

## STATEMENT OF ADDITIONAL INFORMATION

### **Cantor Select Portfolios Trust**

| <u>Fund</u>                                 | <u>Institutional Class<br/>Ticker</u> | <u>Class A<br/>Ticker</u> | <u>Class R6<br/>Ticker</u> | <u>Class F<br/>Ticker</u> |
|---|---------------------------------------|---------------------------|----------------------------|---------------------------|
| Cantor Fitzgerald Equity Dividend Plus Fund | FBPEX                                 | FBPGX                     | —                          | —                         |
| Cantor Fitzgerald Large Cap Focused Fund    | FICHX                                 | FICGX                     | FICIX                      | —                         |
| Cantor Fitzgerald International Equity Fund | CFIKX                                 | CFIOX                     | CFITX                      | CFIJX                     |
| Cantor Fitzgerald High Income Fund          | ATPYX                                 | ATPAX                     | ATPRX                      | —                         |
| Cantor Fitzgerald Equity Opportunity Fund   | ATGYX                                 | ATGAX                     | ATGHX                      | —                         |

February 1, 2026

*Each a series of the*

Cantor Select Portfolios Trust

c/o Ultimus Fund Solutions, LLC

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Via Overnight Mail: 225 Pictoria Drive, Suite 450, Cincinnati, Ohio 45246

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This combined Statement of Additional Information (“SAI”) is meant to be read in conjunction with the prospectus for the Cantor Fitzgerald Equity Dividend Plus Fund, Cantor Fitzgerald Large Cap Focused Fund, Cantor Fitzgerald International Equity Fund, Cantor Fitzgerald High Income Fund, and Cantor Fitzgerald Equity Opportunity Fund (each a “Fund” and collectively, the “Funds”), dated February 1, 2026, as amended or supplemented from time to time (the “Prospectus”), and is incorporated by reference in its entirety into the Prospectus. Because this SAI is not itself a prospectus, no investment in shares of a Fund should be made solely upon the information contained herein. Copies of the Prospectus, annual report, and/or semi-annual report may be obtained at no charge by writing or calling the Fund at the address or phone number shown above or online at <https://equitydividendplusfund.cantorassetmanagement.com/>; <https://largecapfocusedfund.cantorassetmanagement.com/>; <https://InternationalEquityFund.cantorassetmanagement.com/>; <https://highincomefund.cantorassetmanagement.com/>; or <https://equityopportunityfund.cantorassetmanagement.com/>. Capitalized terms used but not defined herein have the same meanings as in the Prospectus.

## GENERAL INFORMATION

Cantor Select Portfolios Trust (the “Trust”) was organized on December 16, 2021, as a Delaware statutory trust and is authorized to have multiple series or portfolios. The Trust is registered with the U.S. Securities and Exchange Commission (“SEC”) as an open-end management investment company under the Investment Company Act of 1940, as amended (the “1940 Act”). The Trust currently consists of five series. Each series of the Trust is managed by Cantor Fitzgerald Investment Advisors, L.P. (the “Advisor”). This SAI relates to the following funds in the table below:

| Name of Fund                                | Prior Name of Fund                     | Sub-Advisor                       |
|---|--|-----------------------------------|
| Cantor Fitzgerald Equity Dividend Plus Fund | Cantor FBP Equity & Dividend Plus Fund | N/A                               |
| Cantor Fitzgerald Large Cap Focused Fund    | Cantor Growth Equity Fund              | Smith Group Asset Management, LLC |
| Cantor Fitzgerald International Equity Fund | N/A                                    | Smith Group Asset Management, LLC |
| Cantor Fitzgerald High Income Fund          | Aquila High Income Fund                | Smith Group Asset Management, LLC |
| Cantor Fitzgerald Equity Opportunity Fund   | Aquila Opportunity Growth Fund         | Smith Group Asset Management, LLC |

The Prospectus describes the Cantor Fitzgerald Equity Dividend Plus Fund (the “Equity Dividend Plus Fund”), Cantor Fitzgerald Large Cap Focused Fund (the “Large Cap Focused Fund”), the Cantor Fitzgerald International Equity Fund (the “International Equity Fund”), Cantor Fitzgerald High Income Fund (the “High Income Fund”), and the Cantor Fitzgerald Equity Opportunity Fund (the “Equity Opportunity Fund”) (each a “Fund” and collectively, the “Funds”) investment objectives and principal investment strategies, as well as the principal investment risks of the Funds. Each of the Funds are organized as open-end diversified series of the Trust.

The Equity Dividend Plus Fund acquired all of the assets and liabilities of the Cantor FBP Equity & Dividend Plus Fund (the “Surviving Fund”) and the Cantor FBP Appreciation & Income Opportunities Fund (together with the Surviving Fund, the “FBP Predecessor Funds”), each a series of Williamsburg Investment Trust, (the “FBP Predecessor Trust”) in tax-free reorganizations on July 28, 2023 (the “FBP Reorganizations”). In connection with the FBP Reorganizations, shares of each FBP Predecessor Fund were exchanged for Institutional Class shares of the Equity Dividend Plus Fund. The Surviving Fund has an investment objective and strategies that were, in all material respects, the same as those of the Equity Dividend Plus Fund, and were managed in a manner that, in all material respects, complied with the investment guidelines and restrictions of the Equity Dividend Plus Fund. Certain financial information included on the following pages is that of the Surviving Fund. The fiscal year end for the FBP Predecessor Funds was March 31. Effective August 1, 2023, the Equity Dividend Plus Fund changed its fiscal year from March 31 to September 30.

The Large Cap Focused Fund acquired all of the assets and liabilities of the First Investors Select Growth Fund, a series of First Investors Equity Funds (the “Prior Fund”) in a tax-free reorganization on October 4, 2019. The Fund acquired all of the assets and liabilities of the Delaware Growth Equity Fund, a series of Delaware Group Equity Funds IV, (the “Large Cap Predecessor Fund”) in a tax-free reorganization on September 16, 2022. In connection with First Predecessor Fund acquisition, shares of the Prior Fund’s Class A shares, Advisor Class shares, and Institutional Class shares were exchanged for Class A shares, Institutional Class shares, and Class R6 shares, respectively, of the Large Cap Predecessor Fund. In connection with the Large Cap Predecessor Fund acquisition, shares of the Large Cap Predecessor Fund’s Class A shares, Institutional Class shares, and Class R6 shares were exchanged for Class A shares, Institutional Class shares, and Class R6 shares of the Large Cap Focused Fund. The Prior Fund and the Large Cap Predecessor Fund had an investment objective and

strategies that were, in all material respects, the same as those of the Large Cap Focused Fund, and were managed in a manner that, in all material respects, complied with the investment guidelines and restrictions of the Fund. Certain financial information included on the following pages is that of the Large Cap Predecessor Fund.

The High Income Fund acquired all of the assets and liabilities of the Aquila High Income Fund, a series of the Aquila Funds Trust (the “High Income Predecessor Fund”) in a tax-free reorganization on November 22, 2024 (the “High Income Reorganization”). In connection with the High Income Reorganization, (i) the High Income Predecessor Fund’s Class A shares, Class C shares, and Class I shares were exchanged for Class A shares of the High Income Fund; (ii) the High Income Predecessor Fund’s Class Y shares were exchanged for Institutional Class shares of the High Income Fund; and (iii) the Class F shares are no longer offered. The High Income Predecessor Fund had an investment objective and strategies that were, in all material respects, the same as those of the High Income Fund, and were managed in a manner that, in all material respects, complied with the investment guidelines and restrictions of the High Income Fund. Certain financial information included on the following pages is that of the High Income Predecessor Fund. Effective June 27, 2025, the High Income Fund changed its fiscal year from December 31 to September 30.

The Aquila Opportunity Growth Fund, a series of Aquila Funds Trust (the “Equity Opportunity Predecessor Fund”) acquired the assets and liabilities of Aquila Three Peaks Equity Opportunity Fund (the “Prior Predecessor Fund”) on October 11, 2013. The Equity Opportunity Fund acquired all of the assets and liabilities of the Equity Opportunity Predecessor Fund (together with the Prior Predecessor Fund, the “Opportunity Predecessor Funds”) in a tax-free reorganization on November 22, 2024 (the “Equity Opportunity Reorganization”). In connection with the Equity Opportunity Reorganization, (i) the Equity Opportunity Predecessor Fund’s Class A shares, Class C shares, and Class I shares were exchanged for Class A shares of the Equity Opportunity Fund; (ii) the Equity Opportunity Predecessor Fund’s Class Y shares were exchanged for Institutional Class shares of the Equity Opportunity Fund; and (iii) the Class F shares are no longer offered. The Opportunity Predecessor Funds had an investment objective and strategies that were, in all material respects, the same as those of the Equity Opportunity Fund, and were managed in a manner that, in all material respects, complied with the investment guidelines and restrictions of the Fund. Certain financial information included on the following pages is that of the Equity Opportunity Predecessor Fund. Effective June 27, 2025, the Equity Opportunity Fund changed its fiscal year from December 31 to September 30.

The Surviving Fund, the Large Cap Predecessor Fund, the High Income Predecessor Fund and the Equity Opportunity Predecessor Fund are referred to collectively herein as the “Predecessor Funds.”

This SAI describes the financial history, management and operation of the Funds, as well as the Funds’ investment objective and policies. It should be read in conjunction with the Prospectus.

Investments in the Funds are not:

- Deposits or obligations of any bank;
- Guaranteed or endorsed by any bank; or
- Federally insured or guaranteed by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other federal agency.
- by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other federal agency.

## INVESTMENT LIMITATIONS

**Fundamental Investment Restrictions.** Each Fund has adopted certain fundamental investment limitations designed to reduce the risk of an investment in a Fund. These limitations may not be changed with respect to either Fund without the affirmative vote of a majority of the outstanding voting shares of such Fund. For

purposes of the discussion of these fundamental investment limitations, the term “majority” of the outstanding shares of the Fund means the lesser of (i) 67% of a Fund’s outstanding shares represented in person or by proxy at a meeting at which more than 50% of its outstanding shares are represented, or (ii) more than 50% of a Fund’s outstanding shares.

Under these fundamental limitations, the Equity Dividend Plus Fund **may not:**

- (1) Engage in borrowing except as permitted by the 1940 Act, any rules and regulations promulgated thereunder or interpretations of the SEC or its staff;
- (2) Issue senior securities. This limitation is not applicable to activities that may be deemed to involve the issuance or sale of a senior security by the Fund, provided that the Fund’s engagement in such activities is consistent with or permitted by the 1940 Act, the rules and regulations promulgated thereunder or interpretations of the SEC or its staff.
- (3) Purchase or sell commodities unless acquired as a result of ownership of securities or other investments to the extent permitted under the 1940 Act and the regulations of any other agency with authority over the Fund. This limitation does not preclude the Fund from purchasing or selling options or futures contracts, from investing in securities or other instruments backed by commodities or from investing in companies that are engaged in a commodities business or have a significant portion of their assets in commodities;
- (4) Invest more than 25% of its total assets in a particular industry or group of industries. This limitation is not applicable to investments in obligations issued or guaranteed by the U.S. government, its agencies and instrumentalities or repurchase agreements with respect thereto, or investments in other investment companies;
- (5) Purchase or sell real estate directly. This limitation is not applicable to investments in marketable securities which are secured by or represent interests in real estate. This limitation does not preclude the Fund from holding or selling real estate acquired as a result of the Fund’s ownership of securities or other instruments, investing in mortgage-related securities or investing in companies engaged in the real estate business or that have a significant portion of their assets in real estate (including real estate investment trusts).
- (6) Act as underwriter of securities issued by other persons. This limitation is not applicable to the extent that, in connection with the disposition of portfolio securities (including restricted securities), the Fund may be deemed an underwriter under certain federal securities laws or in connection with investments in other investment companies;
- (7) Make loans to other persons, except (a) by loaning portfolio securities, (b) by engaging in repurchase agreements, (c) by purchasing nonpublicly offered debt securities, (d) by purchasing commercial paper, or (e) by entering into any other lending arrangement permitted by the 1940 Act, any rules and regulations promulgated thereunder or interpretations of the SEC or its staff. For purposes of this limitation, the term “loans” shall not include the purchase of a portion of an issue of publicly distributed bonds, debentures or other debt securities.

Percentage restrictions stated as an investment policy or investment limitation apply at the time of investment; if a later increase or decrease in percentage beyond the specified limits results from a change in securities values or total assets, it will not be considered a violation. However, in the case of the borrowing limitation (limitation number 1, above), the Funds will, to the extent necessary, reduce its existing borrowings (within 3 days, excluding Sundays and holidays) to comply with the provisions of the 1940 Act.

For purposes of the Funds’ concentration policy, if the Funds invest in one or more investment companies, the Funds will examine the holdings of such investment companies to ensure that the Fund is not indirectly concentrating its investments in a particular industry or group of industries.

As a matter of fundamental policy, the Large Cap Focused Fund and International Equity Fund **may not**:

- (1) Make investments that will result in the concentration (as that term may be defined in the 1940 Act, any rule or order thereunder, or U.S. Securities and Exchange Commission (“SEC”) staff interpretation thereof) of its investments in the securities of issuers primarily engaged in the same industry, provided that this restriction does not limit the Fund from investing in obligations issued or guaranteed by the U.S. government or its agencies or instrumentalities.
- (2) Borrow money or issue senior securities, except as the 1940 Act, any rule or order thereunder, or SEC staff interpretation thereof, may permit.
- (3) Underwrite the securities of other issuers, except that the Fund may engage in transactions involving the acquisition, disposition, or resale of its portfolio securities, under circumstances where it may be considered an underwriter under the Securities Act of 1933, as amended (the “1933 Act”).
- (4) Purchase or sell real estate, unless acquired as a result of ownership of securities or other instruments and provided that this restriction does not prevent the Fund from investing in issuers which invest, deal, or otherwise engage in transactions in real estate or interests therein, or investing in securities that are secured by real estate or interests therein.
- (5) Purchase or sell physical commodities, unless acquired as a result of ownership of securities or other instruments and provided that this restriction does not prevent the Fund from engaging in transactions involving futures contracts and options thereon or investing in securities that are secured by physical commodities.
- (6) Make personal loans or loans of its assets to persons who control or are under common control with a Fund, except as the 1940 Act, any rule or order thereunder, or SEC staff interpretation thereof, may permit. This restriction does not prevent a Fund from, among other things, purchasing debt obligations, entering into repurchase agreements, loaning its assets to broker/dealers or institutional investors, or investing in loans, including assignments and participation interests.
- (7) With respect to 75% of its total assets, the Fund may not: (i) purchase 10% or more of the outstanding voting securities of any one issuer; or (ii) purchase securities of any issuer if, as a result, 5% or more of the Fund’s total assets would be invested in that issuer’s securities. This limitation does not apply to investments in (i) cash and cash items; (ii) securities of other registered investment companies; and (iii) obligations of the United States Government, its agencies, or instrumentalities.

As a matter of fundamental policy, the High Income Fund and Equity Opportunity Fund **may not**:

- (1) Borrow money except as permitted by the 1940 Act.
- (2) Engage in the business of underwriting the securities of other issuers except as permitted by the 1940 Act.
- (3) The Funds may lend money or other assets to the extent permitted by the 1940 Act.
- (4) The Funds may not issue senior securities except as permitted by the 1940 Act.
- (5) The Funds may not purchase or sell real estate except as permitted by the 1940 Act.
- (6) The Funds may purchase or sell commodities or contracts related to commodities to the extent permitted by the 1940 Act.
- (7) The Funds may not make any investment if, as a result, the Fund’s investments will be concentrated in any one industry, except as permitted by the 1940 Act.

With respect to the fundamental policy relating to borrowing money set forth in (1) above, the 1940 Act permits a Fund to borrow money in amounts of up to one-third of the Fund’s total assets from banks for any purpose, and to borrow up to 5% of the Fund’s total assets from banks or other lenders for temporary purposes (the fund’s total

assets include the amounts being borrowed). To limit the risks attendant to borrowing, the 1940 Act requires a Fund to maintain at all times an “asset coverage” of at least 300% of the amount of its borrowings. Asset coverage means the ratio that the value of the Fund’s total assets (including amounts borrowed), minus liabilities other than borrowings, bears to the aggregate amount of all borrowings. Borrowing money to increase a Fund’s investment portfolio is known as “leveraging.” Borrowing, especially when used for leverage, may cause the value of a Fund’s shares to be more volatile than if the Fund did not borrow. This is because borrowing tends to magnify the effect of any increase or decrease in the value of the Fund’s portfolio holdings. Borrowed money thus creates an opportunity for greater gains, but also greater losses. To repay borrowings, a Fund may have to sell securities at a time and at a price that is unfavorable to the Fund. There also are costs associated with borrowing money, and these costs would offset and could eliminate a Fund’s net investment income in any given period. Currently, neither Fund contemplates borrowing for leverage, but if a Fund does so, it will not likely do so to a substantial degree. The policy in (1) above will be interpreted to permit a 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.

A Fund may pledge its assets and guarantee the securities of another company without limitation, subject to the Fund’s investment policies (including the fund’s fundamental policy regarding borrowing) and applicable laws and interpretations. Pledges of assets and guarantees of obligations of others are subject to many of the same risks associated with borrowings and, in addition, are subject to the credit risk of the obligor for the underlying obligations. To the extent that pledging or guaranteeing assets may be considered the issuance of senior securities, the issuance of senior securities is governed by the Funds’ policies on senior securities. If a Fund were to pledge its assets, the Fund would take into account any then-applicable legal guidance, including any applicable SEC staff position, would be guided by the judgment of the Fund’s Board and Manager regarding the terms of any credit facility or arrangement, including any collateral required, and would not pledge more collateral than, in their judgment, is necessary for the Fund to obtain the credit sought. Shareholders should note that in 1973, the SEC staff took the position in a no-action letter that a mutual fund could not pledge 100% of its assets without a compelling business reason. In more recent no-action letters, including letters that address the same statutory provision of the 1940 Act (Section 17) addressed in the 1973 letter, the SEC staff has not mentioned any limitation on the amount of collateral that may be pledged to support credit obtained. This does not mean that the staff’s position on this issue has changed.

With respect to the fundamental policy relating to underwriting set forth in (2) above, the 1940 Act does not prohibit a Fund from engaging in the underwriting business or from underwriting the securities of other issuers; in fact, the 1940 Act permits a Fund to have underwriting commitments of up to 25% of its assets under certain circumstances. Those circumstances currently are that the amount of the Fund’s underwriting commitments, when added to the value of the Fund’s investments in issuers where the 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 Securities Act of 1933, as amended (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 a Fund to be engaged in the business of underwriting, the policy in (2) above will be interpreted not to prevent a Fund from engaging in transactions involving the acquisition or disposition of portfolio securities, regardless of whether the Fund may be considered to be an underwriter under the 1933 Act.

With respect to the fundamental policy relating to lending set forth in (3) above, the 1940 Act does not prohibit a 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 a 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 Manager believes the income justifies the attendant risks. A Fund also will be permitted by this policy to make loans of money, including to other funds. The policy in (3) above will be interpreted not to prevent a 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 the 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 a Fund from issuing senior securities except that a Fund may borrow money in amounts of up to one-third of the Fund’s total assets from banks for any purpose. A Fund also may borrow up to 5% of the 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 a Fund can increase the speculative character of the Fund’s outstanding shares through leveraging. Leveraging of a Fund’s portfolio through the issuance of senior securities magnifies the potential for gain or loss on monies, because even though the Fund’s net assets remain the same, the total risk to investors is increased. 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 the fundamental policy relating to real estate set forth in (5) above, the 1940 Act does not prohibit a Fund from owning real estate; however, a 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, rules under the 1940 Act generally limit a Fund’s purchases of illiquid securities to 15% of net assets. The policy in (5) above will be interpreted not to prevent a 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 the fundamental policy relating to commodities set forth in (6) above, the 1940 Act does not prohibit a 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, a Fund is limited in the amount of illiquid assets it may purchase. To the extent that investments in commodities are considered illiquid, rules under the 1940 Act generally limit a Fund’s purchases of illiquid securities to 15% of net assets. If a Fund were to invest in a physical commodity or a physical commodity-related instrument, the 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 also may 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 the fundamental policy relating to concentration set forth in (7) above, the 1940 Act does not define what constitutes “concentration” in an industry. The SEC has taken 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 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. 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; tax-exempt securities of state, territory, possession or municipal governments and their authorities, agencies, instrumentalities or political subdivisions; and repurchase agreements collateralized by any such obligations. Accordingly, issuers of the foregoing securities will not be considered to be members of any industry. The policy also will be interpreted to give broad authority to the fund as to how to classify issuers within or among industries. When identifying industries for purposes of its concentration policy, a Fund may rely upon available industry classifications. If the Fund invests in one or more investment companies, the Fund will examine the holdings of such investment companies to ensure that the Fund is not indirectly concentrating its investments in a particular industry or group of industries.

The Funds' fundamental policies are written and 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 Restrictions.** In addition to the fundamental investment policies and investment restrictions described above, and the various general investment policies described in the Prospectus, each Fund will be subject to the following investment restriction, which are considered nonfundamental and may be changed by the Trust's Board of Trustees ("Board" or "Trustees") without shareholder approval.

In applying a Fund's policy on concentration (i.e., investing more than 25% of its net assets in the securities of issuers primarily engaged in the same industry) described above: (i) utility companies will be divided according to their services, for example, gas, gas transmission, electric, and telephone will each be considered a separate industry; (ii) financial service companies will be classified according to the end users of their services, for example, automobile finance, bank finance, and diversified finance will each be considered a separate industry; and (iii) asset-backed securities will be classified according to the underlying assets securing such securities. For purposes of a Fund's concentration policy, if a Fund invests in one or more investment companies, the Fund will examine the holdings of such investment companies to ensure that the Fund is not indirectly concentrating its investments in a particular industry or group of industries.

Except for a Fund's policy with respect to borrowing, any investment restriction or limitation that involves a maximum percentage of securities or assets shall not be considered to be violated unless an excess over the percentage occurs immediately after an acquisition of securities or utilization of assets and such excess results therefrom.

## **ADDITIONAL INFORMATION ABOUT INVESTMENT POLICIES**

The Prospectus describes each Fund's investment objective and principal investment strategies, as well as the principal investment risks of the Funds. All investments in securities and other financial instruments involve a risk of financial loss. No assurance can be given that the Fund's investment program will be successful. Investors should carefully review the descriptions of the Fund's investments and their risks described in the Prospectus and this SAI.

The following descriptions and policies supplement the descriptions in the Prospectus and include descriptions of certain types of investments that may be made by each Fund but may not be part of a Fund's principal investment strategies. Attached to this SAI is Appendix A, which contains descriptions of the rating symbols used by nationally recognized statistical rating organizations for securities in which the Fund may invest.



**General Investment Risks.** All investments in securities and other financial instruments involve a risk of financial loss. No assurance can be given that a Fund's investment program will be successful. Investors should carefully review the descriptions of each Fund's principal investments and their risks described in the Prospectus and this SAI.

**Equity Securities.** The equity portion of a Fund's portfolio may be comprised of common stocks traded on domestic securities exchanges or on the over-the-counter ("OTC") market. In addition to common stocks, the equity portion of a Fund's portfolio may also include preferred stocks, convertible preferred stocks, and convertible bonds. Prices of equity securities in which a Fund invests may fluctuate in response to many factors, including the activities of the individual companies issuing the equity securities, general market and economic conditions, interest rates, and specific industry changes. Such price fluctuations subject a Fund to potential losses. In addition, regardless of any one company's prospects, a declining stock market may produce a decline in prices for all equity securities, which could also result in losses for a Fund. Market declines may continue for an indefinite period, and investors should understand that during temporary or extended bear markets, the value of equity securities will decline.

Convertible securities entitle the holder to receive interest payments or a dividend preference until the security matures or is redeemed, or the conversion privilege is exercised. As a result of the conversion feature, the interest rate or dividend preference on a convertible security is generally less than would be the case if the securities were issued in non-convertible form. Warrants entitle the holder to purchase equity securities at specific prices for a certain period of time. The prices do not necessarily move parallel to the prices of the underlying securities and the warrants have no voting rights, receive no dividends, and have no rights with respect to the assets of the issuer.

**Fixed-Income Securities.** A Fund will invest in fixed-income securities directly, as well as indirectly through investments in shares of other investment companies, including government and corporate bonds, money market instruments, junk bonds, and zero-coupon bonds. Zero-coupon bonds are purchased at a discount from their face values and accrue interest at the applicable coupon rate over a period of time. Fixed-income securities purchased by the other investment companies in which a Fund invests may consist of obligations of any rating. Fixed-income securities in the lowest investment grade categories have speculative characteristics, with changes in the economy or other circumstances more likely to lead to a weakened capacity of the bonds to make principal and interest payments than would occur with bonds rated in higher categories. High yield bonds (also known as "junk" bonds) are typically rated below "Baa" by Moody's Investors Service, Inc. ("Moody's") or below "BBB" by S&P Global Ratings ("S&P") or below investment grade by other recognized rating agencies. A Fund may invest indirectly in unrated securities through other investment companies that invest in unrated securities. Such bonds are subject to greater market fluctuations and risk of loss of income and principal than higher rated bonds for a variety of reasons, including:

Sensitivity to Interest Rate and Economic Change. The economy and interest rates affect high yield securities differently than other securities. The prices of high yield bonds have been found to be less sensitive to interest rate changes than higher-rated investments, but more sensitive to adverse economic changes or individual corporate developments. Also, during an economic downturn or substantial period of rising interest rates, highly leveraged issuers may experience financial stress which would adversely affect their ability to service their principal and interest obligations, to meet projected business goals, and to obtain additional financing. If the issuer of a bond defaults, an underlying mutual fund may incur additional expenses to seek recovery. In addition, periods of economic uncertainty and changes can be expected to result in increased volatility of market prices of high yield bonds and the Fund's asset value.

