt of premiums, a greater return than would be realized on the securities alone. In return for a premium, the writer of a covered call option forfeits the right to any appreciation in the value of the underlying security above the strike price for the life of the option (or until a closing purchase transaction can be effected). Nevertheless, the call writer retains the risk of a decline in the price of the underlying security. The size of the premiums the Socially Responsive Fund may receive may be adversely affected as new or existing institutions, including other investment companies, engage in or increase their option-writing activities.

Options written by the Socially Responsive Fund will normally have expiration dates between one and six months from the date written. The exercise price of the options may be below, equal to, or above the current market values of the underlying securities at the times options are written. In the case of call options, these exercise prices are referred to as "in-the-money," "at-the-money" and "out-of-the-money," respectively. The Socially Responsive Fund may write (a) in-the-money call options when the Advisor expects the price of the underlying security to remain flat or decline moderately during the option period, (b) at-the-money call options when the Advisor expects the price of the underlying security to remain flat or advance moderately during the option period and (c) out-of-the-money call options when the Advisor expects that the price of the security may increase but not above a price equal to the sum of the exercise price plus the premiums received from writing the call option. In any of the preceding situations, if the market price of the underlying security declines and the security is sold at this lower price, the amount of any realized loss will be offset wholly or in part by the premium received. Writing out-of-the-money, at-the-money and in-the-money put options (the reverse of call options as to the relation of exercise price to market price) may be utilized in the same market environments as such call options are used in equivalent transactions.

So long as the obligation of the Socially Responsive Fund as the writer of an option continues, the Socially Responsive Fund may be assigned an exercise notice by the broker/dealer through which the option was sold, requiring it to deliver, in the case of a call, or take delivery of, in the case of a put, the underlying security against payment of the exercise price. This obligation terminates when the option expires or the Socially Responsive Fund effects a closing purchase transaction. The Socially Responsive Fund can no longer effect a closing purchase transaction with respect to an option once it has been assigned an exercise notice. To secure its obligation to deliver the underlying security when it writes a call option, or to pay for the underlying security when it writes a put option, the Socially Responsive Fund will be required to deposit in escrow the underlying security or other assets in accordance with the rules of the Options Clearing Corporation ("OCC") or similar clearing corporation and the securities exchange on which the option is written.

An option position may be closed out only where there exists a secondary market for an option of the same series on a recognized securities exchange or in the OTC market. The Socially Responsive Fund expects to write options only on national securities exchanges or in the OTC market. The Socially Responsive Fund may purchase put options issued by the OCC or in the OTC market. The Socially Responsive Fund may realize a profit or loss upon entering into a closing transaction. In cases in which the Socially Responsive Fund has written an option, it will realize a profit if the cost of the closing purchase transaction is less than the premium received upon writing the original option and will incur a loss if the cost of the closing purchase transaction exceeds the premium received upon writing the original option. Similarly, when the Socially Responsive Fund has purchased an option and engages in a closing sale transaction, whether it recognizes a profit or loss will depend upon whether the amount received in the closing sale transaction is more or less than the premium the Socially Responsive Fund initially paid for the original option plus the related transaction costs.

Although the Socially Responsive Fund generally will purchase or write only those options for which the Advisor believes there is an active secondary market so as to facilitate closing transactions, there is no assurance that sufficient trading interest to create a liquid secondary market on a securities exchange will exist for any particular option or at any particular time, and for some options no such secondary market may exist or option may cease to exist. In the past, for example, higher than anticipated trading activity or order flow, or other unforeseen events, have at times rendered certain of the facilities of the OCC and national securities exchanges inadequate and resulted in the institution of special procedures, such as trading rotations, restrictions on certain types of orders or trading halts or suspensions in one or more options. There can be no assurance that similar events, or events that may otherwise interfere with the timely execution of customers' orders, will not recur. In such event, it might not be possible to effect closing transactions in particular options. If, as a covered call option writer, the Socially Responsive Fund is unable to effect a closing purchase transaction in a secondary market, it will not be able to sell the underlying security until the option expires or it delivers the underlying security upon exercise.

Securities exchanges generally have established limitations governing the maximum number of calls and puts of each class which may be held or written, or exercised within certain periods, by an investor or group of investors acting in concert (regardless of whether the options are written on the same or different securities exchanges or are held, written or exercised in one or more accounts or through one or more brokers). It is possible that the Socially Responsive Fund and other clients of the Advisor and certain of its affiliates may be considered to be such a group. A securities exchange may order the liquidation of positions found to be in violation of these limits, and it may impose certain other sanctions.

In the case of options written by the Socially Responsive Fund that are deemed covered by virtue of the Socially Responsive Fund's holding convertible or exchangeable preferred stock or debt securities, the time required to convert or exchange and obtain physical delivery of the underlying common stock with respect to which the Socially Responsive Fund has written options may exceed the time within which the Socially Responsive Fund must make delivery in accordance with an exercise notice. In these instances, the Socially Responsive Fund may purchase or temporarily borrow the underlying securities for purposes of physical delivery. By so doing, the Socially Responsive Fund will not bear any market risk because the Socially Responsive Fund will have the absolute right to receive from the issuer of the underlying security an equal number of shares to replace the borrowed stock, but the Socially Responsive Fund may incur additional transaction costs or interest expenses in connection with any such purchase or borrowing.

Although the Advisor will attempt to take appropriate measures to minimize the risks relating to the Socially Responsive Fund's writing of call options and purchasing of put and call options, there can be no assurance that the Socially Responsive Fund will succeed in its option-writing program.

If positions held by the Socially Responsive Fund were treated as "straddles" for federal income tax purposes, or the Socially Responsive Fund's risk of loss with respect to a position was otherwise diminished as set forth in Treasury regulations, dividends on stocks that are a part of such positions would not constitute qualified dividend income subject to such favorable income tax treatment in the hands of non-corporate shareholders or eligible for the dividends received deduction for corporate shareholders. In addition, generally, straddles are subject to certain rules that may affect the amount, character and timing of the Socially Responsive Fund's gains and losses with respect to straddle positions by requiring, among other things, that: (1) any loss realized on disposition of one position of a straddle may not be recognized to the extent that the Socially Responsive Fund has unrealized gains with respect to the other position in such straddle; (2) the Socially Responsive Fund's holding period in straddle positions be suspended while the straddle exists (possibly resulting in a gain being treated as short-term capital gain rather than long-term capital gain); (3) the losses recognized with respect to certain straddle positions that are part of a mixed straddle and that are not subject to Section 1256 of the Code be treated as 60% long-term and 40% short-term capital loss; (4) losses recognized with respect to certain straddle positions that would otherwise constitute short-term capital losses be treated as long-term capital losses; and (5) the deduction of interest and carrying charges attributable to certain straddle positions may be deferred.

*Stock Index Options.* A stock index fluctuates with changes in the market values of the stocks included in the index. Some stock index options are based on a broad market index such as the NYSE Composite Index or the Canadian Market Portfolio Index, or a narrower market or industry index such as the S&P 100 Index, the NYSE Arca Oil Index or the NYSE Arca Computer Technology Index.

Options on stock indexes are generally similar to options on stock except for the delivery requirements. Instead of giving the right to take or make delivery of stock at a specified price, an option on a stock index gives the holder the right to receive a cash "exercise settlement amount" equal to (a) the amount, if any, by which the fixed exercise price of the option exceeds (in the case of a put) or is less than (in the case of a call) the closing value of the underlying index on the date of exercise, multiplied by (b) a fixed "index multiplier." Receipt of this cash amount will depend upon the closing level of the stock index upon which the option is based being greater than, in the case of a call, or less than, in the case of a put, the exercise price of the option. The amount of cash received will be equal to such difference between the closing price of the index and the exercise price of the option expressed in dollars or a foreign currency, as the case may be, times a specified multiple. The writer of the option is obligated, in return for the premium received, to make delivery of this amount. The writer may offset its position in stock index options prior to expiration by entering into a closing transaction on an exchange or it may let the option expire unexercised.

The effectiveness of purchasing or writing stock index options as a hedging technique will depend upon the extent to which price movements in the portion of the securities portfolio of the Socially Responsive Fund being hedged correlate with price movements of the stock index selected. Because the value of an index option depends upon movements in the level of the index rather than the price of a particular stock, whether the Socially Responsive Fund will realize a gain or loss from the purchase or writing of options on an index depends upon movements in the level of stock prices in the stock market generally or, in the case of certain indexes, in an industry or market segment, rather than movements in the price of a particular stock. Accordingly, successful use by the Socially Responsive Fund of options on stock indexes will be subject to the Advisor's ability to predict correctly movements in the direction of the stock market generally or of a particular industry. This requires different skills and techniques than predicting changes in the price of individual stocks.

*Futures and Options on Futures.* When deemed advisable by the Advisor, the Socially Responsive Fund may enter into interest rate futures contracts, stock index futures contracts and related options that are traded on a domestic exchange or board of trade. These transactions may, but need not, use derivative contracts, such as futures and options on securities or securities indices, options on these futures, and interest rate futures, for the purpose of hedging against the economic impact of adverse changes in the market value of portfolio securities, because of changes in interest rates or stock prices, or as a substitute for buying or selling securities or as a cash flow management technique.

An interest rate futures contract provides for the future sale by the one party and the purchase by the other party of a specified amount of a particular financial instrument (debt security) at a specified price, date, time and place. A stock index futures contract is an agreement pursuant to which two parties agree to take or make delivery of an amount of cash equal to the difference between the value of the index at the close of the last trading day of the contract and the price at which the index contract was originally entered into. Stock index futures contracts are based on indexes that reflect the market value of common stock of the companies included in the indexes. An option on an interest rate or stock index contract gives the purchaser the right, in return for the premium paid, to assume a position in a futures contract (a long position if the option is a call and a short position if the option is a put) at a specified exercise price at any time prior to the expiration date of the option. When the Socially Responsive Fund buys or sells a futures contract, it incurs a contractual obligation to receive or deliver the underlying instrument (or a cash payment based on the difference between the underlying instrument's closing price and the price at which the contract was entered into) at a specified price on a specified date. For example, in the case of stock index futures contracts, if the Socially Responsive Fund anticipates an increase in the price of stocks that it intends to purchase at a later time, the Socially Responsive Fund could enter into contracts to purchase the stock index (known as taking a "long" position) as a temporary substitute for the purchase of stocks. If an increase in the market occurs that influences the stock index as anticipated, the value of the futures contracts increases and thereby serves as a hedge against the Socially Responsive Fund's not participating in a market advance. The Socially Responsive Fund then may close out the futures contracts by entering into offsetting futures contracts to sell the stock index (known as taking a "short" position) as it purchases individual stocks. The Socially Responsive Fund can accomplish similar results by buying securities with long maturities and selling securities with short maturities. But by using futures contracts as an investment tool to reduce risk, given the greater liquidity in the futures market, it may be possible to accomplish the same result more easily and more quickly.

Although futures contracts by their terms call for the delivery or acquisition of the underlying commodities or a cash payment based on the value of the underlying commodities, in most cases the contractual obligation is offset before the delivery date of the contract by buying, in the case of a contractual obligation to sell, or selling, in the case of a contractual obligation to buy, an identical futures contract on a commodities exchange. Such a transaction cancels the obligation to make or take delivery of the commodities. Since all transactions in the futures market are made through a member of, and are offset or fulfilled through a clearinghouse associated with, the exchange on which the contracts are traded, the Socially Responsive Fund will incur brokerage fees when it buys or sells futures contracts.

No consideration will be paid or received by the Socially Responsive Fund upon the purchase or sale of a futures contract. Initially, the Socially Responsive Fund will be required to deposit with the broker an amount of cash or cash equivalents equal to approximately 1% to 10% of the contract amount (this amount is subject to change by the exchange or board of trade on which the contract is traded and brokers or members of such board of trade may charge a higher amount). This amount is known as “initial margin” and is in the nature of a performance bond or good faith deposit on the contract, which is returned to the Socially Responsive Fund upon termination of the futures contract, assuming all contractual obligations have been satisfied. Subsequent payments, known as “variation margin,” to and from the broker, will be made daily as the price of the index or securities underlying the futures contract fluctuates, making the long and short positions in the futures contract more or less valuable, a process known as “marking-to-market.” In addition, when the Socially Responsive Fund enters into a long position in a futures contract or an option on a futures contract, it must maintain an amount of cash or cash equivalents equal to the total market value of the underlying futures contract, less amounts held in the Socially Responsive Fund’s commodity brokerage account at its broker. At any time prior to the expiration of a futures contract, the Socially Responsive Fund may elect to close the position by taking an opposite position, which will operate to terminate the Socially Responsive Fund’s existing position in the contract.

Positions in futures contracts may be closed out only on the exchange on which they were entered into (or through a linked exchange) and no secondary market exists for those contracts. In addition, there is no assurance that an active market will exist for the contracts at any particular time. Most futures exchanges and boards of trade limit the amount of fluctuation permitted in futures contract prices during a single trading day. Once the daily limit has been reached in a particular contract, no trades may be made that day at a price beyond that limit. It is possible that futures contract prices could move to the daily limit for several consecutive trading days with little or no trading, thereby preventing prompt liquidation of futures positions and subjecting some futures traders to substantial losses. In such event, and in the event of adverse price movements, the Socially Responsive Fund would be required to make daily cash payments of variation margin; in such circumstances, an increase in the value of the portion of the portfolio being hedged, if any, may partially or completely offset losses on the futures contract. As described above, however, no assurance can be given that the price of the securities being hedged will correlate with the price movements in a futures contract and thus provide an offset to losses on the futures contract.

Options on futures contracts are similar to options on securities or currencies except that options on futures contracts give the purchaser the right, in return for the premium paid, to assume a position in a futures contract (a long position if the option is a call and a short position if the option is a put), rather than to purchase or sell the futures contract, at a specified exercise price at any time during the period of the option. Upon exercise of the option, the delivery of the futures position by the writer of the option to the holder of the option will be accompanied by delivery of the accumulated balance in the writer’s futures margin account, which represents the amount by which the market price of the futures contract, at exercise, exceeds (in the case of a call) or is less than (in the case of a put) the exercise price of the option on the futures contract. If an option is exercised on the last trading day prior to the expiration date of the option, the settlement will be made entirely in cash equal to the difference between the exercise price of the option and the closing level of the securities or currencies upon which the futures contracts are based on the expiration date. Purchasers of options who fail to exercise their options prior to the exercise date suffer a loss of the premium paid.

*Commodity Exchange Act Regulation.* The Socially Responsive Fund is operated by persons who have claimed an exclusion, granted to operators of registered investment companies like the Socially Responsive Fund, from registration as a “commodity pool operator” with respect to the Socially Responsive Fund under the Commodity Exchange Act (the “CEA”), and, therefore, are not subject to registration or regulation with respect to the Socially Responsive Fund under the CEA. As a result, the Socially Responsive Fund is limited in its ability to trade instruments subject to the CFTC’s jurisdiction, including commodity futures (which include futures on broad-based securities indexes, interest rate futures and currency futures), options on commodity futures, certain swaps or other investments (whether directly or indirectly through investments in other investment vehicles).

Under this exclusion, the Socially Responsive Fund must satisfy one of the following two trading limitations whenever it enters into a new commodity trading position: (1) the aggregate initial margin and premiums required to establish the Socially Responsive Fund’s positions in CFTC-regulated instruments may not exceed 5% of the liquidation value of the Socially Responsive Fund’s portfolio (after accounting for unrealized profits and unrealized losses on any such investments); or (2) the aggregate net notional value of such instruments, determined at the time the most recent position was established, may not exceed 100% of the liquidation value of the Socially Responsive Fund's portfolio (after accounting for unrealized profits and unrealized losses on any such positions). The Socially Responsive Fund would not be required to consider its exposure to such instruments if they were held for "bona fide hedging" purposes, as such term is defined in the rules of the CFTC. In addition to meeting one of the foregoing trading limitations, the Socially Responsive Fund may not market itself as a commodity pool or otherwise as a vehicle for trading in the markets for CFTC-regulated instruments.

*Margin Requirements.* In contrast to the purchase or sale of a security, no price is paid or received upon the purchase or sale of a futures contract. Initially, the Socially Responsive Fund will be required to deposit with the broker an amount of cash or cash equivalents equal to approximately 1% to 10% of the contract amount (this amount is subject to change by the exchange or board of trade on which the contract is traded and brokers or members of such board of trade may charge a higher amount). This amount is known as "initial margin" and is in the nature of a performance bond or good faith deposit on the contract, which is returned to the Socially Responsive Fund, upon termination of the futures contract, assuming all contractual obligations have been satisfied. Subsequent payments, known as "variation margin," to and from the broker, will be made daily as the price of the index or securities underlying the futures contract fluctuates, making the long and short positions in the futures contract more or less valuable, a process known as "marking-to-market." In addition, when the Socially Responsive Fund enters into a long position in a futures contract, it must maintain an amount of cash or cash equivalents equal to the total market value of the underlying futures contract, less amounts held in the Socially Responsive Fund's commodity brokerage account at its broker. At any time prior to the expiration of a futures contract, the Socially Responsive Fund may elect to close the position by taking an opposite position, which will operate to terminate the Socially Responsive Fund's existing position in the contract.

For example, when the Socially Responsive Fund purchases a futures contract and the price of the underlying security or index rises, that position increases in value, and the Socially Responsive Fund receives from the broker a variation margin payment equal to that increase in value. Conversely, where the Socially Responsive Fund purchases a futures contract and the value of the underlying security or index declines, the position is less valuable, and the Socially Responsive Fund is required to make a variation margin payment to the broker.

At any time prior to expiration of the futures contract, a fund may elect to terminate the position by taking an opposite position. A final determination of variation margin is then made, additional cash is required to be paid by or released to the Socially Responsive Fund, and the Socially Responsive Fund realizes a loss or a gain.

When the Socially Responsive Fund anticipates a significant market or market sector advance, the purchase of a futures contract affords a hedge against not participating in the advance (anticipatory hedge). Such purchase of a futures contract serves as a temporary substitute for the purchase of individual securities, which may be purchased in an orderly fashion once the market has stabilized. As individual securities are purchased, an equivalent amount of futures contracts could be terminated by offsetting sales. The Socially Responsive Fund may sell futures contracts in anticipation of or in a general market or market sector decline that may adversely affect the market value of the Socially Responsive Fund's securities (defensive hedge). To the extent that the Socially Responsive Fund's portfolio of securities changes in value in correlation with the underlying security or index, the sale of futures contracts substantially reduces the risk to the Socially Responsive Fund of a market decline and, by so doing, provides an alternative to the liquidation of securities positions in the Socially Responsive Fund with attendant transaction costs.

The Socially Responsive Fund will be required to deposit initial margin and maintenance margin with respect to put and call options on futures contracts described above, and, in addition, net option premiums received will be included as initial margin deposits.

*Special Risks of Using Futures Contracts.* The prices of futures contracts are volatile and are influenced by, among other things, actual and anticipated changes in stock market prices or interest rates, which in turn are affected by fiscal and monetary policies and national and international political and economic events.

At best, the correlation between changes in prices of futures contracts and of the securities being hedged can be only approximate. The degree of imperfection of correlation depends upon circumstances such as: variations in speculative market demand for futures and for equity securities or debt securities, including technical influences in futures trading; and differences between the financial instruments being hedged and the instruments underlying the standard futures contracts available for trading, with respect to market values, interest rate levels, maturities, and creditworthiness of issuers. A decision of whether, when, and how to hedge involves skill and judgment, and even a well-conceived hedge may be unsuccessful to some degree because of unexpected market behavior or interest rate trends.

Because of the low margin deposits required, futures trading involves an extremely high degree of leverage. As a result, a relatively small price movement in a futures contract may result in immediate and substantial loss as well as gain to the investor.

Most U.S. futures exchanges limit the amount of fluctuation permitted in futures contract prices during a single trading day. The daily limit establishes the maximum amount that the price of a futures contract may vary either up or down from the previous day’s settlement price at the end of a trading session. Once the daily limit has been reached in a particular type of futures contract, no trades may be made on that day at a price beyond that limit. The daily limit governs only price movement during a particular trading day and, therefore, does not limit potential losses, because the limit may prevent the liquidation of unfavorable positions. Futures contract prices have occasionally moved to the daily limit for several consecutive trading days with little or no trading, thereby preventing prompt liquidation of futures positions and subjecting some futures traders to substantial losses.

As with options on securities, the holder of an option on futures contracts may terminate the position by selling an option of the same series. There is no guarantee that such closing transactions can be effected. The Socially Responsive Fund will be required to deposit initial margin and maintenance margin with respect to put and call options on futures contracts described above, and, in addition, net option premiums received will be included as initial margin deposits.

In addition to the risks which apply to all option transactions, there are several special risks relating to options on futures contracts. The ability to establish and close out positions on such options will be subject to the development and maintenance of a liquid secondary market. It is not certain that this market will develop. The Socially Responsive Fund will not purchase options on futures contracts on any exchange unless and until, in the Advisor’s opinion, the market for such options has developed sufficiently that the risks in connection with options on futures contracts are not greater than the risks in connection with futures contracts. Compared to the use of futures contracts, the purchase of options on futures contracts involves less potential risk to the Socially Responsive Fund because the maximum amount of risk is the premium paid for the options (plus transaction costs). Writing an option on a futures contract involves risks similar to those arising in the sale of futures contracts, as described above.

*Special Risks of Writing Options.* Option writing for the Socially Responsive Fund may be limited by position and exercise limits established by national securities exchanges and by requirements of the Code for qualification as a RIC. In addition to writing covered call options to generate current income, the Socially Responsive Fund may enter into options transactions as hedges to reduce investment risk, generally by making an investment expected to move in the opposite direction of a portfolio position. A hedge is designed to offset a loss on a portfolio position with a gain on the hedge position; at the same time, however, a properly correlated hedge will result in a gain on the portfolio position being offset by a loss on the hedge position. The Socially Responsive Fund bears the risk that the prices of the securities being hedged will not move in the same amount as the hedge. The Socially Responsive Fund will engage in hedging transactions only when deemed advisable by the Advisor. Successful use by the Socially Responsive Fund of options will be subject to the Advisor’s ability to predict correctly movements in the direction of the stock or index underlying the option used as a hedge. Losses incurred in hedging transactions and the costs of these transactions will affect the Socially Responsive Fund’s performance.

The ability of the Socially Responsive Fund to engage in closing transactions with respect to options depends on the existence of a liquid secondary market. While the Socially Responsive Fund generally will write options only if a liquid secondary market appears to exist for the options purchased or sold, for some options no such secondary market may exist or the market may cease to exist. If the Socially Responsive Fund cannot enter into a closing purchase transaction with respect to a call option it has written, the Socially Responsive Fund will continue to be subject to the risk that its potential loss upon exercise of the option will increase as a result of any increase in the value of the underlying security. The Socially Responsive Fund could also face higher transaction costs, including brokerage commissions, as a result of its options transactions.

**Other Investment Practices**

*Foreign Securities.* The Socially Responsive Fund may invest a portion of its assets, generally less than 15% (but not more than 25%), in securities of foreign issuers, including those of issuers in emerging market countries. The Socially Responsive Fund may invest directly in foreign issuers or invest in depositary receipts. The returns of the Socially Responsive Fund may be adversely affected by fluctuations in value of one or more currencies relative to the U.S. dollar. Investing in the securities of foreign companies involves special risks and considerations not typically associated with investing in U.S. companies. These include risks resulting from revaluation of currencies; future adverse political and economic developments; possible imposition of currency exchange blockages or other foreign governmental laws or restrictions; reduced availability of public information concerning issuers; differences in accounting, auditing and financial reporting standards; generally higher commission rates on foreign portfolio transactions; possible expropriation, nationalization or confiscatory taxation; possible withholding taxes and limitations on the use or removal of Funds or other assets, including the withholding of dividends; adverse changes in investment or exchange control regulations; political instability, which could affect U.S. investments in foreign countries; and potential restrictions on the flow of international capital. Additionally, foreign securities often trade with less frequency and volume than domestic securities and, therefore, may exhibit greater price volatility and be less liquid. Foreign securities may not be registered with, nor the issuers thereof be subject to the reporting requirements of, the SEC. Accordingly, there may be less publicly available information about the securities and about the foreign company issuing them than is available about a U.S. company and its securities. Moreover, individual foreign economies may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rate of inflation, capital reinvestment, resource self-sufficiency and balance of payment positions. These risks are intensified when investing in countries with developing economies and securities markets, also known as emerging market countries.

The costs associated with investment in the securities of foreign issuers, including withholding taxes, brokerage commissions and custodial fees, may be higher than those associated with investment in domestic issuers. In addition, foreign investment transactions may be subject to difficulties associated with the settlement of such transactions. Transactions in securities of foreign issuers may be subject to less efficient settlement practices, including extended clearance and settlement periods. Delays in settlement could result in temporary periods when assets of the Socially Responsive Fund are uninvested and no return can be earned on them. The inability of the Socially Responsive Fund to make intended investments due to settlement problems could cause the Socially Responsive Fund to miss attractive investment opportunities. The inability to dispose of a portfolio security due to settlement problems could result in losses to the Socially Responsive Fund due to subsequent declines in value of the portfolio security or, if the Socially Responsive Fund has entered into a contract to sell the security, could result in liability to the purchaser.

Since the Socially Responsive Fund may invest in securities denominated in currencies other than the U.S. dollar, it may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rates between such currencies and the U.S. dollar. Changes in currency exchange rates may influence the value of the Socially Responsive Fund's shares and may also affect the value of dividends and interest earned by the Socially Responsive Fund and gains and losses realized by the Socially Responsive Fund. Exchange rates are determined by the forces of supply and demand in the foreign exchange markets. These forces are affected by the international balance of payments, other economic and financial conditions, government intervention, speculation and other factors.

*Economic, Political and Social Factors.* Certain non-U.S. countries, including emerging market countries, may be subject to a greater degree of economic, political and social instability. Such instability may result from, among other things: (i) authoritarian governments or military involvement in political and economic decision making; (ii) popular unrest associated with demands for improved economic, political and social conditions; (iii) internal insurgencies; (iv) hostile relations with neighboring countries; and (v) ethnic, religious and racial disaffection and conflict. Such economic, political and social instability could significantly disrupt the financial markets in such countries and the ability of the issuers in such countries to repay their obligations. In addition, it may be difficult for the Socially Responsive Fund to pursue claims against a foreign issuer in the courts of a foreign country. Investing in emerging countries also involves the risk of expropriation, nationalization, confiscation of assets and property or the imposition of restrictions on foreign investments and on repatriation of capital invested. In the event of such expropriation, nationalization or other confiscation in any emerging country, the Socially Responsive Fund could lose its entire investment in that country. Certain emerging market countries restrict or control foreign investment in their securities markets to varying degrees. These restrictions may limit the Socially Responsive Fund's investment in those markets and may increase the expenses of the Socially Responsive Fund. In addition, the repatriation of both investment income and capital from certain markets in the region is subject to restrictions such as the need for certain governmental consents. Even where there is no outright restriction on repatriation of capital, the mechanics of repatriation may affect certain aspects of the Socially Responsive Fund's operation. Economies in individual non-U.S. countries may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rates of inflation, currency valuation, capital reinvestment, resource self-sufficiency and balance of payments positions. Many non-U.S. countries have experienced substantial, and in some cases extremely high, rates of inflation for many years. Inflation and rapid fluctuations in inflation rates have had, and may continue to have, very negative effects on the economies and securities markets of certain emerging countries. Economies in emerging countries generally are dependent heavily upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been, and may continue to be, affected adversely and significantly by economic conditions in the countries with which they trade. Whether or not the Socially Responsive Fund invests in securities of issuers located in or with significant exposure to countries experiencing economic, financial and other difficulties, the value and liquidity of the Socially Responsive Fund's investments may be negatively affected by the conditions in the countries experiencing the difficulties.

*Sovereign Government and Supranational Debt.* The Socially Responsive Fund may invest in all types of debt securities of governmental issuers in all countries, including emerging markets. These sovereign debt securities may include: debt securities issued or guaranteed by governments, governmental agencies or instrumentalities and political subdivisions located in emerging market countries; debt securities issued by government owned, controlled or sponsored entities located in emerging market countries; interests in entities organized and operated for the purpose of restructuring the investment characteristics of instruments issued by any of the above issuers; Brady Bonds, which are debt securities issued under the framework of the Brady Plan as a means for debtor nations to restructure their outstanding external indebtedness; participations in loans between emerging market governments and financial institutions; or debt securities issued by supranational entities such as the World Bank. A supranational entity is a bank, commission or company established or financially supported by the national governments of one or more countries to promote reconstruction or development.