Payment Expectations. High yield bonds present certain risks based on payment expectations. For example, high yield bonds may contain redemption and call provisions. If an issuer exercises these provisions in a declining interest rate market, an investment company in which the Fund invests would have to replace the security with a lower yielding security, resulting in a decreased return for investors. Conversely, a high yield

bond's value will decrease in a rising interest rate market, as will the value of the other investment companies' assets. If an investment company in which a Fund invests experiences unexpected net redemptions, it may be forced to sell its high yield bonds without regard to their investment merits, thereby decreasing the asset base upon which the other investment companies' expenses can be spread and possibly reducing the other investment companies' rate of return.

Liquidity and Valuation. To the extent that there is no established retail secondary market, there may be thin trading of high yield bonds, and this may impact the ability of the investment companies in which the Fund invests to accurately value high yield bonds and may hinder their ability to dispose of the bonds. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the values and liquidity of high yield bonds, especially in a thinly traded market.

Credit Ratings. Credit ratings evaluate the safety of principal and interest payments, not the market value risk of high yield bonds. Also, because credit rating agencies may fail to timely change the credit ratings to reflect subsequent events, an investment company in which the Fund invests must monitor the issuers of high yield bonds in their portfolios to determine if the issuers will have sufficient cash flow and profits to meet required principal and interest payments, and to assure the bonds' liquidity so an investment company in which the Fund invests can meet redemption requests.

High-yield securities are deemed speculative with respect to the issuer's capacity to pay interest and repay principal over a long period of time. Special tax considerations are associated with investing in high-yield securities structured as zero coupon or "pay-in-kind" securities. The investment companies in which the Fund invests will report the interest on these securities as income even though it receives no cash interest until the security's maturity or payment date. The payment of principal and interest on most fixed-income securities purchased by an investment company in which the Fund invests will depend upon the ability of the issuers to meet their obligations. An issuer's obligations under its fixed-income securities are subject to the provisions of bankruptcy, insolvency and other laws affecting the rights and remedies of creditors, including the Federal Bankruptcy Code, and laws, if any, which may be enacted by federal or state legislatures extending the time for payment of principal or interest, or both, or imposing other constraints upon enforcement of such obligations. The power or ability of an issuer to meet its obligations for the payment of interest on, and principal of, its fixed-income securities may be materially adversely affected by litigation or other conditions.

The ratings of S&P, Moody's and other nationally recognized rating agencies represent their opinions as to the quality of fixed-income securities. It should be emphasized, however, that ratings are general and are not absolute standards of quality, and fixed-income securities with the same maturity, interest rate, and rating may have different yields while fixed-income securities of the same maturity and interest rate with different ratings may have the same yield. For a more detailed description of ratings, please see Appendix A.

**Money Market Instruments.** A Fund will invest in money market instruments directly, as well as indirectly through investments in shares of other investment companies, including U.S. Government obligations or corporate debt obligations (including those subject to repurchase agreements). Money market instruments also may include banker's acceptances and certificates of deposit of domestic branches of U.S. banks, commercial paper, and variable amount demand master notes ("Master Notes"). Banker's acceptances are time drafts drawn on and "accepted" by a bank. When a bank "accepts" such a time draft, it assumes liability for its payment. When an investment company acquires a banker's acceptance, the bank that "accepted" the time draft is liable for payment of interest and principal when due. The banker's acceptance carries the full faith and credit of such bank. A certificate of deposit ("CD") is an unsecured, interest bearing debt obligation of a bank. Commercial paper is an unsecured, short-term debt obligation of a bank, corporation, or other borrower. Commercial paper maturity generally ranges from two to 270 days and is usually sold on a discounted basis rather than as an interest-bearing instrument. Master Notes are unsecured obligations which are redeemable upon demand of the holder and which permit the investment of fluctuating amounts at varying rates of interest.

**U.S. Government Securities and U.S. Government Agency Securities.** A Fund will invest in U.S. Government Securities and U.S. Government Agency Securities directly, as well as indirectly through investments in shares of other investment companies. U.S. Government securities and U.S. Government Agency Securities include (i) U.S. Treasury notes, U.S. Treasury bonds, U.S. Treasury bills, and other U.S. Government obligations; (ii) obligations of the Government National Mortgage Association (GNMA) and other U.S. Government sponsored entities that are guaranteed by the U.S. Government; and (iii) obligations of the Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Federal Housing Administration (FHA), Federal Farm Credit Bank (FFCB), Federal Home Loan Bank (FHLB), Student Loan Marketing Association (SLMA), The Tennessee Valley Authority (TVA) and other U.S. Government authorities, agencies, and instrumentalities. While obligations of some U.S. Government agencies and sponsored entities are supported by the full faith and credit of the U.S. Government (e.g. GNMA), others are not. No assurance can be given that the U.S. Government will provide financial support to U.S. Government agencies or instrumentalities in the future since it is not obligated to do so by law. The guarantee of the U.S. Government does not extend to the yield or value of the Fund's shares.

**Foreign Investments.** A Fund will invest in foreign securities directly, as well as indirectly through investments in shares of other investment companies. Foreign securities and foreign currency contracts involve investment risks different from those associated with domestic securities. Changes in foreign economies and political climates are more likely to affect the Funds than a mutual fund that invests exclusively in domestic securities. The value of foreign currency denominated securities or foreign currency contracts is affected by the value of the local currency relative to the U.S. dollar. There may be less government supervision of foreign markets, resulting in non-uniform accounting practices and less publicly available information about issuers of foreign currency denominated securities. The value of foreign investments may be affected by changes in exchange control regulations, application of foreign tax laws (including withholding tax), changes in governmental administration or economic or monetary policy (in this country or abroad), or changed circumstances in dealings between nations. In addition, foreign brokerage commissions, custody fees, and other costs of investing in foreign securities are generally higher than in the United States. Investments in foreign issues could be affected by other factors not present in the United States, including expropriation, armed conflict, confiscatory taxation, and potential difficulties in enforcing contractual obligations.

Uncertainties surrounding the sovereign debt of a number of European Union (EU) countries and the viability of the EU have disrupted and may in the future disrupt markets in the United States and around the world. If one or more countries leave the EU or the EU dissolves, the world's securities markets likely will be significantly disrupted. Political and military events, including the military crises in Ukraine and the Middle East, and nationalist unrest in Europe, also may cause market disruptions.

**Derivative Instruments.** A Fund will invest in derivative instruments directly, as well as indirectly through investments in shares of other investment companies. While transactions in derivatives may reduce certain risks, these transactions themselves entail certain other risks. Derivatives may magnify the Fund's gains or losses, causing it to make or lose substantially more than it invested. A Fund may invest in derivative instruments to the extent permissible under the 1940 Act and other applicable securities laws. To the extent that a Fund invests directly in options and futures, a Fund will comply with the applicable requirements of the 1940 Act. Regulatory changes regarding the use of derivatives may increase the cost of such derivatives, which could increase a Fund's expenses or cause a Fund to reduce or eliminate its use of derivatives.

When used for hedging purposes, increases in the value of the securities held or intended to be acquired should offset any losses incurred with a derivative. Use of derivatives for purposes other than hedging could expose a Fund to greater risks.

The ability to hedge securities through derivatives depends on the degree to which price movements in the underlying index or instrument correlate with price movements in the relevant securities. In the case of poor correlation, the price of the securities being hedged may not move in the same amount, or even in the same direction as the hedging instrument. This risk can be minimized by investing only in those contracts whose behavior is expected to resemble the portfolio securities being hedged. However, if a prediction of interest and currency rates, market value, volatility, or other economic factors is incorrect, the use of derivative instruments may result in a loss.

Derivative prices can diverge from the prices of their underlying instruments, even if the characteristics of the underlying instruments are very similar to the derivative. Listed below are some of the factors that may cause such a divergence:

- current and anticipated short-term interest rates, changes in volatility of the underlying instrument, and the time remaining until expiration of the contract;
- a difference between the derivatives and securities markets, including different levels of demand, how the instruments are traded, the imposition of daily price fluctuation limits or trading of an instrument stops; and
- differences between the derivatives, including different margin requirements, different liquidity of such markets, and the participation of speculators in such markets.

Derivatives based upon a narrow index of securities may present greater risk than derivatives based on a broad index. Since narrower indices are made up of a smaller number of securities, they are more susceptible to rapid and extreme price fluctuations because of changes in the value of those securities.

Derivatives may become illiquid (i.e., difficult to sell at a desired time and price) under a variety of market conditions:

- an exchange may suspend or limit trading in a particular derivative instrument, an entire category of derivatives, or all derivatives, which sometimes occurs because of increased market volatility;
- unusual or unforeseen circumstances may interrupt normal operations of an exchange;
- the facilities of the exchange may not be adequate to handle current trading volume;
- equipment failures, government intervention, insolvency of a brokerage firm or clearing house, or other occurrences may disrupt normal trading activity; or
- investors may lose interest in a particular derivative or category of derivatives.

If a Fund incorrectly predicts securities market and interest rate trends, such Fund may lose money by investing in derivatives. For example, if a Fund were to write a call option based on the expectation that the price of the underlying security would fall, but the price were to rise instead, a Fund could be required to sell the security upon exercise at a price below the current market price. Similarly, if a Fund were to write a put option based on the Advisor's expectation that the price of the underlying security would rise, but the price were to fall instead, a Fund could be required to purchase the security upon exercise at a price higher than the current market price.

Because of the low margin deposits required upon the opening of a derivative position, such transactions involve an extremely high degree of leverage. Consequently, a relatively small price movement in a derivative may result in an immediate and substantial loss (as well as gain) to the Fund and they may lose more than it originally invested in the derivative.

If the price of a futures contract changes adversely, a Fund may have to sell securities at a time when it is disadvantageous to do so to meet its minimum daily margin requirement. A Fund may lose margin deposits if a broker with whom they have an open futures contract or related option becomes insolvent or declares bankruptcy.

The prices of derivatives are volatile (i.e., they may change rapidly, substantially, and unpredictably) and are influenced by a variety of factors, including:

- actual and anticipated changes in interest rates;
- fiscal and monetary policies; and
- national and international political events.

Most exchanges limit the amount by which the price of a derivative can change during a single trading day. Daily trading limits establish the maximum amount that the price of a derivative may vary from the settlement price of that derivative at the end of trading on the previous day. Once the price of a derivative reaches this value, the derivative may not trade at a price beyond that limit. The daily limit governs only price movements during a given day and does not limit potential gains or losses. Derivative prices have occasionally moved to the daily limit for several consecutive trading days, preventing prompt liquidation of the derivative.

Government Regulation of Derivatives. It is possible that government regulation of various types of derivative instruments, including futures and swap agreements, may limit or prevent a Fund from using such instruments as a part of its investment strategy, and could ultimately prevent a Fund from being able to achieve its investment objective. It is impossible to predict fully the effects of legislation and regulation in this area, but the effects could be substantial and adverse.

The futures markets are subject to comprehensive statutes, regulations, and margin requirements. The SEC, the Commodities Futures Trading Commission and the exchanges are authorized to take extraordinary actions in the event of a market emergency, including, for example, the implementation or reduction of speculative position limits, the implementation of higher margin requirements, the establishment of daily price limits and the suspension of trading.

The regulation of swaps and futures transactions in the U.S., the European Union and other jurisdictions is a rapidly changing area of law and is subject to modification by government and judicial action. There is a possibility of future regulatory changes altering, perhaps to a material extent, the nature of an investment in a Fund or the ability of a Fund to continue to implement its investment strategies.

Under recently adopted rules and regulations, transactions in some types of swaps (including interest rate swaps and credit default swaps on North American and European indices) are required to be centrally cleared, and additional types of swaps may be required to be centrally cleared in the future. In a transaction involving those swaps (“cleared derivatives”), a Fund’s counterparty is a clearing house, rather than a bank or broker. Since a Fund is not a member of a clearing house and only clearing members can participate directly in the clearing house, a Fund will hold cleared derivatives through accounts at clearing members. In cleared derivatives transactions, a Fund will make payments (including margin payments) to and receive payments from a clearing house through its accounts at clearing members. Clearing members guarantee performance of their clients’ obligations to the clearing house.

In addition, U.S. regulators, the European Union and certain other jurisdictions have adopted minimum margin and capital requirements for uncleared OTC derivatives transactions. It is expected that these regulations will have a material impact on a Fund’s use of uncleared derivatives. These rules will impose minimum margin requirements on derivatives transactions between each Fund and its swap counterparties and may increase the amount of margin each Fund is required to provide. They will impose regulatory requirements on the timing of transferring margin, which may accelerate a Fund’s current margin process. They will also effectively require changes to typical derivatives margin documentation. Such requirements could increase the amount of margin a Fund needs to provide in connection with uncleared derivatives transactions and, therefore, make such transactions more expensive.

Funds investing in derivatives must comply with Rule 18f-4 under the 1940 Act, which provides for the regulation of a registered investment company’s use of derivatives and certain related instruments. Among other things, Rule 18f-4 limits a fund’s derivatives exposure through a value-at-risk test and requires the adoption and implementation of a derivatives risk management program for certain derivatives users. Subject to certain conditions, limited derivatives users (as defined in Rule 18f-4), however, would not be subject to the full requirements of Rule 18f-4. Rule 18f-4 could restrict a Fund’s abilities to engage in certain derivatives transactions and/or increase the costs of such derivatives transactions.

**Options.** A Fund may purchase and write put and call options on securities. The purchase and writing of options involves certain risks. During the option period, a call writer that holds the underlying security has, in return for the premium on the option, given up the opportunity to profit from a price increase in the underlying securities above



the exercise price, but, as long as its obligation as a writer continues, has retained the risk of loss should the price of the underlying security decline. The writer of an option has no control over the time when it may be required to fulfill its obligation as a writer of the option. Once an option writer has received an exercise notice, it cannot effect a closing purchase transaction in order to terminate its obligation under the option and must deliver the underlying securities at the exercise price. If a put or call option is not sold when it has remaining value, and if the market price of the underlying security, in the case of a put, remains equal to or greater than the exercise price or, in the case of a call, remains less than or equal to the exercise price, the entire investment in the option will be lost. Also, where a put or call option on a particular security is purchased to hedge against price movements in a related security, the price of the put or call option may move more or less than the price of the related security. There can be no assurance that a liquid market will exist when an option position is closed out. Furthermore, if trading restrictions or suspensions are imposed on the options market, it may not be possible to close out a position.

Options offer large amounts of leverage, which will result in a Fund's net asset value ("NAV") being more sensitive to changes in the value of the related instrument. A Fund may purchase or write both exchange-traded and OTC options. Exchange-traded options in the United States are issued by a clearing organization affiliated with the exchange on which the option is listed that, in effect, guarantees completion of every exchange-traded option transaction. In contrast, OTC options are contracts between A Fund and its counterparty (usually a securities dealer or a bank) with no clearing organization guarantee. Thus, when a Fund purchases an OTC option, it relies on the counterparty from whom it purchased the option to make or take delivery of the underlying investment upon exercise of the option. Failure by the counterparty to do so would result in the loss of any premium paid by a Fund as well as the loss of any expected benefit of the transaction.

A Fund's ability to establish and close out positions in exchange-listed options depends on the existence of a liquid market. However, there can be no assurance that such a market will exist at any particular time. Closing transactions can be made for OTC options only by negotiating directly with the counterparty, or by a transaction in the secondary market if any such market exists. There can be no assurance that a Fund will in fact be able to close out an OTC option position at a favorable price prior to expiration. In the event of insolvency of the counterparty, a Fund might be unable to close out an OTC option position at any time prior to its expiration, if at all.

If a Fund were unable to effect a closing transaction for an option it had purchased, due to the absence of a counterparty or secondary market, the imposition of price limits or otherwise, it would have to exercise the option to realize any profit. The inability to enter into a closing purchase transaction for a covered call option written by a Fund could cause material losses because a Fund would be unable to sell the investment used as cover for the written option until the option expires or is exercised.

Options have varying expiration dates. The exercise price of the options may be below, equal to or above the current market value of the underlying security or instrument. Options purchased by a Fund that expire unexercised have no value, and a Fund will realize a loss in the amount of the premium paid and any transaction costs. If an option written by a Fund expires unexercised, the Fund realizes a gain equal to the premium received at the time the option was written. Transaction costs must be included in these calculations.

**Short Sales.** While a Fund will not short securities as a principal investment strategy, a Fund will indirectly be subject to short sales risk to the extent an investment company held by the Fund shorts securities. A short sale is a transaction in which a party sells a security it does not own or have the right to acquire (or that it owns but does not wish to deliver) in anticipation that the market price of that security will decline. When a party makes a short sale, the broker-dealer through which the short sale is made must borrow the security sold short and deliver it to the party purchasing the security. The party is required to make a margin deposit in connection with such short sales; the party may have to pay a fee to borrow particular securities and will often be obligated to pay over any dividends and accrued interest on borrowed securities. If the price of the security sold short increases between the time of the short sale and the time the party covers the short position, the party will incur a loss; conversely, if the price declines, the party will realize a capital gain. Any gain will be decreased, and any loss increased, by the transaction costs described above.

**Investment Companies.** A Fund may invest in securities of other investment companies, including, without limitation, money market funds, closed-end funds, and exchange traded funds. The Funds expect to rely on Rule 12d1-1 under the 1940 Act, when purchasing shares of a money market fund. Under Rule 12d1-1, a Fund may generally invest without limitation in money market funds as long as a Fund pay no sales charge, as defined in rule 2830(b)(8) of the Conduct Rules of the Financial Industry Regulatory Authority (“FINRA”), or service fee, as defined in Rule 2830(b)(9) of the Conduct Rules of FINRA, charged in connection with the purchase, sale, or redemption of securities issued by the money market fund; or the Advisor waives its management fee in an amount necessary to offset any sales charge or service fee. The Funds will also purchase shares of other investment companies that are not money market funds. The Funds’ investments in such securities involve certain additional expenses and certain tax results, which would not be present in a direct investment in the underlying fund. Pursuant to Section 12(d)(1)(A) of the 1940 Act, the Funds will be prevented from: (i) purchasing more than 3% of an investment company’s outstanding shares; (ii) investing more than 5% of the Funds’ assets in any single such investment company, and (iii) investing more than 10% of the Funds’ assets in investment companies overall; unless: (a) the underlying investment company and/or the applicable Funds have received an order for exemptive relief from such limitations from the SEC; and (b) the underlying investment company and the Funds take appropriate steps to comply with any conditions in such order. In addition, the Funds are subject to Section 12(d)(1)(C), which provides that a Fund may not acquire shares of a closed-end fund if, immediately after such acquisition, a Fund and other investment companies having the same adviser as a Fund would hold more than 10% of the closed-end fund’s total outstanding voting stock. However, Rule 12d1-4 of the 1940 Act provides that the provisions of paragraph 12(d)(1) shall not apply to securities purchased or otherwise acquired by a Fund if (i) a Fund does not control the acquired fund; (ii) a Fund uses mirror voting if it holds more than 25% of an acquired open-end fund due to a decrease in the outstanding securities of the acquired fund and if it holds more than 10% of a closed-end fund (iii) the Advisor and the investment advisor to the acquired fund make certain findings regarding the fund of funds arrangement, after considering specific factors; (iv) a Fund and acquired funds not advised by the Advisor have entered into an agreement prior to exceeding the limits of section 12(d)(1); and (v) a Fund is not part of a three tiered or more fund of funds structure. Investments by the Funds in other investment companies entail a number of risks unique to a fund of funds structure. These risks include the following:

Multiple Layers of Fees. By investing in other investment companies indirectly through a Fund, prospective investors will directly bear the fees and expenses of a Fund’s Advisor and indirectly bear the fees and expenses of other investment companies and other investment companies’ managers as well. As such, this multiple or duplicative layer of fees will increase the cost of investments in the Fund.

Lack of Transparency. The Advisor will not be able to monitor the investment activities of the other investment companies on a continuous basis and the other investment companies may use investment strategies that differ from its past practices and are not fully disclosed to the Advisor and that involve risks that are not anticipated by the Advisor. A Fund has no control over the risks taken by the underlying investment companies in which they invest.

Valuation of Investment Companies. Although the Advisor will attempt to review the valuation procedures used by other investment companies’ managers, the Advisor will have little or no means of independently verifying valuations of a Fund’s investments in investment companies and valuations of the underlying securities held by other investment companies. As such, the Advisor will rely significantly on valuations of other investment companies and the securities underlying other investment companies that are reported by other investment companies’ managers. In the event that such valuations prove to be inaccurate, the NAV of a Fund could be adversely impacted and an investor could incur a loss of investment in a Fund.

Illiquidity of Investments By and In Other Investment Companies. Other investment companies may invest in securities that are not registered, are subject to legal or other restrictions on transfer, or for which no liquid market exists. The market prices, if any, for such securities tend to be volatile and restricted securities may sell at prices that are lower than similar securities that are not subject to legal restrictions on resale. Further, a Fund may not be able to redeem their interests in other investment companies’ securities that it has purchased in a timely manner. If adverse market conditions were to develop during any period in which a Fund is unable to

redeem interests in other investment companies, a Fund may suffer losses as a result of this illiquidity. As such, the lack of liquidity and volatility of restricted securities held by other investment companies could adversely affect the value of the other investment companies. Any such losses could adversely affect the value of a Fund's investments and an investor could incur a loss of investment in a Fund.

**Lack of Control.** Although the Funds and the Advisor will evaluate regularly other investment companies to determine whether their investment programs are consistent with each Fund's investment objective, the Advisor will not have any control over the investments made by other investment companies. Even though other investment companies are subject to certain constraints, the investment advisor to each such investment company may change aspects of their investment strategies at any time. The Advisor will not have the ability to control or influence the composition of the investment portfolio of other investment companies.

**Lack of Diversification.** There is no requirement that the underlying investments held by other investment companies be diversified. As such, other investment companies' managers may target or concentrate other investment companies' investments in specific markets, sectors, or types of securities. As a result, investments made by other investment companies are subject to greater volatility as a result of this concentration than if the other investment companies had non-concentrated and diversified portfolios of investments. Thus, a Fund's portfolios (and by extension the value of an investment in a Fund) may therefore be subject to greater risk than the portfolio of a similar fund with investments in diversified investment companies.

**Use of Leverage.** The other investment companies may utilize leverage (i.e., borrowing) to acquire their underlying portfolio investments. When other investment companies borrow money or otherwise leverage their portfolio of investments, doing so may exaggerate changes in the NAV of the shares of the other investment companies and in the return on the other investment companies' investments. Borrowing will also cost other investment companies interest expense and other fees. As such, the value of a Fund's investments in other investment companies may be more volatile and all other risks (including the risk of loss of an investment in other investment companies) tend to be compounded or magnified. As a result, any losses suffered by other investment companies as a result of their use of leverage could adversely affect the value of a Fund's investments and an investor could incur a loss of investment in a Fund.

**Temporary Defensive Positions.** A Fund may, from time to time, take temporary defensive positions that are inconsistent with a Fund's principal investment strategies in an attempt to respond to adverse market, economic, political, or other conditions. During such an unusual set of circumstances, a Fund may hold up to 100% of its portfolios in cash or cash equivalent positions (e.g., money market securities, U.S. Government securities, and/or similar securities). When a Fund takes a temporary defensive position, a Fund may not be able to achieve its investment objective.

**Exchange Traded Funds.** A Fund, and the other investment companies which a Fund invests, may invest in exchange traded funds ("ETFs"). An ETF is an investment company that holds a portfolio of common stock or bonds designed to track the performance of a securities index or sector of an index. ETFs are traded on a securities exchange based on their market value. An investment in an ETF generally presents the same primary risks as an investment in a conventional registered investment company (i.e., one that is not exchange traded). In addition, all ETFs will have costs and expenses that will be passed on to a Fund and these costs and expenses will in turn increase a Fund's expenses. ETFs are also subject to the following risks that often do not apply to conventional investment companies: (i) the market price of the ETF's shares may trade at a discount to the ETF's NAV, and as a result, ETFs may experience more price volatility than other types of portfolio investments and such volatility could negatively impact a Fund's NAV; (ii) an active trading market for an ETF's shares may not develop or be maintained at a sufficient volume; (iii) trading of an ETF's shares may be halted if the listing exchange deems such action appropriate; and (iv) ETF shares may be delisted from the exchange on which they trade, or "circuit breakers" (which are tied to large decreases in stock prices used by the exchange) may temporarily halt trading in the ETF's stock. ETFs are also subject to the risks of the underlying securities or sectors that the ETF holds. Finally, there may be legal limitations and other conditions imposed by rules of the SEC on the amount of the ETF shares that a Fund may acquire.

**Repurchase Agreements.** A repurchase transaction occurs when an investor purchases a security (normally a U.S. Treasury obligation), and it then resells it to the vendor (normally a member bank of the Federal Reserve or a registered government securities dealer) and is required to deliver the security (and/or securities substituted for them under the repurchase agreement) to the vendor on an agreed upon date in the future. The repurchase price exceeds the purchase price by an amount which reflects an agreed upon market interest rate effective for the period of time during which the repurchase agreement is in effect. Delivery pursuant to the resale normally will occur within one to seven days of the purchase. Repurchase agreements are considered “loans” under the 1940 Act, collateralized by the underlying security. The Trust has implemented procedures to monitor on a continuous basis the value of the collateral serving as security for repurchase obligations. The Advisor will consider the creditworthiness of the vendor. If the vendor fails to pay the agreed upon resale price on the delivery date, a Fund will retain or attempt to dispose of the collateral. A Fund’s risk is that such default may include any decline in value of the collateral to an amount which is less than 100% of the repurchase price, any costs of disposing of such collateral, and any loss resulting from any delay in foreclosing on the collateral. Repurchase agreements that do not provide for payment within seven days will be treated as illiquid securities. A Fund will not invest in reverse repurchase agreements.