Sovereign debt is subject to risks in addition to those relating to non-U.S. investments generally. As a sovereign entity, the issuing government may be immune from lawsuits in the event of its failure or refusal to pay the obligations when due. The debtor's willingness or ability to repay in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its non-U.S. reserves, the availability of sufficient non- U.S. exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the sovereign debtor's policy toward principal international lenders and the political constraints to which the sovereign debtor may be subject. Sovereign debtors may also be dependent on disbursements or assistance from foreign governments or multinational agencies, the country's access to trade and other international credits, and the country's balance of trade. Assistance may be dependent on a country's implementation of austerity measures and reforms, which measures may limit or be perceived to limit economic growth and recovery. Some sovereign debtors have rescheduled their debt payments, declared moratoria on payments or restructured their debt to effectively eliminate portions of it, and similar occurrences may happen in the future. There is no bankruptcy proceeding by which sovereign debt on which governmental entities have defaulted may be collected in whole or in part.

*European— Event*s. In January 2020 the United Kingdom left the European Union ("Brexit"), highlighting political divisions within the United Kingdom and between the United Kingdom and European Union. As a consequence of Brexit, there has been uncertainty in both United Kingdom and European markets and the broader world economy. Markets, specifically in the United Kingdom and European Union, may be impacted, leading to increased volatility, lower liquidity, and slower economic growth that could potentially have an adverse effect on the value of the Fund's investments.

*Restrictions on Foreign Investment.* Some countries prohibit or impose substantial restrictions on investments in their capital markets, particularly their equity markets, by foreign entities such as the Socially Responsive Fund. For example, certain countries require governmental approval prior to investments by foreign persons, limit the amount of investment by foreign persons in a particular company or limit the investment by foreign persons to only a specific class of securities of a company that may have less advantageous terms than securities of the company available for purchase by nationals or limit the repatriation of Funds for a period of time.

In some countries, banks or other financial institutions may constitute a substantial number of the leading companies or the companies with the most actively traded securities. Also, the 1940 Act restricts the Socially Responsive Fund's investments in any equity security of an issuer which, in its most recent fiscal year, derived more than 15% of its revenues from "securities related activities," as defined by the rules thereunder. These provisions may also restrict the Socially Responsive Fund's investments in certain foreign banks and other financial institutions.

Smaller capital markets, while often growing in trading volume, have substantially less volume than U.S. markets, and securities in many smaller capital markets are less liquid and their prices may be more volatile than securities of comparable U.S. companies. Brokerage commissions, custodial services and other costs relating to investment in smaller capital markets are generally more expensive than in the United States. Such markets have different clearance and settlement procedures, and in certain markets there have been times when settlements have been unable to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. Further, satisfactory custodial services for investment securities may not be available in some countries having smaller capital markets, which may result in the Socially Responsive Fund incurring additional costs and delays in transporting and custodying such securities outside such countries. Delays in settlement could result in temporary periods when assets of the Socially Responsive Fund are uninvested and no return is earned thereon. The inability of the Socially Responsive Fund to make intended security purchases due to settlement problems could cause the Socially Responsive Fund to miss attractive investment opportunities. Inability to dispose of a portfolio security due to settlement problems could result either in losses to the Socially Responsive Fund due to subsequent declines in value of the portfolio security or, if the Socially Responsive Fund has entered into a contract to sell the security, could result in possible liability to the purchaser. Generally, there is less government supervision and regulation of exchanges, brokers and issuers in countries having smaller capital markets than there is in the United States.

*Depositary Receipts.* Generally, American Depositary Receipts ("ADRs"), in registered form, are denominated in U.S. dollars and are designed for use in the domestic market. Usually issued by a U.S. bank or trust company, ADRs are receipts that demonstrate ownership of underlying foreign securities. For purposes of the Socially Responsive Fund's investment policies and limitations, ADRs are considered to have the same characteristics as the securities underlying them. ADRs may be sponsored or unsponsored; issuers of securities underlying unsponsored ADRs are not contractually obligated to disclose material information in the United States.

Accordingly, there may be less information available about such issuers than there is with respect to domestic companies and issuers of securities underlying sponsored ADRs. The Socially Responsive Fund may also invest in Global Depositary

Receipts ("GDRs"), European Depositary Receipts ("EDRs") and other similar instruments, which are receipts that are often denominated in U.S. dollars and are issued by either a U.S. or non-U.S. bank evidencing ownership of underlying foreign securities. Even where they are denominated in U.S. dollars, depositary receipts are subject to currency risk if the underlying security is denominated in a foreign currency. EDRs are issued in bearer form and are designed for use in European securities markets. GDRs are tradable both in the United States and Europe and are designed for use throughout the world.

*Securities of Emerging Markets Issuers.* Investors are strongly advised to consider carefully the special risks involved in emerging markets, which are in addition to the usual risks of investing in developed foreign markets around the world.

The risks of investing in securities in emerging countries include: (i) less social, political and economic stability; (ii) the smaller size of the markets for such securities and lower volume of trading, which result in a lack of liquidity and in greater price volatility; (iii) certain national policies that may restrict the Socially Responsive Fund's investment opportunities, including restrictions on investment in issuers or industries deemed sensitive to national interests; (iv) foreign taxation; and (v) the absence of developed structures governing private or foreign investment or allowing for judicial redress for injury to private property.

Investors should note that upon the accession to power of authoritarian regimes, the governments of a number of emerging market countries previously expropriated large quantities of real and personal property similar to the property which may be represented by the securities purchased by the Socially Responsive Fund. The claims of property owners against those governments were never finally settled. There can be no assurance that any property represented by securities purchased by the Socially Responsive Fund will not also be expropriated, nationalized or otherwise confiscated at some time in the future. If such confiscation were to occur, the Socially Responsive Fund could lose a substantial portion or all of its investments in such countries. The Socially Responsive Fund's investments would similarly be adversely affected by exchange control regulation in any of those countries.

Certain countries in which the Socially Responsive Fund may invest may have vocal minorities that advocate radical religious or revolutionary philosophies or support ethnic independence. Any disturbance on the part of such individuals could carry the potential for widespread destruction or confiscation of property owned by individuals and entities foreign to such country and could cause the loss of the Socially Responsive Fund's investment in those countries.

Settlement mechanisms in emerging market securities may be less efficient and reliable than in more developed markets. In such emerging securities markets there may be delays and failures in share registration and delivery.

Investing in emerging markets involves risks relating to potential political and economic instability within such markets and the risks of expropriation, nationalization, confiscation of assets and property, the imposition of restrictions on foreign investments and the repatriation of capital invested. In addition, it may be difficult for the Socially Responsive Fund to pursue claims against a foreign issuer in the courts of a foreign country.

Inflation and rapid fluctuations in inflation rates have had, and may continue to have, very negative effects on the economies and securities markets of certain emerging markets. Economies in emerging markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be affected adversely and significantly by economic conditions, trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade.

While some emerging market countries have sought to develop a number of corrective mechanisms to reduce inflation or mitigate its effects, inflation may continue to have significant effects both on emerging market economies and their securities markets. In addition, many of the currencies of emerging market countries have experienced steady devaluations relative to the U.S. dollar, and major devaluations have occurred in certain countries.

Because of the high levels of foreign-denominated debt owed by many emerging market countries, fluctuating exchange rates can significantly affect the debt service obligations of those countries. This could, in turn, affect local interest rates, profit margins and exports, which are a major source of foreign exchange earnings.

To the extent an emerging market country faces a liquidity crisis with respect to its foreign exchange reserves, it may increase restrictions on the outflow of any foreign exchange. Repatriation is ultimately dependent on the ability of the Socially Responsive Fund to liquidate its investments and convert the local currency proceeds obtained from such liquidation into U.S. dollars. Where this conversion must be done through official channels (usually the central bank or certain authorized commercial banks), the ability to obtain U.S. dollars is dependent on the availability of such U.S. dollars through those channels and, if available, upon the willingness of those channels to allocate those U.S. dollars to the Socially Responsive Fund. The Socially Responsive Fund's ability to obtain U.S. dollars may be adversely affected by any increased restrictions imposed on the outflow of foreign exchange. If the Socially Responsive Fund is unable to repatriate any amounts due to exchange controls, it may be required to accept an obligation payable at some future date by the central bank or other governmental entity of the jurisdiction involved. If such conversion can legally be done outside official channels, either directly or indirectly, the Socially Responsive Fund's ability to obtain U.S. dollars may not be affected as much by any increased restrictions except to the extent of the price which may be required to be paid for in U.S. dollars.

Many emerging market countries have little experience with the corporate form of business organization and may not have well-developed corporation and business laws or concepts of fiduciary duty in the business context.

The securities markets of emerging markets are substantially smaller, less developed, less liquid and more volatile than the securities markets of the United States and other more developed countries. Disclosure and regulatory standards in many respects are less stringent than in the United States and other major markets. There also may be a lower level of monitoring and regulation of emerging markets and the activities of investors in such markets; enforcement of existing regulations has been extremely limited. Investing in the securities of companies in emerging markets may entail special risks relating to the potential political and economic instability and the risks of expropriation, nationalization, confiscation or the imposition of restrictions on foreign investment, convertibility of currencies into U.S. dollars and on repatriation of capital invested. In the event of such expropriation, nationalization or other confiscation by any country, the Socially Responsive Fund could lose its entire investment in any such country.

Some emerging markets have different settlement and clearance procedures. In certain markets there have been times when settlements have been unable to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. The inability of the Socially Responsive Fund to make intended securities purchases due to settlement problems could cause the Socially Responsive Fund to miss attractive investment opportunities. Inability to dispose of a portfolio security caused by settlement problems could result either in losses to the Socially Responsive Fund due to subsequent declines in the value of the portfolio security or, if the Socially Responsive Fund has entered into a contract to sell the security, in possible liability to the purchaser. The risk also exists that an emergency situation may arise in one or more emerging markets as a result of which trading of securities may cease or may be substantially curtailed and prices for the Socially Responsive Fund's portfolio securities in such markets may not be readily available. Section 22(e) of the 1940 Act permits a registered investment company to suspend redemption of its shares for any period during which an emergency exists, as determined by the SEC. Accordingly, if the Socially Responsive Fund believes that appropriate circumstances warrant, it will promptly apply to the SEC for a determination that an emergency exists within the meaning of Section 22(a) of the 1940 Act. During the period commencing from the Socially Responsive Fund's identification of such conditions until the date of SEC action, the portfolio securities in the affected markets will be valued at fair value as determined in good faith by or under the direction of the Board.

Although it might be theoretically possible to hedge for anticipated income and gains, the ongoing and indeterminate nature of the risks associated with emerging market investing (and the costs associated with hedging transactions) makes it very difficult to hedge effectively against such risks.

One or more of the risks discussed above could affect adversely the economy of a developing market or the Socially Responsive Fund's investments in such a market. In Eastern Europe, for example, upon the accession to power of Communist regimes in the past, the governments of a number of Eastern European countries expropriated a large amount of property. The claims of many property owners against those of governments may remain unsettled. There can be no assurance that any investments that the Socially Responsive Fund might make in such emerging markets would not be expropriated, nationalized or otherwise confiscated at some time in the future. In such an event, the Socially Responsive Fund could lose its entire investment in the market involved. Moreover, changes in the leadership or policies of such markets could halt the expansion or reverse the liberalization of foreign investment policies now occurring in certain of these markets and adversely affect existing investment opportunities.

Many of the Socially Responsive Fund's investments in the securities of emerging markets may be unrated or rated below investment grade. Securities rated below investment grade (and comparable unrated securities) are the equivalent of high yield, high risk bonds, commonly known as "junk bonds." Such securities are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse business, financial, economic, or political conditions.

*Currency Risks.* The U.S. dollar value of securities denominated in a foreign currency will vary with changes in currency exchange rates, which can be volatile. Accordingly, changes in the value of the currency in which the Socially Responsive Fund's investments are denominated relative to the U.S. dollar will affect the Socially Responsive Fund's NAV. Exchange rates are generally affected by the forces of supply and demand in the international currency markets, the relative merits of investing in different countries and the intervention or failure to intervene of U.S. or foreign governments and central banks. However, currency exchange rates may fluctuate based on factors intrinsic to a country's economy. Some emerging market countries also may have managed currencies, which are not free floating against the U.S. dollar. In addition, emerging markets are subject to the risk of restrictions upon the free conversion of their currencies into other currencies. Any devaluations relative to the U.S. dollar in the currencies in which the Socially Responsive Fund's securities are quoted would reduce the Socially Responsive Fund's NAV per share.

*Eurodollar or Yankee Obligations.* The Socially Responsive Fund may invest in Eurodollar and Yankee obligations. Eurodollar bank obligations are dollar denominated debt obligations issued outside the U.S. capital markets by foreign branches of U.S. banks and by foreign banks. Yankee obligations are dollar denominated obligations issued in the U.S. capital markets by foreign issuers. Eurodollar (and to a limited extent, Yankee) obligations are subject to certain sovereign risks. Sovereign debt is subject to risks in addition to those relating to non-U.S. investments generally. As a sovereign entity, the issuing government may be immune from lawsuits in the event of its failure or refusal to pay the obligations when due. The debtor's willingness or ability to repay in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its non-U.S. reserves, the availability of sufficient non-U.S. exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the sovereign debtor's policy toward principal international lenders and the political constraints to which the sovereign debtor may be subject. Sovereign debtors may also be dependent on disbursements or assistance from foreign governments or multinational agencies, the country's access to trade and other international credits, and the country's balance of trade. Assistance may be dependent on a country's implementation of austerity measures and reforms, which measures may limit or be perceived to limit economic growth and recovery. Some sovereign debtors have rescheduled their debt payments, declared moratoria on payments or restructured their debt to effectively eliminate portions of it, and similar occurrences may happen in the future. There is no bankruptcy proceeding by which sovereign debt on which governmental entities have defaulted may be collected in whole or in part.

**Illiquid Investments and Restricted Securities**

The Socially Responsive Fund may not acquire an illiquid investment if, immediately after the acquisition, the Socially Responsive Fund would have invested more than 15% of its net assets in illiquid investments that are assets. An illiquid investment is any investment that the Socially Responsive Fund reasonably expects cannot be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment. If illiquid investments exceed 15% of the Socially Responsive Fund's net assets, certain remedial actions will be taken as required by Rule 22e-4 under the 1940 Act and the Socially Responsive Fund's policies and procedures.

Restricted securities are securities subject to legal or contractual restrictions on their resale, such as private placements. Such restrictions might prevent the sale of restricted securities at a time when the sale would otherwise be desirable. Under SEC regulations, certain restricted securities acquired through private placements can be traded freely among qualified purchasers. While restricted securities are generally classified as illiquid, the SEC has stated that an investment company's board of directors, or its investment advisor acting under authority delegated by the board, may determine that a security eligible for trading under this rule is "liquid." The Socially Responsive Fund intends to rely on this rule, to the extent appropriate, to deem specific securities acquired through private placement as "liquid." The Board has delegated to the Advisor, pursuant to guidelines established by the Board, the responsibility for determining whether a particular security eligible for trading under this rule is "liquid." Investing in these restricted securities could have the effect of increasing the Socially Responsive Fund's illiquidity if qualified purchasers become, for a time, uninterested in buying these securities.

Restricted securities may be sold only (1) pursuant to SEC Rule 144A or another exemption, (2) in privately negotiated transactions or (3) in public offerings with respect to which a registration statement is in effect under the Securities Act of 1933, as amended (the "1933" Act). Rule 144A securities, although not registered in the U.S., may be sold to qualified institutional buyers in accordance with Rule 144A under the 1933 Act. As noted above, the Advisor, acting pursuant to guidelines established by the Board, may determine that some Rule 144A securities are liquid. Where registration is required, the Socially Responsive Fund may be obligated to pay all or part of the registration expenses and a considerable period may elapse between the time of the decision to sell and the time the Socially Responsive Fund may be permitted to sell a restricted security under an effective registration statement. If, during such a period, adverse market conditions were to develop, the Socially Responsive Fund might obtain a less favorable price than prevailed when it decided to sell.

Illiquid investments may be difficult to value, and the Socially Responsive Fund may have difficulty disposing of such investments promptly. The Socially Responsive Fund does not consider non-U.S. securities to be restricted if they can be freely sold in the principal markets in which they are traded, even if they are not registered for sale in the U.S.

Illiquid investments may be difficult to value and the Socially Responsive Fund may have difficulty disposing of such investments promptly. Judgment plays a greater role in valuing illiquid investments than those securities for which a more active market exists. The Socially Responsive Fund does not consider non-U.S. securities to be restricted if they can be freely sold in the principal markets in which they are traded, even if they are not registered for sale in the United States.

*Securities of Unseasoned Issuers.* Securities in which the Socially Responsive Fund may invest may have limited marketability and, therefore, may be subject to wide fluctuations in market value. In addition, certain securities may be issued by companies that lack a significant operating history and be dependent on products or services without an established market share.

*Repurchase Agreements.* Under the terms of a typical repurchase agreement, the Socially Responsive Fund would acquire one or more underlying debt obligations, frequently obligations issued by the U.S. government or its agencies or instrumentalities, for a relatively short period (typically overnight, although the term of an agreement may be many months), subject to an obligation of the seller to repurchase, and the Socially Responsive Fund to resell, the obligation at an agreed-upon time and price. The repurchase price is typically greater than the purchase price paid by the Socially Responsive Fund, thereby determining the Socially Responsive Fund's yield. A repurchase agreement is similar to, and may be treated as, a secured loan, where the Socially Responsive Fund loans cash to the counterparty and the loan is secured by the purchased securities as collateral. All repurchase agreements entered into by the Socially Responsive Fund are required to be collateralized so that at all times during the term of a repurchase agreement, the value of the underlying securities is at least equal to the amount of the repurchase price. Also, the Socially Responsive Fund or its custodian is required to have control of the collateral, which the Advisor, as applicable, believe will give the Socially Responsive Fund a valid, perfected security interest in the collateral.

Repurchase agreements could involve certain risks in the event of default or insolvency of the other party, including possible delays or restrictions upon the Socially Responsive Fund's ability to dispose of the underlying securities, the risk of a possible decline in the value of the underlying securities during the period in which the Socially Responsive Fund seeks to assert its right to them, the risk of incurring expenses associated with asserting those rights and the risk of losing all or part of the income from the agreement. If the Socially Responsive Fund enters into a repurchase agreement involving securities a Fund could not purchase directly, and the counterparty defaults, the Socially Responsive Fund may become the holder of securities that it could not purchase. These repurchase agreements may be subject to greater risks. In addition, these repurchase agreements may be more likely to have a term to maturity of longer than seven days.

Repurchase agreements maturing in more than seven days are considered to be illiquid.

Pursuant to an exemptive order issued by the SEC, the Socially Responsive Fund, along with other affiliated entities managed by the Advisor, may transfer uninvested cash balances into one or more joint accounts for the purpose of entering into repurchase agreements secured by cash and U.S. government securities, subject to certain conditions.

*Reverse Repurchase Agreements.* The Socially Responsive Fund may enter into reverse repurchase agreements, which involve the sale of Socially Responsive Fund securities with an agreement to repurchase the securities at an agreed-upon price, date and interest payment and are considered borrowings. Since the proceeds of borrowings under reverse repurchase agreements are invested, this would introduce the speculative factor known as "leverage." The securities purchased with the funds obtained from the agreement and securities collateralizing the agreement will have maturity dates no later than the repayment date. Generally the effect of such a transaction is that the Socially Responsive Fund can recover all or most of the cash invested in the portfolio securities involved during the term of the reverse repurchase agreement, while in many cases it will be able to keep some of the interest income associated with those securities. Such transactions are advantageous only if the Socially Responsive Fund has an opportunity to earn a greater rate of interest on the cash derived from the transaction than the interest cost of obtaining that cash. Opportunities to realize earnings from the use of the proceeds equal to or greater than the interest required to be paid may not always be available, and the Socially Responsive Fund intends to use the reverse repurchase technique only when the Advisor believes it will be advantageous to the Socially Responsive Fund. The use of reverse repurchase agreements may exaggerate any interim increase or decrease in the value of the Socially Responsive Fund's assets.

*Securities Lending.* Consistent with applicable regulatory requirements, the Socially Responsive Fund may lend portfolio securities to brokers, dealers and other financial organizations meeting capital and other credit requirements or other criteria established by the Board. The Socially Responsive Fund will not lend portfolio securities to affiliates of the Advisor unless it has applied for and received specific authority to do so from the SEC. From time to time, the Socially Responsive Fund may pay to the borrower and/or a third party which is unaffiliated with the Socially Responsive Fund or the Advisor and is acting as a "finder" a part of the interest earned from the investment of collateral received for securities loaned. Although the borrower will generally be required to make payments to the Socially Responsive Fund in lieu of any dividends the Socially Responsive Fund would have otherwise received had it not loaned the shares to the borrower, such payments will not be treated as "qualified dividend income" for purposes of determining what portion of the Socially Responsive Fund's regular dividends (as defined below) received by individuals may be taxed at the rates generally applicable to long-term capital gains (see "Distributions and Tax Information" below).

Requirements of the SEC, which may be subject to future modification, currently provide that the following conditions must be met whenever the Socially Responsive Fund lends its portfolio securities: (a) the Socially Responsive Fund must receive at least 100% cash collateral or U.S. government securities from the borrower; (b) the borrower must increase such collateral whenever the market value of the securities rises above the level of such collateral; (c) the Socially Responsive Fund must be able to terminate the loan at any time; (d) the Socially Responsive Fund must receive reasonable interest on the loan, as well as any dividends, interest or other distributions on the loaned securities, and any increase in market value; (e) the Socially Responsive Fund may pay only reasonable custodian fees in connection with the loan; and (f) voting rights on the loaned securities may pass to the borrower. However, if a material event adversely affecting the investment in the loaned securities occurs, the Socially Responsive Fund must terminate the loan and regain the right to vote the securities.

The risks in lending portfolio securities, as with other extensions of secured credit, consist of possible delay in receiving additional collateral or in the recovery of the securities or possible loss of rights in the collateral should the borrower fail financially. The Socially Responsive Fund could also lose money if its short-term investment of the cash collateral declines in value over the period of the loan. Loans will be made to firms deemed by the Advisor to be of good standing and will not be made unless, in the judgment of the Advisor, the consideration to be earned from such loans would justify the risk.

*Venture Capital Investments.* The Socially Responsive Fund may invest up to 5% of its total assets in venture capital investments, that is, new and early stage companies whose securities are not publicly traded. Venture capital investments may present significant opportunities for capital appreciation but involve a high degree of business and financial risk that can result in substantial losses. Venture capital investments may be difficult to value and the Socially Responsive Fund may have difficulty disposing of such investments promptly. The disposition of U.S. venture capital investments, which may include limited partnership interests, normally would be restricted under federal securities laws. Generally, restricted securities may be sold only in privately negotiated transactions or in public offerings registered under the 1933 Act. The Socially Responsive Fund also may be subject to restrictions contained in the securities laws of other countries in disposing of portfolio securities. As a result of these restrictions, the Socially Responsive Fund may be unable to dispose of such investments at times when disposal is deemed appropriate due to investment or liquidity considerations; alternatively, the Socially Responsive Fund may be forced to dispose of such investments at less than fair market value. Where registration is required, the Socially Responsive Fund may be obligated to pay part or all of the expenses of such registration.

*Investments by Funds of Funds.* Certain investment companies, including those that are affiliated with the Socially Responsive Fund because they are managed by an affiliate of the manager, may invest in the Socially Responsive Fund as part of an asset allocation strategy. These investment companies are referred to as “funds of funds” because they invest primarily in other investment companies.

From time to time, the Socially Responsive Fund may experience relatively large redemptions or investments due to rebalancings of the assets of a fund of funds invested in the Socially Responsive Fund. In the event of such redemptions or investments, the Socially Responsive Fund could be required to sell securities or to invest cash at a time when it is not advantageous to do so. If this were to occur, the effects of the rebalancing trades could adversely affect the Socially Responsive Fund’s performance. Redemptions of Socially Responsive Fund shares due to rebalancings could also accelerate the realization of taxable capital gains in the Socially Responsive Fund and might increase brokerage and/or other transaction costs.

The Socially Responsive Fund’s Advisor may be subject to potential conflicts of interest in connection with investments by affiliated funds of funds. For example, the Advisor may have an incentive to permit an affiliated fund of funds to become a more significant shareholder (with the potential to cause greater disruption to the Socially Responsive Fund) than would be permitted for an unaffiliated investor. The Advisor has committed to the Board that it will resolve any potential conflict in the best interests of the shareholders of the Socially Responsive Fund in accordance with its fiduciary duty to the Socially Responsive Fund. As necessary, the Advisor will take such actions as it deems appropriate to minimize potential adverse impacts, including redemption of shares in-kind, rather than in cash. Similar issues may result from investment in the Socially Responsive Fund by Section 529 plans.

Cyber-Security Risk. Investment companies, such as the Fund, and its service providers may be subject to operational and information security risks resulting from cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information or various other forms of cyber security breaches. Cyber-attacks affecting the Fund or the Advisor, custodian, transfer agent, intermediaries and other third-party service providers may adversely impact the Fund. For instance, cyber-attacks may interfere with the processing of shareholder transactions, impact the Fund’s ability to calculate its net asset value, cause the release of private shareholder information or confidential company information, impede trading, subject the Fund to regulatory fines or financial losses, and cause reputational damage. The Fund may also incur additional costs for cyber security risk management purposes. Similar types of cyber security risks are also present for issuers of securities in which the Fund invests, which could result in material adverse consequences for such issuers, and may cause the Fund’s investment in such portfolio companies to lose value.

## 1919 SOCIALLY RESPONSIVE BALANCED FUND - INVESTMENT POLICIES

The Socially Responsive Fund has adopted the fundamental and non-fundamental investment policies below for the protection of shareholders. fundamental investment policies of the Socially Responsive Fund may not be changed without the vote of a majority of the outstanding shares of the Socially Responsive Fund, defined under the 1940 Act as the lesser of (a) 67% or more of the voting power of the Socially Responsive Fund present at a shareholder meeting, if the holders of more than 50% of the voting power of the Socially Responsive Fund are present in person or represented by proxy, or (b) more than 50% of the voting power of the Socially Responsive Fund. The Board may change non-fundamental investment policies at any time.

Except with respect to borrowing, if any percentage restriction described below is complied with at the time of an investment, a later increase or decrease in the percentage resulting from a change in values or assets will not constitute a violation of such restriction.

**Diversification**

The Socially Responsive Fund is currently classified as a diversified fund under the 1940 Act. This means that the Socially Responsive Fund may not purchase securities of an issuer (other than obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities) if, with respect to 75% of its total assets, (a) more than 5% of the Socially Responsive Fund's total assets would be invested in securities of that issuer or (b) the Socially Responsive Fund would hold more than 10% of the outstanding voting securities of that issuer. With respect to the remaining 25% of its total assets, the Socially Responsive Fund can invest more than 5% of its assets in one issuer. Under the 1940 Act, the Socially Responsive Fund cannot change its classification from diversified to non-diversified without shareholder approval.

**Fundamental Investment Policies**

The Socially Responsive Fund's fundamental investment policies are as follows:

1) The Socially Responsive Fund may not borrow money except as permitted by (i) the 1940 Act or interpretations or modifications by the SEC, SEC staff or other authority with appropriate jurisdiction, or (ii) exemptive or other relief or permission from the SEC, SEC staff or other authority.

2) The Socially Responsive Fund may not engage in the business of underwriting the securities of other issuers except as permitted by (i) the 1940 Act or interpretations or modifications by the SEC, SEC staff or other authority with appropriate jurisdiction, or (ii) exemptive or other relief or permission from the SEC, SEC staff or other authority.

3) The Socially Responsive Fund may lend money or other assets to the extent permitted by (i) the 1940 Act or interpretations or modifications by the SEC, SEC staff or other authority with appropriate jurisdiction, or (ii) exemptive or other relief or permission from the SEC, SEC staff or other authority.

4) The Socially Responsive Fund may not issue senior securities except as permitted by (i) the 1940 Act or interpretations or modifications by the SEC, SEC staff or other authority with appropriate jurisdiction, or (ii) exemptive or other relief or permission from the SEC, SEC staff or other authority.

5) The Socially Responsive Fund may not purchase or sell real estate except as permitted by (i) the 1940 Act or interpretations or modifications by the SEC, SEC staff or other authority with appropriate jurisdiction, or (ii) exemptive or other relief or permission from the SEC, SEC staff or other authority.

6) The Socially Responsive Fund may purchase or sell commodities or contracts related to commodities to the extent permitted by (i) the 1940 Act or interpretations or modifications by the SEC, SEC staff or other authority with appropriate jurisdiction, or (ii) exemptive or other relief or permission from the SEC, SEC staff or other authority.

7) Except as permitted by exemptive or other relief or permission from the SEC, SEC staff or other authority with appropriate jurisdiction, the Socially Responsive Fund may not make any investment if, as a result, the Socially Responsive Fund's investments will be concentrated in any one industry or group of industries.

8) The Socially Responsive Fund is a "diversified company" as defined by the 1940 Act.