**Mortgage-Backed and Asset-Backed Securities.** A Fund, and the other investment companies which a Fund invests, may invest in mortgage-backed and asset-backed securities. Mortgage-backed securities are mortgage related securities issued or guaranteed by the U.S. Government, its agencies and instrumentalities, or issued by nongovernment entities. Mortgage-related securities represent ownership in pools of mortgage loans assembled for sale to investors by various government agencies such as GNMA and government-related organizations such as FNMA and FHLMC, as well as by nongovernment issuers such as commercial banks, savings and loan institutions, mortgage bankers and private mortgage insurance companies. Although certain mortgage-related securities are guaranteed by a third party or otherwise similarly secured, the market value of the security, which may fluctuate, is not so secured. These securities differ from conventional bonds in that the principal is paid back to the investor as payments are made on the underlying mortgages in the pool. Accordingly, a Fund will receive scheduled payments of principal and interest along with any unscheduled principal prepayments on the underlying mortgages. Because these scheduled and unscheduled principal payments must be reinvested at prevailing interest rates, mortgage-backed securities do not provide an effective means of locking in long-term interest rates for the investor.

Asset-backed securities are structured like mortgage-backed securities, but instead of mortgage loans or interests in mortgage loans, the underlying assets may include such items as motor vehicle installment sales contracts or installment loan contracts, leases of various types of real and personal property, and receivables from credit card agreements and from sales of personal property. Regular payments received on asset-backed securities include both interest and principal. Asset-backed securities typically have no U.S. Government backing, though they are usually guaranteed up to a certain amount and time period by a letter of credit issued by a financial institution. If the letter of credit is exhausted and the full amounts due on the underlying loans are not received because of unanticipated costs, depreciation, damage, or loss of the collateral securing the contracts, or other factors, certificate holders may experience delays in payment or losses on asset-backed securities. Additionally, the ability of an issuer of asset-backed securities to enforce its security interest in the underlying assets may be limited.

If a Fund purchases a mortgage-backed or other asset-backed security at a premium, the premium may be lost if there is a decline in the market value of the security whether resulting from changes in interest rates or prepayments in the underlying collateral. As with other interest-bearing securities, the prices of such securities are inversely affected by changes in interest rates. Although the value of a mortgage-backed or other asset-backed security may decline when interest rates rise, the converse is not necessarily true, since in periods of declining interest rates the mortgages and loans underlying the securities are prone to prepayment, thereby shortening the average life of the security and shortening the period of time over which income at the higher rate is received. When the interest rates are rising, the rate of prepayment tends to decrease, thereby lengthening the period of time over which income at the lower rate is received. For these and other reasons, a mortgage-backed or other asset-backed security’s average maturity may be shortened or lengthened as a result of interest rate fluctuations and, therefore it is not possible to predict accurately the security’s return. In addition, while the trading market for short-term mortgages and asset-backed securities is ordinarily quite liquid, in times of financial stress the trading market for these securities may become restricted.

Mortgage-backed securities that are issued or guaranteed by the U.S. government, its agencies, or instrumentalities, are not subject to the Fund's industry concentration restrictions because securities issued or guaranteed by the U.S. government or any of its agencies or instrumentalities are excluded from the restriction. Privately-issued mortgage-backed securities are, however, subject to the Fund's industry concentration restrictions.

**Debentures.** A debenture is long-term, unsecured, debt instrument backed only by the integrity of the borrower, not by collateral, and documented by an indenture. Governments often issue debentures, in part because they generally cannot guarantee debt with assets (government assets are public property). The primary risk with this type of investment is that the issuer will default or go into bankruptcy. As an unsecured creditor, in the event of default or bankruptcy, the holder of a debenture does not have a claim against any specific assets of the issuing firm, so the investor will only be paid from the issuer's assets after the secured creditors have been paid. A Fund may invest in all types of debentures, including corporate and government debentures.

**Forward Commitment and When-Issued Securities.** A Fund, and the other investment companies which a Fund invests, may purchase securities on a when-issued basis or for settlement at a future date if a Fund holds sufficient assets to meet the purchase price. In such purchase transactions, a Fund will not accrue interest on the purchased security until the actual settlement. Similarly, if a security is sold for a forward date, a Fund will accrue the interest until the settlement of the sale. When-issued security purchases and forward commitments have a higher degree of risk of price movement before settlement due to the extended time period between the execution and settlement of the purchase or sale. As a result, the exposure to the counterparty of the purchase or sale is increased. Although a Fund would generally purchase securities on a forward commitment or when-issued basis with the intention of taking delivery, a Fund may sell such a security prior to the settlement date if the Advisor feels such action is appropriate. In such a case, a Fund could incur a short-term gain or loss.

**Restricted Securities.** Within its limitation on investment in illiquid securities, a Fund may purchase restricted securities that generally can be sold in privately negotiated transactions, pursuant to an exemption from registration under the federal securities laws, or in a registered public offering. Where registration is required, a Fund may be obligated to pay all or part of the registration expense and a considerable period may elapse between the time it decides to seek registration and the time a Fund may be permitted to sell a security under an effective registration statement. If during such a period adverse market conditions were to develop, a Fund might obtain a less favorable price than prevailed when it decided to seek registration of the security. Restricted securities that can be offered and sold to qualified institutional buyers under Rule 144A of the Securities Act of 1933 and are determined to be liquid under guidelines adopted by and subject to the supervision of the Trustees are not subject to the limitations on illiquid securities.

**Lending of Portfolio Securities.** In order to generate additional income, a Fund may lend portfolio securities in an amount up to 33% of total Fund assets to broker-dealers, major banks, or other recognized domestic institutional borrowers of securities which the Advisor has determined are creditworthy under guidelines established by the Board. In determining whether a Fund will lend securities, the Advisor will consider all relevant facts and circumstances. A Fund may not lend securities to any company affiliated with the Advisor. Each loan of securities will be collateralized by cash, U.S. government securities, or standby letters of credit not issued by a Fund's bank lending agent. A Fund might experience a loss if the borrower defaults on the loan.

The borrower at all times during the loan must maintain with the Funds cash or cash equivalent collateral. While the loan is outstanding, the borrower will pay a Fund any interest paid on the loaned securities, and a Fund may invest the cash collateral to earn additional income. Alternatively, a Fund may receive an agreed-upon amount of interest income from the borrower who has delivered equivalent collateral. It is anticipated that a Fund may share with the borrower some of the income received on the collateral for the loan or a Fund will be paid a premium for the loan. Voting rights for loaned securities will typically pass to the borrower, but a Fund will retain the right to call any security in anticipation of a vote that the Advisor deems material to the security on loan. Loans are subject to termination at the option of a Fund or the borrower at any time. A Fund may pay reasonable administrative and custodial fees in connection with a loan, and may pay a negotiated portion of the income



earned on the cash to the borrower or placing broker. As with other extensions of credit, there are risks of delay in recovery or even loss of rights in the collateral should the borrower fail financially.

Securities lending involves counterparty risk, including the risk that the loaned securities may not be returned or returned in a timely manner and/or a loss of rights in the collateral if the borrower or the lending agent defaults or fails financially. This risk will be increased if a continuation of the current downturn in the economic conditions in the United States and around the world, particularly the recent failures of several major financial services firms, causes further declines in the securities markets and/or causes further financial instability in the borrowers or lending agents. This risk is increased when a Fund's loans are concentrated with a single or limited number of borrowers. There are no limits on the number of borrowers a Fund may use, and a Fund may lend securities to only one or a small group of borrowers. Mutual funds participating in securities lending bear the risk of loss in connection with investments of the cash collateral received from the borrowers, which do not trigger additional collateral requirements from the borrower.

**Borrowing.** A Fund may borrow money for investment purposes, which is a form of leveraging. Leveraging investments, by purchasing securities with borrowed money, is a speculative technique that increases investment risk while increasing investment opportunity. Such borrowing may make a Fund's NAV more volatile than funds that do not borrow for investment purposes because leverage magnifies changes in a Fund's NAV and on the Fund's investments. Although the principal of borrowings will be fixed, a Fund's assets may change in value during the time the borrowing is outstanding. Leverage also creates interest expenses for the Funds. To the extent the income derived from securities purchased with borrowed funds exceeds the interest a Fund will have to pay, a Fund's net income will be greater than it would be if leverage were not used. Conversely, if the income from the assets obtained with borrowed funds is not sufficient to cover the cost of leveraging, the net income of a Fund will be less than it would be if leverage were not used, and therefore the amount available for distribution to shareholders as dividends will be reduced. The use of derivatives in connection with leverage creates the potential for significant loss. The Funds do not intend to use leverage in excess of 5% of total assets and will not make additional investments when outstanding borrowings exceed 5% of each Fund's total assets.

A Fund may also borrow money to meet redemptions or for other emergency purposes. Such borrowings may be on a secured or unsecured basis at fixed or variable rates of interest. The 1940 Act requires each Fund to maintain continuous asset coverage of not less than 300% with respect to all borrowings. If such asset coverage should decline to less than 300% due to market fluctuations or other reasons, a Fund will be required to reduce the amount of its borrowings within three days (not including Sundays and holidays), and may be required to dispose of some portfolio holdings in order to reduce a Fund's debt and restore the 300% asset coverage, even though it may be disadvantageous from an investment standpoint to dispose of assets at that time. A Fund also may be required to maintain minimum average balances in connection with such borrowing or to pay a commitment or other fee to maintain a line of credit. Either of these requirements would increase the cost of borrowing over the stated interest rate.

**Industry/Sector Risk.** The greater a Fund's exposure to any single type of investment, including investment in a given industry, sector, country, region or type of security, the greater the impact the performance of that investment will have on a Fund's performance. Companies in the same industry often face similar obstacles, issues and regulatory burdens. As a result, the securities of companies in the same industry may react similarly to, and move in unison with, one another. An industry or a sector's performance over any period of time may be quite different from that of the overall market. Certain sectors, such as technology, financial services or energy, can be highly volatile. Sectors are determined by reference to the classifications of sectors set forth in each Fund's annual and semi-annual reports. The sectors in which a Fund may have greater exposure will vary from time to time.

- **Financial Industry:** Companies in the financial industry are subject to certain risks, including the risk of corporate and consumer debt defaults, price competition, regulatory change, decreased liquidity in credit markets and unstable interest rates. Such companies may have concentrated portfolios, such as a high level of loans to real estate developers, which makes them vulnerable to economic conditions that affect that industry. The performance of these companies may be affected by competitive pressures and exposure to investments or agreements that, under certain circumstances, may lead to losses

(e.g. subprime loans). Companies in the financial industry are subject to extensive governmental regulation that may limit the amount and types of loans and other financial commitments they can make, and the level of interest rates and fees they may charge. In addition, the profitability of such companies is largely dependent upon the availability and the cost of capital. Investment banking, securities brokerage and investment advisory companies are particularly subject to government regulations and the risks inherent in securities trading and underwriting activities.

- **Technology Industry:** Technology companies rely heavily on technological advances and face intense competition from new market entrants, both domestically and internationally, which may have an adverse effect on profit margins. Stocks of technology companies, especially those of smaller, less-seasoned companies, tend to be more volatile than the overall market. Companies in the technology industries can be significantly affected by obsolescence of existing technology, short product cycles, falling prices and profits, and general economic conditions. Technology companies may not successfully introduce new products, develop and maintain a loyal customer base or achieve general market acceptance for their new products. Companies in the technology sector are also heavily dependent on patent and intellectual property rights, and the loss or impairment of these rights may adversely affect the profitability of these companies. Technology companies engaged in manufacturing, such as semiconductor companies, often operate internationally which could expose them to risks associated with instability and changes in economic and political conditions, including currency fluctuations, changes in foreign regulations, competition from subsidized foreign competitors with lower production costs and other risks inherent to international business.
- **Communications Industry:** Communication service companies are particularly vulnerable to the potential obsolescence of products and services due to technological advancement and the innovation of competitors. Companies in the communication services sector may also be affected by other competitive pressures, such as pricing competition, as well as research and development costs, substantial capital requirements, government regulation, shifting demographics and unpredictable changes in consumer preferences. Fluctuating domestic and international demand, shifting demographics and often unpredictable changes in consumer tastes can drastically affect a communication services company's profitability. While all companies may be susceptible to network security breaches, certain companies in the communication services sector may be particular targets of hacking and potential theft of proprietary or consumer information or disruptions in service, which could have a material adverse effect on their businesses. In addition, some companies engaged in internet-related activities are difficult to value and may have high share prices relative to their earnings which may not be sustainable over the long-term.
- **Health Care Industry:** Companies in the health care industry are subject to the additional risks of increased competition within the health care industry, changes in legislation or governmental regulations, reductions in government funding, product liability or other litigation and the obsolescence of popular products. The prices of securities of health science companies may fluctuate widely due to governmental regulation and the ability to obtain approval of their products and services, which may have a significant effect on their price and availability. In addition, these products may quickly become obsolete. Liability for products that are later alleged to be unsafe or harmful may be substantial and have a significant impact on a company's market value or share price.
- **Consumer Discretionary Industry:** The consumer discretionary sector may be affected by fluctuations in supply and demand and changes in consumer spending and buying patterns as a result of world events, political and economic conditions, commodity price volatility, changes in exchange rates, imposition of import controls, increased competition, depletion of resources and labor relations. Companies in this sector may also be adversely affected by the effects of inflation and disruptions in the supply chain that negatively impact the availability of products. In addition, certain companies in the consumer discretionary sector may be cyclical and have occasional sharp price movements resulting from changes in the economy, fuel prices, labor agreements and insurance costs.

- **Consumer Staples Industry:** Companies in the consumer staples sector may be affected by general economic conditions, commodity production and pricing, consumer confidence and spending, consumer preferences, interest rates, product cycles and marketing competition. Companies in the consumer staples sector may be negatively impacted by government regulations affecting their products and may also be subject to risks relating to the supply of, demand for, and prices of raw materials. In addition, the success of food, beverage, household and personal product companies, in particular, may be strongly affected by unpredictable factors, such as, demographics, consumer spending, and product trends. Companies in this sector may also be adversely affected by the effects of inflation and disruptions in the supply chain that negatively impact the availability of products. In addition, certain companies in the consumer staples sector may be cyclical and have occasional sharp price movements resulting from changes in the economy, fuel prices, labor agreements and insurance costs.
- **Industrials:** Companies in the industrials sector are subject to certain risks, including changes in supply and demand for their specific product or service and for industrial sector products in general or a decline in demand due to rapid technological developments and frequent new product introductions. The performance of these companies may also be affected by governmental regulation, world events and economic conditions and the risks of environmental damage and product liability claims. In addition, certain companies in the industrials sector may be cyclical and have occasional sharp price movements resulting from changes in the economy, fuel prices, labor agreements and insurance costs.
- **Materials:** Companies in the materials sector may be affected by general economic conditions, commodity production and prices, consumer preferences, interest rates, exchange rates, product cycles, marketing competition, resource depletion and environmental, import/export and other government regulations. Other risks may include liabilities for environmental damage and general civil liabilities and mandated expenditures for safety and pollution control. The materials sector may also be affected by economic cycles, technological progress and labor relations. At times, worldwide production of industrial materials has been greater than demand as a result of over-building or economic downturns, leading to poor investment returns or losses. These risks are heightened for companies in the material sector located in foreign markets.
- **Utilities:** The performance of utility stocks is expected to reflect conditions affecting the utilities industry, which is sensitive to factors such as interest rates, local and national government regulations, the price and availability of materials used in the particular utility, environmental protection or energy conservation regulations, the level of demand for services and the risk associated with construction and operating certain types of facilities.
- **Real Estate Investment Trusts (“REITs”):** While the Funds will not invest in real estate directly, they may be subject to risks similar to those associated with real estate investments because of their ability to purchase securities of companies that generate income from the real estate industry. A REIT is a pooled investment vehicle that may invest primarily in income producing real estate or real estate related loans or interests. Most REITs are structured as an Umbrella Partnership (“UPREIT”) where the REIT is the general partner and majority owner of the Operating Limited Partnership. Such REITs are dependent upon management skills, subject to the strength of the real estate market and could be affected by the following factors: overbuilding and increased competition; increases in property taxes and operating expenses; declines in the value of real estate; lack of availability of equity and debt financing to refinance maturing debt; vacancies due to economic conditions and tenant bankruptcies; losses due to costs resulting from environmental contamination and its related clean-up; changes in interest rates; changes in zoning laws; casualty or condemnation losses; variation in rental income; changes in neighborhood values and functional obsolescence; damage to real estate resulting from floods, earthquakes, terrorist attacks, or other material disasters that may not be covered by insurance; and appeal of properties to tenants. Other REITs that operate as property leasing companies for a particular industry, such as the wireless network or timber industries, are more dependent on the strength of their underlying industry than the strength of the real estate market. REITs are also subject

to heavy cash flow dependency, defaults by borrowers, self-liquidation and the possibility of failing to qualify for tax-free pass-through of income under the Internal Revenue Code of 1986, as amended (the “Code”), and failing to maintain exemption from the 1940 Act. To the extent that the management fees paid to a REIT are for the same or similar services as the management fees paid by the Fund, there will be a layering of fees, which would increase the Fund’s underlying expenses.

- **Commodities:** The Funds may invest in securities, including exchange-traded funds (“ETFs”), whose performance is linked to the price of an underlying commodity or commodity index. The performance of these securities depends to a great extent on the performance of the commodity in which they invest and involve the risks and pricing characteristics similar to direct investments in that commodity. Precious metals such as gold, silver, platinum and palladium, have at times been subject to substantial price fluctuations over short periods of time and may be affected by unpredictable monetary and political policies such as currency devaluations or revaluations, economic and social conditions within a country, trade imbalances, or trade or currency restrictions between countries. Investments in precious metals can present concerns such as delivery, storage, and maintenance, possible illiquidity, and the unavailability of accurate market valuations. Investments in energy-related industries may be affected by changes in supply and demand and government regulations. Other types of commodities may be subject to certain risks, including regulatory, economic, environmental and political developments, weather events, natural disasters and market disruptions.
- **Energy Industry:** Companies in the energy industry, such as coal, natural gas and crude oil, may have distinctly higher volatility than other types of securities, due in part to their physical properties which can affect the available supply and the real time pricing of these commodities. Factors unique to energy stocks include: research and development, location, recovery costs, transportation costs, conversion costs and storage costs, as well as global demand and other events that can affect demand such as war, weather and alternative energy sources. Natural gas and crude oil are especially susceptible to changes in supply and global demand and may be susceptible to international political and economic developments and the success of exploration projects. The oil and natural gas market has experienced periods of volatility and fluctuation that is often based on factors which may be out of the control of the issuers of such securities. Fluctuations in the energy market may impact the price of securities exposed indirectly to energy risk, including securities issued by governments in countries where the economy depends heavily on commodities and in the securities of issuers located in or exposed to such countries. Energy companies may have high levels of debt and may be more likely to restructure their businesses if there are downturns in energy markets or the economy as a whole.

**Variable and Floating Rate Securities.** The Funds may invest in variable or floating rate securities which adjust the interest rate paid at periodic intervals based on an interest rate index. Typically, floating rate securities use as their benchmark an index such as the 1, 3 or 6 month LIBOR, 3, 6 or 12 month Treasury bills, or the federal funds rate. Resets of the rates can occur at predetermined intervals or whenever changes in the benchmark index occur.

**Municipal Obligations.** Municipal obligations include bonds, notes and commercial paper issued by or on behalf of states, territories and possessions of the United States and the District of Columbia and their political subdivisions, agencies or instrumentalities, the interest on which is exempt from federal income taxes (without regard to whether the interest thereon is also exempt from the personal income taxes of any state). Municipal bonds are issued to obtain funds for various public purposes, including the construction of a wide range of public facilities such as bridges, highways, housing, hospitals, mass transportation, schools, streets and water and sewer works. The two principal classifications of municipal bonds are “general obligation” and “revenue” bonds. General obligation bonds are secured by the issuer’s pledge of its good faith, credit and taxing power for the payment of principal and interest. Revenue bonds are payable only from the revenues derived from a particular facility or class of facilities or, in some cases, from the proceeds of a special excise or other specific revenue source. Industrial development bonds which are municipal obligations are in most cases revenue bonds and do not generally constitute the pledge of the credit of the issuer of such bonds.

The yields on municipal obligations are dependent on a variety of factors, including supply and demand, liquidity and general conditions of the municipal market, size of a particular offering, the maturity of the obligation and rating (if any) of the issue. Like other debt securities, municipal obligations are subject to credit risk, interest rate risk and call risk. Obligations of certain issuers of municipal obligations may not be enforceable under the exercise of traditional creditors' rights. Litigation and natural disasters, as well as adverse economic, business, legal or political developments may introduce uncertainties in the market for municipal bonds or materially affect the credit risk of particular bonds. Certain municipalities of the U.S. and its territories are financially strained and may face the possibility of default on their debt obligations, which could directly or indirectly affect other municipal obligations. In August 2015, Puerto Rico became the first U.S. commonwealth to default on its debt and has approximately \$74 billion of outstanding bond debt.

**Illiquid Investments.** A Fund may invest in illiquid securities with up to 15% of its assets, which include certain restricted securities (privately placed securities), repurchase agreements maturing in more than 7 days and other securities that a 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.

**Liquidity Risk for Fixed Income Securities.** Liquidity risk is the risk associated with any event, circumstances or characteristic of an investment or market that negatively impacts a Fund's ability to sell, or realize the proceeds from the sale of an investment at a desirable time or price. Certain investments that were liquid at the time of purchase may later become illiquid, particularly in times of overall economic stress or during changing regulatory, market or other conditions. Liquidity risk may result from the lack of an active market, the reduced number of traditional market participants, or the reduced capacity of traditional market participants to make a market in fixed-income securities. The capacity of traditional dealers to engage in fixed-income trading has not kept pace with the bond market's growth. As a result, dealer inventories of corporate bonds, which indicate the ability to "make markets," i.e., buy or sell a security at the quoted bid and ask price, respectively, are at or near historic lows relative to market size. Because market makers provide stability to fixed income markets, the significant reduction in dealer inventories could lead to decreased liquidity and increased volatility, which may become exacerbated during periods of economic or political stress. In addition, liquidity risk may be magnified in a rising interest rate environment in which investor redemptions from fixed-income mutual funds may be higher than normal; the selling of fixed-income securities to satisfy fund shareholder redemptions may result in an increased supply of such securities during periods of reduced investor demand due to a lack of buyers, thereby impairing a Fund's ability to sell such securities.

**Description of Bond Ratings.** A description of the various bond ratings used by the NRSROs (Moody's, S&P and Fitch Ratings) is attached to this SAI as Appendix A. A rating by an NRSRO represents the organization's opinion as to the credit quality of the security being traded. However, the ratings are general and are not absolute standards of quality or guarantees as to the creditworthiness of an issuer. Consequently, the Advisor believes that individual analysts give different weightings to the various factors involved in credit analysis, and the quality of fixed-income securities in which the Funds may invest should be continuously reviewed. A rating is not a recommendation to purchase, sell or hold a security because it does not take into account market value or suitability for a particular investor. When a security has received a rating from more than one NRSRO, each rating is evaluated independently. Ratings are based on current information furnished by the issuer or obtained from other sources that are considered reliable by the NRSROs. Ratings may be changed, suspended or withdrawn as a result of changes in or unavailability of such information, or for other reasons.

**Interest Rate Risks.** Interest rate changes can be sudden and unpredictable and are driven by a wide variety of factors, including central bank monetary policies, inflation rates, supply and demand and general economic conditions. Over the longer term rising interest rates may present greater risks than has historically been the case due to the recent period of low rates, the effect of government fiscal initiatives and the potential market reaction to those initiatives. A negative interest rate policy is an unconventional central bank monetary policy tool where nominal target interest rates are set with a negative value (i.e., below zero percent) intended to help create self-sustaining growth in the local economy. For example, if a bank charges negative interest, instead of receiving



interest on deposits, a depositor must pay the bank fees to keep money with the bank. These market conditions may increase a Fund's exposures to interest rate risk. To the extent a Fund has a bank deposit or holds a debt instrument with a negative interest rate to maturity, a Fund would generate a negative return on that investment. If negative interest rates become more prevalent in the market, it is expected that investors will seek to reallocate assets to other income-producing assets such as investment grade and high-yield debt instruments or equity investments that pay a dividend. This increased demand for higher yielding assets may cause the price of such instruments to rise while triggering a corresponding decrease in yield and the value of debt instruments over time.

**High-Yield/High-Risk Securities.** The High Income Fund may invest without limit in bonds that are rated below investment grade (e.g., bonds rated BB+ or lower by Standard & Poor's and Fitch or Ba or lower by Moody's Investors Service, Inc.). The High Income Fund may also invest in unrated bonds of foreign and domestic issuers. The Equity Opportunity Fund may invest without limit in convertible securities of any rating, including below investment grade securities, or in unrated convertible bonds. Subject to the Fund's investment strategy to invest, under normal circumstances, at least 80% of its net assets in equity securities, the Equity Opportunity Fund may invest in fixed income securities, including high yield bonds, exchange traded funds that invest primarily in fixed income securities, zero coupon bonds or pay-in-kind ("PIK") bonds.