With respect to a fundamental policy relating to borrowing money set forth in (1) above, the 1940 Act permits the Socially Responsive Fund to borrow money in amounts of up to one-third of the Socially Responsive Fund's total assets from banks for any purpose, and to borrow up to 5% of the Socially Responsive Fund's total assets from banks or other lenders for temporary purposes. (The Socially Responsive Fund's total assets include the amounts being borrowed.) To limit the risks attendant to borrowing, the 1940 Act requires a fund to maintain an "asset coverage" of at least 300% of the amount of its borrowings, provided that in the event that the Socially Responsive Fund's asset coverage falls below 300%, the Socially Responsive Fund is required to reduce the amount of its borrowings so that it meets the 300% asset coverage threshold within three days (not including Sundays and holidays). Asset coverage means the ratio that the value of the Socially Responsive Fund's total assets (including amounts borrowed), minus liabilities other than borrowings, bears to the aggregate amount of all borrowings. Certain trading practices and investments, such as reverse repurchase agreements, dollar rolls and certain derivatives, may be considered to be borrowings and thus subject to the 1940 Act restrictions. Borrowing money to increase portfolio holdings is known as "leveraging." Borrowing, especially when used for leverage, may cause the value of the Socially Responsive Fund's shares to be more volatile than if the Socially

Responsive Fund did not borrow. This is because borrowing tends to magnify the effect of any increase or decrease in the value of the Socially Responsive Fund's portfolio holdings. Borrowed money thus creates an opportunity for greater gains, but also greater losses. To repay borrowings, the Socially Responsive Fund may have to sell securities at a time and at a price that is unfavorable to the Socially Responsive Fund. There also are costs associated with borrowing money, and these costs would offset and could eliminate the Socially Responsive Fund's net investment income in any given period. Currently, the Socially Responsive Fund has no intention of borrowing money for leverage. The policy in (1) above will be interpreted to permit the Socially Responsive Fund to engage in trading practices and investments that may be considered to be borrowing to the extent permitted by the 1940 Act. Short-term credits necessary for the settlement of securities transactions and arrangements with respect to securities lending will not be considered to be borrowings under the policy. Practices and investments that may involve leverage but are not considered to be borrowings are not subject to the policy.

With respect to a fundamental policy relating to underwriting set forth in (2) above, the 1940 Act does not prohibit the Socially Responsive Fund from engaging in the underwriting business or from underwriting the securities of other issuers; in fact, the 1940 Act permits the Socially Responsive Fund to have underwriting commitments of up to 25% of its assets under certain circumstances. Those circumstances currently are that the amount of the Socially Responsive Fund's underwriting commitments, when added to the value of the Socially Responsive Fund's investments in issuers where the Socially Responsive Fund owns more than 10% of the outstanding voting securities of those issuers, cannot exceed the 25% cap. A fund engaging in transactions involving the acquisition or disposition of portfolio securities may be considered to be an underwriter under the 1933 Act. Under the 1933 Act, an underwriter may be liable for material omissions or misstatements in an issuer's registration statement or prospectus. Securities purchased from an issuer and not registered for sale under the 1933 Act are considered restricted securities. There may be a limited market for these securities. If these securities are registered under the 1933 Act, they may then be eligible for sale but participating in the sale may subject the seller to underwriter liability. These risks could apply to a fund investing in restricted securities. Although it is not believed that the application of the 1933 Act provisions described above would cause the Socially Responsive Fund to be engaged in the business of underwriting, the policy in (2) above will be interpreted not to prevent the Socially Responsive Fund from engaging in transactions involving the acquisition or disposition of portfolio securities, regardless of whether the Socially Responsive Fund may be considered to be an underwriter under the 1933 Act.

With respect to a fundamental policy relating to lending set forth in (3) above, the 1940 Act does not prohibit the Socially Responsive Fund from making loans; however, SEC interpretations currently prohibit funds from lending more than one-third of their total assets, except through the purchase of debt obligations or the use of repurchase agreements. (A repurchase agreement is an agreement to purchase a security, coupled with an agreement to sell that security back to the original seller on an agreed-upon date at a price that reflects current interest rates. The SEC frequently treats repurchase agreements as loans.) While lending securities may be a source of income to the Socially Responsive Fund, as with other extensions of credit, there are risks of delay in recovery or even loss of rights in the underlying securities should the borrower fail financially. However, loans would be made only when the Socially Responsive Fund's Advisor believes the income justifies the attendant risks. The Socially Responsive Fund also will be permitted by this policy to make loans of money, including to other funds. The Socially Responsive Fund would have to obtain exemptive relief from the SEC to make loans to other funds. The policy in (3) above will be interpreted not to prevent the Socially Responsive Fund from purchasing or investing in debt obligations and loans. In addition, collateral arrangements with respect to options, forward currency and futures transactions and other derivative instruments, as well as delays in the settlement of securities transactions, will not be considered loans.

With respect to a fundamental policy relating to issuing senior securities set forth in (4) above, "senior securities" are defined as Socially Responsive Fund obligations that have a priority over the Socially Responsive Fund's shares with respect to the payment of dividends or the distribution of Socially Responsive Fund assets. The 1940 Act prohibits the Socially Responsive Fund from issuing senior securities, except that the Socially Responsive Fund may borrow money from a bank in amounts of up to one-third of the Socially Responsive Fund's total assets from banks for any purpose. The Socially Responsive Fund may also borrow up to 5% of the Socially Responsive Fund's total assets from banks or other lenders for temporary purposes, and these borrowings are not considered senior securities. The issuance of senior securities by the Socially Responsive Fund can increase the speculative character of the Socially Responsive Fund's outstanding shares through leveraging. Leveraging of the Socially Responsive Fund's portfolio through the issuance of senior securities magnifies the potential for gain or loss on monies, because even though the Socially Responsive Fund's net assets remain the same, the total risk to investors is increased to the extent of the Socially Responsive Fund's gross assets. The policy in (4) above will be interpreted not to prevent collateral arrangements with respect to swaps, options, forward or futures contracts or other derivatives, or the posting of initial or variation margin.

With respect to a fundamental policy relating to real estate set forth in (5) above, the 1940 Act does not prohibit the Socially Responsive Fund from owning real estate; however, the Socially Responsive Fund is limited in the amount of illiquid assets it may purchase. Investing in real estate may involve risks, including that real estate is generally considered illiquid and may be difficult to value and sell. Owners of real estate may be subject to various liabilities, including environmental liabilities. To the extent that investments in real estate are considered illiquid, the current SEC position generally limits the Socially Responsive Fund's purchases of illiquid investments to 15% of net assets. The policy in (5) above will be interpreted not to prevent the Socially Responsive Fund from investing in real estate-related companies, companies whose businesses consist in whole or in part of investing in real estate, instruments (like mortgages) that are secured by real estate or interests therein, or real estate investment trust securities.

With respect to a fundamental policy relating to commodities set forth in (6) above, the 1940 Act does not prohibit the Socially Responsive Fund from owning commodities, whether physical commodities and contracts related to physical commodities (such as oil or grains and related futures contracts), or financial commodities and contracts related to financial commodities (such as currencies and, possibly, currency futures). However, the Socially Responsive Fund is limited in the amount of illiquid assets it may purchase. To the extent that investments in commodities are considered illiquid, the current SEC position generally limits a fund's purchases of illiquid investments to 15% of net assets. If the Socially Responsive Fund was to invest in a physical commodity or a physical commodity-related instrument, the Socially Responsive Fund would be subject to the additional risks of the particular physical commodity and its related market. The value of commodities and commodity-related instruments may be extremely volatile and may be affected either directly or indirectly by a variety of factors. There may also be storage charges and risks of loss associated with physical commodities. The policy in (6) above will be interpreted to permit investments in exchange-traded funds that invest in physical and/or financial commodities.

With respect to a fundamental policy relating to concentration set forth in (7) above, the 1940 Act does not define what constitutes "concentration" in an industry or group of industries. The SEC has stated that investment of 25% or more of a fund's total assets in one or more issuers conducting their principal activities in the same industry or group of industries constitutes concentration. It is possible that interpretations of concentration could change in the future. A fund that invests a significant percentage of its total assets in a single industry or group of industries may be particularly susceptible to adverse events affecting that industry and may be more risky than a fund that does not concentrate in an industry or group of industries. Accordingly, issuers of the foregoing securities will not be considered to be members of any industry or group of industries. The policy in (7) above will be interpreted to refer to concentration as that term may be interpreted from time to time. The policy also will be interpreted to permit investment without limit in the following: securities of the U.S. government and its agencies or instrumentalities; securities of state, territory, possession or municipal governments and their authorities, agencies, instrumentalities or political subdivisions; and repurchase agreements collateralized by any such obligations. For purposes of the Fund's concentration limitations, municipal securities backed principally by the assets and revenues of a non-governmental user, such as an industrial corporation or a privately owned or operated hospital, are not subject to this exception. There also will be no limit on investment in issuers domiciled in a single jurisdiction or country. The policy also will be interpreted to give broad authority to the Socially Responsive Fund as to how to classify issuers within or among industries or groups of industries.

The Socially Responsive Fund's fundamental policies will be interpreted broadly. For example, the policies will be interpreted to refer to the 1940 Act and the related rules as they are in effect from time to time, and to interpretations and modifications of or relating to the 1940 Act by the SEC and others as they are given from time to time. When a policy provides that an investment practice may be conducted as permitted by the 1940 Act, the policy will be interpreted to mean either that the 1940 Act expressly permits the practice or that the 1940 Act does not prohibit the practice.

**Non-Fundamental Investment Policy**

In addition to its investment objective, the Socially Responsive Fund has the following non-fundamental investment policy:

> The Socially Responsive Fund may not invest in other registered open-end management investment companies and registered unit investment trusts in reliance upon the provisions of subparagraphs (G) or (F) of Section 12(d)(1) of the 1940 Act. The foregoing investment policy does not restrict the Socially Responsive Fund from (i) acquiring securities of other registered investment companies in connection with a merger, consolidation, reorganization, or acquisition of assets, or (ii) purchasing the securities of registered investment companies, to the extent otherwise permissible under Section 12(d)(1) of the 1940 Act.

**Portfolio Turnover**

For reporting purposes, the Socially Responsive Fund's portfolio turnover rate is calculated by dividing the lesser of purchases or sales of portfolio securities for the fiscal year by the monthly average of the value of the portfolio securities owned by the Socially Responsive Fund during the fiscal year. In determining such portfolio turnover, all securities whose maturities at the time of acquisition were one year or less are excluded. A 100% portfolio turnover rate would occur, for example, if all of the securities in the Socially Responsive Fund's investment portfolio (other than short-term money market securities) were replaced once during the fiscal year.

In the event that portfolio turnover increases, this increase necessarily results in correspondingly greater transaction costs which must be paid by the Socially Responsive Fund. To the extent the portfolio trading results in realization of net short-term capital gains, shareholders will be taxed on such gains at ordinary tax rates (except shareholders who invest through individual retirement accounts ("IRAs") and other retirement plans which are not taxed currently on accumulations in their accounts). Portfolio turnover will not be a limiting factor should the Advisor deem it advisable to purchase or sell securities.

The table below shows the Socially Responsive Fund's portfolio turnover rate for the fiscal year ended December 31, 2024 and the Predecessor Fund's portfolio turnover rate for the fiscal year ended December 31, 2023.

| December 31, 2024 | December 31, 2023 |
|---|---|
| 12% | 10% |

## TRUSTEES AND EXECUTIVE OFFICERS

The overall management of the Trust's business and affairs is invested with its Board. The Board approves all significant agreements between the Trust and persons or companies furnishing services to it, including the agreements with the Advisor, Administrator, Custodian and Transfer Agent, each of which is discussed in greater detail in this SAI. The day-to-day operations of the Trust are delegated to its officers, subject to a Fund's investment objective, strategies and policies and to the general supervision of the Board. Information about the Trustees and officers of the Trust is set forth in the table below.

| Name, Address and Age | Position(s) Held with Trust | Term of Office(1) and Length of Time Served | Principal Occupation(s) During Past 5 Years | Number of Portfolios in Fund Complex(2) Overseen by Trustee | Other Directorships(3) Held During Past 5 Years by Trustee |
|---|---|---|---|---|---|
| **Independent Trustees(4)** | | | | | |
| Russell Emery<br>615 E. Michigan Street<br>Milwaukee, WI 53202<br>Year of birth: 1962 | Trustee | Indefinite. Since 2023 | Chief Compliance Officer, The SEI Mutual Funds (2006 to 2022); Chief Compliance Officer, Advisors' Inner Circle Fund I, II, and III (2006 to 2022) | 2 | None |
| Brian S. Ferrie<br>615 E. Michigan Street<br>Milwaukee, WI 53202<br>Year of birth: 1958 | Trustee | Indefinite. Since 2023 | Chief Compliance Officer, Treasurer, The Jensen Quality Growth Fund (2004 to 2020); Treasurer, Jensen Investment Management (2003 to 2020) | 2 | Trustee, Trust for Advised Portfolios (1 portfolio) (2020 to present) |
| Wan-Chong Kung<br>615 E. Michigan Street<br>Milwaukee, WI 53202<br>Year of birth: 1960 | Trustee | Indefinite. Since 2023 | Senior Fund Manager, Nuveen Asset Management (FAF Advisors/First American Funds) (2011 to 2019) | 2 | Federal Home Loan Bank of Des Moines (February 2022 to present); Trustee, Securian Funds Trust (12 portfolios) (October 2022 to present); Trustee, Trust for Advised Portfolios (1 portfolio) (2020 to present) |
| **Interested Trustee(5)** | | | | | |
| Christopher E. Kashmerick<br>615 E. Michigan Street<br>Milwaukee, WI 53202<br>Year of birth: 1974 | Trustee | Indefinite. Since 2023 | Senior Vice President, U.S. Bancorp Fund Services, LLC (2011 to present) | 2 | Trustee, Trust for Advised Portfolios (1 portfolio) (2018 to present) |

| Name, Address and Age | Position(s) Held with Trust | Term of Office[1] and Length of Time Served | Principal Occupation(s) During Past 5 Years |
|---|---|---|---|
| **Officers** | | | |
| Russell B. Simon<br>615 E. Michigan Street<br>Milwaukee, WI 53202<br>Year of birth: 1980 | President and Principal Executive Officer | Indefinite. Since 2023 | Vice President, U.S. Bancorp Fund Services, LLC (2011 to present) |
| Diane K. Miller<br>615 E. Michigan Street<br>Milwaukee, WI 53202<br>Year of birth: 1972 | Chief Compliance Officer and AML Officer | Indefinite. Since 2023 | Vice President, U.S. Bancorp Fund Services, LLC (since January 2023); Chief Compliance Officer, Christian Brothers Investment Services (2017 to 2022) |
| Eric T. McCormick<br>615 E. Michigan Street<br>Milwaukee, WI 53202<br>Year of birth: 1971 | Treasurer and Principal Financial Officer | Indefinite. Since 2023 | Vice President, U.S. Bancorp Fund Services, LLC (2005 to present) |
| Ryan M. Charles<br>615 E. Michigan Street<br>Milwaukee, WI 53202<br>Year of birth: 1978 | Secretary | Indefinite. Since 2023 | Vice President, U.S. Bancorp Fund Services, LLC (May 2021 to present); General Counsel, Davis Selected Advisers, L.P. (2014 to May 2021) |

(1) Each Trustee serves an indefinite term; however, under the terms of the Board's retirement policy, a Trustee shall retire at the end of the calendar year in which he or she reaches the age of 75. A retiring Trustee may request annually, for no more than three consecutive years, that the Board extend such Trustee's term for an additional year. Each officer serves an indefinite term until the election of a successor.

(2) The Trust is comprised of numerous series managed by unaffiliated investment advisors. The term "Fund Complex" applies to the Funds. The 1919 Funds do not hold themselves out as related to any other series of the Trust for purposes of investment and investor services, nor do they share the same investment advisor with any other series of the trust.

(3) "Other Directorships Held" includes only directorships of companies required to register or file reports with the SEC under the Securities Exchange Act of 1934 (that is, "public companies"), or other investment companies registered under the 1940 Act.

(4) The Trustees of the Trust who are not "interested persons" of the Trust as defined under the 1940 Act ("Independent Trustees").

(5) Mr. Kashmerick is deemed to be an "interested person" of the Trust as defined by the 1940 Act by virtue of the fact that he is an interested person of U.S. Bancorp Fund Services, LLC, the Trust's administrator, fund accountant, and transfer agent.

### Additional Information Concerning Our Board of Trustees

*Board Leadership Structure.* The Board has general oversight responsibility with respect to the operation of the Trust and the Funds. The Board has engaged the Advisor to manage the Funds and is responsible for overseeing the Advisor and other service providers to the Trust and the Funds in accordance with the provisions of the 1940 Act and other applicable laws. The Board has established an Audit Committee to assist the Board in performing its oversight responsibilities.

The Trust does not have a lead independent trustee. The Board is chaired by Christopher E. Kashmerick, an "interested person" of the Trust as defined by the 1940 Act. The Trust has determined that its leadership structure is appropriate in light of, among other factors, the asset size and nature of the Trust, the arrangements for the conduct of the Trust's operations, the number of Trustees, and the responsibilities of the Board.

*Board Oversight of Risk Management.* Through its direct oversight role, and indirectly through the Audit Committee and officers of the Trust and service providers, the Board performs a risk oversight function for the Funds. To effectively perform its risk oversight function, the Board, among other things, performs the following activities: receives and reviews reports related to the performance and operations of the Funds; reviews and approves, as applicable, the compliance policies and procedures of the Funds; approves each Fund's principal investment policies; adopts policies and procedures designed to deter market timing; meets with representatives of various service providers, including the Advisor, to review and discuss the activities of the Funds and to provide direction with respect thereto; and appoints a chief compliance officer of the Funds who oversees the implementation and testing of the Funds' compliance program and reports to the Board regarding compliance matters for the Funds and their service providers.

Not all risks that may affect the Funds can be identified nor can controls be developed to eliminate or mitigate their occurrence or effects. It may not be practical or cost effective to eliminate or mitigate certain risks, the processes and controls employed to address certain risks may be limited in their effectiveness, and some risks are simply beyond the reasonable control of the Advisor or other service providers. Moreover, it is necessary to bear certain risks (such as investment-related risks) to achieve the Funds' goals. As a result of the foregoing and other factors, the Funds' ability to manage risk is subject to substantial limitations.

As part of its oversight function, the Board receives and reviews various risk management reports and assessments and discusses these matters with appropriate management and other personnel. Because risk management is a broad concept comprised of many elements (such as, for example, investment risk, issuer and counterparty risk, compliance risk, operational risks, business continuity risks, etc.), the oversight of different types of risks is handled in different ways. For example, the Board meets regularly with the Chief Compliance Officer to discuss compliance and operational risks and the Audit Committee meets with the Treasurer and the Trust's independent registered public accounting firm to discuss, among other things, the internal control structure of the Trust's financial reporting function. The Board also receives reports from the Advisor, the Sub-Advisor and portfolio managers as to investment risks as well as other risks.

*Trust Committees.* The Trust has two standing committees: the Audit Committee, which also serves as the Qualified Legal Compliance Committee ("QLCC"), and the Governance and Nominating Committee (the "Nominating Committee").

The Audit Committee, comprised entirely of the Independent Trustees, is chaired by Mr. Ferrie. The primary functions of the Audit Committee are to select the independent registered public accounting firm to be retained to perform the annual audit of the Funds, to review the results of the audit, to review the Funds' internal controls, to approve in advance all permissible non-audit services performed by the independent auditors and to review certain other matters relating to the Funds' independent registered public accounting firm and financial records. In its role as the QLCC, its function is to receive reports from an attorney retained by the Trust of evidence of a material violation by the Trust or by any officer, director, employee or agent of the Trust.

During the fiscal year ended December 31, 2024, the Audit Committee met once in regard to the Funds.

The Nominating Committee, comprised entirely of the Independent Trustees, is chaired by Ms. Kung, and is responsible for seeking and reviewing candidates for consideration as nominees for Trustees and meets only as necessary. The Nominating Committee will consider nominees nominated by shareholders. Recommendations by shareholders for consideration by the Nominating Committee should be sent to the President of the Trust in writing together with the appropriate biographical information concerning each such proposed Nominee, and such recommendation must comply with the notice provisions set forth in the Trust By-Laws. In general, to comply with such procedures, such nominations, together with all required biographical information, must be delivered to and received by the President of the Trust at the principal executive offices of the Trust not later than 120 days and no more than 150 days prior to the shareholder meeting at which any such nominee would be voted on.

During the fiscal year ended December 31, 2024, the Nominating Committee met once in regard to the Funds.

The Board has designated the Advisor to perform fair value determinations (the "Valuation Designee"). The Valuation Designee is subject to Board oversight and certain reporting and other requirements designed to facilitate the Board's ability to effectively oversee the Valuation Designee's fair value determinations.

**Information about Each Trustee's Qualification, Experience, Attributes or Skills**

In addition to the information provided in the table above, below is certain additional information concerning each particular Trustee and certain of their trustee attributes. The information provided below, and in the table above, is not all-inclusive. Many trustee attributes involve intangible elements, such as intelligence, integrity, work ethic, the ability to work together, the ability to communicate effectively, the ability to exercise judgment, the ability to ask incisive questions, and commitment to shareholder interests. In conducting its annual self-assessment, the Board has determined that the Trustees have the appropriate attributes and experience to continue to serve effectively as Trustees of the Trust.

Russell Emery's experience in compliance, accounting, investment management and corporate finance gives him an extensive understanding of regulatory requirements, accounting requirements, investment operations and governance requirements of operating mutual funds and series trusts. He brings a unique perspective to the Board from having over 16 years of experience serving as the Chief Compliance Officer to several investment companies operating as series trusts.

Brian S. Ferrie's experience in accounting, finance, and compliance in the mutual fund industry gives him a strong understanding of the regulatory requirements of operating a mutual fund. He also understands the complex nature of the accounting and financial requirements, both from a regulatory and operational perspective, of managing a mutual fund. Mr. Ferrie's background and experience provide a unique perspective to the Board.

Wan-Chong Kung's experience managing fixed income mutual funds, with specific experience in commodities provides a diverse point-of-view for the Board. Ms. Kung also has unique experience in education as she advised student-managed bond and equity funds.

Christopher E. Kashmerick has substantial mutual fund operations and shareholder servicing experience through his position as Senior Vice President of U.S. Bank Global Fund Services, and he brings more than 20 years of mutual fund and investment management experience, which makes him a valuable resource to the Board as they contemplate various fund and shareholder servicing needs.

Each of the Trustees takes a conservative and thoughtful approach to addressing issues facing the Fund. The combination of skills and attributes discussed above led to the conclusion that each of Messrs. Emery, Ferrie, and Kashmerick, and Ms. Kung should serve as a Trustee.

**Trustee Ownership of Fund Shares and Other Interests**

No Trustee owned shares of the Funds as of the calendar year ended December 31, 2024.

As of the date of this SAI, neither the Independent Trustees nor members of their immediate family, own securities beneficially or of record in the Advisor, the distributor (defined below), or an affiliate of the Advisor, or distributor. Accordingly, neither the Independent Trustees nor members of their immediate family, have direct or indirect interest, the value of which exceeds $120,000, in the Advisor, the distributor or any of their affiliates. In addition, during the two most recently completed calendar years, neither the Independent Trustees nor members of their immediate families have conducted any transactions (or series of transactions) in which the amount involved exceeds $120,000 and to which the Advisor, the distributor or any affiliate thereof was a party.

As of April 1, 2025, the Trustees and officers of the Trust, as a group, owned less than 1% of any class of any Fund's outstanding shares.

**Compensation**

Set forth below is the compensation received by the Independent Trustees from the Funds for the fiscal year ended December 31, 2024. Effective January 1, 2025, the Independent Trustees receive an annual retainer of $78,000 from the Trust, a $2,000 per regular meeting fee per Independent Trustee from the Trust, and a $1,000 special meeting fee per Independent Trustee from the Trust. The Audit Committee chair receives a $4,000 annual fee from the Trust and the Nominating and Governance Committee chair receives a $2,000 annual fee from the Trust. The Independent Trustees also receive reimbursement from the Trust for expenses incurred in connection with attendance at meetings. The Trust has no pension or retirement plan. Except as described herein, no other entity affiliated with the Trust pays any compensation to the Independent Trustees.

| | Aggregate Compensation from each Fund | Pension or Retirement Benefits Accrued as Part of Fund Expenses | Annual Benefits Upon Retirement | Total Compensation from Fund Complex Paid to Trustees(1) |
|---|---|---|---|---|
| **Name of Independent Trustee** | | | | |
| Russell Emery | $4,866 | $0 | $0 | $9,732 |
| Brian S. Ferrie | $5,109 | $0 | $0 | $10,218 |
| Wan-Chong Kung | $4,988 | $0 | $0 | $9,976 |
| **Name of Interested Trustee** | | | | |
| Christopher E. Kashmerick | $0 | $0 | $0 | $0 |

(1) There are currently multiple portfolios comprising the Trust. The term “Fund Complex” applies only to the 1919 Funds.

**CONTROL PERSONS AND PRINCIPAL SHAREHOLDERS**

A principal shareholder is any person who owns of record or beneficially 5% or more of the outstanding shares of the Fund. A control person is one who owns beneficially or through controlled companies more than 25% of the voting securities of a company or acknowledges the existence of control. If the control person is a company, the jurisdiction under the laws of which it is organized is listed. Shareholders with a controlling interest could affect the outcome of voting or the direction of management of the Fund.

As of March 31, 2025, the following persons owned beneficially or of record more than 5% of the outstanding shares of the Funds:

### Financial Services Fund - Class A

| Name and Address | % Ownership | Type of Ownership |
|---|---|---|
| MORGAN STANLEY SMITH BARNEY LLC<br>SPECIAL CUSTODY ACCT FOR THE<br>EXCLUSIVE BENEFIT OF CUSTOMERS OF MSSB<br>1 NEW YORK PLZ FL 12<br>NEW YORK NY 10004-1965 | 19.92% | Record |
| BNY MELLON INVESTMENT SERVICING (US) INC<br>FBO PRIMERICA FINANCIAL SERVICES<br>760 MOORE RD<br>KING OF PRUSSIA PA 19406-1212 | 18.95% | Record |
| CHARLES SCHWAB & CO INC<br>SPECIAL CUSTODY ACCT FBO CUSTOMERS<br>ATTN MUTUAL FUNDS<br>211 MAIN STREET<br>SAN FRANCISCO, CA 94105-1905 | 17.88% | Record |
| NATIONAL FINANCIAL SERVICES LLC<br>499 WASHINGTON BLVD<br>JERSEY CITY NJ 07310-1995 | 12.78% | Record |
| AMERIPRISE FINANCIAL SERVICES<br>707 2ND AVE S<br>MINNEAPOLIS MN 55402-2405 | 5.78% | Record |

### Financial Services Fund - Class C

| Name and Address | % Ownership | Type of Ownership |
|---|---|---|
| CHARLES SCHWAB & CO INC<br>SPECIAL CUSTODY ACCT FBO CUSTOMERS<br>ATTN MUTUAL FUNDS<br>211 MAIN STREET<br>SAN FRANCISCO, CA 94105-1905 | 55.42% | Record |
| WELLS FARGO CLEARING SERVICES<br>1 N JEFFERSON AVE MSC MO3970<br>SAINT LOUIS MO 63103-2254 | 12.98% | Record |
| AMERIPRISE FINANCIAL SERVICES<br>707 2ND AVE S<br>MINNEAPOLIS MN 55402-2405 | 5.33% | Record |
| MORGAN STANLEY SMITH BARNEY LLC<br>SPECIAL CUSTODY ACCT FOR THE<br>EXCLUSIVE BENEFIT OF CUSTOMERS OF MSSB<br>1300 THAMES ST FL 6<br>BALTIMORE MD 21231-3496 | 5.22% | Record |

**Financial Services Fund - Class I**

| Name and Address | % Ownership | Type of Ownership |
|---|---|---|
| CHARLES SCHWAB & CO INC<br>SPECIAL CUSTODY ACCT FBO CUSTOMERS<br>ATTN MUTUAL FUNDS<br>211 MAIN STREET<br>SAN FRANCISCO CA  94105-1905 | 25.37% | Record |
| AMERIPRISE FINANCIAL SERVICES<br>707 2ND AVE S<br>MINNEAPOLIS MN  55402-2405 | 19.98% | Record |
| MORGAN STANLEY SMITH BARNEY LLC<br>SPECIAL CUSTODY ACCT FOR THE<br>EXCLUSIVE BENEFIT OF CUSTOMERS OF MSSB<br>1 N JEFFERSON AVE MSC MO3970<br>SAINT LOUIS MO 63103-2254 | 17.28% | Record |
| WELLS FARGO CLEARING SERVICES LLC<br>1 N JEFFERSON AVE MSC MO3970<br>SAINT LOUIS MO 63103-2254 | 7.02% | Record |
| NATIONAL FINANCIAL SERVICES CORP<br>FBO EXCLUSIVE BENEFIT OF OUR CUST<br>ATTN MUTUAL FUNDS DEPT 4TH FLOOR<br>499 WASHINGTON BLVD<br>JERSEY CITY NJ  07310-1995 | 7.01% | Record |
| PERSHING LLC<br>1 PERSHING PLZ<br>JERSEY CITY NJ 07399-0001 | 6.71% | Record |

**Socially Responsive Fund - Class A**

| Name and Address | % Ownership | Type of Ownership |
|---|---|---|
| MORGAN STANLEY SMITH BARNEY LLC<br>FOR THE EXCLUSIVE BENEFIT OF ITS CUSTOMERS<br>1 NEW YORK PLZ FL 12<br>NEW YORK NY 10004-1965 | 20.15% | Record |
| BNY MELLON INVESTMENT SERVICING (US) INC<br>FBO PRIMERICA FINANCIAL SERVICES<br>760 MOORE RD<br>KING OF PRUSSIA PA 19406-1212 | 18.62% | Record |
| CHARLES SCHWAB & CO INC<br>SPECIAL CUSTODY A/C FBO CUSTOMERS<br>ATTN MUTUAL FUNDS<br>211 MAIN STREET<br>SAN FRANCISCO CA 94105-1905 | 15.31% | Record |
| LPL FINANCIAL<br>OMNIBUS CUSTOMER ACCOUNT<br>4707 EXECUTIVE DR<br>SAN DIEGO CA 92121-3091 | 7.53% | Record |
| AMERIPRISE FINANCIAL SERVICES<br>707 2ND AVE S<br>MINNEAPOLIS MN 55402-2405 | 6.41% | Record |
| WELLS FARGO CLEARING SERVICES LLC<br>1 N JEFFERSON AVE MSC MO3970<br>SAINT LOUIS MO 63103-2254 | 6.04% | Record |
| VOYA INSTITUTIONAL TRUST COMPANY<br>1 ORANGE WAY<br>WINDSOR CT 06095-4773 | 5.28% | Record |
| NATIONAL FINANCIAL SERVICES CORP<br>FBO EXCLUSIVE BENEFIT OF OUR CUST<br>ATTN MUTUAL FUNDS DEPT 4TH FLOOR<br>499 WASHINGTON BLVD<br>JERSEY CITY NJ 07310-1995 | 5.18% | Record |

**Socially Responsive Fund - Class C**

| Name and Address | % Ownership | Type of Ownership |
|---|---|---|
| CHARLES SCHWAB & CO INC<br>SPECIAL CUSTODY A/C FBO CUSTOMERS<br>ATTN MUTUAL FUNDS<br>211 MAIN STREET<br>SAN FRANCISCO CA 94105-1905 | 20.31% | Record |
| WELLS FARGO CLEARING SERVICES LLC<br>1 N JEFFERSON AVE MSC MO3970<br>SAINT LOUIS MO 63103-2254 | 18.97% | Record |
| AMERIPRISE FINANCIAL SERVICES<br>707 2ND AVE S<br>MINNEAPOLIS MN 55402-2405 | 17.09% | Record |
| MORGAN STANLEY SMITH BARNEY LLC<br>FOR THE EXCLUSIVE BENEFIT OF ITS CUSTOMERS<br>1 NEW YORK PLZ FL 12<br>NEW YORK NY 10004-1965 | 13.42% | Record |
| LPL FINANCIAL<br>OMNIBUS CUSTOMER ACCOUNT<br>4707 EXECUTIVE DR<br>SAN DIEGO CA 92121-3091 | 7.22% | Record |

**Socially Responsive Fund - Class I**

| Name and Address | % Ownership | Type of Ownership |
|---|---|---|
| AMERIPRISE FINANCIAL SERVICES<br>707 2ND AVE S<br>MINNEAPOLIS MN 55402-2405 | 18.75% | Record |
| CHARLES SCHWAB & CO INC<br>SPECIAL CUSTODY A/C FBO CUSTOMERS<br>ATTN MUTUAL FUNDS<br>211 MAIN STREET<br>SAN FRANCISCO CA 94105-1905 | 13.26% | Record |
| NATIONAL FINANCIAL SERVICES CORP<br>FBO EXCLUSIVE BENEFIT OF OUR CUST<br>ATTN MUTUAL FUNDS DEPT 4TH FLOOR<br>499 WASHINGTON BLVD<br>JERSEY CITY NJ 07310-1995 | 11.34% | Record |
| LPL FINANCIAL<br>OMNIBUS CUSTOMER ACCOUNT<br>4707 EXECUTIVE DR<br>SAN DIEGO CA 92121-3091 | 9.81% | Record |
| MORGAN STANLEY SMITH BARNEY LLC<br>FOR THE EXCLUSIVE BENEFIT OF ITS CUSTOMERS<br>1 NEW YORK PLZ FL 12<br>NEW YORK NY 10004-1965 | 9.72% | Record |
| WELLS FARGO CLEARING SERVICES LLC<br>1 N JEFFERSON AVE MSC MO3970<br>SAINT LOUIS MO 63103-2254 | 7.93% | Record |
| PERSHING LLC<br>1 PERSHING PLZ<br>JERSEY CITY NJ 07399-0001 | 5.31% | Record |

## INVESTMENT ADVISOR

1919 Investment Counsel, LLC serves as the Funds' advisor pursuant to an investment advisory agreement between the Advisor and the Trust (the "Advisory Agreement"). 1919ic provides the day-to-day portfolio management of the Funds. The Advisor's principal office is located at One South Street, Suite 2500, Baltimore, Maryland 21202. The Advisor provides customized investment counsel to individuals, family groups and institutions. 1919ic seeks to maximize performance while managing risk through an investment discipline that is supported by fundamental research and dedicated resources. The Advisor is a wholly owned subsidiary of Stifel Financial Corp., a financial services holding company. As of February 28, 2025, the Advisor had assets under management of approximately $24.1 billion.

Under the investment advisory agreement with the Trust, 1919ic supervises the management of each Fund's investments (including cash and short-term instruments) and business affairs. At its expense, 1919ic provides office space and all necessary office facilities, equipment and personnel for servicing the investments of the Funds. As compensation for its services, each Fund will pay 1919ic a monthly advisory fee at the annual rate shown in the table below, based on the corresponding Fund's average daily net assets.

| Fund | Management/Advisory Fee Rate |
|---|---|
| Financial Services Fund | 0.80% |
| Socially Responsive Fund | 0.65% of the Fund's average daily net assets up to and including $100 million; 0.61% of assets in excess of $100 million and up to and including $200 million; 0.51% of assets in excess of $200 million and up to and including $300 million; and 0.46% of assets in excess of $300 million |

The Funds are responsible for their own operating expenses. However, for each Fund, the Advisor has contractually agreed to reduce its fees and pay expenses of the Fund to ensure that Total Annual Fund Operating Expenses After Fee Waiver/Expense Reimbursement (excluding interest, brokerage commissions, front-end or contingent deferred loads, portfolio transaction expenses, taxes, extraordinary expenses, and acquired fund fees and expenses) will not exceed the amounts shown below as a percentage of the Fund's average daily net assets (the "Expense Cap").

| Fund | Class A Expense Cap | Class C Expense Cap | Class FI Expense Cap | Class R Expense Cap | Class I Expense Cap |
|---|---|---|---|---|---|
| Financial Services Fund | 1.50% | 2.25% | 1.50% | 1.75% | 1.25% |
| Socially Responsive Fund | 1.25% | 2.00% | 1.25% | 1.50% | 1.00% |

These arrangements are in effect through April 30, 2026. After that date, the arrangements may be terminated or amended at any time by the Board upon 60 days' notice to 1919ic or by 1919ic with consent of the Board. These arrangements, however, may be modified by the Advisor to decrease total annual operating expenses at any time. 1919ic may be permitted to recapture amounts waived and/or reimbursed to a class within three years after 1919ic waived the fee or incurred the expense if the class' total annual operating expenses have fallen to a level below the limits described above. In no case will the Advisor recapture any amount that would result, on any particular business day of the Fund, in the class' total annual operating expenses exceeding the lower of: (1) the applicable expense cap at the time of the waiver and/or reimbursement; or (2) the applicable expense cap at the time of the recapture. Any such recoupment is contingent upon the subsequent review and approval of the recouped amounts by the Board.

The Financial Services Fund paid management fees to 1919ic for the following fiscal years listed below (amounts paid prior to January 19, 2024 were paid by the Predecessor Fund):

| Financial Services Fund | Gross Management Fees | Management Fees Waived/Expense Reimbursements | Management Fees Recaptured | Net Management Fees (After Waivers/ Expense Reimbursements) |
|---|---|---|---|---|
| Fiscal year ended December 31, 2024 | $941,876 | $0 | $0 | $941,876 |
| Fiscal year ended December 31, 2023 | $1,073,618 | $0 | $0 | $1,073,618 |
| Fiscal year ended December 31, 2022 | $1,523,647 | $0 | $0 | $1,523,647 |

The Socially Responsive Fund paid management fees to 1919ic for the following fiscal years listed below (amounts paid prior to January 19, 2024 were paid by the Predecessor Fund):

| Socially Responsive Fund | Gross Management Fees | Management Fees Waived/Expense Reimbursements | Management Fees Recaptured | Net Management Fees (After Waivers/ Expense Reimbursements) |
|---|---|---|---|---|
| Fiscal year ended December 31, 2024 | $4,248,574 | $0 | $0 | $4,248,574 |
| Fiscal year ended December 31, 2023 | $3,615,271 | $0 | $0 | $3,615,271 |
| Fiscal year ended December 31, 2022 | $3,926,727 | $0 | $0 | $3,926,727 |

***Portfolio Manager – Financial Services Fund***

Below is set forth certain additional information with respect to the portfolio managers for the Financial Services Fund. All information is provided as of December 31, 2024.

*Portfolio Manager Compensation*

As compensation for the portfolio management function, the portfolio manager is paid a competitive base salary, generous employee benefits and is eligible to receive a discretionary bonus. The base salary is determined using a variety of factors, including: (i) years of experience; (ii) the overall size of the assets under management; (iii) type of accounts managed; (iv) contribution to portfolio performance; (v) contribution to firm management; (vi) contribution to the research and investment process; and (vii) compliance with regulatory and prospectus requirements. Compensation relating to management of the Advisor's mutual funds and compensation relating to the management of other accounts are based on the same factors and no one type of account figures more heavily in the calculation of compensation. A formula-based scheme directly linking compensation to investment performance as measured against a benchmark is not currently in place nor is one planned. For Mr. King, the discretionary bonus is based in part on overall contribution to the Advisor's business and on ability to gain new client business and retain existing business.

*Other Accounts Managed by the Portfolio Manager*

The table below identifies the portfolio manager, the number of accounts (other than the Financial Service Fund) for which the portfolio manager has day-to-day management responsibilities and the total assets in such accounts, within each of the following categories: registered investment companies, other pooled investment vehicles, other accounts and, if applicable, the number of accounts and total assets in the accounts where fees are based on performance.

| | Type of Account | Number of Accounts Managed | Total Assets Managed | Number of Accounts Managed for which Advisory Fee is Performance-Based | Assets Managed for which Advisory Fee is Performance-Based |
|---|---|---|---|---|---|
| **Charles King, CFA** | Registered investment companies | None | $0 | None | $0 |
| | Other pooled investment vehicles | None | $0 | None | $0 |
| | Other accounts | 342 | $2,137,784,128 | None | $0 |

| | Type of Account | Number of Accounts Managed | Total Assets Managed | Number of Accounts Managed for which Advisory Fee is Performance-Based | Assets Managed for which Advisory Fee is Performance-Based |
|---|---|---|---|---|---|
| **John Helfst** | Registered investment companies | None | $0 | None | $0 |
| | Other pooled investment vehicles | None | $0 | None | $0 |
| | Other accounts | None | $0 | None | $0 |

*Portfolio Manager Securities Ownership*

The table below identifies ownership of the equity securities of the Financial Services Fund by the portfolio managers responsible for the day-to-day management of the Financial Services Fund as of December 31, 2024.

| Portfolio Manager | Dollar Range of Ownership of Securities |
|---|---|
| Charles King | $100,001 - $500,000 |
| John Helfst | None |

***Portfolio Managers – Socially Responsive Fund***

Below is set forth certain additional information with respect to the portfolio managers for the Socially Responsive Fund. All information is provided as of December 31, 2024.

*Portfolio Managers Compensation*

As compensation for the portfolio management function, each portfolio manager is paid a competitive base salary, generous employee benefits and each is eligible to receive a discretionary bonus. The base salary is determined using a variety of factors, including: (i) years of experience; (ii) the overall size of the assets under management; (iii) type of accounts managed; (iv) contribution to portfolio performance; (v) contribution to firm management, in the case of Ronald T. Bates, who leads the Advisor’s Cincinnati office and is a member of the Advisor’s Executive Committee; (vi) contribution to the research and investment process; (vii) client service; and (viii) compliance with regulatory and prospectus requirements. The discretionary bonus is based in part on the overall contribution to the Advisor’s business, and on the portfolio manager's ability to gain new client business and retain existing business. A formula-based scheme directly linking compensation to investment performance as measured against a benchmark is not currently in place nor is one planned. Compensation relating to management of the Advisor's mutual funds and compensation relating to the management of other accounts are based on the same factors and no one type of account figures more heavily in the calculation of compensation.

*Other Accounts Managed by the Portfolio Managers*

The table below identifies the portfolio managers, the number of accounts (other than the Socially Responsive Fund) for which each portfolio manager has day-to-day management responsibilities and the total assets in such accounts, within each of the following categories: registered investment companies, other pooled investment vehicles, other accounts and, if applicable, the number of accounts and total assets in the accounts where fees are based on performance.

| | Type of Account | Number of Accounts Managed | Total Assets Managed | Number of Accounts Managed for which Advisory Fee is Performance-Based | Assets Managed for which Advisory Fee is Performance-Based |
|---|---|---|---|---|---|
| **Ronald T. Bates** | Registered investment companies | None | $0 | None | $0 |
| | Other pooled investment vehicles | None | $0 | None | $0 |
| | Other accounts | 289 | $1,820,413,932 | None | $0 |

| | Type of Account | Number of Accounts Managed | Total Assets Managed | Number of Accounts Managed for which Advisory Fee is Performance-Based | Assets Managed for which Advisory Fee is Performance-Based |
|---|---|---|---|---|---|
| **Aimee M. Eudy** | Registered investment companies | None | $0 | None | $0 |
| | Other pooled investment vehicles | None | $0 | None | $0 |
| | Other accounts | 130 | $877,272,837 | None | $0 |

| | Type of Account | Number of Accounts Managed | Total Assets Managed | Number of Accounts Managed for which Advisory Fee is Performance-Based | Assets Managed for which Advisory Fee is Performance-Based |
|---|---|---|---|---|---|
| **Robert Huesman** | Registered investment companies | None | $0 | None | $0 |
| | Other pooled investment vehicles | None | $0 | None | $0 |
| | Other accounts | 592 | $508,137,138 | None | $0 |

| | Type of Account | Number of Accounts Managed | Total Assets Managed | Number of Accounts Managed for which Advisory Fee is Performance-Based | Assets Managed for which Advisory Fee is Performance-Based |
|---|---|---|---|---|---|
| **Alison Bevilacqua** | Registered investment companies | None | $0 | None | $0 |
| | Other pooled investment vehicles | None | $0 | None | $0 |
| | Other accounts | None | $0 | None | $0 |

*Portfolio Manager Securities Ownership*

The table below identifies ownership of the equity securities of the Socially Responsive Fund by the portfolio managers responsible for the day-to-day management of the Socially Responsive Fund as of December 31, 2024.

| Portfolio Manager | Dollar Range of Ownership of Securities |
|---|---|
| Ronald T. Bates | $100,001 - $500,00 |
| Aimee M. Eudy | $1 - $10,000 |
| Robert Huesman | $50,001 - $100,000 |
| Alison Bevilacqua | $1 - $10,000 |

***Potential Conflicts of Interest – Financial Services Fund and Socially Responsive Fund***

Potential conflicts of interest may arise when a Fund portfolio manager also has day-to-day management responsibilities with respect to one or more other funds or other accounts.

The Advisor and the Funds have adopted compliance policies and procedures that are designed to address various conflicts of interest that may arise for the Advisor and the individuals that each employs. For example, the Advisor has adopted trade allocation procedures that are designed to facilitate the fair allocation of limited investment opportunities among multiple funds and accounts. There is no guarantee, however, that the policies and procedures adopted by the Advisor and the Funds will be able to detect and/or prevent every situation in which an actual or potential conflict may appear.

These potential conflicts include:

*Allocation of Limited Time and Attention*. A portfolio manager who is responsible for managing multiple funds and/or accounts may devote unequal time and attention to the management of those funds and/or accounts. As a result, the portfolio manager may not be able to formulate as complete a strategy or identify equally attractive investment opportunities for each of those accounts as might be the case if he or she were to devote substantially more attention to the management of a single fund. The effects of this potential conflict may be more pronounced where funds and/or accounts overseen by a particular portfolio manager have different investment strategies.

*Allocation of Limited Investment Opportunities*. If a portfolio manager identifies a limited investment opportunity that may be suitable for multiple funds and/or accounts, the opportunity may be allocated among these several funds or accounts, which may limit a Fund’s ability to take full advantage of the investment opportunity.

*Pursuit of Differing Strategies*. At times, a portfolio manager may determine that an investment opportunity may be appropriate for only some of the funds and/or accounts for which he or she exercises investment responsibility, or may decide that certain of the funds and/or accounts should take differing positions with respect to a particular security. In these cases, the portfolio manager may place separate transactions for one or more funds or accounts which may affect the market price of the security or the execution of the transaction, or both, to the detriment or benefit of one or more other funds and/or accounts.

*Selection of Broker/Dealers*. Portfolio managers may be able to select or influence the selection of the brokers and dealers that are used to execute securities transactions for the funds and/or accounts that they supervise. In addition to executing trades, some brokers and dealers provide brokerage and research services (as those terms are defined in Section 28(e) of the 1934 Act), which may result in the payment of higher brokerage fees than might have otherwise been available. These services may be more beneficial to certain funds or accounts than to others. Although the payment of brokerage commissions is subject to the requirement that the Advisor determines in good faith that the commissions are reasonable in relation to the value of the brokerage and research services provided to a fund, a decision as to the selection of brokers and dealers could yield disproportionate costs and benefits among the funds and/or accounts managed.

*Variation in Compensation*. A conflict of interest may arise where the financial or other benefits available to the portfolio manager differ among the funds and/or accounts that he or she manages. If the structure of the Advisor's management fee (and the percentage paid to the Advisor) and/or the portfolio manager's compensation differs among funds and/or accounts (such as where certain funds or accounts pay higher management fees or performance-based management fees), the portfolio manager might be motivated to help certain funds and/or accounts over others. The portfolio manager might be motivated to favor funds and/or accounts in which he or she has an interest or in which the Advisor and/or its affiliates have interests. Similarly, the desire to maintain assets under management or to enhance the portfolio manager's performance record or to derive other rewards, financial or otherwise, could influence the portfolio manager in affording preferential treatment to those funds and/or accounts that could most significantly benefit the portfolio manager.

*Related Business Opportunities*. The Advisor or its affiliates may provide more services (such as distribution or recordkeeping) for some types of funds or accounts than for others. In such cases, a portfolio manager may benefit, either directly or indirectly, by devoting disproportionate attention to the management of funds and/or accounts that provide greater overall returns to the Advisor and its affiliates.

***Distribution Plan***

The Funds have adopted a Distribution Plan (the "12b-1 Plan") pursuant to Rule 12b-1 under the 1940 Act. The 12b-1 Plan authorizes payments which are accrued daily and paid monthly at the following rates of the average daily net assets of each Fund:

| | Class A | Class C | Class I | Class FI | Class R |
|---|---|---|---|---|---|
| Financial Services Fund | 0.25% | 1.00% | None | 0.25% | 0.50% |
| Socially Responsive Fund | 0.25% | 1.00% | None | 0.25% | 0.50% |

Amounts paid under the 12b-1 Plan by the Funds may be spent by the Funds on any activities or expenses primarily intended to result in the sale of shares, including but not limited to, advertising, compensation for sales and marketing activities of financial institutions and others such as dealers and distributors, shareholder account servicing, the printing and mailing of prospectuses to other than current shareholders and the printing and mailing of sales literature. Such fees are paid each year only to the extent of such costs and expenses of the Funds under the Plan actually incurred in that year. To the extent any activity is one which the Funds may finance without a plan pursuant to Rule 12b-1, the Funds may also make payments to finance such activity outside of the 12b-1 Plan and not subject to its limitations.

Under the12b-1 Plan, the Trustees will be furnished quarterly with information detailing the amount of expenses paid under the Plan and the purposes for which payments were made. The 12b-1 Plan may be terminated at any time by vote of a majority of the Trustees of the Trust who are not interested persons.

While there is no assurance that the expenditures of a Fund's assets to finance distribution of shares will have the anticipated results, the Board believes there is a reasonable likelihood that one or more of such benefits will result, and because the Board is in a position to monitor the distribution expenses, it is able to determine the benefit of such expenditures in decision whether to continue the Plan.

Any material amendment to the 12b-1 Plan must be approved by the Board, including a majority of the Independent Trustees, or by a vote of a "majority" (as defined in the 1940 Act) of the outstanding voting securities of the applicable class or classes. The 12b-1 Plan may be terminated, with respect to a class or classes of a Fund, without penalty at any time: (1) by vote of a majority of the Board, including a majority of the Independent Trustees; or (2) by a vote of a "majority" (as defined in the 1940 Act) of the outstanding voting securities of the applicable class or classes.

For each class of a Fund covered by the 12b-1 Plan, the following 12b-1 Plan expenses were incurred in the fiscal year ended December 31, 2024:

| Fund and Class | Advertising /Marketing | Printing /Mailing | Compensation to underwriter | Compensation to broker-dealers | Compensation to sales personnel | Interest, carrying, financing charges | Other | Total |
|---|---|---|---|---|---|---|---|---|
| Financial Services Fund Class A | $0 | $0 | $0 | $157,577 | $0 | $0 | $0 | $157,577 |

| Fund and Class | Advertising /Marketing | Printing /Mailing | Compensation to underwriter | Compensation to broker-dealers | Compensation to sales personnel | Interest, carrying, financing charges | Other | Total |
|---|---|---|---|---|---|---|---|---|
| Financial Services Fund Class C | $0 | $0 | $0 | $177,631 | $0 | $0 | $4,784 | $182,415 |
| Socially Responsive Fund Class A | $0 | $0 | $0 | $656,746 | $0 | $0 | $389 | $657,135 |
| Socially Responsive Fund Class C | $0 | $0 | $0 | $1,138,758 | $0 | $0 | $116,105 | $1,254,863 |

No information is presented for Class FI or Class R shares because no shares of those classes were outstanding during the fiscal periods indicated above.

**Sub-Accounting Service Fees**

In addition to the fees that the Funds may pay to the Transfer Agent, the Board has authorized the Funds to pay service fees, at the annual rate of up to 0.15% of applicable average net assets or $20 per account, to intermediaries such as banks, broker-dealers, financial advisors or other financial institutions for sub administration, sub-transfer agency, recordkeeping (collectively, "sub-accounting services") and other shareholder services associated with shareholders whose shares are held of record in omnibus, networked, or other group accounts or accounts traded through registered securities clearing agents. Unless a Fund has adopted a specific shareholder servicing plan which is broken out as a separate expense, a sub-accounting fee paid by a Fund is included in the total amount of "Other Expenses" listed in the Fund's Fees and Expenses table in the Prospectus.

**Initial Sales Charge – Financial Services Fund**

*Class A Shares*

The aggregate dollar amounts of initial sales charges on Class A shares and the amounts retained by the Distributor for the fiscal years listed below were as follows (amounts prior to January 19, 2024 reflect the Predecessor Fund):

| **Initial Sales Charge – Financial Services Fund** *Class A Shares* | Total Commissions | Amounts retained by Distributor |
|---|---|---|
| Fiscal year ended December 31, 2024 | $137,255 | $0 |
| Fiscal year ended December 31, 2023 | $73,408 | $0 |
| Fiscal year ended December 31, 2022 | $200,786 | $0 |

**Contingent Deferred Sales Charges – Financial Services Fund**

*Class A Shares*

The aggregate dollar amounts of contingent deferred sales charges on Class A shares and the amounts reimbursed to the Advisor or the fiscal years listed below were as follows (amounts prior to January 19, 2024 reflect the Predecessor Fund):

| **Contingent Deferred Sales Charge – Financial Services Fund** *Class A Shares* | Total Commissions | Amounts Reimbursed to Advisor |
|---|---|---|
| Fiscal year ended December 31, 2024 | $0 | $0 |
| Fiscal year ended December 31, 2023 | $0 | $0 |
| Fiscal year ended December 31, 2022 | $0 | $0 |

*Class C Shares*

The aggregate dollar amounts of contingent deferred sales charges on Class C shares and the amounts reimbursed to the Advisor for the fiscal years listed were as follows (amounts prior to January 19, 2024 reflect the Predecessor Fund):

| **Contingent Deferred Sales Charge – Financial Services Fund** *Class C Shares* | Total Commissions | Amounts Reimbursed to Advisor |
|---|---|---|
| Fiscal year ended December 31, 2024 | $137,255 | $0 |

| | | |
|---|---|---|
| Fiscal year ended December 31, 2023 | $252 | $0 |
| Fiscal year ended December 31, 2022 | $1,148 | $0 |

**Initial Sales Charge – Socially Responsive Fund**

*Class A Shares*

The aggregate dollar amounts of initial sales charges on Class A shares and the amounts retained by the Distributor for the fiscal years listed below were as follows (amounts prior to January 19, 2024 reflect the Predecessor Fund):

| **Initial Sales Charge – Socially Responsive Fund** *Class A Shares* | **Total Commissions** | **Amounts retained by Distributor** |
|---|---|---|
| Fiscal year ended December 31, 2024 | $307,303 | $0 |
| Fiscal year ended December 31, 2023 | $358,237 | $0 |
| Fiscal year ended December 31, 2022 | $618,946 | $0 |

**Contingent Deferred Sales Charges – Socially Responsive Fund**

*Class A Shares*

The aggregate dollar amounts of contingent deferred sales charges on Class A shares and the amounts reimbursed to the Advisor for the fiscal years listed below were as follows (amounts prior to January 19, 2024 reflect the Predecessor Fund):

| **Contingent Deferred Sales Charge – Socially Responsive Fund** *Class A Shares* | **Total Commissions** | **Amounts Reimbursed to Advisor** |
|---|---|---|
| Fiscal year ended December 31, 2024 | $0 | $0 |
| Fiscal year ended December 31, 2023 | $0 | $0 |
| Fiscal year ended December 31, 2022 | $0 | $0 |

*Class C Shares*

The aggregate dollar amounts of contingent deferred sales charges on Class C shares and the amounts reimbursed to the Advisor for the fiscal years listed below were as follows (amounts prior to January 19, 2024 reflect the Predecessor Fund):

| **Contingent Deferred Sales Charge – Socially Responsive Fund** *Class C Shares* | **Total Commissions** | **Amounts Reimbursed to the Advisor** |
|---|---|---|
| Fiscal year ended December 31, 2024 | $307,303 | $0 |
| Fiscal year ended December 31, 2023 | $3,437 | $0 |
| Fiscal year ended December 31, 2022 | $23,154 | $0 |

## OTHER SERVICE PROVIDERS

***Distributor***

The Trust has entered into a Distribution Agreement (the "Distribution Agreement") with Quasar Distributors, LLC, a wholly-owned broker-dealer subsidiary of Foreside Financial Group, LLC, located at Three Canal Plaza, Portland, Maine 04101 (the "Distributor"), pursuant to which the Distributor acts as the Funds' distributor, provides certain administration services and promotes and arranges for the sale of Fund shares. The offering of a Fund's shares is continuous. The Distributor is a registered broker-dealer and member of FINRA.

The Distribution Agreement has an initial term of up to two years and will continue in effect only if such continuance is specifically approved at least annually by the Board or by vote of a majority of a Fund's outstanding voting securities and, in either case, by a majority of the Trustees who are not parties to the Distribution Agreement or "interested persons" (as defined in the 1940 Act) of any such party. The Distribution Agreement is terminable without penalty by the Trust on behalf of a Fund on 60 days' written notice when authorized either by a majority vote of a Fund's shareholders or by vote of a majority of the Board, including a majority of the Trustees who are not "interested persons" (as defined in the 1940 Act) of the Trust, or by the Distributor on 60 days' written notice, and will automatically terminate in the event of its "assignment" (as defined in the 1940 Act).