Junk bonds are considered speculative investments. Lower rated bonds generally experience greater volatility than investment grade bonds, and involve a higher degree of credit risk, which is the risk that the issuer will not make interest or principal payments when due. In the event of an unanticipated default, the Fund would experience a reduction in its income, and could expect a decline in the market value of the bonds so affected. Unrated bonds, while not necessarily of lower quality than rated bonds, may not have as broad a market.

Until recently, a commonly used reference rate for floating rate securities was LIBOR (London Interbank Offered Rate). ICE Benchmark Administration, the administrator of LIBOR, has ceased publication of most LIBOR settings on a representative basis. Actions by regulators have resulted in the establishment of alternative reference rates to LIBOR in most major currencies. In the U.S., a common benchmark replacement is based on the Secured Overnight Financing Rate (SOFR) published by the Federal Reserve Bank of New York, including certain spread adjustments and benchmark replacement conforming changes, although other benchmark replacements (without or without spread adjustments) may be used in certain transactions. The impact of the transition from LIBOR on the fund's transactions and financial markets generally cannot yet be determined. The transition away from LIBOR may lead to increased volatility and illiquidity in markets for instruments that have relied on LIBOR and may adversely affect the fund's performance.

**Zero Coupon, Step Coupon and Pay-In-Kind Securities.** The High Income Fund may invest without limit in zero coupon, pay-in-kind ("PIK") and step coupon securities. Zero coupon bonds are issued and traded at a discount from their face value. They do not entitle the holder to any periodic payment of interest prior to maturity. Step coupon bonds trade at a discount from their face value and pay coupon interest. The coupon rate is low for an initial period and then increases to a higher coupon rate thereafter. The discount from the face amount or par value depends on the time remaining until cash payments begin, prevailing interest rates, liquidity of the security and the perceived credit quality of the issuer. PIK bonds normally give the issuer an option to pay cash at a coupon payment date or give the holder of the security a similar bond with the same coupon rate and a face value equal to the amount of the coupon payment that would have been made.

The income-producing securities that a Fund might invest in include securities that make periodic interest payments as well as those that make interest payments on a deferred basis or pay interest only at maturity (e.g., Treasury bills or zero coupon bonds).

Current Federal income tax law requires holders of zero coupon, step coupon and PIK securities to report the portion of the original issue discount on such securities that accrues during a given year as interest income, even though the holders receive no cash payments of interest during the year. In order to qualify for treatment as a

“regulated investment company” under the Internal Revenue Code of 1986, as amended (the “Code”), a Fund must generally distribute substantially all of its net income, including the original issue discount accrued on zero coupon, step coupon and PIK bonds. Because the Fund would not receive cash payments on a current basis in respect of accrued original-issue discount on zero coupon bonds, step coupon bonds or PIK bonds during the period before interest payments begin, in some years the Fund might have to distribute cash obtained from other sources in order to satisfy the distribution requirements under the Code. The Fund might obtain such cash from selling other portfolio holdings which might cause the Fund to incur capital gains or losses on the sale. Additionally, these actions would be likely to reduce the assets to which Fund expenses could be allocated and may reduce the rate of return for the Fund. In some circumstances, such sales might be necessary in order to satisfy cash distribution requirements even though investment considerations might otherwise make it undesirable for the Fund to sell the securities at the time.

Generally, the market prices of zero coupon, step coupon and PIK securities are more volatile than the prices of securities that pay interest periodically and in cash and are likely to respond to changes in interest rates to a greater degree than other types of debt securities having similar maturities and credit quality.

**Warrants and Rights.** Warrants are essentially options to purchase equity securities at a specific price and are valid for a specific period of time (generally two or more years). Prices of warrants may be volatile and do not necessarily move in concert with the prices of the underlying securities. Rights are similar to warrants but generally have a short duration and are distributed directly by the issuer to its shareholders. Rights and warrants have no voting rights, receive no dividends and have no rights with respect to the assets of the issuer.

**Special Purpose Acquisition Companies.** A Fund may invest in stock, rights, warrants, and other securities of special purpose acquisition companies (SPACs) or similar special purpose entities. A SPAC is a publicly traded company that raises investment capital in the form of a blind pool via an initial public offering (IPO) for the purpose of acquiring or merging with an existing company. The shares of a SPAC are typically issued in “units” that include one share of common stock and one right or warrant (or partial right or warrant) conveying the right to purchase additional shares or partial shares. At a specified time following the IPO (generally 1-2 months), the rights and warrants may be separated from the common stock at the election of the holder, after which they become freely tradeable. After going public and until an acquisition is completed, a SPAC generally invests the proceeds of its IPO (less a portion retained to cover expenses), which are held in trust, in government securities, money market securities and cash. To the extent the SPAC is invested in cash or similar securities, this may impact a Fund’s ability to meet its investment objective. If a SPAC does not complete an acquisition within a specified period of time after going public, the SPAC is dissolved, at which point the invested funds are returned to the SPAC’s shareholders (less certain permitted expenses) and any rights or warrants issued by the SPAC expire worthless. Because SPACs and similar entities are in essence blank check companies without an operating history or ongoing business other than seeking acquisitions, the value of their securities is particularly dependent on the ability of the entity’s management to identify a merger target and complete a profitable acquisition. Some SPACs may pursue acquisitions only within certain industries or regions, which may increase the volatility of their prices. The securities issued by a SPAC, which are typically traded in the over-the-counter market, may be considered illiquid and/or be subject to restrictions on resale. In addition, investments in SPACs may be subject to the same risks as investing in any initial public offering, including the risks associated with companies that have little operating history as public companies, including unseasoned trading, small number of shares available for trading and limited information about the issuer.

**Inflation and Deflation.** A Fund may be subject to inflation and deflation risk. Inflation risk is the risk that the present value of assets or income of a Fund will be worth less in the future as inflation decreases the present value of money. Unanticipated or persistent inflation may have a material and adverse impact on the financial condition or results of operations of companies in which a Fund may invest, which may cause the value of a Fund’s holdings in such companies to decline. In addition, higher interest rates that often accompany or follow periods of high inflation may cause investors to favor asset classes other than common stocks, which may lead to broader market declines not necessarily related to the performance of specific companies. Deflation risk is the

risk that the prices of goods and services in the U.S. and many foreign economies may decline over time. Deflation may have an adverse effect on stock prices and the creditworthiness of issuers and may make defaults on debt more likely. If a country's economy slips into a deflationary pattern, it could last for a prolonged period and be difficult to reverse.

**Commodity Exchange Act Regulation.** The Advisor has claimed an exclusion from the definition of the term "commodity pool" under the Commodity Exchange Act ("CEA") and, therefore, is not subject to registration or regulation under the CEA. An advisor claiming the exclusion is limited in its ability to use certain derivatives, such as futures, certain options, and swaps, without becoming subject to U.S. Commodity Futures Trading Commission ("CFTC") regulations. On an annual basis, the Advisor is required to reaffirm its eligibility to continue to claim the exclusion. If a Fund's use of derivatives would prevent the Advisor from claiming the exclusion (or any other exclusion or exemption available under CFTC regulations), then the Advisor may be subject to regulation as a commodity pool operator or commodity trading advisor with respect to a Fund, and a Fund may become subject to regulation by the CFTC. A Fund may incur additional expenses in complying with the CFTC's recordkeeping, reporting and disclosure requirements.

**Cybersecurity Risk.** A Fund and its service providers may be prone to operational and information security risks resulting from cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, preventing legitimate users from accessing information or services on a website, releasing confidential information without authorization, and causing operational disruption. Successful cyber-attacks affecting a Fund, the Advisor, custodian, transfer agent, intermediaries, and other third-party service providers may adversely impact the Funds. For instance, cyber-attacks may interfere with the processing of shareholder transactions; impact the ability to calculate a Fund's NAV; cause the release of private shareholder information or confidential business information; impede trading; or subject the Fund to regulatory fines, financial losses, additional compliance costs associated with corrective measures, or cause reputational damage. Cyber-attacks may render records of a Fund's assets or transactions, shareholder ownership of Fund shares, and other data integral to the functioning of a Fund inaccessible, inaccurate, or incomplete. There is no guarantee that efforts designed to reduce the risks associated with cybersecurity will succeed, especially since there are inherent limitations in the efforts, including that certain risks have not been identified, given the evolving nature of this threat. A Fund relies on third party service providers for many of their daily operations and are subject to the risk that the protections and protocols implemented by those service providers will be ineffective to protect a Fund from cyber-attacks. Similar types of cyber security risk are also present for the issuers of securities in which a Fund invests, which could result in material adverse consequences for such issuers and may cause a Fund's investment in such securities to lose value.

## PORTFOLIO TRANSACTIONS

Subject to the policies established by the Board, the Advisor makes decisions with respect to, and places orders for all purchases and sales of portfolio securities for the Fund. The Advisor shall manage each Fund's portfolio in accordance with the terms of the investment advisory agreement (the "Investment Advisory Agreement") by and between the Advisor and the Trust on behalf of each Fund, which is described in detail under "Management and Other Service Providers." The Sub-Advisor shall manage a Fund's portfolios in accordance with the terms of the investment sub-advisory agreement (the "Sub-Advisory Agreement") by and between the Advisor and the Sub-Advisor, which is described in detail under "Management and Other Service Providers." The Advisor and Sub-Advisor each serves as investment advisor for a number of client accounts, including a Fund. Investment decisions for a Fund are made independently from those for any other series of the Trust, if any, and for any other investment companies and accounts advised or managed by the Advisor or Sub-Advisor.

**Brokerage Selection.** The Board has adopted, and the Trustees have approved, policies and procedures relating to the direction of fund portfolio securities transactions to broker-dealers. Neither the Advisor nor Sub-Advisor may give consideration to sales of shares of a Fund as a factor in selecting broker-dealers to execute portfolio

securities transactions. The Advisor or Sub-Advisor may, however, place portfolio transactions with broker-dealers that promote or sell a Fund's shares so long as such transactions are done in accordance with the policies and procedures established by the Trustees that are designed to ensure that the selection is based on the quality of the broker's execution and not on its sales efforts. In selecting brokers to be used in portfolio transactions, the general guiding principle is to obtain the best overall execution for each trade, which is a combination of price and execution. With respect to execution, the Advisor or Sub-Advisor considers a number of discretionary factors, including, without limitation, the actual handling of the order, the ability of the broker to settle the trade promptly and accurately, the financial standing of the broker, the ability of the broker to position stock to facilitate execution, past experience with similar trades, and other factors that may be unique to a particular order. Recognizing the value of these discretionary factors, the Advisor or Sub-Advisor may select brokers who charge a brokerage commission that is higher than the lowest commission that might otherwise be available for any given trade.

Under Section 28(e) of the Securities Exchange Act of 1934, as amended, as well as the Investment Advisory Agreement and Sub-Advisory Agreement, the Advisor and Sub-Advisor is authorized to pay a brokerage commission in excess of that which another broker might have charged for effecting the same transaction, in recognition of the value of brokerage and/or research services provided by the broker. The research received by the Advisor or Sub-Advisor may include, without limitation: information on the United States and other world economies; information on specific industries, groups of securities, individual companies, and political and other relevant news developments affecting markets and specific securities; technical and quantitative information about markets; analysis of proxy proposals affecting specific companies; accounting and performance systems that allow the Advisor or Sub-Advisor to determine and track investment results; and trading systems that allow the Advisor or Sub-Advisor to interface electronically with brokerage firms, custodians, and other providers. Research is received in the form of written reports, telephone contacts, personal meetings, research seminars, software programs, and access to computer databases. In some instances, research products or services received by the Advisor or Sub-Advisor may also be used for functions that are not research related (i.e. not related to the making of investment decisions). Where a research product or service has a mixed use, the Advisor or Sub-Advisor will make a reasonable allocation according to the use and will pay for the non-research function in cash using its own funds.

The research and investment information services described above make the views and information of individuals and research staffs of other securities firms available to the Advisor or Sub-Advisor for their analysis and consideration. These services may be useful to the Advisor or Sub-Advisor in connection with advisory clients other than the Fund and not all such services may be useful to the Advisor or Sub-Advisor in connection with a Fund. Although such information may be a useful supplement to the Advisor's or Sub-Advisor's own investment information in rendering services to a Fund, the value of such research and services is not expected to reduce materially the expenses of the Advisor or Sub-Advisor in the performance of its services under the Investment Advisory Agreement or Sub-Advisory Agreement and will not reduce the management fees payable to the Advisor by a Fund or to the Sub-Advisor by the Advisor.

A Fund may invest in securities traded in the OTC market. In these cases, a Fund may initiate trades through brokers on an agency basis and pay a commission in connection with the transaction. A Fund may also effect these transactions by dealing directly with the dealers who make a market in the securities involved, in which case the costs of such transactions would involve dealer spreads rather than brokerage commissions. With respect to securities traded only in the OTC market, orders will be executed on a principal basis with primary market makers in such securities except where better prices or executions may be obtained on an agency basis or by dealing with those other than a primary market maker.

A Fund's fixed income portfolio transactions may be executed through broker-dealers on an agency basis or be principal transactions executed in over the counter markets on a "net" basis, which may include a dealer mark up. Where possible, the Advisor will deal directly with the broker-dealers who make a market in the securities involved except in those circumstances where better prices and execution are available elsewhere. Such broker-dealers usually act as principal for their own account.

For the fiscal years ended September 30, 2025, 2024 and 2023, the total brokerage commissions paid by the Equity Dividend Plus Fund were \$48,772, \$26,404, and \$20,869, respectively. During the fiscal year ended March 31, 2023 the total brokerage commissions paid by the Surviving Fund were \$16,302.30. The significant change in brokerage commissions paid by the Equity Dividend Plus Fund from 2024 to 2025 was due to an increase in portfolio turnover and increased shareholder activity.

During the fiscal years ended September 30, 2025, 2024, and 2023, the total brokerage commissions paid by the Large Cap Focused Fund were \$59,158, \$78,475, \$64,332, respectively.

During the fiscal years ended September 30, 2025 and 2024, the total brokerage commissions paid by the International Equity Fund were \$17,289 and \$4,413.

For the fiscal period ended September 30, 2025, the total brokerage commissions paid by the High Income Fund were \$0. During the fiscal years ended December 31, 2024 and 2023 the total brokerage commissions paid by the High Income Fund were \$947 and none, respectively.

For the fiscal period ended September 30, 2025, the total brokerage commissions paid by the Equity Opportunity Fund were \$13,791. During the fiscal years ended December 31, 2024 and 2023 the total brokerage commissions paid by the Equity Opportunity Fund were \$37,877 and \$45,914, respectively. The significant change in brokerage commissions paid by the Equity Opportunity Fund from 2024 to 2025 was due to a reduction in portfolio turnover. The significant change in brokerage commissions paid by the Equity Opportunity Fund from 2023 to 2024 was due to a reduction in portfolio turnover.

A Fund may participate, if and when practicable, in bidding for the purchase of Fund securities directly from an issuer in order to take advantage of the lower purchase price available to members of a bidding group. A Fund will engage in this practice, however, only when the Advisor, in its sole discretion, believes such practice to be otherwise in the Fund's interest.

**Aggregated Trades.** While investment decisions for a Fund are made independently of the Advisor's or Sub-Advisor's other client accounts, the other client accounts may invest in the same securities as a Fund. To the extent permitted by law, the Advisor or Sub-Advisor may aggregate the securities to be sold or purchased for a Fund with those to be sold or purchased for other investment companies or accounts in executing transactions. When a purchase or sale of the same security is made at substantially the same time on behalf of a Fund and another investment company or account, the transaction will be averaged as to price and available investments allocated as to amount in a manner which the Advisor or Sub-Advisor believes to be equitable to the Fund and such other investment company or account. In some instances, this investment procedure may adversely affect the price paid or received by a Fund or the size of the position obtained or sold by a Fund. Aggregated trades for limited investment opportunities, such as initial public offerings, will be made on a pro-rata basis.

**Portfolio Turnover.** Portfolio turnover is a ratio that indicates how often the securities in a mutual fund's portfolio change during a year's time. Higher numbers indicate a greater number of changes, and lower numbers indicate a smaller number of changes. The annualized portfolio turnover rate for a Fund is calculated by dividing the lesser of purchases or sales of portfolio securities for the fiscal year by the monthly average value of the portfolio securities owned during the fiscal year. The calculation excludes all securities whose maturities or expiration dates at the time of acquisition are one year or less. Portfolio turnover of a Fund may vary greatly from year to year as well as within a particular year, and may be affected by cash requirements for redemption of shares and by requirements that enable a Fund to receive favorable tax treatment. Portfolio turnover will not be a limiting factor in making Fund decisions, and a Fund may engage in short-term trading to achieve its investment objective. High rates of portfolio turnover could lower performance of a Fund due to increased transaction costs and may also result in the realization of short-term capital gains taxed at ordinary income tax rates.



The portfolio turnover rate for the Equity Dividend Plus Fund over the last two fiscal years ended September 30 is set forth below.

| <u>2025</u> | <u>2024</u> |
|-------------|-------------|
| 33%         | 20%         |

The portfolio turnover rate for the Large Cap Focused Fund over the last two fiscal years ended September 30 is set forth below.

| <u>2025</u> | <u>2024</u> |
|-------------|-------------|
| 29%         | 35%         |

The portfolio turnover rate for the International Equity Fund over the last two fiscal years ended September 30 is set forth below.

| <u>2025</u> | <u>2024</u> |
|-------------|-------------|
| 87%         | 24%         |

The portfolio turnover rate for International Equity Fund increased to 87% in 2025 as compared to 24% in 2024 as a result of a significant increase in market value of the portfolio caused by increasing asset inflows to the fund.

The portfolio turnover rate for the High Income Fund over the most recent fiscal period ended September 30 is set forth below.

| <u>2025*</u> |
|--------------|
| 21%          |

\* For the period January 1, 2025 through September 30, 2025.

The portfolio turnover rate for the High Income Fund over the last two fiscal years ended December 31 is set forth below.

| <u>2024</u> |
|-------------|
| 33%         |

The portfolio turnover rate for the Equity Opportunity Fund over the most recent fiscal period ended September 30 is set forth below.

| <u>2025*</u> |
|--------------|
| 17%          |

\* For the period January 1, 2025 through September 30, 2025.

The portfolio turnover rate for the Equity Opportunity Fund over the fiscal year ended December 31 is set forth below.

| <u>2024</u> |
|-------------|
| 44%         |

## DESCRIPTION OF THE TRUST

The Trust, which is a statutory trust organized under Delaware law on December 16, 2021, is an open-end management investment company. The Trust's Agreement and Declaration of Trust authorizes the Trustees to divide shares into series, each series relating to a separate portfolio of investments, and to classify and reclassify

any unissued shares into one or more classes of shares of each such series. The Trust currently consists of three series. Additional series and/or classes may be created from time to time. The number of shares in each series of the Trust shall be unlimited. When issued for payment as described in the Prospectus and this SAI, shares of the Fund will be fully paid and non-assessable and shall have no preemptive rights. The Trust does not issue share certificates.

In the event of a liquidation or dissolution of the Trust or an individual series, such as a Fund, shareholders of a particular series would be entitled to receive the assets available for distribution belonging to such series. Shareholders of a series are entitled to participate equally in the net distributable assets of the particular series involved on liquidation, based on the number of shares of the series that are held by each shareholder. If there are any assets, income, earnings, proceeds, funds, or payments, that are not readily identifiable as belonging to any particular series, the Trustees shall allocate them among any one or more of the series as they, in their sole discretion, deem fair and equitable.

Shareholders of all of the series of the Trust, including the Fund, will vote together and not separately on a series-by-series or class-by-class basis, except as otherwise required by law or when the Trustees determine that the matter to be voted upon affects only the interests of the shareholders of a particular series or class. The Trust has adopted a Rule 18f-3 Multi-class Plan for the Fund that contain the general characteristics of and conditions under which such series may offer multiple classes of shares. Rule 18f-2 under the 1940 Act provides that any matter required to be submitted to the holders of the outstanding voting securities of an investment company such as the Trust shall not be deemed to have been effectively acted upon unless approved by the holders of a majority of the outstanding shares of each series or class affected by the matter. A series or class is affected by a matter unless it is clear that the interests of each series or class in the matter are substantially identical or that the matter does not affect any interest of the series or class. Under Rule 18f-2, the approval of an investment advisory agreement or any change in a fundamental investment policy would be effectively acted upon with respect to a series only if approved by a majority of the outstanding shares of such series. However, the rule also provides that the ratification of the appointment of independent accountants, the approval of principal underwriting contracts, and the election of Trustees may be effectively acted upon by shareholders of the Trust voting together, without regard to a particular series or class. Rights of shareholders can only be modified by a majority vote.

When used in the Prospectus or this SAI, a “majority” of shareholders means the vote of the lesser of (i) 67% of the shares of the Trust or the applicable series or class present at a meeting if the holders of more than 50% of the outstanding shares are present in person or by proxy or (ii) more than 50% of the outstanding shares of the Trust or the applicable series or class.

Shareholders are entitled to one vote for each full share and a fractional vote for each fractional share held. Shares have non-cumulative voting rights, which means that the holders of more than 50% of the shares voting for the election of Trustees can elect 100% of the Trustees, and in this event, the holders of the remaining shares voting will not be able to elect any Trustees.

The Trustees will hold office indefinitely, except that: (i) any Trustee may resign or retire, and (ii) any Trustee may be removed: (a) any time by written instrument signed by at least two-thirds of the number of Trustees prior to such removal; (b) at any meeting of shareholders of the Trust by a vote of two-thirds of the outstanding shares of the Trust; or (c) by a written declaration signed by shareholders holding not less than two-thirds of the outstanding shares of the Trust. In case a vacancy on the Board shall for any reason exist, the vacancy shall be filled by the affirmative vote of a majority of the remaining Trustees, subject to certain restrictions under the 1940 Act. Otherwise, there will normally be no meeting of shareholders for the purpose of electing Trustees, and the Trust does not expect to have an annual meeting of shareholders.

The Agreement and Declaration of Trust provides that the Trustees will not be liable in any event in connection with the affairs of the Trust, except as such liability may arise from a Trustee’s bad faith, willful misfeasance, gross negligence, or reckless disregard of duties. It also provides that all third parties shall look solely to the

Trust's property for satisfaction of claims arising in connection with the affairs of the Trust. With the exceptions stated, the Agreement and Declaration of Trust provides that a Trustee or officer is entitled to be indemnified against all liability in connection with the affairs of the Trust.

## **MANAGEMENT AND OTHER SERVICE PROVIDERS**

The business of the Trust is managed under the direction of the Board in accordance with the Agreement and Declaration of Trust and the Trust's By-laws (the "Governing Documents"), which have been filed with the Securities and Exchange Commission and are available upon request. The Board consists of four individuals, three of whom are not "interested persons" (as defined under the 1940 Act) of the Trust or any investment adviser to any series of the Trust ("Independent Trustees"). Pursuant to the Governing Documents, the Trustees shall elect officers including a President, a Secretary, a Treasurer, a Principal Executive Officer and a Principal Accounting Officer. The Board retains the power to conduct, operate and carry on the business of the Trust and has the power to incur and pay any expenses, which, in the opinion of the Board, are necessary or incidental to carry out any of the Trust's purposes. The Trustees, officers, employees and agents of the Trust, when acting in such capacities, shall not be subject to any personal liability except for his or her own bad faith, willful misfeasance, gross negligence or reckless disregard of his or her duties.

### **Board Leadership Structure**

The Trust is led by William Ferri, who has served as the Chairman of the Board since April, 2022. Under certain 1940 Act governance guidelines that apply to the Trust, the Independent Trustees will meet in executive session, at least quarterly. Under the Governing Documents, the Chairman of the Board is responsible for (a) presiding at board meetings, (b) calling special meetings on an as-needed basis, (c) execution and administration of Trust policies including (i) setting the agendas for board meetings and (ii) providing information to board members in advance of each board meeting and between board meetings. The Trust believes that its Chairman, the independent chair of the Audit Committee, and, as an entity, the full Board of Trustees, provide effective leadership that is in the best interests of the Trust, its funds and each shareholder.

William Ferri may be deemed to be an interested person of the Trust by virtue of his senior management role at the Advisor. The Trustees have determined that an interested Chairman is appropriate and benefits shareholders because an interested Chairman has a personal and professional stake in the quality and continuity of services provided to the Fund. The Independent Trustees exercise their informed business judgment to appoint an individual of their choosing to serve as Chairman, regardless of whether the trustee happens to be independent or a member of management. The Independent Trustees have determined that they can act independently and effectively without having an Independent Trustee serve as Chairman and that a key structural component for assuring that they are in a position to do so is for the Independent Trustees to constitute a substantial majority of the Board. The Independent Trustees also meet quarterly in executive session without Mr. Ferri. In view of the small size of the Board, the Independent Trustees have not designated any single trustee to be the lead Independent Trustee at this time.

### **Board Risk Oversight**

The Board of Trustees has a standing independent Audit Committee, Nominating and Governance Committee, and Valuation Committee each with a separate chair. The Board is responsible for overseeing risk management, and the full Board regularly engages in discussions of risk management and receives compliance reports that inform its oversight of risk management from its Chief Compliance Officer at quarterly meetings and on an ad hoc basis, when and if necessary. The Audit Committee considers financial and reporting risk within its area of responsibilities. Generally, the Board believes that its oversight of material risks is adequately maintained through the compliance-reporting chain where the Chief Compliance Officer is the primary recipient and communicator of such risk-related information. The primary purposes of the Nominating and Governance Committee are to consider and evaluate the structure, composition and operation of the Board, to evaluate and recommend individuals to serve on the Board of the Trust, and to consider and make recommendations relating

to the compensation of the Trust's independent trustees. The Nominating and Governance Committee may consider recommendations for candidates to serve on the Board from any source it deems appropriate. The Valuation Committee is responsible for overseeing the valuation designee who has the authority to determine the fair value of specific securities under the policies and procedures adopted by the Board.