### *Fund Administrator, Transfer Agent and Fund Accountant*

Pursuant to an administration agreement (the "Administration Agreement"), U.S. Bancorp Fund Services, LLC, doing business as U.S. Bank Global Fund Services ("Global Fund Services" of the "Administrator"), 615 East Michigan Street, Milwaukee, Wisconsin 53202, acts as the administrator to the Funds. Global Fund Services provides certain services to the Funds including, among other responsibilities, coordinating the negotiation of contracts and fees with, and the monitoring of performance and billing of, the Funds' independent contractors and agents; preparation for signature by an officer of the Trust of all documents required to be filed for compliance by the Trust and the Funds with applicable laws and regulations, excluding those of the securities laws of various states; arranging for the computation of performance data, including NAV per share and yield; responding to shareholder inquiries; and arranging for the maintenance of books and records of the Funds, and providing, at its own expense, office facilities, equipment and personnel necessary to carry out its duties. In this capacity, Global Fund Services does not have any responsibility or authority for the management of the Funds, the determination of investment policy, or for any matter pertaining to the distribution of Fund shares.

Pursuant to the Administration Agreement, as compensation for its fund administration, portfolio compliance and fund accounting services, Global Fund Services receives from each Fund, a fee based on each Fund's current average daily net assets. Pursuant to the Administration Agreement, Global Fund Services will receive a portion of fees from the Fund as part of a bundled-fee agreement for services performed as Administrator and Fund Accountant and separately as the transfer agent and dividend disbursing agent (the "Transfer Agent"). Additionally, Global Fund Services provides Chief Compliance Officer services to the Trust under a separate agreement. The cost for the Chief Compliance Officer's services is charged to the Fund and approved by the Board annually.

For the fiscal years shown below, the Funds paid the following administration fees to Global Fund Services pursuant to the Administration Agreement (amounts paid prior to January 19, 2024 were paid by the Predecessor Fund).

| | |
|---|---|
| Fiscal year ended December 31, 2024 | $521,943 |
| Fiscal year ended December 31, 2023 | $475,118 |
| Fiscal year ended December 31, 2022 | $630,217 |

### *Custodian*

Pursuant to a Custody Agreement between the Trust and U.S. Bank National Association, located at 1555 North Rivercenter Drive, Suite 302, Milwaukee, Wisconsin 53212 (the "Custodian"), the Custodian serves as the custodian of each Fund's assets, holds each Fund's portfolio securities in safekeeping, and keeps all necessary records and documents relating to its duties. The Custodian is compensated with an asset-based fee plus transaction fees and is reimbursed for out-of-pocket expenses.

The Custodian and Administrator do not participate in decisions relating to the purchase and sale of securities by the Funds. The Administrator, Transfer Agent, and Custodian are affiliated entities under the common control of U.S. Bancorp Fund Services, LLC. The Custodian and its affiliates may participate in revenue sharing arrangements with the service providers of mutual funds in which the Funds may invest.

### *Independent Registered Public Accounting Firm*

Cohen & Company, Ltd., 1835 Market Street, Suite 310 Philadelphia, Pennsylvania 19103, serves as the independent registered public accounting firm for the Funds. Its services include auditing the Funds' financial statements. Cohen & Co Advisory, LLC, an affiliate of Cohen & Company, Ltd., provides tax services as requested.

### *Legal Counsel*

Morgan, Lewis & Bockius LLC, 1111 Pennsylvania Avenue NW, Washington, DC 20004, serves as legal counsel to the Trust.

### *Codes of Ethics*

The Trust and the Advisor have each adopted separate Codes of Ethics under Rule 17j-1 of the 1940 Act. These Codes of Ethics permit, subject to certain conditions, access persons of the Advisor to invest in securities that may be purchased or held by a Fund.

### *Proxy Voting Policies and Procedures*

The Board has adopted Proxy Voting Policies and Procedures (the "Policies") on behalf of the Trust which delegate the responsibility for voting proxies to the Advisor, subject to the Board's continuing oversight. The Policies require that the Advisor vote proxies received in a manner consistent with the best interests of a Fund and its shareholders. The Policies also require the Advisor to present to the Board, at least annually, the Advisor's Policies and a record of each proxy voted by the Advisor on behalf of each Fund, including a report on the resolution of all proxies identified by the Advisor as involving a conflict of interest.

A copy of the Advisor's policies and procedures used to determine how to vote proxies related to portfolio securities can be found in Appendix B.

The Trust is required to file a Form N-PX, with each Fund's complete proxy voting record for the 12 months ended June 30, no later than August 31 of each year. Each Fund's proxy voting record will be available without charge, upon request, by calling toll-free 1-844-828-1919, on the Funds' website and on the SEC's website at www.sec.gov.

**PURCHASE OF SHARES**

**General**

See the Funds' Prospectus for a discussion of which classes of shares are available for purchase and who is eligible to purchase shares of each class.

A financial intermediary may offer Fund shares subject to variations in or elimination of a Fund's sales charges ("variations"), provided such variations are described in the Funds' Prospectus. For the variations applicable to shares offered through specific financial intermediaries, please see Appendix A to the Funds' Prospectus - Financial Intermediary Sales Charge Variations ("Appendix A to the Funds' Prospectus"). Sales charge variations may apply to purchases, sales, exchanges and reinvestments of Fund shares and a shareholder transacting in Fund shares through the financial intermediary identified in Appendix A to the Funds' Prospectus should read those terms and conditions carefully. A variation that is specific to the financial intermediary is not applicable to shares held directly with the Fund or through another intermediary. Please consult the financial intermediary with respect to any variations listed on Appendix A to the Funds' Prospectus.

Investors may purchase shares from a Financial Intermediary. In addition, certain investors, including retirement plans purchasing through certain Financial Intermediaries, may purchase shares directly from a Fund. When purchasing shares of a Fund, investors must specify the class of shares being purchased. Financial Intermediaries may charge their customers an annual account maintenance fee in connection with a brokerage account through which an investor purchases or holds shares. Accounts held directly at the Transfer Agent are not subject to a maintenance fee.

The information provided below supplements the information contained in the Prospectus regarding the purchase and redemption of each Fund's shares.

**How to Buy Shares**

You may purchase shares of a Fund from securities brokers, dealers or financial intermediaries (collectively, "Financial Intermediaries"). Investors should contact their Financial Intermediary directly for appropriate instructions, as well as information pertaining to accounts and any service or transaction fees that may be charged. Each Fund may enter into arrangements with certain Financial Intermediaries whereby such Financial Intermediaries are authorized to accept your order on behalf of a Fund. If you transmit your order to these Financial Intermediaries before the close of regular trading (generally 4:00 p.m., Eastern time) on a day that the NYSE is open for business, shares will be purchased at the appropriate per share price next computed after it is received by the Financial Intermediary. The Funds will be deemed to have received a purchase or redemption order when an authorized broker, or, if applicable, a broker's designee receives the order. Investors should check with their Financial Intermediary to determine if it participates in these arrangements.

The public offering price of each Fund shares is the NAV per share next determined after your order is received, plus a sales charge for classes subject to a sales charge. Shares are purchased at the public offering price next determined after the Transfer Agent receives your order in good order, plus a sales charge for classes subject to a sales charge. In most cases, in order to receive that day's public offering price, the Transfer Agent must receive your order in good order before the close of regular trading on the NYSE, normally 4:00 p.m., Eastern time.

The Trust reserves the right in its sole discretion (i) to suspend the continued offering of a Fund's shares and (ii) to reject purchase orders in whole or in part when in the judgment of the Advisor or the Distributor such rejection is in the best interest of the Fund. The Advisor has the right to reduce or waive the minimum for initial and subsequent investments for certain fiduciary accounts or under circumstances where certain economies can be achieved in sales of a Fund's shares.

In addition to cash purchases, each Fund's shares may be purchased by tendering payment in-kind in the form of shares of stock, bonds or other securities. Any securities used to buy Fund shares must be readily marketable, their acquisition consistent with a Fund's objective and otherwise acceptable to the Advisor and the Board.

See the combined Prospectus for a discussion of which classes of shares are available for purchase and who is eligible to purchase shares of each class.

**Additional Purchase Information**

*Class I Shares.* The following persons are eligible to purchase Class I shares of the Funds: (i) current employees of the Advisor and its affiliates; (ii) current and former board members of investment companies managed by affiliates of the Advisor (iii) current and former board members of the Trust; and (iv) the immediate families of such persons. Immediate families are such person's spouse, including the surviving spouse of a deceased board member, and children under the age of 21. For such investors, the minimum initial investment is $1,000 and the minimum for each purchase of additional shares is $50. Current employees may purchase additional Class I shares through a systematic investment plan.

*Automatic Investment Plan ("AIP").* Shareholders may make additions to their accounts at any time by purchasing shares through a service known as the Automatic Investment Plan. Under the AIP, the Transfer Agent is authorized through preauthorized transfers of at least $50 on a monthly, quarterly, every alternate month, semi-annual or annual basis to charge the shareholder's account held with a bank or other financial institution as indicated by the shareholder, to provide for systematic additions to the shareholder's Fund account. If you wish to enroll in the AIP, complete the appropriate section on the Account application. Your signed account application must be received at least 7 business days prior to the initial transaction. A $25 fee will be imposed if your AIP transaction is returned for any reason. The Fund may terminate or modify this privilege at any time. You may terminate your participation in the AIP at any time by notifying the Transfer Agent sufficiently in advance of the next withdrawal. Please contact your financial institution to determine if it is an ACH member. Your financial institution must be an ACH member in order for you to participate in the AIP.

The AIP is a method of using dollar cost averaging as an investment strategy that involves investing a fixed amount of money at regular time intervals. However, a program of regular investment cannot ensure a profit or protect against a loss as a result of declining markets. By continually investing the same amount, you will be purchasing more shares when the price is low and fewer shares when the price is high. Please call 1-844-828-1919 for additional information regarding the Fund's AIP.

For additional information regarding applicable investment minimums and eligibility requirements for purchases of Financial Services Fund shares, please see the Financial Services Fund's Prospectus.

**Sales Charge Alternatives**

The following classes of Fund shares are available for purchase. See the Prospectus for a discussion of who is eligible to purchase certain classes and of factors to consider in selecting which class of shares to purchase.

*Class A Shares.* Class A shares are sold to investors at the public offering price, which is the NAV plus an initial sales charge, as described in the Funds' Prospectus.

Members of the selling group may receive a portion of the sales charge as described in the Prospectus and may be deemed to be underwriters of the Fund as defined in the 1933 Act. Sales charges are calculated based on the aggregate of purchases of Class A shares of the Financial Services Fund made at one time by any "person," which includes an individual and his or her spouse and children under the age of 21, or a trustee or other fiduciary of a single trust estate or single fiduciary account. For additional information regarding sales charge reductions, see "Sales Charge Waivers and Reductions" below.

You do not pay an initial sales charge when you buy $1,000,000 or more of Class A shares. However, if you redeem these Class A shares within 18 months of purchase, you will pay a contingent deferred sales charge of 1.00%.

The contingent deferred sales charge is waived in the same circumstances in which the contingent deferred sales charge applicable to Class C shares is waived. See "Contingent Deferred Sales Charge Provisions" and "Waivers of Contingent Deferred Sales Charge" below.

*Class C Shares.* Class C shares are sold without an initial sales charge but are subject to a contingent deferred sales charge payable upon certain redemptions. See "Contingent Deferred Sales Charge Provisions" below.

*Class FI, Class R and Class I Shares.* Class FI, Class R and Class I shares are sold at NAV with no initial sales charge and no contingent deferred sales charge upon redemption.

**Sales Charge Waivers and Reductions**

*Initial Sales Charge Waivers.* Purchases of Class A shares may be made at NAV without an initial sales charge in the following circumstances:

- sales to (i) current and retired Board Members, (ii) current employees of Advisor and its subsidiaries, (iii) the "immediate families" of such persons ("immediate families" are such person's spouse, including the surviving spouse of a deceased Board Member, and children under the age of 21) and (iv) a pension, profit-sharing or other benefit plan for the benefit of such persons;

- sales to any employees of Financial Intermediaries having dealer, service or other selling agreements with the Funds' Distributor or otherwise having an arrangement with any such Financial Intermediary with respect to sales of Fund shares, and by the immediate families of such persons or by a pension, profit-sharing or other benefit plan for the benefit of such persons (providing the purchase is made for investment purposes and such securities will not be resold except through redemption or repurchase);

- offers of Class A shares to any other investment company to effect the combination of such company with a Fund by merger, acquisition of assets or otherwise;

- purchases by shareholders who have redeemed Class A shares in the Fund (or Class A shares of another Fund sold by the Advisor that is offered with a sales charge) and who wish to reinvest their redemption proceeds in the Fund as described in "Qualifying for a reduced Class A sales charge," "Reinstatement Privileges" section of the Prospectus, provided the reinvestment is made within 365 calendar days of the redemption:

- purchases by certain separate accounts used to fund unregistered variable annuity contracts;

- purchases by investors participating in "wrap fee" or asset allocation programs or other fee-based arrangements sponsored by broker/dealers and other financial institutions that have entered into agreements with the Advisor; and

- purchases by direct retail investment platforms through mutual fund "supermarkets," where the sponsor links its client's account (including IRA accounts on such platforms) to a master account in the sponsor's name.

For the sales charge variations applicable to shares offered through specific financial intermediaries, please see Appendix A to the Funds' Prospectus.

All existing retirement plan shareholders who purchased Class A shares at NAV prior to November 20, 2006, are permitted to purchase additional Class A shares at NAV. Certain existing programs for current and prospective retirement plan investors sponsored by financial intermediaries approved by the Advisor prior to November 20, 2006 will also remain eligible to purchase Class A shares at NAV.

*Accumulation Privilege, Rights of Accumulation ("ROA")* — You may combine your new purchase of Class A shares with Class A shares you shares currently own for the purpose of qualifying for the lower initial sales charge rates that apply to larger purchases. The applicable sales charge for the new purchase is based on the total of your current purchase and the current value, calculated using the current day public offering price of all other shares you own. You may also combine the account value of your spouse and children under the age of 21. Only the shares held at the intermediary or the Transfer Agent at which you are making the current purchase can be used for the purposes of a lower sales charge based on Rights of Accumulation.

*Letter of Intent* ("LOI") — Helps you take advantage of breakpoints in Class A sales charges. You may purchase Class A shares of Funds managed by the Advisor over a 13-month period and pay the same sales charge, if any, as if all shares had been purchased at once. You have a choice of seven Asset Level Goal amounts, as follows:

**Asset Level Goal**

(1) $25,000
(2) $50,000
(3) $100,000
(4) $250,000
(5) $500,000
(6) $750,000
(7) $1,000,000

By signing a LOI you can reduce your Class A sales charge. Your individual purchases will be made at the applicable sales charge based on the amount you intend to invest over a 13-month period. The LOI will apply to all purchases of 1919 Funds Class A shares. Any shares purchased within 90 days of the date you sign the letter of intent may be used as credit toward completion, but the reduced sales charge will only apply to new purchases made on or after that date. Purchases resulting from the reinvestment of dividends and capital gains do not apply toward fulfillment of the LOI. Shares equal to 5.75% of the amount of the LOI will be held in escrow during the 13-month period. If, at the end of that time the total amount of purchases made is less than the amount intended, you will be required to pay the difference between the reduced sales charge and the sales charge applicable to the individual purchases had the LOI not been in effect. This amount will be obtained from redemption of the escrow shares. Any remaining escrow shares will be released to you.

If you establish an LOI with 1919 Funds you can aggregate your accounts as well as the accounts of your spouse and children under age 21. **You will need to provide written instruction with respect to the other accounts whose**

**purchases should be considered in fulfillment of the LOI. Only the accounts held at the financial intermediary or the Transfer Agent at which you are making the purchase can be used toward fulfillment of the LOI.**

*Increasing the Amount of the Letter of Intent.* You may at any time increase your Asset Level Goal. You must, however, contact your Financial Intermediary, or if you purchase your shares directly through the Transfer Agent, contact the Transfer Agent, prior to making any purchases in an amount in excess of your current Asset Level Goal. The reduced sales charge will only apply to new purchases made on or after that date.

*Sales and Exchanges.* Shares acquired pursuant to a Letter of Intent, other than Escrowed Shares as defined below, may be redeemed or exchanged at any time, although any shares that are redeemed prior to meeting your Asset Level Goal will no longer count towards meeting your Asset Level Goal. However, complete liquidation of purchases made under a Letter of Intent prior to meeting the Asset Level Goal will result in the cancellation of the Letter. See "Failure to Meet Asset Level Goal" below. Exchanges in accordance with the Funds' Prospectus are permitted, and shares so exchanged will continue to count towards your Asset Level Goal, as long as the exchange results in an Eligible Fund Purchase.

*Cancellation of Letter of Intent.* You may cancel a Letter of Intent by notifying your Financial Intermediary in writing, or if you purchase your shares directly through the Transfer Agent, by notifying the Transfer Agent in writing. The Letter will be automatically cancelled if all shares are sold or redeemed as set forth above. See "Failure to Meet Asset Level Goal" below.

*Escrowed Shares.* Shares equal in value to 5.75% of your Asset Level Goal as of the date your Letter of Intent (or the date of any increase in the amount of the Letter) is accepted will be held in escrow during the term of your Letter. The Escrowed Shares will be included in the total shares owned as reflected in your account statement and any dividends and capital gains distributions applicable to the Escrowed Shares will be credited to your account and counted towards your Asset Level Goal or paid in cash upon request. The Escrowed Shares will be released from escrow if all the terms of your Letter are met.

*Failure to Meet Asset Level Goal.* If the total assets under your Letter of Intent within its 13-month term are less than your Asset Level Goal whether because you made insufficient Eligible Fund Purchases, redeemed all of your holdings or cancelled the Letter before reaching your Asset Level Goal, you will be liable for the difference between: (a) the sales charge actually paid and (b) the sales charge that would have applied if you had not entered into the Letter. You may, however, be entitled to any breakpoints that would have been available to you under the accumulation privilege. An appropriate number of shares in your account will be redeemed to realize the amount due. For these purposes, by entering into a Letter of Intent, you irrevocably appoint your Financial Intermediary, or if you purchase your shares directly through the Transfer Agent, the Transfer Agent, as your attorney-in-fact for the purposes of holding the Escrowed Shares and surrendering shares in your account for redemption. If there are insufficient assets in your account, you will be liable for the difference. Any Escrowed Shares remaining after such redemption will be released to your account.

### Contingent Deferred Sales Charge Provisions

"Contingent deferred sales charge shares" are: (a) Class C shares and (b) Class A shares that were purchased without an initial sales charge but are subject to a contingent deferred sales charge. A contingent deferred sales charge may be imposed on certain redemptions of these shares.

Any applicable contingent deferred sales charge will be assessed on the NAV at the time of purchase or redemption, whichever is less.

Class A shares that are contingent deferred sales charge shares are subject to a 1.00% contingent deferred sales charge if redeemed within 18 months of purchase. Class C shares that are contingent deferred sales charge shares are subject to a 1.00% contingent deferred sales charge if redeemed within 12 months of purchase.

In determining the applicability of any contingent deferred sales charge, it will be assumed that a redemption is made first of shares representing capital appreciation, next of shares representing the reinvestment of dividends and capital gain distributions, next of shares that are not subject to the contingent deferred sales charge and finally of other shares held by the shareholder for the longest period of time. The length of time that contingent deferred sales charge shares acquired through an exchange have been held will be calculated from the date the shares exchanged were initially acquired. For federal income tax purposes, the amount of the contingent deferred sales charge will reduce the gain or increase the loss, as the case may be, on the amount realized on redemption. The Distributor receives contingent deferred sales charges in partial consideration for its expenses in selling shares.

### Waivers of Contingent Deferred Sales Charge

The contingent deferred sales charge will be waived on: (a) exchanges (see "Exchange Privilege"); (b) automatic cash withdrawals in amounts equal to or less than 2.00% per month of the shareholder's account balance at the time the withdrawals commence, up to a maximum of 12.00% in one year (see "Automatic Cash Withdrawal Plan"); (c) redemptions of shares within 12 months following the death or disability (as defined in the Code) of the shareholder;

(d) mandatory post-retirement distributions from retirement plans or IRAs commencing on or after attainment of age 70 $^{1}/_{2}$ (except that shareholders who purchased shares subject to a contingent deferred sales charge prior to May 23, 2005 will be “grandfathered” and will be eligible to obtain the waiver at age 59 $^{1}/_{2}$ by demonstrating such eligibility at the time of redemption); (e) involuntary redemptions; (f) redemptions of shares to effect a combination of a Fund with any investment company by merger, acquisition of assets or otherwise; (g) tax-free returns of an excess contribution to any retirement plan; and (h) certain redemptions of shares of a Fund in connection with lump-sum or other distributions made by eligible retirement plans or redemption of shares by participants in certain “wrap fee” or asset allocation programs sponsored by broker/dealers and other financial institutions that have entered into agreements with the Distributor or the manager.

The contingent deferred sales charge is waived on Class C shares purchased by retirement plan omnibus accounts held on the books of a Fund.

## REDEMPTION OF SHARES

### How to Sell Shares and Delivery of Redemption Proceeds

You can sell your Fund shares any day the NYSE is open for regular trading, either directly to a Fund or through your Financial Intermediary.

Payments to shareholders for shares of a Fund redeemed directly from a Fund will be made as promptly as possible, but no later than seven days after receipt by the Transfer Agent of the written request in proper form, with the appropriate documentation as stated in the Prospectus, except that a Fund may suspend the right of redemption or postpone the date of payment during any period when (a) trading on the NYSE is restricted as determined by the SEC or the NYSE is closed for other than weekends and holidays; (b) an emergency exists as determined by the SEC making disposal of portfolio securities or valuation of net assets of a Fund not reasonably practicable; or (c) for such other period as the SEC may permit for the protection of a Fund’s shareholders. Under unusual circumstances, a Fund may suspend redemptions, or postpone payment for more than seven days, but only as authorized by SEC rules.

The value of shares on redemption or repurchase may be more or less than the investor’s cost, depending upon the market value of a Fund’s portfolio securities at the time of redemption or repurchase.

### Telephone Redemptions

Shareholders with telephone transaction privileges established on their account may redeem Fund shares by telephone by calling the Funds at 1-844-828-1919. Upon receipt of any instructions or inquiries by telephone from the shareholder, a Fund or its authorized agents may carry out the instructions and/or respond to the inquiry consistent with the shareholder’s previously established account service options. For joint accounts, instructions or inquiries from either party will be carried out without prior notice to the other account owners. In acting upon telephone instructions, a Fund and its agents use procedures that are reasonably designed to ensure that such instructions are genuine. These include recording all telephone calls, requiring pertinent information about the account and sending written confirmation of each transaction to the registered owner.

Fund Services will employ reasonable procedures to confirm that instructions communicated by telephone are genuine. If Fund Services fails to employ reasonable procedures, a Fund and Fund Services may be liable for any losses due to unauthorized or fraudulent instructions. If these procedures are followed, however, to the extent permitted by applicable law, neither a Fund nor its agents will be liable for any loss, liability, cost or expense arising out of any redemption request, including any fraudulent or unauthorized request. For additional information, contact Fund Services.

### Systematic Withdrawal Plan (“SWP”)

The SWP is available to those shareholders who own shares directly with a Fund. You should contact your Financial Advisor to determine if it offers a similar service.

*Class A and Class C Shareholders*

Class A and Class C shareholders having an account with a balance of $10,000 or more may elect to make withdrawals of a minimum of $50 on a monthly basis. There are two ways to receive payment of proceeds of redemptions made through the SWP: (1) Check mailed by the Fund to your address of record or, payments sent directly to a pre-authorized bank account by electronic funds transfer via the ACH network. For payment through the ACH network, your bank must be an ACH member and your bank account information must be maintained on your Fund account. This SWP may be terminated or modified by a shareholder or the Fund at any time without charge or penalty. You may also elect to terminate your participation in this SWP at any time by contacting the Transfer Agent sufficiently in advance of the next withdrawal. See “Waivers of Contingent Deferred Sales Charge”, above, for information about application of the contingent deferred sales charge to withdrawals under the SWP.

*Class FI and Class I Shareholders*

Certain shareholders of a Fund's Class FI or Class I shares may be eligible to participate in the 1919 Funds SWP. Receipt of payment of proceeds of redemptions made through the SWP will be sent via electronic funds transfer through ACH to your checking or savings account — redemptions of Fund shares may occur on any business day of the month and the checking or savings account will be credited with the proceeds in approximately two business days. Requests must be made in writing to 1919 Funds to participate in, change or discontinue the SWP. You may change the monthly amount to be paid to you or terminate the SWP at any time, without charge or penalty, by notifying Shareholder Services at 1-844-828-1919. The Funds, their Transfer Agent, and 1919 also reserve the right to modify or terminate the Systematic Withdrawal Plan at any time.

**Redemptions In-Kind**

Each Fund has reserved the right to pay the redemption price of its shares by a distribution in-kind of portfolio securities (instead of cash). The securities so distributed would be valued at the same amount as that assigned to them in calculating the NAV per share for the shares being sold. If a shareholder receives a distribution in-kind, the shareholder could incur brokerage or other charges in converting the securities to cash.

**EXCHANGE PRIVILEGE**

The exchange privilege enables shareholders to acquire shares of the same class in another Fund with different investment objectives when they believe that a shift between Funds is an appropriate investment decision. Prior to any exchange, the shareholder should obtain and review a copy of the current prospectus of each Fund into which an exchange is being considered. The Funds' Prospectus describes the requirements for exchanging shares of a Fund.

Upon receipt of proper instructions and all necessary supporting documents, shares submitted for exchange are redeemed at the then-current net asset value, and the proceeds, net of any applicable sales charge, are immediately invested in shares of a Fund being acquired at that Fund's then-current net asset value. The Fund reserves the right to reject any exchange request. The exchange privilege may be modified or terminated at any time after written notice to shareholders.

**Grandfathered Retirement Program with Exchange Features**

Certain retirement plan programs with exchange features in effect prior to November 20, 2006 (collectively, the "Grandfathered Retirement Program"), that are authorized to offer eligible retirement plan investors the opportunity to exchange all of their Class C shares for Class A shares of an applicable Fund, are permitted to maintain such share class exchange feature for current and prospective retirement plan investors. Under the Grandfathered Retirement Program, Class C shares of a Fund may be purchased by plans investing less than $3 million. Class C shares are eligible for exchange into Class A shares not later than eight years after the plan joins the program. They are eligible for exchange in the following circumstances:

If a participating plan's total Class C holdings equal at least $3,000,000 at the end of the fifth year after the date the participating plan enrolled in the Grandfathered Retirement Program, the participating plan will be offered the opportunity to exchange all of its Class C shares for Class A shares of a Fund. Such participating plans will be notified of the pending exchange in writing within 30 days after the fifth anniversary of the enrollment date and, unless the exchange offer has been rejected in writing, the exchange will occur on or about the 90th day after the fifth anniversary date. If the participating plan does not qualify for the five-year exchange to Class A shares, a review of the participating plan's holdings will be performed each quarter until either the participating plan qualifies or the end of the eighth year.

Any participating plan that has not previously qualified for an exchange into Class A shares will be offered the opportunity to exchange all of its Class C shares for Class A shares of the same Fund regardless of asset size at the end of the eighth year after the date the participating plan enrolled in the Grandfathered Retirement Program. Such plans will be notified of the pending exchange in writing approximately 60 days before the eighth anniversary of the enrollment date and, unless the exchange has been rejected in writing, the exchange will occur on or about the eighth anniversary date. Once an exchange has occurred, a participating plan will not be eligible to acquire additional Class C shares, but instead may acquire Class A shares of the same Fund. Any Class C shares not converted will continue to be subject to the distribution fee.

For further information regarding this Program, contact your Financial Intermediary or the Transfer Agent. Participating plans that enrolled in the Grandfathered Retirement Program prior to June 2, 2003 should contact the Transfer Agent for information regarding Class C exchange privileges applicable to their plan.

**Additional Information Regarding the Exchange Privilege**

The Funds are not designed to provide investors with a means of speculation on short-term market movements. A pattern of frequent exchanges by investors can be disruptive to efficient portfolio management and, consequently, can be detrimental to a Fund and its shareholders. See "Tools To Combat Frequent Transactions" in the Funds' Prospectus.

During times of drastic economic or market conditions, a Fund may suspend the exchange privilege temporarily without notice and treat exchange requests based on their separate components — redemption orders with a simultaneous request to purchase the other Fund's shares. In such a case, the redemption request would be processed at a Fund's next determined net asset value but the purchase order would be effective only at the net asset value next determined after a Fund being purchased formally accepts the order, which may result in the purchase being delayed.

The exchange privilege may be modified or terminated at any time, and is available only in those jurisdictions where such exchanges legally may be made. Before making any exchange, shareholders should contact the Transfer Agent or, if they hold Fund shares through a Financial Intermediary, their Financial Intermediary, to obtain more information and prospectuses of the Funds to be acquired through the exchange. An exchange is treated as a sale of the shares exchanged and could result in taxable gain or loss to the shareholder making the exchange.