### Trustee Qualifications

Generally, the Trust believes that each Trustee is competent to serve because of their individual overall merits including: (i) experience, (ii) qualifications, (iii) attributes and (iv) skills. Mr. Barnard has almost a decade of experience as a Chief Financial Officer and has served as director of private funds and listed SPACs. Ms. Heine has over 20 years of experience in the fund and asset management industry. Mr. Zurita has over 30 years of experience owning, operating, acquiring, and developing commercial and residential real estate in the United States and the Caribbean. Mr. Ferri has over 25 years of experience as an executive in the asset management industry. Each Trustee's ability to perform his duties effectively also has been enhanced by his educational background and professional training. The Trust does not believe any one factor is determinative in assessing a Trustee's qualifications, but that the collective experience of each Trustee makes them each highly qualified.

The following is a list of the Trustees and executive officers of the Trust and each person's principal occupation over the last five years. Unless otherwise noted, the address of each Trustee and Officer is 110 E. 59th Street, New York, NY 10022.

| <u>Name, Year of Birth<br/>and Address</u> | <u>Position<br/>held with<br/>Funds or Trust</u> | <u>Length<br/>of Time<br/>Served</u> | <u>Principal Occupation<br/>During Past 5 Years</u>   | <u>Number of<br/>Portfolios<br/>in Fund<br/>Complex<br/>Overseen<br/>by Trustee</u> | <u>Other Directorships<br/>Held by Trustee<br/>During Past 5 Years</u>   |
|--|--|--------------------------------------|---|---|--|
| <b>Independent Trustees</b>                |  |                                      |   |   |  |
| Douglas Barnard<br>Date of Birth: 1960     | Independent<br>Trustee                           | Since 4/22                           | Director, Prophet Asset<br>Management LLC,<br>(manager of hedge<br>funds) (2015-present)  | 6   | Cantor Equity Partners I,<br>Inc. (2025-present);<br>Cantor Equity Partners<br>IV, Inc. (2025-present);<br>Cantor Fitzgerald<br>Infrastructure Fund<br>(2022 - present); CF<br>Acquisition Corp VI<br>(2021-2022); CF<br>Acquisition Corp VII<br>(2022-2024).                          |
| Ramona Heine<br>Year of Birth: 1977        | Independent<br>Trustee                           | Since 4/22                           | Co-Founder and Chief<br>Executive Officer,<br>Heine & Kim Fiduciary<br>Partners LLC (provides<br>independent fund<br>director and fiduciary<br>services to funds and<br>asset managers) (2018-<br>present). | 6   | Macquarie Infrastructure<br>Income Opportunities<br>Fund (2026-present);<br>Coller Private Credit<br>Secondaries Trust<br>(2025-present); Coller<br>Secondaries Private<br>Equity Opportunities<br>Fund (2023-present);<br>Cantor Fitzgerald<br>Infrastructure Fund<br>(2022-present). |

| Name, Year of Birth and Address     | Position held with Funds or Trust | Length of Time Served | Principal Occupation During Past 5 Years  | Number of Portfolios in Fund Complex Overseen by Trustee | Other Directorships Held by Trustee During Past 5 Years   |
|-------------------------------------|-----------------------------------|-----------------------|---|--|---|
| Louis Zurita<br>Year of Birth: 1960 | Independent Trustee               | Since 4/22            | Managing member, 2009 <sup>5th</sup> Street, LLC (multi-family real estate investments) (2018-present); 275 Associates, LLC (real estate investments) (2013-present). | 6  | Cantor Equity Partners II, Inc. (2025-present); Cantor Fitzgerald Infrastructure Fund (2022-present); CF Acquisition Corp IV (2020-present); Remate Lince S.A.P.I. de C.V. (2017-present); ELX Future Holdings (2016-present); ; Cantor Equity Partners I, Inc. (Aug 2025 – Dec 2025); CF Acquisition Corp V (2021-2022); Cantor Futures Exchange L.P. (2016-2021). |

#### Interested Trustees

|                                      |   |            |   |   |  |
|--------------------------------------|---|------------|---|---|--|
| William Ferri<br>Year of Birth: 1966 | Trustee, Chairman, President, and Principal Executive Officer | Since 4/22 | Global Head of Asset Management Cantor Fitzgerald (2022-present); Group Managing Director and UBS Asset Management Executive Committee Member, UBS (2007-2021); Head of Americas, UBS AM (2017-2021). | 6 | Cantor Fitzgerald Infrastructure Fund (2022-Present) |
|--------------------------------------|---|------------|---|---|--|

#### Other Officers

|                                     |  |            |   |     |     |
|-------------------------------------|--|------------|---|-----|-----|
| Brian Curley<br>Year of Birth: 1970 | Treasurer, Principal Financial Officer, and Principal Accounting Officer | Since 6/23 | Vice President, Ultimus Fund Solutions, LLC (2020-present); Vice President, Gemini Fund Services, LLC (2015-2020), Assistant Vice President, Gemini Fund Services, LLC (2012-2014); Senior Controller of Fund Treasury, The Goldman Sachs Group, Inc. (2008-2012); Senior Associate of Fund Administration, Morgan Stanley (1999-2008). | n/a | n/a |
|-------------------------------------|--|------------|---|-----|-----|



| Name, Year of Birth and Address          | Position held with Funds or Trust | Length of Time Served | Principal Occupation During Past 5 Years   | Number of Portfolios in Fund Complex Overseen by Trustee | Other Directorships Held by Trustee During Past 5 Years |
|--|-----------------------------------|-----------------------|--|--|---|
| Adam Brajer<br>Year of Birth: 1983       | Secretary                         | Since 9/25            | Senior Deputy General Counsel, Managing Director, and Secretary, Cantor Fitzgerald (2025-present); General Counsel; Cantor Fitzgerald Asset Management division (2025-present); Assistant General Counsel, Cantor Fitzgerald (2009-2025).  | n/a  | n/a   |
| James Ash<br>Year of Birth: 1976         | Chief Compliance Officer          | Since 4/22            | Senior Vice President and Head of Fund Compliance, Northern Lights Compliance, LLC (2023-present); Senior Compliance Officer, Northern Lights Compliance, LLC (2019-2023); Senior Vice President, National Sales Gemini Fund Services, LLC (2017-2019); Senior Vice President and Director of Legal Administration, Gemini Fund Services, LLC (2012 - 2017). | n/a  | n/a   |
| Ari Buchen<br>Year of Birth: 1988        | Assistant Secretary               | Since 6/24            | Vice-President and Assistant General Counsel, Cantor Fitzgerald, L.P (2021-present); Associate, Pryor Cashman LLP (law firm) (2018-2021)   | n/a  | n/a   |
| Christine Palermo<br>Year of Birth: 1976 | Assistant Treasurer               | Since 12/23           | Manager – Fund Administration, Ultimus Fund Solutions, LLC (2008-present).   | n/a  | n/a   |

## **Board Committees**

### **Audit Committee**

The Board has an Audit Committee that consists of all the Trustees who are not “interested persons” of the Trust within the meaning of the 1940 Act. The Audit Committee’s responsibilities include: (i) recommending to the Board the selection, retention or termination of the Trust’s independent auditors; (ii) reviewing with the independent auditors the scope, performance and anticipated cost of their audit; (iii) discussing with the independent auditors certain matters relating to the Trust’s financial statements, including any adjustment to such financial statements recommended by such independent auditors, or any other results of any audit; (iv) reviewing on a periodic basis a formal written statement from the independent auditors with respect to their independence, discussing with the independent auditors any relationships or services disclosed in the statement that may impact the objectivity and independence of the Trust’s independent auditors and recommending that the Board take appropriate action in response thereto to satisfy itself of the auditor’s independence; and (v) considering the comments of the independent auditors and management’s responses thereto with respect to the quality and adequacy of the Trust’s accounting and financial reporting policies and practices and internal controls. The Audit Committee operates pursuant to an Audit Committee Charter. During the fiscal year ended September 30, 2025, the Audit Committee met four times.

### **Nominating and Governance Committee**

The Board has a Nominating and Governance Committee that consists of all the Trustees who are not “interested persons” of the Trust within the meaning of the 1940 Act. The Committee’s responsibilities (which may also be conducted by the Board) include: (i) recommend persons to be nominated or re-nominated as Trustees; (ii) review the Fund’s officers, and conduct Chief Compliance Officer searches, as needed, and provide consultation regarding other CCO matters, as requested; (iii) review trustee qualifications, performance, and compensation; (iv) review periodically with the Board the size and composition of the Board as a whole; (v) annually evaluate the operations of the Board and its Committees and assist the Board in conducting its annual self-evaluation; (vi) make recommendations on the requirements for, and means of, Board orientation and training; (vii) periodically review the Board’s corporate Governance policies and practices and recommend, as it deems appropriate, any changes to the Board; and (ix) consider any corporate governance issues that arise from time to time, and to develop appropriate recommendations for the Board. The Nominating and Governance Committee generally will consider shareholder nominees. The Nominating and Governance Committee reviews all nominations of potential trustees made by Fund management and by Fund shareholders, which includes all information relating to the recommended nominees that is required to be disclosed in solicitations or proxy statements for the election of directors, including without limitation the biographical information and the qualifications of the proposed nominees. Nomination submissions must be accompanied by a written consent of the individual to stand for election if nominated by the Board and to serve if elected by the shareholders, and such additional information must be provided regarding the recommended nominee as reasonably requested by the Nominating and Governance Committee. The Nominating and Governance Committee met once during the fiscal year ended September 30, 2025.

### **Valuation Committee**

The Valuation Committee is responsible for overseeing the valuation designee (the Advisor) who is responsible for determining, in good faith, the fair value of securities and other assets of a Fund for which market quotations are not readily available pursuant to the policies and procedures adopted by the Trust’s Board. Such determinations are reported to the Trust’s Board. The Valuation Committee met did not meet during the fiscal year ended September 30, 2025.

## Compensation

Each “non-interested” receives an annual retainer of \$20,000, paid quarterly, as well as reimbursement for any reasonable expenses incurred attending the meetings. The Chair of the Audit Committee receives an additional \$5,000 annually. None of the executive officers, with the exception of the Chief Compliance Officer, receive compensation from the Fund. Certain Trustees and officers of the Fund are also officers of the Advisor and are not paid by the Fund for serving in such capacities.

None of the interested trustees or executive officers receive compensation from the Trust.

The table below details the amount of compensation the Trustees received from the Trust during the fiscal year ended September 30, 2025. Each Independent Trustee is expected to attend all quarterly meetings during the period. The Trust does not have a bonus, profit sharing, pension or retirement plan.

| Name of Trustees            | Aggregate Compensation from the Equity Dividend Plus Fund | Aggregate Compensation from the Large Cap Focused Fund | Aggregate Compensation from the International Equity Fund | Aggregate Compensation from the High Income Fund | Aggregate Compensation from the Equity Opportunity Fund | Pension or Retirement Benefits Accrued as Part of Fund Expenses | Estimated Annual Benefits Upon Retirement | Total Compensation from Fund and Fund Complex Paid to Trustees* |
|-----------------------------|---|--|---|--|---|---|---|---|
| <b>Independent Trustees</b> |   |  |   |  |   |   |   |   |
| Douglas Barnard . . .       | \$5,833   | \$5,833  | \$5,833   | \$3,750  | \$3,750   | None  | None                                      | \$50,000  |
| Ramona Heine . . . .        | \$4,667   | \$4,667  | \$4,667   | \$3,000  | \$3,000   | None  | None                                      | \$40,000  |
| Louis Zurita . . . . .      | \$4,667   | \$4,667  | \$4,667   | \$3,000  | \$3,000   | None  | None                                      | \$40,000  |
| <b>Interested Trustee</b>   |   |  |   |  |   |   |   |   |
| William Ferri . . . . .     | None  | None   | None  | None   | None  | None  | None                                      | None  |

\* The “Fund Complex” includes the Cantor Fitzgerald Infrastructure Fund..

**Beneficial Equity Ownership Information.** The table below shows for each Trustee, the amount of Fund equity securities beneficially owned by each Trustee, and the aggregate value of all investments in equity securities of the Fund complex, as of December 31, 2025, and stated as one of the following ranges: A = None; B = \$1-\$10,000; C = \$10,001-\$50,000; D = \$50,001-\$100,000; and E = over \$100,000.

| Name of Trustee           | Dollar Range of Equity Securities in the Fund | Aggregate Dollar Range of Equity Securities in All Registered Investment Companies Overseen by Trustee in Family of Investment Companies* |
|---------------------------|---|---|
| Douglas Barnard . . . . . | A   | A   |
| Ramona Heine . . . . .    | A   | A   |
| Louis Zurita . . . . .    | A   | A   |
| William Ferri . . . . .   | A   | A   |

\* “Family of Investment Companies” includes the Cantor Fitzgerald Infrastructure Fund.

**Ownership of Securities of Advisor, Distributor, or Related Entities.** As of December 31, 2025, none of the Independent Trustees or their immediate family members owned beneficially or of record any securities of the Advisor, the Fund’s distributor, or any person controlling, controlled by, or under common control with the Advisor, or the Fund’s distributor.

**Principal Holders of Voting Securities.** As of January 1, 2026, the Trustees and officers of the Trust as a group owned beneficially (i.e., had direct or indirect voting and/or investment power) none of the then outstanding

shares of the Fund. As of January 1, 2026, to the Trust's knowledge, the following shareholders owned of record or beneficially 5% or more of the outstanding shares of each class of the Fund. Shareholders owning 25% or more of outstanding shares may be in control and may be able to affect the outcome of certain matters presented for a vote of Shareholders.

| <u>Cantor Fitzgerald Equity Dividend Plus Fund</u>  |                         |                          |
|---|-------------------------|--------------------------|
| <u>Name and Address</u>   | <u>Percentage Owned</u> | <u>Type of Ownership</u> |
| <b>Institutional Class</b>  |                         |                          |
| UBS Financial Services Inc.<br>FBO UBS WM USA<br>Omni Account M/F<br>1000 Harbor Blvd<br>Weehawken, NJ 07086 .....                                    | 26.47%                  | Record                   |
| Charles Schwab & CO Inc.<br>Special Custody Acct<br>FBO Customers<br>Attn Mutual Funds Operations<br>211 Main Street<br>San Francisco, CA 94105 ..... | 14.54%                  | Record                   |
| SEI Private Trust Company<br>C/O ID 866<br>Attn: Mutual Funds<br>One Freedom Valley Drive<br>Oaks, PA 19456 .....                                     | 7.42%                   | Record                   |

**Class A**

|  |        |        |
|--|--------|--------|
| Pershing LLC<br>1 Pershing Plaza<br>Jersey City, NJ 07399-0002 ..... | 89.66% | Record |
|--|--------|--------|

| <u>Cantor Fitzgerald Large Cap Focused Fund</u>   |                         |                          |
|---|-------------------------|--------------------------|
| <u>Name and Address</u>   | <u>Percentage Owned</u> | <u>Type of Ownership</u> |
| <b>Institutional Class</b>  |                         |                          |
| National Financial Services LLC<br>For the Exclusive Benefit of<br>Our Customers<br>Attn Mutual Funds Dept, 4 <sup>th</sup> Floor<br>499 Washington Blvd<br>Jersey City, NJ 07310 ..... | 27.66%                  | Record                   |
| UBS Financial Services Inc.<br>FBO UBS WM USA<br>Omni Account M/F<br>1000 Harbor Blvd<br>Weehawken, NJ 07086 .....  | 18.25%                  | Record                   |

| <u>Name and Address</u>   | <u>Cantor Fitzgerald Large Cap Focused Fund</u><br><u>Percentage Owned</u> | <u>Type of Ownership</u> |
|---|--|--------------------------|
| LPL Financial<br>Account 1000-0005<br>4707 Executive Drive<br>San Diego, CA 92121 .....   | 16.48%   | Record                   |
| Charles Schwab & CO Inc.<br>Special Custody Acct FBO<br>Customers Attn Mutual<br>Funds Operations<br>211 Main Street<br>San Francisco, CA 94105 .....                                   | 12.92%   | Record                   |
| Pershing LLC<br>1 Pershing Plaza<br>Jersey City, NJ 07399 .....   | 7.97%  | Record                   |
| <b>Class A</b>  |  |                          |
| Matrix Trust Company<br>Cust. FBO Pen Serv<br>Delaware/Foresters<br>717 17 <sup>th</sup> Street, Suite 1300<br>Denver, CO 80202 .....   | 33.77%   | Record                   |
| Charles Schwab & CO Inc.<br>Special Custody Acct FBO<br>Customers Attn Mutual Funds<br>211 Main Street<br>San Francisco, CA 94105 .....   | 6.96%  | Record                   |
| <b>Class R6</b>   |  |                          |
| Matrix Trust Company<br>Agent for Advisor Trust, Inc.<br>Flexible Plan Investments, LTD<br>401k Plan<br>717 17 <sup>th</sup> Street, Suite 1300<br>Denver, CO 80202 .....               | 51.22%   | Record                   |
| National Financial Services LLC<br>For the Exclusive Benefit of<br>Our Customers<br>Attn Mutual Funds Dept, 4 <sup>th</sup> Floor<br>499 Washington Blvd<br>Jersey City, NJ 07310 ..... | 43.45%   | Record                   |
| Pershing LLC<br>1 Pershing Plaza<br>Jersey City, NJ 07399 .....   | 5.32%  | Record                   |



| <u>Name and Address</u>  | <u>Cantor Fitzgerald International Equity Fund</u><br><u>Percentage Owned</u> | <u>Type of Ownership</u> |
|--|---|--------------------------|
| <b>Institutional Class</b>   |   |                          |
| National Financial Services LLC<br>499 Washington Blvd<br>Jersey City, NJ 07310 .....  | 82.92%  | Record                   |
| Charles Schwab & CO Inc.<br>Special Custody Acct FBO<br>Customers Attn Mutual Funds<br>Operations<br>211 Main Street<br>San Francisco, CA 94105 .....    | 15.06%  | Record                   |
| <b>Class A</b>   |   |                          |
| Pershing LLC<br>1 Pershing Plaza<br>Jersey City, NJ 07399 .....  | 41.27%  | Record                   |
| Cantor Fitzgerald Investment<br>Advisors LP<br>Michael Millard Auth Agent<br>110 E 59 <sup>th</sup> Street<br>New York, NY 10022 .....                   | 29.17%  | Record                   |
| First National Bank Cust<br>FBO Andrew Neil Johnson Roth IRA<br>9547 Dunes Ave<br>Cottage Grove, MN 55016-4680 ....                                      | 19.70%  | Record                   |
| Cetera Investment Svcs<br>FBO Timothy D. Goins<br>5RH-15837-18<br>10607 Davis Farms<br>San Antonio, TX 78254 .....                                       | 6.32%   | Record                   |
| <b>Class F</b>   |   |                          |
| JP Morgan Securities LLC Omnibus<br>Acct FBO Customers<br>4 Chase Metrotech Center<br>3 <sup>rd</sup> Floor Mutual Fund Dept<br>Brooklyn, NY 11245 ..... | 99.66%  | Record                   |

| <u>Name and Address</u>   | <u>Cantor Fitzgerald High Income Fund</u><br><u>Percentage Owned</u> | <u>Type of Ownership</u> |
|---|--|--------------------------|
| <b>Class A</b>  |  |                          |
| CHARLES SCHWAB & CO INC<br>SPECIAL CUSTODY ACCT<br>FBO CUSTOMERS<br>ATTN MUTUAL FUNDS<br>211 MAIN ST<br>SAN FRANCISCO CA 94105 . . . . .                  | 17.25%   | Record                   |
| EDWARD D JONES & CO FOR<br>THE EXCLUSIVE BENEFIT OF<br>CUSTOMERS<br>12555 MANCHESTER RD<br>SAINT LOUIS MO 63131-3729 . . . .                              | 15.38%   | Record                   |
| LPL FINANCIAL<br>A/C 1000-0005<br>4707 EXECUTIVE DRIVE<br>SAN DIEGO CA 92121 . . . . .  | 11.72%   | Record                   |
| WELLS FARGO CLEARING<br>SVCS LLC<br>SPECIAL CUSTODY ACCT FOR<br>THE EXCLUSIVE BENEFIT OF<br>CUSTOMER<br>2801 MARKET STREET<br>ST LOUIS MO 63103 . . . . . | 11.18%   | Record                   |
| MORGAN STANLEY SMITH<br>BARNEY LLC<br>FOR THE EXCLUSIVE BENEFIT<br>OF ITS CUSTOMERS<br>1 NEW YORK PLAZA FL 12<br>NEW YORK NY 10004-1901 . . . . .         | 9.40%  | Record                   |
| NATIONAL FINANCIAL<br>SERVICES LLC<br>499 WASHINGTON BLVD<br>JERSEY CITY, NJ 07310 . . . . .  | 6.65%  | Record                   |
| <b>Institutional Class</b>  |  |                          |
| CHARLES SCHWAB & CO INC<br>SPECIAL CUSTODY ACCOUNT<br>FBO CUSTOMERS<br>ATTN MUTUAL FUNDS<br>101 MONTGOMERY ST<br>SAN FRANCISCO CA<br>94104-4122 . . . . . | 26.01%   | Record                   |

| <u>Cantor Fitzgerald High Income Fund</u>  |                         |                          |
|--|-------------------------|--------------------------|
| <u>Name and Address</u>  | <u>Percentage Owned</u> | <u>Type of Ownership</u> |
| NATIONAL FINANCIAL<br>SERVICES LLC<br>499 WASHINGTON BLVD<br>JERSEY CITY, NJ 07310 .....                                 | 19.99%                  | Record                   |
| PERSHING LLC<br>1 PERSHING PLAZA<br>JERSEY CITY, NJ 07399 .....  | 12.74%                  | Record                   |
| EDWARD D JONES & CO FOR<br>THE BENEFIT OF CUSTOMERS<br>12555 MANCHESTER RD<br>SAINT LOUIS MO 63131-3729 ....             | 10.88%                  | Record                   |
| LPL FINANCIAL<br>OMNIBUS CUSTOMER<br>ACCOUNT<br>ATTN LINDSEAY OTOOLE<br>4707 EXECUTIVE DRIVE<br>SAN DIEGO CA 92121 ..... | 7.90%                   | Record                   |
| WELLS FARGO CLEARING<br>SVCS LLC<br>ACCT 1003-8373<br>ONE NORTH JEFFERSON AVE<br>ST LOUIS MO 63103 .....                 | 7.65%                   | Record                   |

| <u>Cantor Fitzgerald Equity Opportunity Fund</u>  |                         |                          |
|---|-------------------------|--------------------------|
| <u>Name and Address</u>   | <u>Percentage Owned</u> | <u>Type of Ownership</u> |
| <b>Class A</b>  |                         |                          |
| CHARLES SCHWAB & CO INC<br>SPECIAL CUSTODY ACCT<br>FBO CUSTOMERS<br>ATTN MUTUAL FUNDS<br>211 MAIN ST<br>SAN FRANCISCO CA 94105 .....                  | 20.09%                  | Record                   |
| WELLS FARGO CLEARING<br>SVCS LLC<br>SPECIAL CUSTODY ACCT FOR<br>THE EXCLUSIVE BENEFIT OF<br>CUSTOMER<br>2801 MARKET STREET<br>ST LOUIS MO 63103 ..... | 14.54%                  | Record                   |

| <u>Name and Address</u>   | <u>Cantor Fitzgerald Equity Opportunity Fund</u><br><u>Percentage Owned</u> | <u>Type of Ownership</u> |
|---|---|--------------------------|
| MORGAN STANLEY SMITH<br>BARNEY LLC<br>FOR THE EXCLUSIVE BENEFIT<br>OF ITS CUSTOMERS<br>1 NEW YORK PLAZA FL 12<br>NEW YORK NY 10004-1901 . . . . .         | 10.38%  | Record                   |
| EDWARD D JONES & CO FOR<br>THE EXCLUSIVE BENEFIT OF<br>CUSTOMERS<br>12555 MANCHESTER RD<br>SAINT LOUIS MO 63131-3729 . . . .                              | 8.80%   | Record                   |
| LPL FINANCIAL<br>A/C 1000-0005<br>4707 EXECUTIVE DRIVE<br>SAN DIEGO CA 92121 . . . . .  | 7.84%   | Record                   |
| <b>Institutional Class</b>  |   |                          |
| WELLS FARGO CLEARING<br>SVCS LLC<br>SPECIAL CUSTODY ACCT FOR<br>THE EXCLUSIVE BENEFIT OF<br>CUSTOMER<br>2801 MARKET STREET<br>ST LOUIS MO 63103 . . . . . | 31.99%  | Record                   |
| PERSHING LLC<br>1 PERSHING PLAZA<br>JERSEY CITY NJ 07399-0002 . . . .   | 19.90%  | Record                   |
| CHARLES SCHWAB & CO INC<br>ATTN MUTUAL FUNDS<br>101 MONTGOMERY ST<br>SAN FRANCISCO CA<br>94104-4122 . . . . .   | 8.14%   | Record                   |
| LPL FINANCIAL<br>A/C 1000-0005<br>4707 EXECUTIVE DRIVE<br>SAN DIEGO CA 92121 . . . . .  | 6.46%   | Record                   |
| NATIONAL FINANCIAL<br>SERVICES LLC<br>499 WASHINGTON BLVD<br>JERSEY CITY, NJ 07310 . . . . .  | 5.59%   | Record                   |

**Cantor Fitzgerald Equity Opportunity Fund**

| <b><u>Name and Address</u></b>  | <b><u>Percentage Owned</u></b> | <b><u>Type of Ownership</u></b> |
|---|--------------------------------|---------------------------------|
| MORGAN STANLEY SMITH<br>BARNEY LLC<br>FOR THE EXCLUSIVE BENEFIT<br>OF ITS CUSTOMERS<br>1 NEW YORK PLAZA FL 12<br>NEW YORK NY 10004-1901 . . . . . | 5.39%                          | Record                          |
| UBS FINANCIAL SERVICES<br>FBO/UBS WM USA OMNI<br>ACCOUNT M/F<br>1000 HARBOR BLVD.<br>WEEHAWKEN NJ 07086-6761 . . . .                              | 5.12%                          | Record                          |

**Potential Conflicts of Interest.** As a general matter, certain conflicts of interest may arise in connection with a portfolio manager’s management of a Fund’s investments, on the one hand, and the investments of other accounts for which a portfolio manager is responsible, on the other. For example, it is possible that the various accounts managed could have different investment strategies that, at times, might conflict with one another to the possible detriment of a Fund. Alternatively, to the extent that the same investment opportunities might be desirable for more than one account, possible conflicts could arise in determining how to allocate them. Other potential conflicts might include conflicts created by specific portfolio manager compensation arrangements, and conflicts relating to selection of brokers or dealers to execute a Fund’s portfolio trades and/or specific uses of commissions from a Fund’s portfolio trades (for example, research, or “soft dollars”, if any). The Advisor has adopted policies and procedures and has structured the portfolio managers’ compensation in a manner reasonably designed to safeguard a Fund from being negatively affected as a result of any such potential conflicts.