**CONVERSION PRIVILEGE**

Under certain circumstances, an investor who purchases 1919 Fund shares pursuant to a fee-based advisory account program of an Eligible Financial Intermediary as authorized by the Advisor, may be afforded an opportunity to make a conversion between one or more share classes owned by the investor in a 1919 Fund to another class of shares of the same 1919 Fund. The aggregate dollar value of the shares of the class received upon any such conversion will equal the aggregate dollar value of the converted shares on the date of the conversion. An investor whose fund shares are converted from one class to another class will not realize taxable gain or loss as a result of the conversion. Please refer to the section of the Prospectus titled "Retirement and Institutional Investors — eligible investors" or contact your financial intermediary for more information.

**VALUATION OF SHARES**

The NAV of each Fund is determined as of the close of regular trading on the NYSE (generally 4:00 p.m., Eastern Time), each day the NYSE is open for trading. The NYSE annually announces the days on which it will not be open for trading. It is expected that the NYSE will not be open for trading on the following holidays: New Year's Day, Martin Luther King, Jr. Day, Washington's Birthday/Presidents' Day, Good Friday, Memorial Day, Juneteenth National Independence Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

NAV is calculated by adding the value of all securities and other assets attributable to a Fund (including interest and dividends accrued, but not yet received), then subtracting liabilities attributable to a Fund (including accrued expenses).

Securities primarily traded in the NASDAQ Global Market® for which market quotations are readily available shall be valued using the NASDAQ® Official Closing Price ("NOCP"). If the NOCP is not available, such securities shall be valued at the last sale price on the day of valuation, or if there has been no sale on such day, at the mean between the bid and asked prices. OTC securities which are not traded in the NASDAQ Global Market® shall be valued at the most recent sales price. Securities and assets for which market quotations are not readily available (including restricted securities which are subject to limitations as to their sale) are valued at fair value as determined in good faith under procedures adopted by the Advisor, subject to oversight by the Board.

Short-term debt obligations with remaining maturities in excess of 60 days are valued at current market prices, as discussed above.

Each Fund's securities, including ADRs, EDRs and GDRs, which are traded on securities exchanges are valued at the last sale price on the exchange on which such securities are traded, as of the close of business on the day the securities are being valued or, lacking any reported sales, at the mean between the last available bid and asked price. Securities that are traded on more than one exchange are valued on the exchange determined by the Advisor to be the primary market.

Debt securities and bank loans are valued in accordance with prices supplied by an approved pricing service. Pricing services may use various valuation methodologies such as the mean between the bid and asked prices, matrix pricing and other analytical pricing models as well as market transactions and dealer quotations.

In the case of foreign securities, the occurrence of certain events after the close of foreign markets, but prior to the time a Fund's NAV is calculated (such as a significant surge or decline in the U.S. or other markets) often will result in an adjustment to the trading prices of foreign securities when foreign markets open on the following business day. If such events occur, a Fund will value foreign securities at fair value, taking into account such events, in calculating the NAV. In such cases, use of fair valuation can reduce an investor's ability to seek to profit by estimating a Fund's NAV in advance of the time the NAV is calculated. The Advisor anticipates that a Fund's portfolio holdings will be fair valued only if market quotations for those holdings are considered unreliable or are unavailable.

An option that is written or purchased by a Fund shall be valued using composite pricing via the National Best Bid and Offer quotes. Composite pricing looks at the last trade on the exchange where the option is traded. If there are no trades for an option on a given business day, as of closing, a Fund will value the option at the mean of the highest bid price and lowest ask price across the exchanges where the option is traded. For options where market quotations are not readily available, fair value shall be determined by the Advisor subject to the oversight of the Board.

All other assets of a Fund are valued in such manner as the Advisor in good faith deems appropriate to reflect their fair value.

## DISTRIBUTIONS AND TAX INFORMATION

### Distributions

The Financial Services Fund generally declares and pays dividends once annually, in December. The Socially Responsive Fund generally pays dividends from any net investment income and net short-term capital gains quarterly and pay any distributions from net long-term capital gain once annually. The Funds may pay additional distributions and dividends in order to avoid a federal tax.

Each distribution by a Fund is accompanied by a brief explanation of the form and character of the distribution. In January of each year, each Fund will issue to each shareholder a statement of the amount and federal income tax status of all distributions.

### Tax Information

The following is only a summary of certain additional U.S. federal income tax considerations generally affecting the Funds and their shareholders that is intended to supplement the discussion contained in the Prospectus. No attempt is made to present a detailed explanation of the tax treatment of the Funds or their shareholders, and the discussion here and in the Prospectus is not intended as a substitute for careful tax planning.

Fund shares held in a tax-qualified retirement account will generally not be subject to federal taxation on income and capital gains distributions from a Fund until a shareholder begins receiving payments from their retirement account. Because each shareholder's tax situation is different, shareholders should consult their tax advisors with specific reference to their own tax situations, including their state, local, and foreign tax liabilities.

The following general discussion of certain federal income tax consequences is based on the Code and the regulations issued thereunder as in effect on the date of this SAI. New legislation, as well as administrative changes or court decisions, may significantly change the conclusions expressed herein, and may have a retroactive effect with respect to the transactions contemplated herein.

*Qualification as a Regulated Investment Company*

Each Fund has elected and intends to qualify each year to be treated as a RIC under Subchapter M of the Code. To qualify as a RIC, each Fund must, among other things: (a) derive at least 90% of its gross income in each taxable year from dividends, interest, payments with respect to certain securities loans, and gains from the sale or other disposition of stock or securities or foreign currencies, or other income (including, but not limited to, gains from options, futures or forward contracts) derived with respect to its business of investing in such stock, securities or currencies, and net income derived from interests in "qualified publicly traded partnerships" (*i.e.*, partnerships that are traded on an established securities market or tradable on a secondary market, other than partnerships that derive 90% of their income from interest, dividends, capital gains, and other traditionally permitted mutual fund income ("Qualifying Income Test"); and (b) diversify its holdings so that, at the end of each quarter of the Fund's taxable year, (i) at least 50% of the market value of the Fund's assets is represented by cash, securities of other RICs, U.S. government securities and other securities, with such other securities limited, in respect of any one issuer, to an amount not greater than 5% of the Fund's assets and not greater than 10% of the outstanding voting securities of such issuer and (ii) not more than 25% of the value of its assets is invested, including through corporations in which the Fund owns a 20% or more voting stock interest, in the securities (other than U.S. government securities or securities of other RICs) of any one issuer, in the securities (other than the securities of other RICs) of any two or more issuers that the Fund controls and that are determined to be engaged in the same or similar trades or businesses or related trades or businesses, or in the securities of one or more "qualified publicly traded partnerships" ("Asset Test").

As a RIC, each Fund will not be subject to U.S. federal income tax on the portion of its taxable investment income and capital gains that it timely distributes to its shareholders, provided that it satisfies a minimum distribution requirement. To satisfy the minimum distribution requirement, each Fund must distribute to its shareholders at least the sum of (i) 90% of its "investment company taxable income" (*i.e.*, generally, its taxable income other than its net capital gain, computed without regard to the dividends paid deduction, plus or minus certain other adjustments), and (ii) 90% of its net tax-exempt income for the taxable year. Each Fund will be subject to income tax at the regular corporate tax rate on any taxable income or gains that it does not distribute to its shareholders. Each Fund's policy is to distribute to its shareholders all of its investment company taxable income (computed without regard to the dividends paid deduction) and any net realized long-term capital gains for each fiscal year in a manner that complies with the distribution requirements of the Code, so that each Fund will not be subject to any federal income or excise taxes. However, a Fund can give no assurances that distributions will be sufficient to eliminate all taxes.

If, for any taxable year, a Fund was to fail to qualify as a RIC under the Code or were to fail to meet the distribution requirement, it would be taxed in the same manner as an ordinary corporation at the 21% corporate income tax rate and distributions to its shareholders would not be deductible by the Fund in computing its taxable income. In addition, in the event of a failure to qualify, a Fund's distributions, to the extent derived from the Fund's current and accumulated earnings and profits, including any distributions of net tax-exempt interest income and net long-term capital gains, would be taxable to shareholders as ordinary dividend income for federal income tax purposes. However, such dividends would be eligible, subject to any generally applicable limitations, (i) to be treated as qualified dividend income in the case of shareholders taxed as individuals and (ii) for the dividends received deduction in the case of corporate shareholders. Moreover, if a Fund were to fail to qualify as a RIC in any year, it would be required to pay out its earnings and profits accumulated in that year in order to qualify again as a RIC. Under certain circumstances, a Fund may cure a failure to qualify as a RIC, but in order to do so the Fund may incur significant Fund-level taxes and may be forced to dispose of certain assets. If a Fund failed to qualify as a RIC for a period greater than two taxable years, the Fund would generally be required to recognize, and would generally be subject to a corporate-level tax with respect to, any net built-in gains with respect to certain of its assets upon a disposition of such assets within five years of qualifying as a RIC in a subsequent year.

*Federal Excise Tax*

Each Fund will be subject to a nondeductible 4% federal excise tax to the extent it fails to distribute by the end of the calendar year at least 98% of its ordinary income and 98.2% of its capital gain net income (the excess of short- and long-term capital gains over short- and long-term capital losses) for the one-year period ending on October 31 of such year (including any retained amount from the prior calendar year on which a Fund paid no federal income tax).

Each Fund intends to make sufficient distributions to avoid liability for federal excise tax but can make no assurances that such tax will be completely eliminated. For example, a Fund may receive delayed or corrected tax reporting statements from its investments that cause such Fund to accrue additional income and gains after such Fund has already made its excise tax distributions for the year. In such a situation, a Fund may incur an excise tax liability resulting from such delayed receipt of such tax information statements. In addition, a Fund may in certain circumstances be required to liquidate Fund investments in order to make sufficient distributions to avoid federal excise tax liability at a time when the investment Advisor might not otherwise have chosen to do so, and liquidation of investments in such circumstances may affect the ability of the Fund to satisfy the requirements for qualification as a RIC.

*Capital Losses*

Each Fund may elect to treat part or all of any "qualified late year loss" as if it had been incurred in the succeeding taxable year in determining the Fund's taxable income, net capital gain, net short-term capital gain, and earnings and profits. The effect of this election is to treat any such "qualified late year loss" as if it had been incurred in the succeeding taxable year in characterizing Fund distributions for any calendar year. A "qualified late year loss" generally includes net capital loss, net long-term capital loss, or net short-term capital loss incurred after October 31 of the current taxable year (commonly referred to as "post-October losses") and certain other late-year losses.

The treatment of capital loss carryovers for a Fund is similar to the rules that apply to capital loss carryovers of individuals, which provide that such losses are carried over by the Fund indefinitely. If a Fund has a "net capital loss" (that is, capital losses in excess of capital gains), the excess of the Fund's net short-term capital losses over its net long-term capital gains is treated as a short-term capital loss arising on the first day of the Fund's next taxable year, and the excess (if any) of the Fund's net long-term capital losses over its net short-term capital gains is treated as a long-term capital loss arising on the first day of the Fund's next taxable year. In addition, the carryover of capital losses may be limited under the general loss limitation rules if a Fund experiences an ownership change as defined in the Code.

As of December 31, 2024, the Funds had no capital loss carryforwards, which reduce each respective Fund's taxable income arising from future net realized gains on investments, if any, to the extent permitted by the Code, and thus will reduce the amount of distributions to shareholders which would otherwise be necessary to relieve a Fund of any liability for federal tax. Pursuant to the Code, the character of such capital loss carryforwards is as follows:

| | Financial Services Fund | Socially Responsive Fund |
|---|---|---|
| Capital Loss Carryovers - Short-Term | $0 | $0 |
| Capital Loss Carryovers - Long Term | $0 | $0 |
| Total | $0 | $0 |

These capital losses have been deferred in the current year as either short-term or long-term losses. The losses will be deemed to occur on the first day of the next taxable year in the same character as they were originally deferred and will be available to offset future taxable capital gains.

*Distributions to Shareholders*

Each Fund receives income generally in the form of dividends and interest on investments. This income, plus net short-term capital gains, if any, less expenses incurred in the operation of a Fund, constitutes the Fund's net investment income from which dividends may be paid to you. Net realized capital gains for a fiscal period are computed by taking into account any capital loss carryforward of a Fund. Taxable dividends and distributions are subject to tax whether you receive them in cash or in additional shares. Each shareholder who receives taxable distributions in the form of additional shares will be treated for U.S. federal income tax purposes as if receiving a distribution in an amount equal to the amount of money that the shareholder would have received if he or she had instead elected to receive cash distributions. The shareholder's aggregate tax basis in shares of the applicable Fund will be increased by such amount.

Distributions of net investment income and net short-term capital gains are taxable to shareholders as ordinary income or, for non-corporate shareholders, as qualified dividend income. Distributions from a Fund's net capital gain (*i.e.*, the excess of the Fund's net long-term capital gains over its net short-term capital losses) are taxable to shareholders as long-term capital gains regardless of the length of time shares have been held. In general, to the extent that a Fund receives qualified dividend income, the Fund may report a portion of the dividends it pays as qualified dividend income, which for non-corporate shareholders is subject to U.S. federal income tax rates of up to 20%. Qualified dividend income is, in general, dividend income from taxable domestic corporations and certain foreign corporations (*i.e.*, foreign corporations incorporated in a possession of the United States or in certain countries with a comprehensive tax treaty with the United States, and foreign corporations if the stock with respect to which the dividend was paid is readily tradable on an established securities market in the United States). A dividend will not be treated as qualified dividend income to the extent that (i) the shareholder has not held the shares on which the dividend was paid for more than 60 days during the 121-day period that begins on the date that is 60 days before the date on which the shares become "ex-dividend" with respect to such dividend, (ii) the shareholder is under an obligation (whether pursuant to a short sale or otherwise) to make related payments with respect to substantially similar or related property, or (iii) the shareholder elects to treat such dividend as investment income under section 163(d)(4)(B) of the Code. The holding period requirements described in this paragraph apply to shareholders' investments in the Funds and to the Funds' investments in underlying dividend-paying stocks. Distributions that a Fund receives an underlying fund taxable as a RIC or from a REIT will be treated as qualified dividend income only to the extent so reported by such underlying fund or REIT. If 95% or more of a Fund's gross income (calculated without taking into account net capital gain derived from sales or other dispositions of stock or securities) consists of qualified dividend income, the Fund may report all distributions of such income as qualified dividend income.

In the case of corporate shareholders, Fund distributions (other than capital gain distributions) generally qualify for the dividends received deduction to the extent such distributions are so reported and do not exceed the gross amount of qualifying dividends received by such Fund for the year. Generally, and subject to certain limitations (including certain holding period limitations), a dividend will be treated as a qualifying dividend if it has been received from a domestic corporation.

A RIC that receives business interest income may pass through its net business interest income for purposes of the tax rules applicable to the interest expense limitations under Section 163(j) of the Code. A RIC's total "Section 163(j) Interest Dividend" for a tax year is limited to the excess of the RIC's business interest income over the sum of its business interest expense and its other deductions properly allocable to its business interest income. A RIC may, in its discretion, designate all or a portion of ordinary dividends as Section 163(j) Interest Dividends, which would allow the recipient shareholder to treat the designated portion of such dividends as interest income for purposes of determining such shareholder's interest expense deduction limitation under Section 163(j). This can potentially increase the amount of a shareholder's interest expense deductible under Section 163(j). In general, to be eligible to treat a Section 163(j) Interest Dividend as interest income, you must have held your shares in a Fund for more than 180 days during the 361-day period beginning on the date that is 180 days before the date on which the share becomes ex-dividend with respect to such dividend. Section 163(j) Interest Dividends, if so designated by a Fund, will be reported to your financial intermediary or otherwise in accordance with the requirements specified by the Internal Revenue Service ("IRS").

There is no requirement that a Fund take into consideration any tax implications when implementing its investment strategy. If a Fund's distributions exceed its current and accumulated earnings and profits (as calculated for U.S. federal income taxes), all or a portion of the distributions may be treated as a return of capital to shareholders. A return of capital distribution generally will not be taxable but will reduce each shareholder's tax basis, resulting in a higher capital gain or lower capital loss when the shares on which the distribution was received are sold. After a shareholder's tax basis in the shares has been reduced to zero, distributions in excess of earnings and profits will be treated as gain from the sale of the shareholder's shares.

A dividend or distribution received shortly after the purchase of shares reduces the NAV of the shares by the amount of the dividend or distribution and, although in effect a return of capital, will be taxable to the shareholder. If the NAV of shares were reduced below the shareholder's cost by dividends or distributions representing gains realized on sales of securities, such dividends or distributions would be a return of investment though taxable to the shareholder in the same manner as other dividends or distributions.

A dividend or other distribution by a Fund is generally treated under the Code as received by the shareholders at the time the dividend or distribution is made. However, distributions declared in October, November or December to shareholders of record on a date in such a month and paid the following January are taxable as if received on December 31. Under this rule, therefore, a shareholder may be taxed in one year on dividends or distributions actually received in January of the following year. In addition, certain distributions made after the close of a taxable year of a Fund may be "spilled back" and treated for certain non-tax purposes as paid by the Fund during such taxable year. In such case, shareholders generally will be treated as having received such dividends in the taxable year in which the distributions were actually made. For purposes of calculating the amount of a RIC's undistributed income and gain subject to the excise tax described above, such "spilled back" dividends are treated as paid by the RIC when they are actually paid.

Distributions are includable in AMT income in computing certain shareholder's liability for the federal AMT. Shareholders should note that a Fund may make taxable distributions of income and capital gains even when share values have declined.

The Funds (or their administrative agent) will inform you of the amount of your ordinary income dividends, qualified dividend income, capital gain distributions, if any, and will advise you of their tax status for federal income tax purposes shortly after the close of each calendar year. If you have not held your shares for a full year, a Fund may report and distribute to you, as ordinary income, qualified dividend income or capital gain, a percentage of income that is not equal to the actual amount of such income earned during the period of your investment in the Fund.

*Net Investment Income Tax*

A 3.8% tax generally applies to all or a portion of the net investment income of a shareholder who is an individual and not a nonresident alien for federal income tax purposes and who has adjusted gross income (subject to certain adjustments) that exceeds a threshold amount ($250,000 if married filing jointly or if considered a "surviving spouse" for federal income tax purposes, $125,000 if married filing separately, and $200,000 in other cases). This 3.8% tax also applies to all or a portion of the undistributed net investment income of certain shareholders that are estates and trusts. For these purposes, dividends, interest and certain capital gains (among other categories of income) are generally taken into account in computing a shareholder's net investment income.

*Sales, Exchanges or Redemptions*

Any gain or loss recognized on a sale, exchange, or redemption of shares of a Fund by a shareholder who holds Fund shares as capital assets will generally be treated as a long-term capital gain or loss if the shares have been held for more than twelve months and otherwise will be treated as a short-term capital gain or loss.

A shareholder may recognize a taxable gain or loss on a redemption of Fund shares. Any capital loss on the sale of Fund shares held for six months or less is treated as long-term capital loss to the extent that capital gain dividends were paid with respect to such Fund shares. Any loss realized upon a redemption may be disallowed under certain wash sale rules to the extent shares of the applicable Fund are purchased (through reinvestment of distributions or otherwise) within 30 days before or after the redemption.

Under the Code, each Fund will be required to report to the IRS all distributions of taxable income and capital gains as well as gross proceeds from the redemption of Fund shares, except in the case of exempt shareholders, which includes most corporations. For redemptions of Fund shares, a Fund will also be required to report cost basis information for such shares and indicate whether these shares had a short-term or long-term holding period. If a shareholder has a different basis for different shares of a Fund in the same account (e.g., if a shareholder purchased shares in the same account at different times for different prices), the Fund will calculate the basis of the shares sold using its default method unless the shareholder has properly elected to use a different method. The Funds' default method for calculating basis will be the average cost basis method, under which the basis per share is reported as the average cost of all of the shareholder's Fund shares in the account. A shareholder may elect, on an account-by-account basis, to use a method other than average cost basis by following procedures established by a Fund or its administrative agent. If such an election is made on or prior to the date of the first exchange or redemption of shares in the account and on or prior to the date that is one year after the shareholder receives notice of a Fund's default method, the new election will generally apply as if the average cost basis method had never been in effect for such account. If such an election is not made on or prior to such dates, the shares in the account at the time of the election will retain their averaged cost bases. Shareholders should consult their tax advisors concerning the tax consequences of applying the average cost basis method or electing another method of basis calculation.

*Tax Treatment of Complex Securities*

The Funds may invest in complex securities and these investments may be subject to numerous special and complex tax rules. These rules could affect a Fund's ability to qualify as a RIC, affect whether gains and losses recognized by a Fund are treated as ordinary income or capital gain, accelerate the recognition of income to the Fund and/or defer a Fund's ability to recognize losses, and, in limited cases, subject a Fund to U.S. federal income tax on income from certain of its foreign securities. In turn, these rules may affect the amount, timing or character of the income distributed to you by a Fund and may require a Fund to sell securities to mitigate the effect of these rules and prevent disqualification of the Fund as a RIC at a time when the Advisor might not otherwise have chosen to do so.

Each Fund is required for federal income tax purposes to mark-to-market and recognize as income for each taxable year its net unrealized gains and losses on certain futures and options contracts subject to section 1256 of the Code ("Section 1256 Contracts") as of the end of the year as well as those actually realized during the year. Gain or loss from Section 1256 Contracts on broad-based indexes required to be marked to market will be 60% long-term and 40% short-term capital gain or loss. Application of this rule may alter the timing and character of distributions to shareholders. A Fund may be required to defer the recognition of losses on Section 1256 Contracts to the extent of any unrecognized gains on offsetting positions held by the Fund. These provisions may also require a Fund to mark-to-market certain types of positions in its portfolios (i.e., treat them as if they were closed out), which may cause the Fund to recognize income without receiving cash with which to make distributions in amounts necessary to satisfy the RIC distribution requirement and for avoiding the excise tax discussed above. Accordingly, in order to avoid certain income and excise taxes, a Fund may be required to liquidate its investments at a time when the investment advisor might not otherwise have chosen to do so.

With respect to investments in STRIPS, TIGRs, CATS, Treasury Receipts, and other zero coupon securities which are sold at original issue discount and thus do not make periodic cash interest payments, a Fund will be required to include as part of its current income the imputed interest on such obligations even though the Fund has not received any interest payments on such obligations during that period. Because the Funds intends to distribute all of its net investment income to its shareholders, a Fund may have to sell Fund securities to distribute such imputed income which may occur at a time when the Advisor would not have chosen to sell such securities and which may result in taxable gain or loss.

Any market discount recognized on a bond is taxable as ordinary income. A market discount bond is a bond acquired in the secondary market at a price below redemption value or adjusted issue price if issued with original issue discount. Absent an election by a Fund to include the market discount in income as it accrues, gain on the Fund's disposition of such an obligation will be treated as ordinary income rather than capital gain to the extent of the accrued market discount.

The Funds may invest in, or hold, debt obligations that are in the lowest rating categories or that are unrated, including debt obligations of issuers not currently paying interest or that are in default. Investments in debt obligations that are at risk of or are in default present special tax issues for the Funds. Federal income tax rules are not entirely clear about issues such as when a Fund may cease to accrue interest, original issue discount or market discount, when and to what extent deductions may be taken for bad debts or worthless securities, how payments received on obligations in default should be allocated between principal and interest and whether certain exchanges of debt obligations in a workout context are taxable. These and other issues will be addressed by a Fund, in the event it invests in or holds such securities, in order to seek to ensure that it distributes sufficient income to preserve its status as a RIC and does not become subject to U.S. federal income or excise tax.

The Socially Responsive Fund may invest in U.S. REITs. Investments in REIT equity securities may require the Socially Responsive Fund to accrue and distribute income not yet received. To generate sufficient cash to make the requisite distributions, the Fund may be required to sell securities in its portfolio (including when it is not advantageous to do so) that it otherwise would have continued to hold. The Fund's investments in REIT equity securities may at other times result in the Fund's receipt of cash in excess of the REIT's earnings; if the Fund distributes these amounts, these distributions could constitute a return of capital to the Fund's shareholders for federal income tax purposes. Dividends paid by a REIT, other than capital gain distributions, will be taxable as ordinary income up to the amount of the REIT's current and accumulated earnings and profits. Capital gain dividends paid by a REIT to the Fund will be treated as long-term capital gains by the Fund and, in turn, may be distributed by the Fund to its shareholders as a capital gain distribution. Dividends received by the Fund from a REIT generally will not constitute qualified dividend income or qualify for the dividends received deduction. If a REIT is operated in a manner such that it fails to qualify as a REIT, an investment in the REIT would become subject to double taxation, meaning the taxable income of the REIT would be subject to federal income tax at the regular corporate rate without any deduction for dividends paid to shareholders and the dividends would be taxable to shareholders as ordinary income (or possibly as qualified dividend income) to the extent of the REIT's current and accumulated earnings and profits.

U.S. REITs in which the Socially Responsive Fund invests often do not provide complete and final tax information to the Fund until after the time that the Fund issues a tax reporting statement. As a result, the Fund may at times find it necessary to reclassify the amount and character of its distributions to you after it issues your tax reporting statement. When such reclassification is necessary, the Fund (or its administrative agent) will send you a corrected, final Form 1099-DIV to reflect the reclassified information. If you receive a corrected Form 1099-DIV, use the information on this corrected form, and not the information on the previously issued tax reporting statement, in completing your tax returns.

"Qualified REIT dividends" (i.e., ordinary REIT dividends other than capital gain dividends and portions of REIT dividends designated as qualified dividend income eligible for capital gain tax rates) are eligible for a 20% deduction by non-corporate taxpayers. This deduction, if allowed in full, equates to a maximum effective tax rate of 29.6% (37% top rate applied to income after 20% deduction). Distributions by the Socially Responsive Fund to its shareholders that are attributable to qualified REIT dividends received by the Fund and which the Fund properly reports as "Section 199A Dividends," are treated as "qualified REIT dividends" in the hands of non-corporate shareholders. A Section 199A Dividend is treated as a qualified REIT dividend only if the shareholder receiving such dividend holds the dividend-paying RIC shares for at least 46 days of the 91-day period beginning 45 days before the shares become ex-dividend, and is not under an obligation to make related payments with respect to a position in substantially similar or related property. The Socially Responsive Fund is permitted to report such part of its dividends as Section 199A Dividends as are eligible, but is not required to do so. Unless later extended or made permanent, this 20% deduction will no longer be available for taxable years beginning after December 31, 2025.

If a Fund owns shares in certain foreign investment entities, referred to as "passive foreign investment companies" or "PFICs", the Fund will generally be subject to one of the following special tax regimes: (i) the Fund may be liable for U.S. federal income tax, and an additional interest charge, on a portion of any "excess distribution" from such foreign entity or any gain from the disposition of such shares, even if the entire distribution or gain is paid out by the Fund as a dividend to its shareholders; (ii) if the Fund were able and elected to treat a PFIC as a "qualified electing fund" or "QEF," the Fund would be required each year to include in income, and distribute to shareholders in accordance with the distribution requirements set forth above, the Fund's pro rata share of the ordinary earnings and net capital gains of the PFIC, whether or not such earnings or gains are distributed to the Fund; or (iii) the Fund may be entitled to mark-to-market annually shares of the PFIC, and in such event would be required to distribute to shareholders any such mark-to-market gains in accordance with the distribution requirements set forth above. Each Fund intends to make the appropriate tax elections, if possible, and take any additional steps that are necessary to mitigate the effect of these rules. Amounts included in income each year by the Fund arising from a QEF election will be "qualifying income" under the Qualifying Income Test (as described above) even if not distributed to the Fund, if the Fund derives such income from its business of investing in stock, securities or currencies.

*Foreign Taxes*

The Funds may be subject to foreign withholding taxes on dividends and interest earned with respect to securities of foreign corporations. Tax conventions between certain countries and the U.S. may reduce or eliminate such taxes in some cases. Foreign countries generally do not impose taxes on capital gains with respect to investments by foreign investors. If more than 50% of the value of a Fund's total assets at the close of their taxable year consists of stocks or securities of foreign corporations, the Fund will be eligible to and intends to file an election with the IRS that may enable shareholders, in effect, to receive either the benefit of a foreign tax credit, or a deduction from such taxes, with respect to any foreign and U.S. possessions income taxes paid by the Fund, subject to certain limitations.

*Certain Foreign Currency Tax Issues*

A Fund's transactions in foreign currencies and forward foreign currency contracts will generally be subject to special provisions of the Code that, among other things, may affect the character of gains and losses realized by the Fund (i.e., may affect whether gains or losses are ordinary or capital), accelerate recognition of income to the Fund and defer losses. These rules could therefore affect the character, amount and timing of distributions to shareholders. These provisions also may require a Fund to mark-to-market certain types of positions in its portfolio (i.e., treat them as if they were closed out), which may cause the Fund to recognize income without receiving cash with which to make distributions in amounts necessary to satisfy the distribution requirements and for avoiding the excise tax described above. The Funds intend to monitor their transactions, intend to make the appropriate tax elections, and intend to make the appropriate entries in their books and records when they acquire any foreign currency or forward foreign currency contract in order to mitigate the effect of these rules so as to prevent disqualification of a Fund as a RIC and minimize the imposition of income and excise taxes.

*Tax Shelter Reporting Regulations*

Under Treasury regulations, if a shareholder recognizes a loss with respect to a Fund's shares of $2 million or more for an individual shareholder, or $10 million or more for a corporate shareholder, in any single year (or certain greater amounts over a combination of years), the shareholder must file with the IRS a disclosure statement on IRS Form 8886. Direct shareholders of portfolio securities are in many cases excepted from this reporting requirement, but under current guidance, shareholders of a RIC are not excepted. A shareholder who fails to make the required disclosure to the IRS may be subject to substantial penalties. The fact that a loss is reportable under these regulations does not affect the legal determination of whether the taxpayer's treatment of the loss is proper. Shareholders should consult their tax advisors to determine the applicability of these regulations in light of their individual circumstances.

*Backup Withholding*

Pursuant to the backup withholding provisions of the Code, distributions taxable income and capital gains and proceeds from the redemption of Fund shares may be subject to withholding of federal income tax at the rate of 24% in the case of non-exempt shareholders who fail to furnish the applicable Fund with their taxpayer identification numbers or with required certifications regarding their status under the federal income tax law, or if the IRS notifies the Fund that such backup withholding is required. If the withholding provisions are applicable, any such distributions and proceeds, whether taken in cash or reinvested in additional shares, will be reduced by the amounts required to be withheld. Corporate and other exempt shareholders should provide each Fund in which they invest with their taxpayer identification numbers or certify their exempt status in order to avoid possible erroneous application of backup withholding. Backup withholding is not an additional tax and any amounts withheld may be credited against a shareholder's ultimate federal income tax liability if proper documentation is provided. The Funds reserves the right to refuse to open an account for any person failing to provide a certified taxpayer identification number.

*Tax-Exempt Shareholders*

Certain tax-exempt shareholders, including qualified pension plans, IRAs, salary deferral arrangements, 401(k)s, and other tax-exempt entities, generally are exempt from federal income taxation except with respect to their unrelated business taxable income ("UBTI"). Tax-exempt entities are not permitted to offset losses from one trade or business against the income or gain of another trade or business. Certain net losses incurred prior to January 1, 2018 are permitted to offset gain and income created by an unrelated trade or business, if otherwise available. Under current law, the Funds generally serve to block UBTI from being realized by tax-exempt shareholders. However, notwithstanding that the Funds generally block UBTI, a tax-exempt shareholder could realize UBTI by virtue of an investment in a Fund where, for example: (i) the Fund invests in residual interests of Real Estate Mortgage Investment Conduits ("REMICs"), (ii) the Fund invests in a REIT that is a taxable mortgage pool ("TMP") or that has a subsidiary that is a TMP or that invests in the residual interest of a REMIC, or (iii) shares in the Fund constitute debt-financed property in the hands of the tax-exempt shareholder within the meaning of section 514(b) of the Code. Charitable remainder trusts are subject to special rules and should consult their tax advisor. The IRS has issued guidance with respect to these issues and prospective shareholders, especially charitable remainder trusts, are strongly encouraged to consult their tax advisors regarding these issues.

The Fund's shares held in a tax-qualified retirement account will generally not be subject to federal taxation on income and capital gains distributions from the Fund until a shareholder begins receiving payments from their retirement account.

*Non-U.S. Investors*

Any non-U.S. investors in the Funds may be subject to U.S. withholding and estate tax and are encouraged to consult their tax advisors prior to investing in a Fund. Foreign shareholders (*i.e.*, nonresident alien individuals and foreign corporations, partnerships, trusts and estates) are generally subject to U.S. withholding tax at the rate of 30% (or a lower tax treaty rate) on distributions derived from taxable ordinary income. A Fund may, under certain circumstances, report all or a portion of a dividend as an "interest-related dividend" or a "short-term capital gain dividend," which would generally be exempt from this 30% U.S. withholding tax, provided certain other requirements are met. Short-term capital gain dividends received by a nonresident alien individual who is present in the U.S. for a period or periods aggregating 183 days or more during the taxable year are not exempt from this 30% withholding tax. Gains realized by foreign shareholders from the sale or other disposition of shares of a Fund generally are not subject to U.S. taxation, unless the recipient is an individual who is physically present in the U.S. for 183 days or more per year. Foreign shareholders who fail to provide an applicable IRS form may be subject to backup withholding on certain payments from the Funds. Backup withholding will not be applied to payments that are subject to the 30% (or lower applicable treaty rate) withholding tax described in this paragraph. Different tax consequences may result if the foreign shareholder is engaged in a trade or business within the United States. In addition, the tax consequences to a foreign shareholder entitled to claim the benefits of a tax treaty may be different than those described above.

Under legislation generally known as "FATCA" (the Foreign Account Tax Compliance Act), each Fund is required to withhold 30% of certain ordinary dividends it pays to shareholders that fail to meet prescribed information reporting or certification requirements. In general, no such withholding will be required with respect to a U.S. person or non-U.S. person that timely provides the certifications required by the Funds or its agent on a valid IRS Form W-9 or applicable series of IRS Form W-8, respectively. Shareholders potentially subject to withholding include foreign financial institutions ("FFIs"), such as non-U.S. investment funds, and non-financial foreign entities ("NFFEs"). To avoid withholding under FATCA, an FFI generally must enter into an information sharing agreement with the IRS in which it agrees to report certain identifying information (including name, address, and taxpayer identification number) with respect to its U.S. account holders (which, in the case of an entity shareholder, may include its direct and indirect U.S. owners), and an NFFE generally must identify and provide other required information to the Funds or other withholding agent regarding its U.S. owners, if any. Such non-U.S. shareholders also may fall into certain exempt, excepted or deemed compliant categories as established by regulations and other guidance. A non-U.S. shareholder resident or doing business in a country that has entered into an intergovernmental agreement with the U.S. to implement FATCA will be exempt from FATCA withholding provided that the shareholder and the applicable foreign government comply with the terms of the agreement.

A non-U.S. entity that invests in a Fund will need to provide the Fund with documentation properly certifying the entity's status under FATCA in order to avoid FATCA withholding. Non-U.S. investors in a Fund should consult their tax advisors in this regard.

*State Taxes*

Depending upon state and local law, distributions by a Fund to its shareholders and the ownership of such shares may be subject to state and local taxes. Rules of state and local taxation of dividend and capital gains distributions from RICs often differ from the rules for federal income taxation described above. It is expected that a Fund will not be liable for any corporate excise, income or franchise tax in Delaware if it qualifies as a RIC for federal income tax purposes.

Many states grant tax-free status to dividends paid to you from interest earned on direct obligations of the U.S. government, subject in some states to minimum investment requirements that must be met by a Fund. Investment in Ginnie Mae or Fannie Mae securities, banker's acceptances, commercial paper, and repurchase agreements collateralized by U.S. government securities do not generally qualify for such tax-free treatment. The rules on exclusion of this income are different for corporate shareholders. Shareholders are urged to consult their tax advisors regarding state and local taxes applicable to an investment in the Funds.

This discussion and the related discussion in the Prospectus have been prepared by the Funds' management. The information above is only a summary of some of the tax considerations generally affecting each Fund and its shareholders. No attempt has been made to discuss individual tax consequences and this discussion should not be construed as applicable to all shareholders' tax situations. **Investors should consult their own tax advisors to determine the suitability of a Fund and the applicability of any state, local or foreign taxation.**

## PORTFOLIO TRANSACTIONS

Pursuant to the Advisory Agreement, the Advisor determines which securities are to be purchased and sold by each Fund and which broker-dealers are eligible to execute each Fund's portfolio transactions. Purchases and sales of securities in the over-the-counter market will generally be executed directly with a "market-maker" unless, in the opinion of the Advisor, a better price and execution can otherwise be obtained by using a broker for the transaction.

Subject to such policies as may be established by the Board from time to time, the Advisor is primarily responsible for the Funds' portfolio decisions, the placing of the Funds' portfolio transactions, as well as managing the cash and short-term instruments of the Funds.

The cost of securities purchased from underwriters includes an underwriting commission, concession or a net price. Debt securities purchased and sold by the Funds generally are traded on a net basis (*i.e.*, without a commission) through dealers acting for their own account and not as brokers, or otherwise involve transactions directly with the issuer of the instrument. This means that a dealer makes a market for securities by offering to buy at one price and selling the security at a slightly higher price. The difference between the prices is known as a "spread." Other portfolio transactions may be executed through brokers acting as agents. The Funds will pay a spread or commission in connection with such transactions. Commissions are negotiated with brokers on such transactions. The aggregate brokerage commissions paid by a Fund for the three most recent fiscal years are set forth below under "Aggregate Brokerage Commissions Paid."

Pursuant to the Advisory Agreement, the Advisor is authorized to place orders pursuant to its investment determinations for the Funds with any brokers or dealers selected by it. The general policy of the Advisor in selecting brokers and dealers is to obtain the best results achievable in the context of a number of factors which are considered both in relation to individual trades and broader trading patterns, including the reliability of the broker/dealer, the competitiveness of the price and the commission, the research services received and whether the broker/dealer commits its own capital.

In connection with the selection of such brokers or dealers and the placing of such orders, subject to applicable law, brokers or dealers may be selected who also provide brokerage and research services (as those terms are defined in Section 28(e) of the 1934 Act) to the Funds and/or the other accounts over which the Advisor or its affiliates exercise investment discretion. The Advisor is authorized to pay a broker or dealer that provides such brokerage and research services a commission for executing a portfolio transaction for a Fund which is in excess of the amount of commission another broker or dealer would have charged for effecting that transaction if the Advisor determines in good faith that such amount of commission is reasonable in relation to the value of the brokerage and research services provided by such broker or dealer. Investment research services include (i) fundamental, quantitative and technical issuer, industry, sector, market, economic and policy research reports and analyses, (ii) portfolio strategy research, (iii) meetings and calls with company management representatives and analysts, and (iv) similar services. If a research service also assists the Advisor in a non-research capacity (such as bookkeeping or other administrative functions), then only the percentage or component that provides assistance to the Advisor in the investment decision making process may be paid in commission dollars. This determination may be viewed in terms of either that particular transaction or the overall responsibilities that the Advisor and its affiliates have with respect to accounts over which they exercise investment discretion. The Advisor may also have arrangements with brokers pursuant to which such brokers provide research services to the Advisor in exchange for a certain volume of brokerage transactions to be executed by such brokers. The payment of higher commissions increases a Fund's costs. Arrangements for the receipt of research services from brokers create conflicts of interest.

Research services furnished to the Advisor by brokers that effect securities transactions for the Funds may be used by the Advisor in servicing other investment companies and accounts which the Advisor manages. Similarly, research services furnished to the Advisor by brokers that effect securities transactions for other investment companies and accounts which the Advisor manages may be used by the Advisor in servicing the Funds. Not all of these research services are used by the Advisor in managing any particular account, including the Funds.

The Fund contemplates that, consistent with the policy of obtaining the best net results, brokerage transactions may be conducted through "affiliated broker/dealers," as defined in the 1940 Act. The Fund's Board has adopted procedures in accordance with Rule 17e-1 under the 1940 Act to ensure that all brokerage commissions paid to such affiliates are reasonable and fair in the context of the market in which such affiliates operate.

The Financial Services Fund paid the following aggregate brokerage commissions for the fiscal years set forth in the table below (amounts paid prior to January 19, 2024 were paid by the Predecessor Fund):

| Financial Services Fund | Aggregate Brokerage Commissions Paid |
|---|---|
| Fiscal year ended December 31, 2024 | $21,993 |
| Fiscal year ended December 31, 2023 | $53,349 |
| Fiscal year ended December 31, 2022 | $25,282 |

For the fiscal year ended December 31, 2024, the Advisor directed Financial Services Fund commissions to brokers as part of understandings related to the provision of research services as follows:

| Total Dollar Amount of Brokerage Transactions Related to Research Services | Total Dollar Amount of Brokerage Commissions Paid on Transactions Related to Research Services |
|---|---|
| $11,641,454 | $0 |

For the fiscal years ended December 31, 2024, December 31, 2023, and December 31, 2022, neither the Financial Services Fund nor the Predecessor Fund paid any brokerage commissions to affiliates.

As of December 31, 2024, the Financial Services Fund held the following securities issued by its regular broker/dealers:

| Issuer | Value |
|---|---|
| JPMorgan Chase & Co. | $9,334,067 |

The Socially Responsive Fund paid the following aggregate brokerage commissions for the fiscal years set forth in the table below (amounts paid prior to January 19, 2024 were paid by the Predecessor Fund):

| Socially Responsive Fund | Aggregate Brokerage Commissions Paid |
|---|---|
| Fiscal year ended December 31, 2024 | $38,989 |
| Fiscal year ended December 31, 2023 | $53,122 |
| Fiscal year ended December 31, 2022 | $63,044 |

For the fiscal year ended December 31, 2024, the Advisor directed Socially Responsive Fund commissions to brokers as part of understandings related to the provision of research services as follows:

| Dollar Value of Securities Traded | Total Dollar Amount of Brokerage Commissions Paid on Transactions Related to Research Services |
|---|---|
| $59,441,292 | $0 |

For the fiscal years ended December 31, 2024, December 31, 2023, and December 31, 2022, neither the Socially Responsive Fund nor the Predecessor Fund paid any brokerage commissions to affiliates.

As of December 31, 2024, the Socially Responsive Fund held the following securities issued by its regular broker/dealers:

| Issuer | Value |
|---|---|
| Goldman Sachs & Co. | $2,898,124 |
| Citigroup Inc. | $2,178,773 |

## DISCLOSURE OF PORTFOLIO HOLDINGS

The Funds maintain portfolio holdings disclosure policies that govern the timing and circumstances of disclosure to shareholders and third parties of information regarding the portfolio investments held by a Fund. These portfolio holdings disclosure policies have been approved by the Board. Disclosure of a Fund's complete holdings is required to be made quarterly within 60 days of the end of each fiscal quarter in the annual report and semi-annual report to Fund shareholders and in the quarterly holdings report as an exhibit to its reports on Form N-PORT. These reports are available, free of charge, on the EDGAR database on the SEC's website at www.sec.gov.

Pursuant to the Trust's portfolio holdings disclosure policies, non-public information about the Fund's portfolio holdings generally is not distributed to any person, unless by explicit agreement or by virtue of their respective duties to the Fund, such persons are subject to a duty to maintain the confidentiality of the information disclosed and have a duty not to trade on non-public information. Examples of disclosure by the Trust include instances in which:

- The disclosure is required pursuant to a regulatory request, court order or is legally required in the context of other legal proceedings;
- The disclosure is made to a mutual fund rating and/or ranking organization, or person performing similar functions;
- The disclosure is made to internal parties involved in the investment process, administration, operation or custody of the Fund, including, but not limited to the Fund's Administrator, Fund Services and the Trust's Board, attorneys, auditors or accountants;
- The disclosure is made: (a) in connection with a quarterly, semi-annual or annual report that is available to the public; or (b) relates to information that is otherwise available to the public; or
- The disclosure is made with the prior written approval of either the Trust's Chief Compliance Officer or his or her designee.

Certain of the persons listed above receive information about a Fund's portfolio holdings on an ongoing basis as part of the normal investment activities of the Fund. The Funds believe that these third parties have legitimate objectives in requesting such portfolio holdings information and operate in the best interest of a Fund's shareholders. These persons include internal parties involved in the investment process, administration, operation or custody of the Fund, specifically: Fund Services; the Trust's Board; and the Trust's attorneys and independent registered public accounting firm, all of which typically receive such information after it is generated. In no event shall the Advisor, its affiliates or employees, the Funds, or any other party receive any direct or indirect compensation in connection with the disclosure of information about a Fund's holdings.

Portfolio holdings information posted on the Funds' website may be separately provided to any person, after it is first published on the Funds' website. Shareholders can access the Funds' website at www.1919funds.com for additional information about the Funds, including, without limitation, the periodic disclosure of its portfolio holdings.

Any disclosures to additional parties not described above is made with the prior written approval of either the Trust's Chief Compliance Officer or his or her designee, pursuant to the Trust's Policy on Disclosure of Portfolio Holdings.

The Chief Compliance Officer or designated officer of the Trust will approve the furnishing of non-public portfolio holdings to a third party only if they consider the furnishing of such information to be in the best interest of the Fund and its shareholders and if no material conflict of interest exists regarding such disclosure between shareholders interest and those of the Advisor, Distributor or any affiliated person of a Fund. No consideration may be received by a Fund, the Advisor, any affiliate of the Advisor or their employees in connection with the disclosure of portfolio holdings information. The Board receives and reviews annually a list of the persons who receive non-public portfolio holdings information and the purpose for which it is furnished.

## GENERAL TRUST INFORMATION

The Declaration of Trust permits the Trustees to issue an unlimited number of full and fractional shares of beneficial interest and to divide or combine the shares into a greater or lesser number of shares without thereby changing the proportionate beneficial interest in a Fund. Each share represents an interest in a Fund proportionately equal to the interest of each other share. Upon a Fund's liquidation, all shareholders would share pro rata in the net assets of a Fund available for distribution to shareholders.

With respect to each Fund, the Trust may offer more than one class of shares. The Trust reserves the right to create and issue additional series or classes. Each share of a series or class represents an equal proportionate interest in that series or class with each other share of that series or class.

The Trust is not required to hold annual meetings of shareholders but will hold special meetings of shareholders of a series or class when, in the judgment of the Trustees, it is necessary or desirable to submit matters for a shareholder vote. Shareholders have, under certain circumstances, the right to communicate with other shareholders in connection with requesting a meeting of shareholders for the purpose of removing one or more Trustees. Shareholders also have, in certain circumstances, the right to remove one or more Trustees without a meeting. No material amendment may be made to the Declaration of Trust without the affirmative vote of the holders of a majority of the outstanding shares of each portfolio affected by the amendment. The Declaration of Trust provides that, at any meeting of shareholders of the Trust or of any series or class, a Shareholder Servicing Agent may vote any shares as to which such Shareholder Servicing Agent is the agent of record and which are not represented in person or by proxy at the meeting, proportionately in accordance with the votes cast by holders of all shares of that portfolio otherwise represented at the meeting in person or by proxy as to which such Shareholder Servicing Agent is the agent of record. Any shares so voted by a Shareholder Servicing Agent will be deemed represented at the meeting for purposes of quorum requirements. Any series or class may be terminated (i) upon the merger or consolidation with, or the sale or disposition of all or substantially all of its assets to, another entity, if approved by the vote of the holders of two thirds of its outstanding shares, except that if the Board recommends such merger, consolidation or sale or disposition of assets, the approval by vote of the holders of a majority of the series' or class' outstanding shares will be sufficient, or (ii) by the vote of the holders of a majority of its outstanding shares, or (iii) by the Board by written notice to the series' or class' shareholders. Unless each series and class is so terminated, the Trust will continue indefinitely.

The Declaration of Trust also provides that the Trust shall maintain appropriate insurance (for example, fidelity bonding and errors and omissions insurance) for the protection of the Trust, its shareholders, Trustees, officers, employees and agents covering possible tort and other liabilities. Thus, the risk of a shareholder incurring financial loss on account of shareholder liability is limited to circumstances in which both inadequate insurance existed and the Trust itself was unable to meet its obligations.

The Declaration of Trust does not require the issuance of stock certificates. If stock certificates are issued, they must be returned by the registered owners prior to the transfer or redemption of shares represented by such certificates.

Rule 18f-2 under the 1940 Act provides that as to any investment company which has two or more series outstanding and as to any matter required to be submitted to shareholder vote, such matter is not deemed to have been effectively acted upon unless approved by the holders of a "majority" (as defined in the Rule) of the voting securities of each series affected by the matter. Such separate voting requirements do not apply to the election of Trustees or the ratification of the selection of accountants. The Rule contains special provisions for cases in which an advisory contract is approved by one or more, but not all, series. A change in investment policy may go into effect as to one or more series whose holders so approve the change even though the required vote is not obtained as to the holders of other affected series.

## FINANCIAL STATEMENTS

The Funds' Form N-CSR for the fiscal year ended December 31, 2024 is a separate document and the financial statements, accompanying notes and report of the Funds' independent registered public accounting firm, Cohen & Company, Ltd., appearing therein are incorporated by reference into this SAI. You can obtain the Funds' financial statements without charge on the SEC's website at www.sec.gov, upon written request, by contacting the Funds at 1-888-593-5110, or by visiting the Funds' website at www.1919funds.com.

## APPENDIX A
## DESCRIPTION OF RATINGS

The ratings of Moody's Investors Service, Inc., Standard & Poor's Ratings Group and Fitch Ratings represent their opinions as to the quality of various debt obligations. It should be emphasized, however, that ratings are not absolute standards of quality. Consequently, debt obligations with the same maturity, coupon and rating may have different yields while debt obligations of the same maturity and coupon with different ratings may have the same yield. As described by the rating agencies, ratings are generally given to securities at the time of issuances. While the rating agencies may from time to time revise such ratings, they undertake no obligation to do so.

**Description of Moody's Investors Service, Inc.'s Long-Term Obligation Ratings:**

Moody's long-term obligation ratings are opinions of the relative credit risk of fixed income obligations with an original maturity of one year or more. They address the possibility that a financial obligation will not be honored as promised. Such ratings reflect both the likelihood of default and any financial loss suffered in the event of default.

**Aaa** - Obligations rated Aaa are judged to be of the highest quality, with minimal credit risk.

**Aa** - Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.

**A** - Obligations rated A are considered upper-medium grade and are subject to low credit risk.

**Baa** - Obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics.

**Ba** - Obligations rated Ba are judged to have speculative elements and are subject to substantial credit risk.

**B** - Obligations rated B are considered speculative and are subject to high credit risk.

**Caa** - Obligations rated Caa are judged to be of poor standing and are subject to very high credit risk.

**Ca** - Obligations rated Ca are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.

**C** - Obligations rated C are the lowest rated class of bonds and are typically in default, with little prospect for recovery of principal or interest.

> Note: Moody's appends numerical modifiers "1", "2" and "3" to each generic rating classification from "Aa" through "Caa." The modifier "1" indicates that the obligation ranks in the higher end of its generic rating category; the modifier "2" indicates a mid-range ranking; and the modifier "3" indicates a ranking in the lower end of that generic rating category.

**Description of Moody's Investors Service, Inc.'s US Municipal and Tax Exempt Ratings:**

Municipal Ratings are opinions of the investment quality of issuers and issues in the US municipal and tax-exempt markets. As such, these ratings incorporate Moody's assessment of the default probability and loss severity of these issuers and issues. The default and loss content for Moody's municipal long-term rating scale differs from Moody's general long-term rating scale.

Municipal Ratings are based upon the analysis of four primary factors relating to municipal finance: economy, debt, finances, and administration/management strategies. Each of the factors is evaluated individually and for its effect on the other factors in the context of the municipality's ability to repay its debt. Municipal Long-Term Rating Definitions: **Aaa** - Issuers or issues rated Aaa demonstrate the strongest creditworthiness relative to other US municipal or tax-exempt issuers or issues.

**Aa** - Issuers or issues rated Aa demonstrate very strong creditworthiness relative to other US municipal or tax-exempt issuers or issues.

**A** - Issuers or issues rated A present above-average creditworthiness relative to other US municipal or tax-exempt issuers or issues.

**Baa** - Issuers or issues rated Baa represent average creditworthiness relative to other US municipal or tax- exempt issuers or issues.

**Ba** - Issuers or issues rated Ba demonstrate below-average creditworthiness relative to other US municipal or tax-exempt issuers or issues.

**B** - Issuers or issues rated B demonstrate weak creditworthiness relative to other US municipal or tax- exempt issuers or issues.

**Caa** - Issuers or issues rated Caa demonstrate very weak creditworthiness relative to other US municipal or tax-exempt issuers or issues.

**Ca** - Issuers or issues rated Ca demonstrate extremely weak creditworthiness relative to other US municipal or tax-exempt issuers or issues.

**C** - Issuers or issues rated C demonstrate the weakest creditworthiness relative to other US municipal or tax-exempt issuers or issues.

Note: Moody's appends numerical modifiers "1", "2" and "3" to each generic rating classification from "Aa" through "Caa." The modifier "1" indicates that the obligation ranks in the higher end of its generic rating category; the modifier "2" indicates a mid-range ranking; and the modifier "3" indicates a ranking in the lower end of that generic rating category.

**Description of Moody's Investors Service, Inc.'s US Municipal Short-Term Debt And Demand Obligation Ratings:**

There are three rating categories for short-term municipal obligations that are considered investment grade. These ratings are designated as Municipal Investment Grade ("MIG") and are divided into three levels — "MIG 1" through "MIG 3." In addition, those short-term obligations that are of speculative quality are designated "SG," or speculative grade. MIG ratings expire at the maturity of the obligation.

**MIG 1** - This designation denotes superior credit quality. Excellent protection is afforded by established cash flows, highly reliable liquidity support, or demonstrated broad-based access to the market for refinancing.

**MIG 2** - This designation denotes strong credit quality. Margins of protection are ample, although not as large as in the preceding group.

**MIG 3** - This designation denotes acceptable credit quality. Liquidity and cash-flow protection may be narrow, and market access for refinancing is likely to be less well-established.

**SG** - This designation denotes speculative-grade credit quality. Debt instruments in this category may lack sufficient margins of protection.

**Description of Moody's Investors Service, Inc.'s Demand Obligation Ratings:**

In the case of variable rate demand obligations ("VRDOs"), a two-component rating is assigned; a long or short-term debt rating and a demand obligation rating. The first element represents Moody's evaluation of the degree of risk associated with scheduled principal and interest payments. The second element represents Moody's evaluation of the degree of risk associated with the ability to receive purchase price upon demand ("demand feature"), using a variation of the MIG rating scale, the Variable Municipal Investment Grade or VMIG rating. When either the long- or short-term aspect of a VRDO is not rated, that piece is designated NR, e.g., Aaa/NR or NR/VMIG 1. VMIG rating expirations are a function of each issue's specific structural or credit features.

**VMIG 1** - This designation denotes superior credit quality. Excellent protection is afforded by the superior short-term credit strength of the liquidity provider and structural and legal protections that ensure the timely payment of purchase price upon demand.

**VMIG 2** - This designation denotes strong credit quality. Good protection is afforded by the strong short-term credit strength of the liquidity provider and structural and legal protections that ensure the timely payment of purchase price upon demand.

**VMIG 3** - This designation denotes acceptable credit quality. Adequate protection is afforded by the satisfactory short-term credit strength of the liquidity provider and structural and legal protections that ensure the timely payment of purchase price upon demand.

**SG** - This designation denotes speculative-grade credit quality. Demand features rated in this category may be supported by a liquidity provider that does not have an investment grade short-term rating or may lack the structural and/or legal protections necessary to ensure the timely payment of purchase price upon demand.

**Description of Moody's Investors Service, Inc.'s Short-Term Prime Ratings:**

Moody's short-term ratings are opinions of the ability of issuers to honor short-term financial obligations. Ratings may be assigned to issuers, short-term programs or to individual short-term debt instruments. Such obligations generally have an original maturity not exceeding thirteen months, unless explicitly noted.

**P-1** - Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short-term debt obligations.

**P-2** - Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.

**P-3** - Issuers (or supporting institutions) rated Prime-3 have an acceptable ability to repay short-term obligations.

**NP** - Issuers (or supporting institutions) rated Not Prime do not fall within any of the Prime rating categories.

> Note: Canadian issuers rated P-1 or P-2 have their short-term ratings enhanced by the senior-most long-term rating of the issuer, its guarantor or support-provider.

**Description of Standard & Poor's Ratings Group's Long-Term Issue Credit Ratings:**

Issue credit ratings are based, in varying degrees, on the following considerations: (1) likelihood of payment — capacity and willingness of the obligor to meet its financial commitment on an obligation in accordance with the terms of the obligation; (2) nature of and provisions of the obligation; and (3) protection afforded by, and relative position of, the obligation in the event of bankruptcy, reorganization, or other arrangement under the laws of bankruptcy and other laws affecting creditors' rights.

The issue rating definitions are expressed in terms of default risk. As such, they pertain to senior obligations of an entity. Junior obligations are typically rated lower than senior obligations, to reflect the lower priority in bankruptcy, as noted above. (Such differentiation applies when an entity has both senior and subordinated obligations, secured and unsecured obligations, or operating company and holding company obligations.) Accordingly, in the case of junior debt, the rating may not conform exactly with the category definition.

**AAA** - An obligation rated 'AAA' has the highest rating assigned by Standard & Poor's. The obligor's capacity to meet its financial commitments on the obligation is extremely strong.

**AA** - An obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial obligations is very strong.

**A** - An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.

**BBB** - An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

**BB, B, CCC, CC, and C** - Obligations rated 'BB', 'B', 'CCC', 'CC', and 'C' are regarded as having significant speculative characteristics. 'BB' indicates the least degree of speculation and 'C' the highest. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions.