**Proxy Voting Policies.** The Trust has adopted a proxy voting and disclosure policy that delegates to the Advisor the authority to vote proxies for the Funds, subject to oversight by the Board. The Advisor has delegated voting authority for the Equity Dividend Plus Fund to the Sub-Advisor. A copy of the Advisor’s Proxy Voting Policy and Procedures is included as Appendix B to this SAI. A copy of the Sub-Advisor’s Proxy Voting Policy is included as Appendix C to this SAI. No later than August 31st of each year, the Fund will file Form N-PX stating how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30th. Information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available (i) without charge, upon request, by calling the Fund at 1-833-764-2266; and (ii) on the SEC’s website at <http://www.sec.gov>.

**Investment Advisor.** Cantor Fitzgerald Investment Advisors, L.P., located at 110 East 59<sup>th</sup> Street, NY, NY 10022, serves as the investment advisor to the Funds pursuant to an investment advisory agreement between the Trust, on behalf of each Fund, and Cantor Fitzgerald Investment Advisors, L.P. The Advisor supervises the Funds’ investments and manages the investment portfolio pursuant to each Investment Advisory Agreement, and, for the Large Cap Focused Fund and the International Equity Fund, the Advisor also oversees the Sub-Advisor. Each Investment Advisory Agreement will continue for two (2) years initially and, thereafter, shall continue from year to year so long as such renewal and continuance is specifically approved at least annually: (i) by the Board of the Trust or by vote of a majority of the outstanding voting securities of the applicable Fund, and (ii) by vote of a majority of the Independent Trustees, cast in person at a meeting called for the purpose of voting on such approval. Each Investment Advisory Agreement is terminable without penalty by the Trust by a vote of the Board of the Trust or by vote of a majority of the outstanding voting securities upon 60 calendar days’ written notice or by the Advisor upon 60 calendar days’ written notice. Each Investment Advisory Agreement provides that it will terminate automatically in the event of its “assignment,” as such term is defined in the 1940 Act.



Under each Investment Advisory Agreement, the Advisor is not liable for any error of judgment or mistake of law or for any loss suffered by a Fund in connection with the performance of such agreement, except a loss resulting from a breach of fiduciary duty with respect to the receipt of compensation for services; or a loss resulting from willful misfeasance, bad faith, or gross negligence on the part of the Advisor in the performance of its duties; or from its reckless disregard of its duties and obligations under each Investment Advisory Agreement.

For its investment advisory services to the Equity Dividend Plus Fund, the Advisor is paid a management fee by the Fund, based on a percentage of the Fund's daily net assets, at an annual rate of 0.65% on the first \$500 million, 0.60% on the next \$500 million, 0.55% on next \$1.5 billion, 0.50% on assets in excess of \$2.5 billion.

For its investment advisory services to the Surviving Fund, the Advisor was paid a management fee by the Surviving Fund, based on a percentage of the Surviving Fund's daily net assets, at an annual rate of 0.70% on the first \$250 million; 0.65% on the next \$250 million; and 0.50% on assets over \$500 million. Flippin, Bruce & Porter, Inc. served as the investment adviser to the Surviving Fund from its inception until June 8, 2021 ("Prior Advisor"). By reason of his position as an officer and stockholder of FBP, John T. Bruce controlled the Prior Advisor and may have directly or indirectly received benefits from the advisory fees paid by the Fund to the Prior Advisor until June 8, 2021.

For its investment advisory services to the Large Cap Focused Fund, the Advisor is paid a management fee by the Fund, based on a percentage of the Fund's daily net assets, at an annual rate of 0.65% on the first \$500 million, 0.60% on the next \$500 million, 0.55% on next \$1.5 billion, 0.50% on assets in excess of \$2.5 billion.

For its investment advisory services to the International Equity Fund, the Advisor is paid a management fee by the Fund, based on a percentage of the Fund's daily net assets, at an annual rate of 0.79%.

For its investment advisory services to the High Income Fund, the Advisor is paid a management fee by the Fund, based on a percentage of the Fund's daily net assets, at an annual rate of 0.65%. The investment advisor to the High Income Predecessor Fund was Aquila Investment Management LLC (the "Prior Advisor"). For its investment advisory services to the Fund, the Prior Advisor was paid a management fee by the High Income Predecessor Fund, based on a percentage of the High Income Predecessor Fund's daily net assets, at an annual rate of 0.65%.

For its investment advisory services to the Equity Opportunity Fund, the Advisor is paid a management fee by the Fund, based on a percentage of the Fund's daily net assets, at an annual rate of 0.80%. The investment advisor to the Equity Opportunity Predecessor Fund was the Prior Advisor. For its investment advisory services to the Equity Opportunity Predecessor Fund, the Prior Advisor was paid a management fee by the Equity Opportunity Predecessor Fund, based on a percentage of the Equity Opportunity Predecessor Fund's daily net assets, at an annual rate of 0.90% of such net asset value on net assets of the Fund up to \$100,000,000, 0.85% on net assets of the Fund above \$100,000,000 to \$250,000,000, and 0.80% of the Fund's net assets above \$250,000,000.

**Expense Limitation Agreement.** In the interest of limiting expenses of each Fund, the Advisor has entered into an Expense Limitation Agreement with the Trust, pursuant to which the Advisor has agreed to waive or reduce its management fees and to assume other expenses of each Fund in an amount that limits the Total Annual Operating Expenses of the respective Fund (exclusive of (i) brokerage fees and commissions; (ii) acquired fund fees and expenses; (iii) fees and expenses associated with investments in other collective investment vehicles or derivative instruments (including, for example, option and swap fees and expenses); (iv) borrowing costs (such as interest and dividend expense on securities sold short); (v) taxes and (vi) extraordinary expenses, such as litigation expenses (which may include indemnification of Fund officers and Trustees and contractual

indemnification of Fund service providers (other than the Advisor) but inclusive of organizational costs and offering costs) to the limits set forth below. This contractual arrangement is in effect through the dates set forth below, unless terminated by the Board at any time.

| <u>Fund</u>               | <u>Expense Cap</u>   | <u>Expiration</u> |
|---------------------------|--|-------------------|
| Equity Dividend Plus Fund | 1.24% Class A<br>0.99% Institutional Class<br>0.92% Class R6                 | January 31, 2027  |
| Large Cap Focused Fund    | 1.17% Class A<br>0.86% Institutional Class<br>0.65% Class R6                 | January 31, 2027  |
| International Equity Fund | 1.24% Class A<br>0.99% Institutional Class<br>0.90% Class R<br>0.79% Class F | January 31, 2027  |
| High Income Fund          | 1.00% Class A<br>0.80% Institutional Class<br>0.80% Class R6                 | January 31, 2027  |
| Equity Opportunity Fund   | 1.50% Class A<br>1.25% Institutional Class<br>1.18% Class R6                 | January 31, 2027  |

The Advisor may recoup investment advisory fees that it waived or Fund expenses that it paid under this agreement for a period of three years from the date the fees were waived or expenses paid, if the recoupment can be achieved without causing the expense ratio of the share class (after the recoupment is taken into account) to exceed (i) the expense limit in effect at the time the fees were waived or expenses paid, or (ii) the expense limit in place at the time of the recoupment.

During the fiscal years ended September 30, 2025, 2024 and 2023, the Equity Dividend Plus Fund paid the following management fees to the Advisor:

|                   | <u>2025</u> | <u>2024</u> | <u>2023</u> |
|-------------------|-------------|-------------|-------------|
| Fees Paid .....   | \$423,128   | \$381,329   | \$133,708   |
| Fees Waived ..... | \$113,306   | \$114,214   | \$ 50,631   |

The Surviving Fund's Advisor had contractually agreed to waive its advisory fees and/or reimburse other fund expenses so that ordinary operating expenses (excluding interest on borrowings, taxes, brokerage costs, acquired fund fees and expenses and extraordinary expenses) do not exceed an amount equal to 1.12% annually of the average daily net assets. During the fiscal year ended March 31, the Surviving Fund paid the following investment management fees:

|                   | <u>2023</u> |
|-------------------|-------------|
| Fees Paid .....   | \$167,958   |
| Fees Waived ..... | \$ 50,366   |

During the fiscal years shown below, the Large Cap Focused Fund paid the following management fees to the Advisor:

|                    | <u>2025</u> | <u>2024</u> | <u>2023</u> |
|--------------------|-------------|-------------|-------------|
| Fees Paid .....    | \$3,221,190 | \$2,506,088 | \$1,876,834 |
| Fees Waived* ..... | \$ 150,356  | \$ 65,747   | \$ 456,412  |

\* Until January 1, 2026, the expense cap for Class R6 shares of the Large Cap focused Fund was 0.79%.

During the fiscal years ended September 30, 2025 and 2024, the International Equity Fund paid the following management fees to the Advisor:

|                   | <u>2025</u> | <u>2024*</u> |
|-------------------|-------------|--------------|
| Fees Paid .....   | \$122,513   | \$ 68,258    |
| Fees Waived ..... | \$312,949   | \$252,568    |

\* For the fiscal period December 15, 2023 through September 30, 2024.

During the fiscal years ended September 30, 2025 and December 31 2024, the High Income Fund paid the following management fees to the Advisor:

|                     | <u>2025</u> | <u>2024*</u> |
|---------------------|-------------|--------------|
| Fees Paid .....     | \$271,139   | \$84,579     |
| Fees Waived** ..... | \$ 40,257   | \$ 0         |

\* For the fiscal period October 19, 2024 to December 31, 2024.

\*\* Until October 1, 2025, the expense caps for Class A, Institutional Class, and Class R6 shares of the High Income Fund were 1.20%, 1.00%, and 0.93%, respectively.

For the period January 1, 2024 through October 18, 2024, and for the fiscal year ended December 31, 2023, the High Income Predecessor Fund paid the following management fees to the Prior Advisor:

|                    | <u>2024</u> | <u>2023</u> |
|--------------------|-------------|-------------|
| Fees Paid .....    | \$424,986   | \$636,648   |
| Fees Waived* ..... | \$435,475   | \$213,578   |

\* Until April 3, 2024, the expense caps for the High Income Predecessor Fund were 1.20% for Class A Shares, 1.99% for Class C Shares, 0.95% for Class F Shares, 1.27% for Class I Shares and 1.00% for Class Y Shares.

During the fiscal years September 30, 2025 and December 31, 2024, the Equity Opportunity Fund paid the following management fees to the Advisor:

|                   | <u>2025</u> | <u>2024*</u> |
|-------------------|-------------|--------------|
| Fees Paid .....   | \$438,799   | \$154,006    |
| Fees Waived ..... | \$ 0        | \$ 0         |

\* For the fiscal period October 19, 2024 to December 31, 2024.

For the period January 1, 2024 through October 18, 2024, and for the fiscal year ended December 31, 2023, the Equity Opportunity Predecessor Fund paid the following management fees to the Prior Advisor:

|                   | <u>2024*</u> | <u>2023</u> |
|-------------------|--------------|-------------|
| Fees Paid .....   | \$766,506    | \$1,095,450 |
| Fees Waived ..... | \$ 0         | \$ 0        |

**Investment Sub-Advisor.** Smith Group Asset Management, LLC, located at 100 Crescent Court, Suite 1150, Dallas, TX 75201, is responsible for the day-to-day management of the Large Cap Focused Fund, the International Equity Fund, the High Income Fund, and the Equity Opportunity Fund. Although the Sub-Advisor serves as a sub-advisor, the Advisor has ultimate responsibility for all investment advisory services. The Advisor supervises the Sub-Advisor's performance and management services provided to a Fund subject to the supervision and direction of the Board of Trustees. The Sub-Advisor performs its services to each Fund pursuant

to Sub-Advisory Agreements between the Sub-Advisor and the Advisor. Each Sub-Advisory Agreement will continue for two (2) years initially and, thereafter, shall continue from year to year so long as such renewal and continuance is specifically approved at least annually: (i) by the Board of the Trust or by vote of a majority of the outstanding voting securities of a Fund, and (ii) by vote of a majority of the Independent Trustees, cast in person at a meeting called for the purpose of voting on such approval. Each Sub-Advisory Agreement may be terminated by the Advisor or the Trust at any time on written notice to the Sub-Advisor of the Advisor's or the Trust's intention to do so, in the case of the Trust pursuant to action by the Board or pursuant to the vote of a majority of the outstanding voting securities of the Fund. The Sub-Advisor may terminate each Sub-Advisory Agreement at any time on sixty (60) days' written notice to the Advisor and the Trust of its intention to do so. Each Sub-Advisory Agreement shall automatically terminate upon the termination of the Investment Advisory Agreement. Each Sub-Advisory Agreement provides that it will terminate automatically in the event of its "assignment," as such term is defined in the 1940 Act.

The Sub-Advisor manages each Fund's investments in accordance with the stated policies of a Fund, subject to oversight by the Board. The Sub-Advisor is responsible for investment decisions and provides a Fund with portfolio managers who are authorized to execute purchases and sales of securities.

For its sub-advisory services to the Large Cap Focused Fund, the Sub-Advisor is paid a sub-advisory fee by the Advisor, based on a percentage of the Fund's daily net assets, at an annual rate of 0.20%. During the fiscal years shown below, the Advisor paid the following sub-advisory fees to the Sub-Advisor:

|                 | <u>2025</u> | <u>2024</u> | <u>2023</u> |
|-----------------|-------------|-------------|-------------|
| Fees Paid ..... | \$1,068,178 | \$770,660   | \$574,609   |

For its sub-advisory services to the International Equity Fund, the Sub-Advisor is paid a sub-advisory fee by the Advisor, based on a percentage of the Fund's daily net assets, at an annual rate of 0.25%. During the fiscal years ended September 30, 2025 and 2024, the Advisor paid the following sub-advisory fees to the Sub-Advisor:

|                 | <u>2025</u> | <u>2024*</u> |
|-----------------|-------------|--------------|
| Fees Paid ..... | \$9,538     | \$0          |

\* For the fiscal period December 15, 2023 through September 30, 2024.

For its sub-advisory services to the High Income Fund, the Sub-Advisor is paid a sub-advisory fee by the Advisor, based on a percentage of the Fund's daily net assets, at an annual rate of 0.25%. During the fiscal years ended September 30, 2025 and December 31, 2024, the Advisor paid the following sub-advisory fees to the Sub-Advisor:

|                 | <u>2025</u> | <u>2024*</u> |
|-----------------|-------------|--------------|
| Fees Paid ..... | \$120,570   | \$15,039     |

\* For the fiscal period October 18, 2024 through December 31, 2024.

For its sub-advisory services to the Equity Opportunity Fund, the Sub-Advisor is paid a sub-advisory fee by the Advisor, based on a percentage of the Fund's daily net assets, at an annual rate of 0.35%. During the fiscal years ended September 30, 2025 and December 31, 2024, the Advisor paid the following sub-advisory fees to the Sub-Advisor:

|                 | <u>2025</u> | <u>2024*</u> |
|-----------------|-------------|--------------|
| Fees Paid ..... | \$255,347   | \$29,236     |

\* For the fiscal period October 18, 2024 through December 31, 2024.

## Portfolio Managers.

### EQUITY DIVIDEND PLUS FUND

The Fund's lead portfolio manager is John T. Bruce, CFA. Other members of the investment team that manage the Fund are David J. Marshall, CFA, Norman D. Darden III, CFA, and J. Scott Morrell, CFA, who are each Co-Portfolio Managers.

**Compensation.** Each Portfolio Manager's compensation from the Advisor includes base salary, a bonus based on the profitability of the Advisor, and participation in the Advisor's 401(k) plan and health plan. The Advisor does not pay performance or asset-based compensation to the Portfolio Managers.

**Ownership of Fund Shares.** The table below shows the amount of the Surviving Fund's equity securities beneficially owned by the portfolio managers as of September 30, 2025 and stated as one of the following ranges: A = None; B = \$1-\$10,000; C = \$10,001-\$50,000; D = \$50,001-\$100,000; E = \$100,001-\$500,000; F = \$500,001-\$1,000,000; and G = over \$1,000,000.

| Name of<br>Portfolio Manager | Dollar Range of<br>Equity Securities in the Fund |
|------------------------------|--|
| John T. Bruce, CFA           | F  |
| David J. Marshall, CFA       | E  |
| Norman D. Darden III, CFA    | F  |
| J. Scott Morrell, CFA        | F  |

**Other Accounts.** In addition to the Fund, each portfolio manager is responsible for the day-to-day management of certain other accounts. The table below shows the number of, and total assets in, such other accounts as of September 30, 2025.

| Portfolio Manager                                   | Registered Investment<br>Companies |              | Other Pooled Investment<br>Vehicles |              | Other Accounts        |               |
|---|------------------------------------|--------------|-------------------------------------|--------------|-----------------------|---------------|
|   | Number of<br>Accounts              | Total Assets | Number of<br>Accounts               | Total Assets | Number of<br>Accounts | Total Assets  |
| <b>All Accounts</b>                                 |                                    |              |                                     |              |                       |               |
| John T. Bruce, CFA . . . . .                        | 0                                  | \$0          | 0                                   | \$0          | 50                    | \$101,003,867 |
| David J. Marshall, CFA . . . . .                    | 0                                  | \$0          | 0                                   | \$0          | 105                   | \$124,799,830 |
| Norman D. Darden III, CFA . . . . .                 | 0                                  | \$0          | 0                                   | \$0          | 288                   | \$418,116,310 |
| J. Scott Morrell, CFA . . . . .                     | 0                                  | \$0          | 0                                   | \$0          | 47                    | \$134,641,054 |
| <b>Accounts with Performance-Based Advisory Fee</b> |                                    |              |                                     |              |                       |               |
| John T. Bruce, CFA . . . . .                        | 0                                  | \$0          | 0                                   | \$0          | 0                     | \$ 0          |
| David J. Marshall, CFA . . . . .                    | 0                                  | \$0          | 0                                   | \$0          | 0                     | \$ 0          |
| Norman D. Darden III, CFA . . . . .                 | 0                                  | \$0          | 0                                   | \$0          | 0                     | \$ 0          |
| J. Scott Morrell, CFA . . . . .                     | 0                                  | \$0          | 0                                   | \$0          | 0                     | \$ 0          |

### LARGE CAP FOCUSED FUND

The Fund's portfolio is managed on a day-to-day basis by John D. Brim, CFA, and Eivind Olsen, CFA.

**Compensation.** Smith is paid a fee based on the assets under management as set forth in the Sub-Advisory Agreement between Smith and the Manager on behalf of the Fund. Smith pays its portfolio managers out of its total revenues and other resources, including fees earned as determined under the Sub-Advisory Agreement.

All portfolio managers receive a base salary plus a bonus that reflects his or her overall performance and contribution to Smith. Performance is evaluated on several quantitative and qualitative criteria including quality of stock research, investment performance (which is based on multiple factors that Smith takes into consideration), client service, quantitative research, and marketing. Performance is generally measured and reviewed on a pre-tax basis over a period of one to three years, relative to multiple indices and stock universes including, but not limited to the S&P 500 Index, and the Fund's investable universe of companies. As a mechanism for retaining key personnel, Smith has an active program to distribute partnership shares to all key employees.

Ownership of Fund Shares. The table below shows the amount of the Fund's equity securities beneficially owned by the portfolio manager as of September 30, 2025 and stated as one of the following ranges: A = None; B = \$1-\$10,000; C = \$10,001-\$50,000; D = \$50,001-\$100,000; E = \$100,001-\$500,000; F = \$500,001-\$1,000,000; and G = over \$1,000,000.

| <b>Name of<br/>Portfolio Manager</b> | <b>Dollar Range of<br/>Equity Securities in the Fund</b> |
|--------------------------------------|--|
| John D. Brim, CFA                    | E  |
| Eivind Olsen, CFA                    | E  |

Other Accounts. In addition to the Fund, the portfolio manager is responsible for the day-to-day management of certain other accounts. The table below shows the number of, and total assets in, such other accounts as of September 30, 2025.

| <b>Portfolio Manager</b>                            | <b>Registered Investment<br/>Companies</b> |                     | <b>Other Pooled Investment<br/>Vehicles</b> |                     | <b>Other Accounts</b>         |                     |
|---|--|---------------------|---|---------------------|-------------------------------|---------------------|
|   | <b>Number of<br/>Accounts</b>              | <b>Total Assets</b> | <b>Number of<br/>Accounts</b>               | <b>Total Assets</b> | <b>Number of<br/>Accounts</b> | <b>Total Assets</b> |
| <b>All Accounts</b>                                 |  |                     |   |                     |                               |                     |
| John D. Brim, CFA . . . . .                         | 7  | \$74,393,495        | 0   | \$0                 | 97                            | \$2,275,237,240     |
| Eivind Olsen, CFA . . . . .                         | 4  | \$47,241,315        | 0   | \$0                 | 96                            | \$2,225,151,542     |
| <b>Accounts with Performance-Based Advisory Fee</b> |  |                     |   |                     |                               |                     |
| John D. Brim, CFA . . . . .                         | 0  | \$ 0                | 0   | \$0                 | 0                             | \$ 0                |
| Eivind Olsen, CFA . . . . .                         | 0  | \$ 0                | 0   | \$0                 | 0                             | \$ 0                |

## **INTERNATIONAL EQUITY FUND**

The Fund's portfolio is managed on a day-to-day basis by John D. Brim, CFA, and Stephanie C. Jones, CPA.

Compensation. Smith is paid a fee based on the assets under management as set forth in the Sub-Advisory Agreement between Smith and the Manager on behalf of the Fund. Smith pays its portfolio managers out of its total revenues and other resources, including fees earned as determined under the Sub-Advisory Agreement.

All portfolio managers receive a base salary plus a bonus that reflects his or her overall performance and contribution to Smith. Performance is evaluated on several quantitative and qualitative criteria including quality of stock research, investment performance (which is based on multiple factors that Smith takes into consideration), client service, quantitative research, and marketing. Performance is generally measured and reviewed on a pre-tax basis over a period of one to three years, relative to multiple indices and stock universes including, but not limited to the S&P 500 Index, Russell 1000 Growth Index and the Fund's investable universe of companies. As a mechanism for retaining key personnel, Smith has an active program to distribute partnership shares to all key employees.



Ownership of Fund Shares. The table below shows the amount of the Fund's equity securities beneficially owned by the portfolio manager as of September 30, 2025 and stated as one of the following ranges: A = None; B = \$1-\$10,000; C = \$10,001-\$50,000; D = \$50,001-\$100,000; E = \$100,001-\$500,000; F = \$500,001-\$1,000,000; and G = over \$1,000,000.

| <u>Name of<br/>Portfolio Manager</u> | <u>Dollar Range of<br/>Equity Securities in the Fund</u> |
|--------------------------------------|--|
| John D. Brim, CFA                    | E  |
| Stephanie C. Jones, CPA              | C  |

Other Accounts. In addition to the Fund, the portfolio manager is responsible for the day-to-day management of certain other accounts. The table below shows the number of, and total assets in, such other accounts as of September 30, 2024.

| <u>Portfolio Manager</u>                            | <u>Registered Investment<br/>Companies</u> |                     | <u>Other Pooled Investment<br/>Vehicles</u> |                     | <u>Other Accounts</u>         |                     |
|---|--|---------------------|---|---------------------|-------------------------------|---------------------|
|   | <u>Number of<br/>Accounts</u>              | <u>Total Assets</u> | <u>Number of<br/>Accounts</u>               | <u>Total Assets</u> | <u>Number of<br/>Accounts</u> | <u>Total Assets</u> |
| <b>All Accounts</b>                                 |  |                     |   |                     |                               |                     |
| John D. Brim, CFA . . . . .                         | 7  | \$649,806,052       | 0   | \$0                 | 97                            | \$2,275,237,240     |
| Stephanie C. Jones, CPA . . . . .                   | 1  | \$ 3,405,379        | 0   | \$0                 | 96                            | \$2,225,151,542     |
| <b>Accounts with Performance-Based Advisory Fee</b> |  |                     |   |                     |                               |                     |
| John D. Brim, CFA . . . . .                         | 0  | \$ 0                | 0   | \$0                 | 0                             | \$ 0                |
| Stephanie C. Jones, CPA . . . . .                   | 0  | \$ 0                | 0   | \$0                 | 0                             | \$ 0                |

## HIGH INCOME FUND

The High Income Fund's lead portfolio manager is David Schiffman. John Brim is also a member of the investment team that manages the High Income Fund and has served as Co-Portfolio Manager.