**BB** - An obligation rated ‘BB’ is less vulnerable to nonpayment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions, which could lead to the obligor’s inadequate capacity to meet its financial commitment on the obligation.

**B** - An obligation rated ‘B’ is more vulnerable to nonpayment than obligations rated ‘BB’, but the obligor currently has the capacity to meet its financial commitment on the obligation. Adverse business, financial, or economic conditions will likely impair the obligor’s capacity or willingness to meet its financial commitment on the obligation.

**CCC** - An obligation rated ‘CCC’ is currently vulnerable to nonpayment and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitment on the obligation. In the event of adverse business, financial, or economic conditions, the obligor is not likely to have the capacity to meet its financial commitment on the obligation.

**CC** - An obligation rated ‘CC’ is currently highly vulnerable to nonpayment.

**C** - A subordinated debt or preferred stock obligation rated ‘C’ is currently highly vulnerable to nonpayment. The ‘C’ rating may be used to cover a situation where a bankruptcy petition has been filed or similar action taken, but payments on this obligation are being continued. A ‘C’ also will be assigned to a preferred stock issue in arrears on dividends or sinking Fund payments, but that is currently paying.

**D** - An obligation rated ‘D’ is in payment default. The ‘D’ rating category is used when payments on an obligation are not made on the date due even if the applicable grace period has not expired, unless Standard & Poor’s believes that such payments will be made during such grace period. The ‘D’ rating also will be used upon the filing of a bankruptcy petition or the taking of a similar action if payments on an obligation are jeopardized.

Plus (+) or Minus (–): The ratings from ‘AA’ to ‘CCC’ may be modified by the addition of a plus (+) or minus (–) sign to show relative standing within the major rating categories.

N.R.: This indicates that no rating has been requested, that there is insufficient information on which to base a rating, or that Standard & Poor’s does not rate a particular obligation as a matter of policy.

**Active Qualifiers (Currently applied and/or outstanding)**

i: This subscript is used for issues in which the credit factors, terms, or both, that determine the likelihood of receipt of payment of interest are different from the credit factors, terms or both that determine the likelihood of receipt of principal on the obligation. The ‘i’ subscript indicates that the rating addresses the interest portion of the obligation only. The ‘i’ subscript will always be used in conjunction with the ‘p’ subscript, which addresses likelihood of receipt of principal. For example, a rated obligation could be assigned ratings of “AAAp NRi” indicating that the principal portion is rated “AAA” and the interest portion of the obligation is not rated.
L: Ratings qualified with ‘L’ apply only to amounts invested up to federal deposit insurance limits.

p: This subscript is used for issues in which the credit factors, the terms, or both, that determine the likelihood of receipt of payment of principal are different from the credit factors, terms or both that determine the likelihood of receipt of interest on the obligation. The ‘p’ subscript indicates that the rating addresses the principal portion of the obligation only. The ‘p’ subscript will always be used in conjunction with the ‘i’ subscript, which addresses likelihood of receipt of interest. For example, a rated obligation could be assigned ratings of “AAAp NRi” indicating that the principal portion is rated “AAA” and the interest portion of the obligation is not rated.

pi: Ratings with a ‘pi’ subscript are based on an analysis of an issuer’s published financial information, as well as additional information in the public domain. They do not, however, reflect in-depth meetings with an issuer’s management and are therefore based on less comprehensive information than ratings without a ‘pi’ subscript. Ratings with a ‘pi’ subscript are reviewed annually based on a new year’s financial statements, but may be reviewed on an interim basis if a major event occurs that may affect the issuer’s credit quality.

pr: The letters ‘pr’ indicate that the rating is provisional. A provisional rating assumes the successful completion of the project financed by the debt being rated and indicates that payment of debt service requirements is largely or entirely dependent upon the successful, timely completion of the project. This rating, however, while addressing credit quality subsequent to completion of the project, makes no comment on the likelihood of or the risk of default upon failure of such completion. The investor should exercise his own judgment with respect to such likelihood and risk.

preliminary: Preliminary ratings are assigned to issues, including financial programs, in the following circumstances. Preliminary ratings may be assigned to obligations, most commonly structured and project finance issues, pending receipt of final documentation and legal opinions. Assignment of a final rating is conditional on the receipt and approval by Standard & Poor's of appropriate documentation. Changes in the information provided to Standard & Poor's could result in the assignment of a different rating. In addition, Standard & Poor's reserves the right not to issue a final rating. Preliminary ratings are assigned to Rule 415 Shelf Registrations. As specific issues, with defined terms, are offered from the master registration, a final rating may be assigned to them in accordance with Standard & Poor's policies. The final rating may differ from the preliminary rating.

t: This symbol indicates termination structures that are designed to honor their contracts to full maturity or, should certain events occur, to terminate and cash settle all their contracts before their final maturity date.

Local Currency and Foreign Currency Risks: Country risk considerations are a standard part of Standard & Poor's analysis for credit ratings on any issuer or issue. Currency of repayment is a key factor in this analysis. An obligor's capacity to repay foreign currency obligations may be lower than its capacity to repay obligations in its local currency due to the sovereign government's own relatively lower capacity to repay external versus domestic debt. These sovereign risk considerations are incorporated in the debt ratings assigned to specific issues. Foreign currency issuer ratings are also distinguished from local currency issuer ratings to identify those instances where sovereign risks make them different for the same issuer.

**Description of Standard & Poor's Ratings Group's Ratings of Notes:**

A Standard & Poor's U.S. municipal note rating reflects the liquidity factors and market access risks unique to notes. Notes due in three years or less will likely receive a note rating. Notes maturing beyond three years will most likely receive a long-term debt rating. The following criteria will be used in making that assessment:

— Amortization schedule — the larger the final maturity relative to other maturities, the more likely it will be treated as a note; and

— Source of payment — the more dependent the issue is on the market for its refinancing, the more likely it will be treated as a note.

**Note rating symbols are as follows:**

**SP-1** - Strong capacity to pay principal and interest. An issue determined to possess a very strong capacity to pay debt service is given a plus (+) designation.

**SP-2** - Satisfactory capacity to pay principal and interest, with some vulnerability to adverse financial and economic changes over the term of the notes.

**SP-3** - Speculative capacity to pay principal and interest.

**Description of Standard & Poor's Ratings Group's Short-Term Issue Credit Ratings:**

**A-1** - Short-term obligation rated "A-1" is rated in the highest category by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitments is extremely strong.

**A-2** - Short-term obligation rated "A-2" is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor's capacity to meet its financial commitment on the obligation is satisfactory.

**A-3** - Short-term obligation rated "A-3" exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

**B** - A short-term obligation rated 'B' is regarded as having significant speculative characteristics. Ratings of 'B-1', 'B-2', and 'B-3' may be assigned to indicate finer distinctions within the 'B' category. The obligor currently has the capacity to meet its financial commitment on the obligation; however, it faces major ongoing uncertainties which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

**B-1** - A short-term obligation rated 'B-1' is regarded as having significant speculative characteristics, but the obligor has a relatively stronger capacity to meet its financial commitments over the short-term compared to other speculative-grade obligors.

**B-2** - A short-term obligation rated 'B-2' is regarded as having significant speculative characteristics, and the obligor has an average speculative-grade capacity to meet its financial commitments over the short-term compared to other speculative-grade obligors.

**B-3** - A short-term obligation rated 'B-3' is regarded as having significant speculative characteristics, and the obligor has a relatively weaker capacity to meet its financial commitments over the short-term compared to other speculative-grade obligors.

**C** - A short-term obligation rated 'C' is currently vulnerable to nonpayment and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitment on the obligation.

**D** - A short-term obligation rated 'D' is in payment default. The 'D' rating category is used when payments on an obligation are not made on the date due even if the applicable grace period has not expired, unless Standard & Poor's believes that such payments will be made during such grace period. The 'D' rating also will be used upon the filing of a bankruptcy petition or the taking of a similar action if payments on an obligation are jeopardized.

**Active Qualifiers (Currently applied and/or outstanding)**

i: This subscript is used for issues in which the credit factors, terms, or both, that determine the likelihood of receipt of payment of interest are different from the credit factors, terms or both that determine the likelihood of receipt of principal on the obligation. The 'i' subscript indicates that the rating addresses the interest portion of the obligation only. The 'i' subscript will always be used in conjunction with the 'p' subscript, which addresses likelihood of receipt of principal. For example, a rated obligation could be assigned ratings of "AAAp NRi" indicating that the principal portion is rated "AAA" and the interest portion of the obligation is not rated.

L: Ratings qualified with 'L' apply only to amounts invested up to federal deposit insurance limits.

p: This subscript is used for issues in which the credit factors, the terms, or both, that determine the likelihood of receipt of payment of principal are different from the credit factors, terms or both that determine the likelihood of receipt of interest on the obligation. The 'p' subscript indicates that the rating addresses the principal portion of the obligation only. The 'p' subscript will always be used in conjunction with the 'i' subscript, which addresses likelihood of receipt of interest. For example, a rated obligation could be assigned ratings of "AAAp NRi" indicating that the principal portion is rated "AAA" and the interest portion of the obligation is not rated.

pi: Ratings with a 'pi' subscript are based on an analysis of an issuer's published financial information, as well as additional information in the public domain. They do not, however, reflect in-depth meetings with an issuer's management and are therefore based on less comprehensive information than ratings without a 'pi' subscript. Ratings with a 'pi' subscript are reviewed annually based on a new year's financial statements, but may be reviewed on an interim basis if a major event occurs that may affect the issuer's credit quality.

pr: The letters 'pr' indicate that the rating is provisional. A provisional rating assumes the successful completion of the project financed by the debt being rated and indicates that payment of debt service requirements is largely or entirely dependent upon the successful, timely completion of the project. This rating, however, while addressing credit quality subsequent to completion of the project, makes no comment on the likelihood of or the risk of default upon failure of such completion. The investor should exercise his own judgment with respect to such likelihood and risk.

preliminary: Preliminary ratings are assigned to issues, including financial programs, in the following circumstances. Preliminary ratings may be assigned to obligations, most commonly structured and project finance issues, pending receipt of final documentation and legal opinions. Assignment of a final rating is conditional on the receipt and approval by Standard & Poor's of appropriate documentation. Changes in the information provided to Standard & Poor's could result in the assignment of a different rating. In addition, Standard & Poor's reserves the right not to issue a final rating. Preliminary ratings are assigned to Rule 415 Shelf Registrations. As specific issues, with defined terms, are offered from the master registration, a final rating may be assigned to them in accordance with Standard & Poor's policies. The final rating may differ from the preliminary rating.

t: This symbol indicates termination structures that are designed to honor their contracts to full maturity or, should certain events occur, to terminate and cash settle all their contracts before their final maturity date. Local Currency and Foreign Currency Risks: Country risk considerations are a standard part of Standard & Poor's analysis for credit ratings on any issuer or issue. Currency of repayment is a key factor in this analysis. An obligor's capacity to repay foreign currency obligations may be lower than its capacity to repay obligations in its local currency due to the sovereign government's own relatively lower capacity to repay external versus domestic debt. These sovereign risk considerations are incorporated in the debt ratings assigned to specific issues. Foreign currency issuer ratings are also distinguished from local currency issuer ratings to identify those instances where sovereign risks make them different for the same issuer.

**Description of Standard & Poor's Ratings Group's Ratings of Commercial Paper:**

A Standard & Poor's commercial paper rating is a current assessment of the likelihood of timely payment of debt having an original maturity of no more than 365 days. Ratings are graded into several categories, ranging from "A" for the highest-quality obligations to "D" for the lowest. These categories are as follows:

**A-1** - This designation indicates that the degree of safety regarding timely payment is strong. Those issues determined to possess extremely strong safety characteristics are denoted with a plus sign (+) designation.

**A-2** - Capacity for timely payment on issues with this designation is satisfactory. However, the relative degree of safety is not as high as for issues designated 'A-1'.

**A-3** - Issues carrying this designation have an adequate capacity for timely payment. They are, however, more vulnerable to the adverse effects of changes in circumstances than obligations carrying the higher designations.

**B** - Issues rated 'B' are regarded as having only speculative capacity for timely payment.

**C** - This rating is assigned to short-term debt obligations with a doubtful capacity for payment.

**D** - Debt rated 'D' is in payment default. The 'D' rating category is used when interest payments of principal payments are not made on the date due, even if the applicable grace period has not expired, unless Standard & Poor's believes such payments will be made during such grace period.

**Description of Standard & Poor's Ratings Group's Dual Ratings:**

Standard & Poor's assigns "dual" ratings to all debt issues that have a put option or demand feature as part of their structure.

The first rating addresses the likelihood of repayment of principal and interest as due, and the second rating addresses only the demand feature. The long-term debt rating symbols are used for bonds to denote the long-term maturity and the commercial paper rating symbols for the put option (for example, "AAA/A-1+"). With short-term demand debt, Standard & Poor's note rating symbols are used with the commercial paper rating symbols (for example, "SP-1+/A-1+").

International Long-Term Credit Ratings ("LTCR") may also be referred to as "Long-Term Ratings." When assigned to most issuers, it is used as a benchmark measure of probability of default and is formally described as an Issuer Default Rating (IDR). The major exception is within Public Finance, where IDRs will not be assigned as market convention has always focused on timeliness and does not draw analytical distinctions between issuers and their underlying obligations. When applied to issues or securities, the LTCR may be higher or lower than the issuer rating (IDR) to reflect relative differences in recovery expectations. The following rating scale applies to foreign currency and local currency ratings.

**Investment Grade**

**AAA** - Highest credit quality. "AAA" ratings denote the lowest expectation of credit risk. They are assigned only in case of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

**AA** - Very high credit quality. "AA" ratings denote expectations of very low credit risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

**A** - High credit quality. “A” ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.

**BBB** - Good credit quality. “BBB” ratings indicate that there is currently expectations of low credit risk. The capacity for payment of financial commitments is considered adequate, but adverse changes in circumstances and economic conditions are more likely to impair this capacity. This is the lowest investment-grade category.

**Speculative Grade**

**BB** - Speculative. “BB” ratings indicate that there is a possibility of credit risk developing, particularly as the result of adverse economic change over time; however, business or financial alternatives may be available to allow financial commitments to be met. Securities rated in this category are not investment grade.

**B** - Highly speculative. For issuers and performing obligations, ‘B’ ratings indicate that significant credit risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is contingent upon a sustained, favorable business and economic environment. For individual obligations, ‘B’ ratings may indicate distressed or defaulted obligations with potential for extremely high recoveries. Such obligations would possess a Recovery Rating of ‘R1’ (outstanding).

**CCC** - For issuers and performing obligations, default is a real possibility. Capacity for meeting financial commitments is solely reliant upon sustained, favorable business or economic conditions. For individual obligations, may indicate distressed or defaulted obligations with potential for average to superior levels of recovery. Differences in credit quality may be denoted by plus/minus distinctions. Such obligations typically would possess a Recovery Rating of ‘R2’ (superior), or ‘R3’ (good) or ‘R4’ (average).

**CC** - For issuers and performing obligations, default of some kind appears probable. For individual obligations, may indicate distressed or defaulted obligations with a Recovery Rating of ‘R4’ (average) or ‘R5’ (below average).

**C** - For issuers and performing obligations, default is imminent. For individual obligations, may indicate distressed or defaulted obligations with potential for below-average to poor recoveries. Such obligations would possess a Recovery Rating of ‘R6’ (poor).

**RD** - Indicates an entity that has failed to make due payments (within the applicable grace period) on some but not all material financial obligations, but continues to honor other classes of obligations.

**D** - Indicates an entity or sovereign that has defaulted on all of its financial obligations. Default generally is defined as one of the following: (i) failure of an obligor to make timely payment of principal and/or interest under the contractual terms of any financial obligation; (ii) the bankruptcy filings, administration, receivership, liquidation or other winding-up or cessation of business of an obligor; or (iii) the distressed or other coercive exchange of an obligation, where creditors were offered securities with diminished structural or economic terms compared with the existing obligation.

Default ratings are not assigned prospectively; within this context, non-payment on an instrument that contains a deferral feature or grace period will not be considered a default until after the expiration of the deferral or grace period.

Issuers will be rated ‘D’ upon a default. Defaulted and distressed obligations typically are rated along the continuum of ‘C’ to ‘B’ ratings categories, depending upon their recovery prospects and other relevant characteristics. Additionally, in structured finance transactions, where analysis indicates that an instrument is irrevocably impaired such that it is not expected to meet pay interest and/or principal in full in accordance with the terms of the obligation’s documentation during the life of the transaction, but where no payment default in accordance with the terms of the documentation is imminent, the obligation may be rated in the ‘B’ or ‘CCC-C’ categories.

Default is determined by reference to the terms of the obligations’ documentation. Fitch will assign default ratings where it has reasonably determined that payment has not been made on a material obligation in accordance with the requirements of the obligation’s documentation, or where it believes that default ratings consistent with Fitch’s published definition of default are the most appropriate ratings to assign.

**Description of Fitch Ratings International Short-Term Credit Ratings:**

International Short-Term Credit Ratings may also be referred to as “Short-Term Ratings.” The following ratings scale applies to foreign currency and local currency ratings. A short-term rating has a time horizon of less than 13 months for most obligations, or up to three years for U.S. public finance, in line with industry standards, to reflect unique characteristics of bond, tax, and revenue anticipation notes that are commonly issued with terms up to three years. Short-term ratings thus places greater emphasis on the liquidity necessary to meet financial commitments in a timely manner.

**F1** - Highest credit quality. Indicates the strongest capacity for timely payment of financial commitments; may have an added “+” to denote any exceptionally strong credit feature.

**F2** - Good credit quality. A satisfactory capacity for timely payment of financial commitments, but the margin of safety is not as great as in the case of the higher ratings.

**F3** - Fair credit quality. The capacity for timely payment of financial commitments is adequate; however, near-term adverse changes could result in a reduction to non-investment grade.

**B** - Speculative. Minimal capacity for timely payment of financial commitments, plus vulnerability to near-term adverse changes in financial and economic conditions.

**C** - High default risk. Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon a sustained, favorable business and economic environment.

**D** - Default. Indicates an entity or sovereign that has defaulted on all of its financial obligations.

**Notes to Fitch Ratings International Long-Term and Short-Term Credit Ratings:**

The modifiers “+” or “–” may be appended to a rating to denote relative status within major rating categories. Such suffixes are not added to the ‘AAA’ Long-term rating category, to categories below ‘CCC’, or to Short-term ratings other than ‘F1’. (The +/– modifiers are only used to denote issues within the CCC category, whereas issuers are only rated CCC without the use of modifiers.)

Rating Watch: Ratings are placed on Rating Watch to notify investors that there is a reasonable probability of a rating change and the likely direction of such change. These are designated as “Positive”, indicating a potential upgrade, “Negative”, for a potential downgrade, or “Evolving”, if ratings may be raised, lowered or maintained. Rating Watch is typically resolved over a relatively short period.

Rating Outlook: An Outlook indicates the direction a rating is likely to move over a one to two-year period. Outlooks may be positive, stable or negative. A positive or negative Rating Outlook does not imply a rating change is inevitable. Similarly, ratings for which outlooks are ‘stable’ could be upgraded or downgraded before an outlook moves to positive or negative if circumstances warrant such an action. Occasionally, Fitch Ratings may be unable to identify a fundamental trend. In these cases, the Rating Outlook may be described as evolving.

Program ratings (such as those assigned to MTN shelf registrations) relate only to standard issues made under the program concerned; it should not be assumed that these ratings apply to every issue made under the program. In particular, in the case of non-standard issues, *i.e.* those that are linked to the credit of a third party or linked to the performance of an index, ratings of these issues may deviate from the applicable program rating.

Variable rate demand obligations and other securities which contain a short-term ‘put’ or other similar demand feature will have a dual rating, such as AAA/F1+. The first rating reflects the ability to meet long-term principal and interest payments, whereas the second rating reflects the ability to honor the demand feature in full and on time.

Interest Only: Interest Only ratings are assigned to interest strips. These ratings do not address the possibility that a security holder might fail to recover some or all of its initial investment due to voluntary or involuntary principal repayments.

Principal Only: Principal Only ratings address the likelihood that a security holder will receive their initial principal investment either before or by the scheduled maturity date.

Rate of Return: Ratings also may be assigned to gauge the likelihood of an investor receiving a certain predetermined internal rate of return without regard to the precise timing of any cash flows.

‘PIF’: Paid-in -Full; denotes a security that is paid-in-full, matured, called, or refinanced.

‘NR’ indicates that Fitch Ratings does not rate the issuer or issue in question.

‘Withdrawn’: A rating is withdrawn when Fitch Ratings deems the amount of information available to be inadequate for rating purposes, or when an obligation matures, is called, or refinanced, or for any other reason Fitch Ratings deems sufficient.

# Appendix B Proxy Voting Policy

## 1919 Investment Counsel, LLC Proxy Voting Policy (the "Policy")

Effective March 25, 2024

This Policy is for internal use only and should not be provided to any third party without prior Compliance approval.

## A. **Introduction**

1919 Investment Counsel, LLC ("1919") shall vote proxies for each client account for which it has investment discretion unless the investment advisory agreement provides that the client or other authorized party (e.g., a trustee or name fiduciary of a plan) is responsible for voting proxies. In exercising discretion to vote proxies for client accounts, 1919 is guided by fiduciary principles to act prudently and solely in the best economic interest of its clients unless the client has provided investment restrictions or guidelines that would require the firm to vote otherwise. 1919 will not decline to vote proxies except in extraordinary circumstances where 1919 believes refraining from voting is in the client's best interest. This Policy is intended to provide employees[1] with an understanding of their obligation with respect to voting client proxies. Failure to comply with this Policy may result in disciplinary action, up to and including termination of employment.

## A. Service Firm -- Proxy Voting Guidelines

1919 contracts with an independent proxy service firm, currently Institutional Shareholder Services Inc. ("ISS" or "Service Firm"), to provide 1919 with proxy voting guidelines and administrative proxy voting services.

As part of these services, ISS prepares and periodically updates proxy voting guidelines which 1919's Proxy Voting Committee (the "Committee") periodically reviews and approves. These include standard domestic and foreign guidelines and also domestic and foreign Socially Responsible guidelines. ISS generally updates all guidelines each year.

For client accounts that are not receiving 1919 responsible investing advisory services, 1919 generally votes proxies (including on matters such as election of directors, appointment of auditors, granting or repricing of options, mergers and other material issues) in accordance with ISS standard proxy voting guidelines, which seek to maximize value for shareholders.

For client accounts receiving Responsible Investing advisory services, 1919 generally votes proxies in accordance with ISS' Socially Responsible guidelines. These guidelines reflect the dual objectives of economic gain and having companies conduct their businesses in a socially and environmentally responsible manner. The Committee reviews ISS' Socially Responsible guidelines at least annually to confirm appropriateness for 1919's Responsible Investing clients.

The same proxies may be voted differently from client to client due to differences in the client-defined investment restrictions and guidelines. In addition, a client's 1919 portfolio manager may vote a proxy contrary to the otherwise applicable guidelines for one or more accounts if he or she believes such a vote is more consistent with the client's investment guidelines or best interests. For proxy votes that vary from otherwise applicable ISS guidelines or for which ISS does not issue a voting recommendation, the portfolio manager must follow the procedures described below in "Voting Proxies Other than in Accordance with Service Firm Guidelines."

1919's use of ISS and its proxy voting guidelines does not relieve 1919 of its ultimate fiduciary responsibility to ensure that proxies are voted in clients' best interests.

[1] For purposes of this Policy, "employees" include full time and part time personnel, temporary workers, contractors, and interns.

## A. Service Firm – Administrative Services

ISS votes proxies on 1919's behalf in accordance with the applicable guidelines the Committee has approved, unless 1919 decides to vote a proxy contrary to the guidelines (as described below in "Voting Proxies Other than in Accordance with Service Firm Guidelines") and communicates that decision to ISS prior to the vote. ISS also keeps certain proxy voting records for 1919, as described in "Proxy Voting Records" below.

Where proxies are voted in accordance with ISS guidelines, 1919 takes the position that any conflict between client interests and the interests of 1919 or the 1919 portfolio manager responsible for the account is rendered irrelevant and without effect on the voting decision (since the decision is dictated by guidelines previously approved by the Committee without reference to any particular proxy vote). In the event of such a conflict, the client's interest shall prevail.

## A. 1919 Review of Service Firm

The Committee shall periodically review its retention of ISS. The review shall include consideration of whether ISS has the capacity and competency to adequately analyze proxy issues, including the ability to make voting recommendations based on materially accurate information. The review shall also include consideration of any conflicts of interest that may affect the nature and quality of the proxy-related services provided by ISS. Consideration of any such conflicts shall include a review of how ISS addresses the conflicts. 1919 shall keep records evidencing the Committee's review of ISS.

A. <u>Voting Proxies Other than in Accordance with Service Firm Guidelines</u>

1919 may decide to vote proxies contrary to recommendations issued by ISS in accordance with applicable guidelines, in situations where ISS does not issue recommendations, or where ISS defers proxy voting to 1919, if it follows the procedures set forth below.

a. Any one or more portfolio managers may vote a proxy if they determine doing so (i) would better serve the economic interests of the affected client(s), and/or (ii) is more consistent with the investment and/or proxy voting guidelines of the affected client(s), provided that in each case the portfolio manager proposes the vote to the Committee and the Committee pre-approves the vote.

a. In proposing a vote to the Committee, the portfolio manager shall (i) state the rationale for the vote,
   i. complete and submit to the Committee and 1919's CCO (or designee) a questionnaire designed to elicit information about conflicts of interest to which the portfolio manager may be subject, and
   ii. certify in writing that the vote does not involve a conflict between the interests of affected client(s) and the portfolio manager's interests.

a. In deciding whether to approve such a proxy vote, the Committee shall review the completed questionnaire and consult with 1919's CCO (or designee) to consider whether the vote involves a conflict between the interests of the affected client(s) and the interests of the portfolio manager and 1919 or its affiliates.

a. If the Committee determines that a proposed proxy vote does not involve a conflict of interest and is otherwise appropriate, the Committee shall approve and authorize the vote.

a. If the Committee determines that a proposed proxy vote does involve a conflict of interest, it shall consult with 1919's CCO (or designee) to determine if the conflict is material. Materiality determinations shall be made based on the particular facts and circumstances involved, including whether the outcome of the vote may have a significant effect on 1919, any 1919 client representing more than 5% of 1919's business, or any of 1919's affiliates. A conflict of interest shall be considered material if it is likely to influence, or appear to influence, the voting decision.

a. If the Committee determines a conflict of interest is not material, and determines the proposed vote is otherwise appropriate, the Committee shall approve and authorize the vote.
b. If the Committee determines a conflict of interest is material, the Committee shall resolve the situation in one of the following ways, as the Committee in consultation with the CCO (or designee) deems appropriate:

a. obtain and document informed client consent to the proposed vote notwithstanding the material conflict;

a. vote the proxy in accordance with applicable ISS guidelines (if any);
b. in the case of a conflict between client interests and a portfolio manager's interests, remove the portfolio manager from the voting decision; or

a. such other method as the Committee and the CCO (or designee) determine to be effective in eliminating the material conflict.

The above procedures do not need to be adhered to for specific proxy votes that are directed by clients.

A. <u>Proxy Voting Independence</u>

1919 exercises proxy voting authority independently of other firms affiliated with 1919's parent company, Stifel Financial Corp. Accordingly, 1919 will not consult or enter into agreements with officers, directors or employees of such affiliated firms regarding the voting of proxies for securities owned by 1919 clients.

A. Proxy Voting Records

In addition to all other records required by this Policy, 1919 shall maintain the following records relating to proxy voting:

A. a copy of this Policy, including any and all amendments that may be adopted;
B. a copy of each proxy statement that 1919 receives regarding client securities;
C. a record of each vote cast by 1919 for a client;
D. documentation relating to the identification and resolution of conflicts of interest;
E. any documents created by 1919 that were material to a proxy voting decision or that memorialized the basis for that decision;
F. a copy of each written client request for information on how 1919 voted proxies on behalf of the client, and a copy of any written response by 1919 to any written or oral client request for information on how 1919 voted proxies for the requesting client; and
G. records showing whether 1919 has proxy voting authority for each client account.

All required records shall be maintained and preserved in an easily accessible place for a period of not less than six years from the end of the fiscal year during which the last entry was made on such record, the first two years in an appropriate office of 1919. 1919 will also maintain a copy of any proxy voting policies and procedures that were in effect at any time within the last five years.

In lieu of keeping copies of proxy statements, 1919 may rely on proxy statements filed on the EDGAR system as well as on ISS records of proxy statements if ISS provides an undertaking to provide copies of such proxy statements promptly upon request. 1919 may rely on ISS to make and retain, on 1919's behalf, records of votes cast for clients if ISS provides an undertaking to provide a copy of such records promptly upon request.