Compensation. Smith is paid a fee based on the assets under management as set forth in the Sub-Advisory Agreement between Smith and the Advisor on behalf of the High Income Fund. Smith pays its portfolio managers out of its total revenues and other resources, including fees earned as determined under the Sub-Advisory Agreement.

All portfolio managers receive a base salary plus a bonus that reflects his or her overall performance and contribution to Smith. Performance is evaluated on several quantitative and qualitative criteria including quality of investment research, investment performance (which is based on multiple factors that Smith takes into consideration), client service, quantitative research, and marketing. Performance is generally measured and reviewed on a pre-tax basis over a period of one to three years, relative to multiple indices.

Ownership of High Income Fund Shares. The table below shows the amount of the High Income Fund's equity securities beneficially owned by the portfolio managers as of September 30, 2025 and stated as one of the following ranges: A = None; B = \$1-\$10,000; C = \$10,001-\$50,000; D = \$50,001-\$100,000; E = \$100,001-\$500,000; F = \$500,001-\$1,000,000; and G = over \$1,000,000.

| <u>Name of<br/>Portfolio Manager</u> | <u>Dollar Range of<br/>Equity Securities in the Fund</u> |
|--------------------------------------|--|
| David Schiffman                      | E  |
| John D. Brim, CFA                    | C  |

Other Accounts. In addition to the High Income Fund, each portfolio manager is responsible for the day-to-day management of certain other accounts. The table below shows the number of, and total assets in, such other accounts as of September 30, 2025.

| <u>Portfolio Manager</u>                            | <u>Registered Investment Companies</u> |                     | <u>Other Pooled Investment Vehicles</u> |                     | <u>Other Accounts</u>     |                     |
|---|--|---------------------|---|---------------------|---------------------------|---------------------|
|   | <u>Number of Accounts</u>              | <u>Total Assets</u> | <u>Number of Accounts</u>               | <u>Total Assets</u> | <u>Number of Accounts</u> | <u>Total Assets</u> |
| <b>All Accounts</b>                                 |  |                     |   |                     |                           |                     |
| David Schiffman . . . . .                           | 0                                      | \$ 0                | 0                                       | \$0                 | 95                        | \$2,148,900,747     |
| John D. Brim, CFA . . . . .                         | 7                                      | \$727,043,930       | 0                                       | \$0                 | 95                        | \$2,149,900,747     |
| <b>Accounts with Performance-Based Advisory Fee</b> |  |                     |   |                     |                           |                     |
| David Schiffman . . . . .                           | 0                                      | \$ 0                | 0                                       | \$0                 | 0                         | \$ 0                |
| John D. Brim, CFA . . . . .                         | 0                                      | \$ 0                | 0                                       | \$0                 | 0                         | \$ 0                |

## **EQUITY OPPORTUNITY FUND**

The Equity Opportunity Fund's lead portfolio manager is Eivind Olsen. John Brim is also a member of the investment team that manages the Fund and has served as Co-Portfolio Manager.

Compensation. Smith is paid a fee based on the assets under management as set forth in the Sub-Advisory Agreement between Smith and the Advisor on behalf of the Equity Opportunity Fund. Smith pays its portfolio managers out of its total revenues and other resources, including fees earned as determined under the Sub-Advisory Agreement.

All portfolio managers receive a base salary plus a bonus that reflects his or her overall performance and contribution to Smith. Performance is evaluated on several quantitative and qualitative criteria including quality of investment research, investment performance (which is based on multiple factors that Smith takes into consideration), client service, quantitative research, and marketing. Performance is generally measured and reviewed on a pre-tax basis over a period of one to three years, relative to multiple indices.

Ownership of Equity Opportunity Fund Shares. The table below shows the amount of the Equity Opportunity Fund's equity securities beneficially owned by the portfolio manager as of September 30, 2025 and stated as one of the following ranges: A = None; B = \$1-\$10,000; C = \$10,001-\$50,000; D = \$50,001-\$100,000; E = \$100,001-\$500,000; F = \$500,001-\$1,000,000; and G = over \$1,000,000.

| <u>Name of Portfolio Manager</u> | <u>Dollar Range of Equity Securities in the Fund</u> |
|----------------------------------|--|
| Eivind Olsen, CFA                | C  |
| John D. Brim, CFA                | B  |

Other Accounts. In addition to the Equity Opportunity Fund, the portfolio manager is responsible for the day-to-day management of certain other accounts. The table below shows the number of, and total assets in, such other accounts as of December 31, 2024.

| <u>Portfolio Manager</u>                            | <u>Registered Investment Companies</u> |                     | <u>Other Pooled Investment Vehicles</u> |                     | <u>Other Accounts</u>     |                     |
|---|--|---------------------|---|---------------------|---------------------------|---------------------|
|   | <u>Number of Accounts</u>              | <u>Total Assets</u> | <u>Number of Accounts</u>               | <u>Total Assets</u> | <u>Number of Accounts</u> | <u>Total Assets</u> |
| <b>All Accounts</b>                                 |  |                     |   |                     |                           |                     |
| Eivind Olsen, CFA . . . . .                         | 5                                      | \$649,806,052       | 0                                       | \$0                 | 95                        | \$2,148,900,747     |
| John D. Brim, CFA . . . . .                         | 6                                      | \$676,958,232       | 0                                       | \$0                 | 96                        | \$2,198,986,445     |
| <b>Accounts with Performance-Based Advisory Fee</b> |  |                     |   |                     |                           |                     |
| Eivind Olsen, CFA . . . . .                         | 0                                      | \$ 0                | 0                                       | \$0                 | 0                         | \$ 0                |
| John D. Brim, CFA . . . . .                         | 0                                      | \$ 0                | 0                                       | \$0                 | 0                         | \$ 0                |

**Administrator, Fund Accountant, and Transfer Agent.** Ultimus Fund Solutions, LLC provides administration, fund accounting, and transfer agency services to the Funds (“Administrator”). The Administrator is located at 225 Pictoria Drive, Suite 450, Cincinnati, Ohio 45246. The Administrator performs the following services for each Fund: (i) procures on behalf of the Trust, and coordinates with the custodian and monitors the services it provides to each Fund; (ii) coordinates with and monitors any other third parties furnishing services to a Fund; (iii) provides a Fund with necessary office space, telephones, and other communications facilities and personnel competent to perform administrative and clerical functions for each Fund; (iv) assists or supervises the maintenance by third parties of such books and records of each Fund as may be required by applicable federal or state law; (v) assists in the preparation of all federal, state, and local tax returns and reports of each Fund required by applicable law; (vi) assists in the preparation of and, after approval by the Trust, files and arranges for the distribution of proxy materials and periodic reports to shareholders of each Fund as required by applicable law; (vii) assists in the preparation of and, after approval by the Trust, arranges for the filing of such registration statements and other documents with the SEC and other federal and state regulatory authorities as may be required by applicable law; (viii) reviews and submits to the officers of the Trust for their approval invoices or other requests for payment of Fund expenses and instructs the Custodian to issue checks in payment thereof; and (ix) takes such other action with respect to each Fund as may be necessary in the opinion of the Administrator to perform its duties under the agreement. The Administrator will also provide certain accounting and pricing services for each Fund.

For the fiscal years ended September 30 of the years shown below, each Fund paid the following administration and accounting fees to the Administrator:

|                                     | <u>2025</u> | <u>2024</u>              | <u>2023</u>            |
|-------------------------------------|-------------|--------------------------|------------------------|
| Equity Dividend Plus Fund . . . . . | \$ 74,537   | \$ 59,165 <sup>4</sup>   | \$ 37,619 <sup>4</sup> |
| Large Cap Focused Fund . . . . .    | \$288,994   | \$222,275                | \$180,956              |
| International Equity Fund . . . . . | \$ 81,624   | \$ 51,685                | N/A                    |
| High Income Fund . . . . .          | \$ 46,560   | \$ 66,819 <sup>1,3</sup> | — <sup>5</sup>         |
| Equity Opportunity Fund . . . . .   | \$ 39,630   | \$ 61,778 <sup>2,3</sup> | — <sup>5</sup>         |

1 For the period January 1, 2024 through October 18, 2024, the High Income Predecessor Fund paid \$53,378 to the Prior Advisor for administrative services. For the period October 19, 2024 through December 31, 2024, the High Income Fund paid \$13,441 to the Administrator for administration services.

2 For the period January 1, 2024 through October 18, 2024, the Equity Opportunity Predecessor Fund paid \$48,670 to the Prior Advisor for administrative services. For the period October 19, 2024 through December 31, 2024, the Equity Opportunity Fund paid \$13,108 to the Administrator for administration services.

- 3 For the fiscal year ended December 31.
- 4 The Surviving Fund's Administrator was Ultimus Fund Solutions, LLC. For the performance of these services, the Surviving Fund paid the Administrator a monthly fee based upon the average value of its daily net assets, subject to a minimum monthly fee, plus a shareholder recordkeeping fee (on a per shareholder basis) for shareholder accounts in excess of 1,000. In addition, the Surviving Fund paid out-of-pocket expenses, including but not limited to, postage, envelopes, checks, drafts, forms, reports, record storage, communication lines and all costs of external pricing services. The Surviving Fund paid administration fees to the Administrator of \$60,000 during the period April 1, 2022 through March 31, 2023; the Surviving Fund paid administration fees to the Administrator of \$37,619 during the period April 1, 2023 through September 30, 2023.
- 5 No information is presented in the table for 2023 because the Prior Advisor performed the administration services as part of its advisory contract with the Predecessor Funds and the administration fee was part of the advisory fee.

**Distributor.** Ultimus Fund Distributors, LLC, located at 225 Pictoria Drive, Suite 450, Cincinnati, Ohio 45246, is serving as each Fund's principal underwriter and acts as the distributor of each Fund's shares on a best-efforts basis, subject to various conditions. The Distributor may retain additional broker-dealers and other financial intermediaries (each a "Selling Agent") to assist in the distribution of Shares and Shares are available for purchase through these Selling Agents or directly through the Distributor. Generally, Shares are only offered to investors that are U.S. persons for U.S. federal income tax purposes.

For the fiscal years ended September 30, each Fund's distributor received the underwriting fees and other compensation listed below.

| <u>Fund</u>   | <u>2023</u> | <u>2024</u> | <u>2025</u> |
|---|-------------|-------------|-------------|
| <b>Equity Dividend Plus Fund</b> . . . . .              |             |             |             |
| - Net Underwriting Discounts and Commissions . . .      | \$ 0        | \$ 38       | \$ 18       |
| - Compensation on Redemptions and Repurchases . . . . . | \$ 0        | \$ 0        | \$ 0        |
| - Brokerage Commissions . . . . .                       | \$ 0        | \$ 150      | \$ 120      |
| - Other Compensation . . . . .                          | \$ 0        | \$ 0        | \$ 0        |
| <b>Large Cap Focused Fund</b> . . . . .                 |             |             |             |
| - Net Underwriting Discounts and Commissions . . .      | \$ 24,433   | \$ 30,742   | \$ 32,971   |
| - Compensation on Redemptions and Repurchases . . . . . | \$ 0        | \$ 0        | \$ 0        |
| - Brokerage Commissions . . . . .                       | \$141,187   | \$186,713   | \$181,170   |
| - Other Compensation . . . . .                          | \$ 0        | \$ 0        | \$ 0        |
| <b>International Equity Fund</b> . . . . .              |             |             |             |
| - Net Underwriting Discounts and Commissions . . .      | —           | \$ 2        | \$ 19       |
| - Compensation on Redemptions and Repurchases . . . . . | —           | \$ 0        | \$ 0        |
| - Brokerage Commissions . . . . .                       | —           | \$ 15       | \$ 129      |
| - Other Compensation . . . . .                          | —           | \$ 0        | \$ 0        |
| <b>High Income Fund</b> . . . . .                       |             |             |             |
| - Net Underwriting Discounts and Commissions . . .      | —           | \$ 67*      | \$ 1,915*** |
| - Compensation on Redemptions and Repurchases . . . . . | —           | \$ 0*       | \$ 0        |
| - Brokerage Commissions . . . . .                       | —           | \$ 0*       | \$ 9,099*** |
| - Other Compensation . . . . .                          | —           | **          | \$ 0        |

| <u>Fund</u>  | <u>2023</u> | <u>2024</u> | <u>2025</u> |
|--|-------------|-------------|-------------|
| <b>Equity Opportunity Fund</b> .....                       |             |             |             |
| - <b>Net Underwriting Discounts and Commissions</b> .....  | —           | \$7*        | \$ 224***   |
| - <b>Compensation on Redemptions and Repurchases</b> ..... | —           | \$0*        | \$ 0        |
| - <b>Brokerage Commissions</b> .....                       | —           | \$0*        | \$1,128***  |
| - <b>Other Compensation</b> .....                          | —           | **          | \$ 0        |

\* For the period November 23, 2024 through December 31, 2024.

\*\* The Distributor received \$1,719 from the Advisor as compensation for its distribution services to the Funds.

\*\*\* For the period January 1, 2025 through September 30, 2025.

The Surviving Fund's distributor was Ultimus Fund Distributors, LLC located at 225 Pictoria Drive, Suite 450, Cincinnati, Ohio 45246, and served as the principal underwriter of the Surviving Fund and national distributor of the Surviving Fund's shares under a Distribution Agreement.

During the fiscal year ended March 31, the Surviving Fund's distributor received the underwriting fees and other compensation listed below.

|  | <u>2023</u> |
|--|-------------|
| <b>Net Underwriting Discounts and Commissions</b> .....  | \$0         |
| <b>Compensation on Redemptions and Repurchases</b> ..... | \$0         |
| <b>Brokerage Commissions</b> .....                       | \$0         |
| <b>Other Compensation</b> .....                          | \$0         |

During the fiscal years listed below, the aggregate dollar amount of sales charges on sales of Class A shares of the High Income Predecessor Fund and the Equity Opportunity Predecessor Fund and the amount retained by the Predecessor Distributor, respectively, were as follows:

|                                | <u>Sales Charges</u> | <u>Retained<br/>by Distributor</u> |
|--------------------------------|----------------------|------------------------------------|
| <b>High Income Fund</b>        |                      |                                    |
| 2023 .....                     | \$14,698             | \$2,878                            |
| <b>Equity Opportunity Fund</b> |                      |                                    |
| 2023 .....                     | \$19,302             | \$1,930                            |

Rule 12b-1 Plan. Each Fund has adopted a Plan of Distribution pursuant to Rule 12b-1 under the 1940 Act (each a "Plan" and collectively, the "Plans"). Pursuant to the Plans, a Fund is authorized to pay the Distributor a fee relating to the distribution of shares to investors and maintenance of shareholder accounts at an annual rate of 0.25% of the average daily net assets attributable to its Class A Shares. Such fees are to be paid by a Fund monthly, or at such other intervals, as the Board shall determine. Such fees shall be based upon the average daily net assets of a Fund's shares during the preceding month and shall be calculated and accrued daily. A Fund may pay fees to the Distributor at a lesser rate, as agreed upon by the Board and the Distributor.

The initial term of each Plan is one year and will continue in effect from year to year thereafter, provided such continuance is specifically approved at least annually by a majority of the Board of the Trust and a majority of the Trustees who are not "interested persons" of the Trust and do not have a direct or indirect financial interest in the Plans ("Rule 12b-1 Trustees") by votes cast in person at a meeting called for the purpose of voting on the Plans. A Plan may be terminated at any time by the Trust or a Fund by vote of a majority of the Rule 12b-1 Trustees or by vote of a majority of the outstanding voting shares of the Fund.

A Plan may not be amended to increase materially the amount of the compensation to be paid by a Fund, unless such amendment is approved by the vote of a majority of the outstanding voting securities of a Fund (as defined

in the 1940 Act). All material amendments must be approved by a majority of the Board of the Trust and a majority of the Rule 12b-1 Trustees by votes cast in person at a meeting called for the purpose of voting on a Plan. During the term of a Plan, the selection and nomination of non-interested Trustees of the Trust will be committed to the discretion of current non-interested Trustees. The Distributor will preserve copies of a Plan, any related agreements, and all reports, for a period of not less than six years from the date of such document and for at least the first two years in an easily accessible place.

|  | <b>Cantor Fitzgerald<br/>Equity Dividend Plus<br/>Fund</b> | <b>Cantor Fitzgerald<br/>Large Cap<br/>Focused Fund</b> | <b>Cantor Fitzgerald<br/>International<br/>Equity Fund</b> | <b>Cantor Fitzgerald<br/>High Income<br/>Fund</b> | <b>Cantor Fitzgerald<br/>Equity Opportunity<br/>Fund</b> |
|--|--|---|--|---|--|
| <b>Rule 12b-1 Payments<br/>for Class A Shares<br/>(for the fiscal year<br/>ended September 30,<br/>2025) .....</b> | \$ 0   | \$ 0  | \$ 0   | \$ 0  | \$ 0   |
| <b>Advertising .....</b>   | \$ 0   | \$ 0  | \$ 0   | \$ 0  | \$ 0   |
| <b>Annual/Semiannual<br/>Reports .....</b>   | \$ 0   | \$ 0  | \$ 0   | \$ 0  | \$ 0   |
| <b>Broker Sales Charge ...</b>   | \$ 0   | \$ 0  | \$ 0   | \$ 0  | \$ 0   |
| <b>Broker Trails* .....</b>  | \$42   | \$794,285   | \$35   | \$34,879  | \$76,927   |
| <b>Salaries &amp; Commissions<br/>to Wholesalers .....</b>   | \$ 0   | \$ 0  | \$ 0   | \$ 0  | \$ 0   |
| <b>Interest on Broker Sales<br/>Charge .....</b>   | \$ 0   | \$ 0  | \$ 0   | \$ 0  | \$ 0   |
| <b>Promotion-Other .....</b>   | \$ 0   | \$ 0  | \$ 0   | \$ 0  | \$ 0   |
| <b>Prospectus Printing ....</b>  | \$ 0   | \$ 0  | \$ 0   | \$ 0  | \$ 0   |
| <b>Wholesaler Expenses ...</b>   | \$ 0   | \$ 0  | \$ 0   | \$ 0  | \$ 0   |
| <b>Total Expenses .....</b>  | \$42   | \$794,285   | \$35   | \$34,879  | \$76,927   |

**Custodian.** UMB Bank, N.A., with its principal place of business located at 928 Grand Blvd., 10th Floor, Kansas City, Missouri 64106, serves as custodian for each Fund's assets (the "Custodian"). The Custodian acts as the depository for each Fund, safekeeps its portfolio securities, collects all income and other payments with respect to portfolio securities, disburses monies at each Fund's request, and maintains records in connection with its duties as custodian. For its services, the Custodian is entitled to receive a monthly fee from the Administrator based on the average net assets of Fund plus additional out-of-pocket and transaction expenses as incurred by a Fund.

**Compliance Services Administrator.** The Trust has entered into a compliance services arrangement with Northern Lights Compliance Services. The Trust's CCO will prepare and update the Trust's compliance manual and monitor and test compliance with the policies and procedures under the Trust's compliance manual.

**Independent Registered Public Accounting Firm.** Cohen & Company, Ltd., 342 N. Water St., Suite 830, Milwaukee, WI 53202, serves as the independent registered public accounting firm for each Fund. Its services include auditing the Fund's financial statements. Cohen & Co Advisory, LLC, an affiliate of Cohen & Company, Ltd., prepares the Fund's federal, state, and excise tax returns. Shareholders will receive annual audited and semi-annual (unaudited) reports when published and written confirmation of all transactions in their account. A copy of the most recent annual report will accompany the SAI whenever a shareholder or a prospective investor requests it.



**Legal Counsel.** DLA Piper LLP serves as legal counsel to the Trust and each Fund.

## **PURCHASING SHARES**

### **General Information**

Shares of the Funds are offered on a continuous basis by the Distributor and may be purchased through authorized financial intermediaries or directly by contacting the Trust. The Trust reserves the right to suspend sales of a Fund's shares, and reject any order for the purchase of a Fund's shares if, in the opinion of management, such rejection is in a Fund's best interest. The minimum initial investment generally is \$1,000 for Class A shares. Subsequent purchases of such Classes generally must be at least \$100. The initial and subsequent investment minimums for Class A shares will be waived for purchases by officers, Trustees, and employees of the Trust, the Advisor, or any of the Advisor's affiliates if the purchases are made pursuant to a payroll deduction program. There are no minimum purchase requirements for Institutional Class and Class R6 shares (except those purchased through an automatic investment plan), but certain eligibility requirements must be met. For Class F shares, there is generally a \$10,000,000 minimum initial investment and no subsequent investment minimum, and certain additional eligibility requirements must be met.

Financial intermediaries are responsible for transmitting orders promptly. The Funds reserve the right to reject any order for the purchase of its shares if in the opinion of management such rejection is in a Fund's best interest. If a purchase is canceled because your check is returned unpaid, you are responsible for any loss incurred. A Fund can redeem shares from your account(s) to reimburse itself for any loss, and you may be restricted from making future purchases in a Fund. The Funds reserve the right to reject purchase orders paid by third-party checks or checks that are not drawn on a domestic branch of a US financial institution. If a check drawn on a foreign financial institution is accepted, you may be subject to additional bank charges for clearance and currency conversion.

The Funds also reserve the right, following shareholder notification, to charge a service fee on nonretirement accounts that, as a result of redemption, have remained below the minimum stated account balance for a period of three or more consecutive months. Holders of such accounts may be notified of their insufficient account balance and advised that they have until the end of the current calendar quarter to raise their balance to the stated minimum. If the account has not reached the minimum balance requirement by that time, a Fund may charge a \$9 fee for that quarter and each subsequent calendar quarter until the account is brought up to the minimum balance. No fees will be charged without proper notice, and no CDSC will apply to such assessments.

In addition, the Funds reserve the right, upon 60 days' written notice, to involuntarily redeem accounts that remain under the minimum initial purchase amount as a result of redemptions. An investor making the minimum initial investment may be subject to involuntary redemption without the imposition of a CDSC or limited contingent deferred sales charge ("Limited CDSC") if he or she redeems any portion of his or her account.

Minimum purchase and minimum balance requirements do not apply to accounts participating in advisory or asset-allocation programs covered by financial intermediaries. Certain accounts held in omnibus or programs covered by certain intermediaries may be opened with less than the minimum stated account balance and may maintain balances that are below the minimum stated account balance without incurring a service fee or being subject to involuntary redemption.

FINRA has adopted amendments to its Conduct Rules, relating to investment company sales charges. The Trust and the Distributor intend to operate in compliance with these rules.

Certificates representing shares purchased are not ordinarily issued. An investor will be permitted to obtain a certificate in certain limited circumstances that are approved by an appropriate officer of the Funds. No charge is assessed by the Trust for any certificate issued. The Funds do not intend to issue replacement certificates for lost

or stolen certificates, except in certain limited circumstances that are approved by an appropriate officer of the Funds. In those circumstances, a shareholder may be subject to fees for replacement of a lost or stolen certificate, under certain conditions, including the cost of obtaining a bond covering the lost or stolen certificate. Please contact the Trust for further information. Investors who hold certificates representing any of their shares may only redeem those shares by written request. The investor's certificate(s) must accompany such request.

**Contact your financial intermediary for specific information regarding the availability and suitability of various account options described throughout this SAI. Contact your financial intermediary for specific information with respect to the financial intermediary's policies regarding minimum purchase and minimum balance requirements and involuntary redemption, which may differ from what is described throughout this SAI.**

## **REDEMPTION AND EXCHANGE**

### **General Information**

You can redeem or exchange your shares in a number of different ways that are described below. Your shares will be redeemed or exchanged at a price based on the NAV next determined after the Fund receives your request in good order, subject, in the case of a redemption, to any Limited CDSC. For example, redemption or exchange requests received in good order after the time the offering price and NAV of shares are determined will be processed on the next Business Day. See "How to redeem shares" in the Prospectus. A shareholder submitting a redemption request may indicate that he or she wishes to receive redemption proceeds of a specific dollar amount. In the case of such a request, and in the case of certain redemptions from retirement plan accounts, a Fund will redeem the number of shares necessary to deduct the Limited CDSC in the case of Class A shares and tender to the shareholder the requested amount, assuming the shareholder holds enough shares in his or her account for the redemption to be processed in this manner. Otherwise, the amount tendered to the shareholder upon redemption will be reduced by the amount of the Limited CDSC. Redemption proceeds will be distributed promptly, as described below, but not later than seven days after receipt of a redemption request.

Except as noted below, for a redemption request to be in "good order," you must provide the name of a Fund, your account number, account registration, and the total number of shares or dollar amount of the transaction. For exchange requests, you must also provide the name of the class in which you want to invest the proceeds. Exchange instructions and redemption requests must be signed by the record owner(s) exactly as the shares are registered. You may request a redemption or an exchange by calling the Funds at 1-833-764-2266. A Fund may suspend, terminate, or amend the terms of the exchange privilege upon 60 days' written notice to shareholders.

Orders for the repurchase of a Fund's shares that are submitted to a Fund prior to the close of its Business Day will be executed at the NAV per share computed that day (subject to the applicable CDSC or Limited CDSC), if the repurchase order was received by the financial intermediary from the shareholder prior to the time the offering price and NAV are determined on such day. The financial intermediary has the responsibility of transmitting orders to a Fund promptly. Such repurchase is then settled as an ordinary transaction with the financial intermediary (who may make a charge to the shareholder for this service) delivering the shares repurchased.

Payment for shares redeemed will ordinarily be mailed the next Business Day, but in no case later than seven days, after receipt of a redemption request in good order by either the Fund or certain other authorized persons (see "Distributor" under "Investment Manager and Other Service Providers"); provided, however, that each commitment to mail or wire redemption proceeds by a certain time, as described below, is modified by the qualifications described in the next paragraph.

A Fund will process written and telephone redemption requests to the extent that the purchase orders for the shares being redeemed have already settled. A Fund will honor redemption requests as to shares for which a

check was tendered as payment, but a Fund will not mail or wire the proceeds until they are reasonably satisfied that the purchase check has cleared, which may take up to 15 calendar days from the purchase date. You can avoid this potential delay if you purchase shares by wiring Federal Funds. A Fund reserves the right to reject a written or telephone redemption request or delay payment of redemption proceeds if there has been a recent change to the shareholder's address of record.

If a shareholder has been credited with a purchase by a check that is subsequently returned unpaid for insufficient funds or for any other reason, a Fund will automatically redeem from the shareholder's account the shares purchased by the check plus any dividends earned thereon. Shareholders may be responsible for any losses to the Fund or to the Distributor.

In case of a suspension of the determination of the NAV because the NYSE is closed for reasons other than weekends or holidays, or trading thereon is restricted or an emergency exists as a result of which disposal by a Fund of securities owned by them is not reasonably practical, or it is not reasonably practical for a Fund to fairly value their assets, or in the event that the SEC has provided for such suspension for the protection of shareholders, a Fund may postpone payment or suspend the right of redemption or repurchase. In such cases, the shareholder may withdraw the request for redemption or leave it standing as a request for redemption at the NAV next determined after the suspension has been terminated.

Payment for shares redeemed or repurchased may be made either in cash or in kind, or partly in cash and partly in kind. Any portfolio securities paid or distributed in kind would be valued as described in "Determining Offering Price and Net Asset Value" above. Subsequent sale by an investor receiving a distribution in kind could result in the payment of brokerage commissions. However, the Trust has elected to be governed by Rule 18f-1 under the 1940 Act pursuant to which a Fund is obligated to redeem shares solely in cash up to the lesser of \$250,000 or 1.00% of the NAV of such Fund during any 90-day period for any one shareholder.

The value of a Fund's investments is subject to changing market prices. Thus, a shareholder redeeming shares of a Fund may sustain either a gain or loss, depending upon the price paid and the price received for such shares.

Certain redemptions of Class A shares purchased at NAV may result in the imposition of a Limited CDSC. See "Contingent Deferred Sales Charge for Certain Redemptions of Class A shares Purchased at Net Asset Value" below. Except for the Limited CDSC and, with respect to the expedited payment by wire described below for which, in the case of Class A shares, there may be a bank wiring cost, neither the Fund nor the Distributor charge a fee for redemptions or repurchases, but such fees could be charged at any time in the future.

A Fund discourages purchases by market timers and purchase orders by shareholders identified as market timers may be rejected. A Fund will consider anyone who follows a pattern deemed market timing in a Fund to be a market timer. Your ability to use a Fund exchange privilege may be limited if you are identified as a market timer. If you are identified as a market timer, we will execute the redemption side of your exchange order but may refuse the purchase side of your exchange order. See the Fund's Prospectus for more information on their market timing policies.

**Contact your financial intermediary for specific information regarding the availability and suitability of various account options described throughout this SAI.**

## **NET ASSET VALUE**

The NAV of each Fund is determined at the close of regular trading on the NYSE (normally 4:00 p.m., Eastern Time). Each Fund's NAV is not calculated on the days on which the NYSE is closed. The NYSE generally recognizes the following holidays: New Year's Day, Martin Luther King, Jr. Day, President's Day, Good Friday, Memorial Day, Juneteenth National Independence Day, Independence Day, Labor Day, Thanksgiving Day, and

Christmas Day. The days on which these holidays are observed and any other holiday recognized by the NYSE will be deemed a business holiday on which the NAV of a Fund will not be calculated.

The NAV per share of each Fund is calculated by adding the value of each Fund's respective securities and other assets belonging to the Fund, subtracting the liabilities charged to the Fund, and dividing the result by the number of outstanding shares of the Fund. "Assets belonging to" the Fund consist of the consideration received upon the issuance of shares of the Fund together with all net investment income, realized gains/losses and proceeds derived from the investment thereof, including any proceeds from the sale of such investments, any funds or payments derived from any reinvestment of such proceeds, and a portion of any general assets of the Trust not belonging to a particular series of shares. Assets belonging to each Fund are charged with the direct liabilities of the Fund and with a share of the general liabilities of the Trust, which are normally allocated in proportion to the number of or the relative NAVs of all of the Trust's series at the time of allocation or in accordance with other allocation methods approved by the Trustees. Subject to the provisions of the Agreement and Declaration of Trust determinations by the Trustees as to the direct and allocable liabilities, and the allocable portion of any general assets, with respect to a Fund are conclusive.

The pricing and valuation of portfolio securities is determined in good faith in accordance with procedures established by, and under the direction of, the Trustees. Values are determined according to generally accepted accounting practices and all laws and regulations that apply. Using methods approved by the Trustees, the assets of each Fund are valued as follows:

- Securities that are listed on a securities exchange are valued at the last quoted sales price provided by a third-party pricing service at the time the valuation is made. Price information on listed securities is taken from the exchange where the security is primarily traded by the Fund.
- Securities that are listed on an exchange and which are not traded on the valuation date are valued at the bid price.
- Unlisted securities for which market quotations are readily available are valued at the latest quoted sales price, if available, at the time of valuation, otherwise, at the latest quoted bid price.
- Options are valued at the mean of the last quoted bid and ask prices at the time of valuation.
- Foreign securities listed on foreign exchanges are valued with quotations from the primary market in which they trade and are translated from the local currency into U.S. dollars
- Temporary cash investments with maturities of 60 days or less will be valued at amortized cost, which approximates market value. Instruments with maturities in excess of sixty days are valued at prices provided by a third-party pricing source.
- Securities for which no current quotations are readily available are valued at fair value as determined in good faith using methods approved by the Trustees. Securities may be valued on the basis of prices provided by a pricing service when such prices are believed to reflect the fair market value of such securities.

## **ADDITIONAL TAX INFORMATION**

The following summarizes certain additional tax considerations generally affecting the Fund and its shareholders that are not described in the Prospectus. No attempt is made to present a detailed explanation of the tax treatment of each Fund or its shareholders or any particular category of shareholders. The discussions here and in the Prospectus are not intended as a substitute for careful tax planning and are based on United States federal income tax laws that are in effect on the date hereof and which may be changed by legislative, judicial, or administrative action. In addition, no attempt is made to address tax concerns applicable to an investor with a special tax status such as a financial institution, real estate investment trust, insurance company, regulated investment company,

individual retirement account, other tax-exempt entity, dealer in securities or non-U.S. investor. Furthermore, this discussion does not reflect possible application of the alternative minimum tax. Unless otherwise noted, this discussion assumes the common shares are held by U.S. persons and that such shares are held as capital assets. Investors are advised to consult their tax advisors with specific reference to their own tax situations.

Each Fund, and any other series of the Trust, will be treated as a separate corporate entity under the Internal Revenue Code of 1986, as amended (“Code”), and intends to qualify or remain qualified as a regulated investment company under Subchapter M of the Code. In order to so qualify, each Fund must elect to be a regulated investment company or have made such an election for a previous year and must satisfy certain requirements relating to the amount of distributions and source of its income for a taxable year. At least 90% of the gross income of each Fund must be derived from dividends, interest, payments with respect to securities loans, gains from the sale or other disposition of stocks, securities, or foreign currencies, and other income derived with respect to each Fund’s business of investing in such stock, securities or currencies and net income derived from an interest in a qualified publicly traded partnership. Any income derived by a Fund from a partnership (other than a qualified publicly traded partnership) or trust is treated as derived with respect to a Fund’s business of investing in stock, securities, or currencies only to the extent that such income is attributable to items of income that would have been qualifying income if realized by a Fund in the same manner as by the partnership or trust.

An investment company may not qualify as a regulated investment company for any taxable year unless it satisfies certain requirements with respect to the diversification of its investments at the close of each quarter of the taxable year. In general, at least 50% of the value of its total assets must be represented by cash, cash items, government securities, securities of other regulated investment companies, and other securities which, with respect to any one issuer, do not represent more than 5% of the total assets of a Fund or more than 10% of the outstanding voting securities of such issuer. In addition, not more than 25% of the value of a Fund’s total assets may be invested in (i) the securities (other than government securities or the securities of other regulated investment companies) of any one issuer; (ii) the securities of two or more issuers (other than securities of another regulated investment company) if the issuers are controlled by a Fund and they are, pursuant to Internal Revenue Service Regulations, engaged in the same or similar or related trades or businesses; or (iii) the securities of one or more publicly traded partnerships. Each Fund intends to satisfy all requirements on an ongoing basis for continued qualification as a regulated investment company.

Some, but not all, of the dividends paid by a Fund may be taxable at the reduced long-term capital gains tax rate for individual shareholders. If a Fund designates a dividend as qualified dividend income, it generally will be taxable to individual shareholders at the long-term capital gains tax rate, provided certain holding period requirements are met.

Taxable dividends paid by a Fund to corporate shareholders will be taxed at corporate income tax rates. Corporate shareholders may be entitled to a dividends received deduction (“DRD”) for a portion of the dividends paid and designated by a Fund as qualifying for the DRD.

If a Fund designates a dividend as a capital gains distribution, it generally will be taxable to shareholders as long-term capital gains, regardless of how long the shareholders have held their Fund shares or whether they received in cash or reinvested in additional shares. All taxable dividends paid by a Fund other than those designated as qualified dividend income or capital gains distributions will be taxable as ordinary income to shareholders, whether received in cash or reinvested in additional shares. To the extent a Fund engages in increased portfolio turnover, short-term capital gains may be realized, and any distribution resulting from such gains will be considered ordinary income for federal tax purposes. A Fund’s net realized capital gains from securities transactions will be distributed only after reducing such gains by the amount of any available capital loss carryforwards. Capital losses may be carried forward indefinitely and retain the character of the original loss. Capital loss carryforwards are available to offset future realized capital gains. To the extent that these carryforwards are used to offset future capital gains it is probable that the amount offset will not be distributed to shareholders. As of September 30, 2021, the Surviving Fund had no capital loss carryforwards.

Certain individuals, estates, and trusts may pay a 3.8% Medicare surtax on “net investment income” including, among other things, dividends, and proceeds of sale in respect of securities like the shares, subject to certain exceptions. Prospective investors should consult with their own tax advisors regarding the effect, if any, of this surtax on their ownership and disposition of the shares.

Shareholders who hold Fund shares in a tax-deferred account, such as a retirement plan, generally will not have to pay tax on Fund distributions until they receive distributions from their account.

Each Fund, and any other series of the Trust, will designate (i) any dividend of qualified dividend income as qualified dividend income; (ii) any distribution of long-term capital gains as a capital gain dividend; and (iii) any dividend eligible for the corporate DRD as such in a written notice mailed to shareholders within 60 days after the close of a Fund’s taxable year. Shareholders should note that, upon the sale or exchange of Fund shares, if such shares have not been held for at least six months, any loss on the sale or exchange of those shares will be treated as long-term capital loss to the extent of the capital gain dividends received with respect to the shares.

To the extent that a distribution from a Fund is taxable, it is generally included in a shareholder’s gross income for the taxable year in which the shareholder receives the distribution. However, if a Fund declares a dividend in October, November, or December but pays it in January, it will be taxable to shareholders as if the dividend was received in the year it was declared. Every year, each shareholder will receive a statement detailing the tax status of any Fund distributions for that year.

A 4% nondeductible excise tax is imposed on regulated investment companies that fail to currently distribute an amount equal to specified percentages of their ordinary taxable income and capital gain net income (excess of capital gains over capital losses). A Fund intends to make sufficient distributions or deemed distributions of its ordinary taxable income and any capital gain net income prior to the end of each calendar year to avoid liability for this excise tax.

If for any taxable year a Fund does not qualify for the special federal income tax treatment afforded regulated investment companies, all of its taxable income will be subject to federal income tax at regular corporate rates (without any deduction for distributions to its shareholders) at a Fund level. In such event, dividend distributions (whether or not derived from interest on tax-exempt securities) would be taxable as qualified dividends to individual shareholders, to the extent of a Fund’s current and accumulated earnings and profits, and would be eligible for the DRD for corporations, provided in each case that certain holding period and other requirements are met.

In general, a shareholder who sells or redeems shares will realize a capital gain or loss, which will be long-term or short-term, depending upon the shareholder’s holding period for a Fund shares. An exchange of shares may be treated as a sale and any gain may be subject to tax.

Each Fund will be required in certain cases to withhold and remit to the U.S. Treasury a percentage of taxable dividends or of gross proceeds realized upon sale paid to shareholders who (i) have failed to provide a correct taxpayer identification number in the manner required; (ii) are subject to back-up withholding by the Internal Revenue Service for failure to include properly on their return payments of taxable interest or dividends; or (iii) have failed to certify to the Fund that they are not subject to backup withholding when required to do so. Back-up withholding is not an additional tax. Any amounts withheld from payments to you may be refunded or credited against your U.S. federal income tax liability, if any, provided that the required information is furnished to the Internal Revenue Service.

Depending upon the extent of a Fund’s activities in states and localities in which its offices are maintained, in which its agents or independent contractors are located, or in which it is otherwise deemed to be conducting business, a Fund may be subject to the tax laws of such states or localities. In addition, in those states and localities that have income tax laws, the treatment of a Fund and its shareholders under such laws may differ from their treatment under federal income tax laws.



Dividends paid by a Fund to non-U.S. shareholders may be subject to U.S. withholding tax unless reduced by treaty (and the shareholder files a valid Internal Revenue Service Form W-8BEN, or other applicable form, with the Fund certifying foreign status and treaty eligibility) or the non-U.S. shareholder files an Internal Revenue Service Form W-8ECI, or other applicable form, with a Fund certifying that the investment to which the distribution relates is effectively connected to a United States trade or business of such non-U.S. shareholder (and, if certain tax treaties apply, is attributable to a United States permanent establishment maintained by such non-U.S. shareholder). Each Fund may elect not to withhold the applicable withholding tax on any distribution representing a capital gain dividend to a non-U.S. shareholder. Special rules may apply to non-U.S. shareholders with respect to the information reporting requirements and withholding taxes and non-U.S. shareholders should consult their tax advisors with respect to the application of such reporting requirements and withholding taxes.

Each Fund will send shareholders information each year on the tax status of dividends and distributions. A dividend or capital gains distribution paid shortly after shares have been purchased, although in effect a return of investment, is subject to federal income taxation. Dividends from net investment income, along with capital gains, will be taxable to shareholders, whether received in cash or Fund shares and no matter how long the shareholder has held Fund shares, even if they reduce the NAV of shares below the shareholder's cost and thus, in effect, result in a return of a part of the shareholder's investment.

## **DISCLOSURE OF PORTFOLIO HOLDINGS**

The Board has adopted a policy that governs the disclosure of portfolio holdings. This policy is intended to ensure that such disclosure is in the best interests of the shareholders of the Funds and to address possible conflicts of interest. Under the Funds' policy, each Fund generally will not disclose portfolio holdings to a third party unless such information is made available to the public. The policy provides that a Fund may disclose non-public portfolio holdings information as required by law and under other limited circumstances that are set forth in more detail below.

In accordance with these policies and procedures, each Fund may provide portfolio holdings information to third parties no earlier than the time a report is filed with the SEC that is required to contain such information or one day after the information is posted on a Fund's publicly accessible website <https://equitydividendplusfund.cantorassetmanagement.com/>; <https://largecapfocusedfund.cantorassetmanagement.com/>; <https://InternationalEquityFund.cantorassetmanagement.com/>; <https://highincomefund.cantorassetmanagement.com/>; or <https://equityopportunityfund.cantorassetmanagement.com/>. In addition, top positional holdings and portfolio-related statistical information may be publicly disclosed periodically.

The Funds do not selectively disclose their respective Fund holdings to any person, other than rating agencies, those entities referenced below. Such disclosures are made only on the condition that the information is kept confidential.

Under limited circumstances, as described below, a Fund's portfolio holdings may be disclosed to, or known by, certain third parties in advance of their publication. In each case, a determination has been made that such advance disclosure is supported by a legitimate business purpose and that the recipient is subject to a duty to keep the information confidential.

- The Advisor. Personnel of the Advisor, including personnel responsible for managing a Fund's portfolios, may have full daily access to Fund portfolio holdings since that information is necessary in order for the Advisor to provide its management, administrative, and investment services to a Fund. As required for purposes of analyzing the impact of existing and future market changes on the prices, availability, demand and liquidity of such securities, as well as for the assistance of portfolio managers

in the trading of such securities, Advisor personnel may also release and discuss certain portfolio holdings with various broker-dealers and independent pricing services.

- Administrator. Personnel of the Administrator have full daily access to a Fund's portfolio holdings since that information is necessary in order for them to provide the agreed-upon services for the Trust.
- Custodian. Personnel of the Custodian and its agents have full daily access to a Fund's portfolio holdings since that information is necessary in order for them to provide the agreed-upon services for the Trust.
- Rating Agencies. Morningstar, Lipper, and other mutual fund rating agencies may also receive a Fund's full portfolio holdings, generally quarterly on a 30-day lag basis with the understanding that such holdings may be posted or disseminated to the public by the rating agencies at any time. The rating agencies may receive the holdings information earlier than the 30-day lag if confidentiality agreements are in place.
- Auditors, Tax Accountants. Personnel of a Fund's independent registered public accounting firm have access to a Fund's portfolio holdings in connection with auditing of a Fund's annual financial statements and providing assistance and consultation in connection with SEC filings.
- Fund Counsel. Personnel of a Fund's counsel have access to a Fund's portfolio holdings in connection with review of the Fund's annual and semi-annual shareholder reports and SEC filings.

Other than as described above, the Funds do not have in place any ongoing arrangements to provide information regarding portfolio holdings to any person. Neither the Funds nor any other person will receive any compensation or other consideration in return for the disclosure of portfolio holdings information.

There is no assurance that the Trust's policies on disclosure of portfolio holdings will protect the Funds from the potential misuse of holdings information by individuals or firms in possession of that information.

The Trust's Chief Compliance Officer is the person responsible, and whose prior approval is required, for any disclosure of the Fund's portfolio securities at any time or to any persons other than those described above. In such cases, the recipient must have a legitimate business need for the information and must be subject to a duty to keep the information confidential.

## **FINANCIAL STATEMENTS**

The audited financial statements of the Funds for the fiscal year ended September 30, 2025, including the financial highlights appearing in the Annual Report to shareholders, are incorporated by reference from the Form N-CSR of the Trust filed on December 9, 2025, and made a part of this document. You may request a copy of the annual report at no charge by calling the Funds at 1-833-764-2266 or by visiting

<https://equitydividendplusfund.cantorassetmanagement.com/>;

[https://largecapfocusedfund.cantorassetmanagement.com](https://largecapfocusedfund.cantorassetmanagement.com/);

[https://InternationalEquityFund.cantorassetmanagement.com](https://InternationalEquityFund.cantorassetmanagement.com/);

[https://highincomefund.cantorassetmanagement.com](https://highincomefund.cantorassetmanagement.com/); or

[https://equityopportunityfund.cantorassetmanagement.com](https://equityopportunityfund.cantorassetmanagement.com/).

## APPENDIX A –DESCRIPTION OF RATINGS

A Fund may acquire from time-to-time certain securities that meet the following minimum rating criteria (“Investment-Grade Debt Securities”) (or if not rated, of equivalent quality as determined by the Advisor). The various ratings used by the nationally recognized securities rating services are described below.

A rating by a rating service represents the service’s opinion as to the credit quality of the security being rated. However, the ratings are general and are not absolute standards of quality or guarantees as to the creditworthiness of an issuer. Consequently, the Advisor believes that the quality of Investment-Grade Debt Securities in which the Fund may invest should be continuously reviewed and that individual analysts give different weightings to the various factors involved in credit analysis. A rating is not a recommendation to purchase, sell, or hold a security, because it does not take into account market value or suitability for a particular investor. When a security has received a rating from more than one service, each rating is evaluated independently. Ratings are based on current information furnished by the issuer or obtained by the rating services from other sources that they consider reliable. Ratings may be changed, suspended, or withdrawn as a result of changes in or unavailability of such information, or for other reasons.

**S&P Global Ratings.** The following summarizes the highest four ratings used by S&P Global Ratings, a division of McGraw-Hill Companies, Inc., for bonds which are deemed to be Investment-Grade Debt Securities by the Advisor:

AAA – An obligation rated ‘AAA’ has the highest rating assigned by S&P Global Ratings. The obligor’s capacity to meet its financial commitment 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 commitment on the obligation 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.

To provide more detailed indications of credit quality, the AA, A, and BBB ratings may be modified by the addition of a plus or minus sign to show relative standing within these major rating categories.

Bonds rated BB, B, CCC, CC, and C are not considered by the Advisor to be Investment-Grade Debt Securities and 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.

Commercial paper rated A-1 by S&P Global Ratings indicates that the degree of safety regarding timely payment is strong. Those issues determined to possess extremely strong safety characteristics are denoted A-1+. Capacity for timely payment on commercial paper rated A-2 is satisfactory, but the relative degree of safety is not as high as for issues designated A-1.

The rating SP-1 is the highest rating assigned by S&P Global Ratings to short term notes and indicates 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. The rating SP-2 indicates a satisfactory capacity to pay principal and interest, with some vulnerability to adverse financial and economic changes over the term of the notes. The rating SP-3 indicates a speculative capacity to pay principal and interest.

**Moody's Investor Service, Inc.** The following summarizes the highest four ratings used by Moody's Investors Service, Inc. ("Moody's") for fixed-income obligations with an original maturity of one year or more, which are deemed to be Investment-Grade Securities by the Advisor:

Aaa – Bond obligations rated Aaa are judged to be of the highest quality, subject to the lowest level of credit risk.

Aa – Bond obligations rated Aa are judged to be of high quality and are subject to very low credit risk.

A – Bond obligations rated A are considered upper-medium grade and are subject to low credit risk.

Baa – Bond obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

Obligations that are rated Ba, B, Caa, Ca, or C by Moody's are not considered "Investment-Grade Debt Securities" by the Advisor. Obligations rated Ba are judged to have speculative elements and are subject to substantial credit risk. Obligations rated B are considered speculative and are subject to high credit risk. Obligations rated Caa are judged to be of poor standing and are subject to very high credit risk.

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.

#### Short-Term 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 individual short-term debt instruments. Such obligations generally have an original maturity not exceeding thirteen months, unless explicitly noted.

Moody's employs the following designations to indicate the relative repayment ability of rated issuers:

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 debt 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.

#### US Municipal Short-Term Debt And Demand Obligation Ratings.

*Short-Term Debt 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.

*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.

**Fitch Ratings.** The following summarizes the highest four ratings used by Fitch, Inc. ("Fitch"):

#### Long-Term Ratings.

AAA – Highest credit quality. 'AAA' ratings denote the lowest expectation of credit risk. They are assigned only in cases of exceptionally strong capacity for timely 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 default 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 default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.



BBB – Good credit quality. ‘BBB’ ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity.

Long-term securities rated below BBB by Fitch are not considered by the Advisor to be investment-grade securities. Securities rated BB and B are regarded as speculative with regard to a possible credit risk developing. BB is considered speculative and B is considered highly speculative. Securities rated CCC, CC, and C are regarded as a high default risk. A rating CC indicates that default of some kind appears probable, while a rating C signals imminent default. Securities rated DDD, D, and D indicate a default has occurred.

#### Short-Term Ratings.

F1 – Highest short-term credit quality. The rating F1 indicates the strongest intrinsic capacity for timely payment of financial commitments; may have an added “+” to denote any exceptionally strong credit feature.

F2 – Good short-term credit quality. The rating F2 indicates good intrinsic capacity for timely payment of financial commitments.

F3 – Fair short-term credit quality. The rating F3 indicates the intrinsic capacity for timely payment of financial commitments is adequate.

B – Speculative short-term credit quality. The rating B indicates minimal capacity for timely payment of financial commitments, plus heightened vulnerability to near term adverse changes in financial and economic conditions.

Short-term rates B, C, and D by Fitch are considered by the Advisor to be below investment-grade securities. Short-term securities rated B are considered speculative, securities rated C have a high default risk, and securities rated D denote actual or imminent payment default.

(+) or (-) suffixes may be appended to a rating to denote relative status within major rating categories. Such suffixes are not added to long-term ratings “AAA” category, categories below “CCC”, or short-term ratings other than “F1”. The suffix “NR” indicates that Fitch does not publicly rate the issuer or issue in question.

## **APPENDIX B – PROXY VOTING POLICIES**

### **Cantor Fitzgerald Investment Advisors, L.P.**

#### **Statement of Policies and Procedures Relating to Proxy Voting**

A proxy permits a shareholder to vote without being present at annual or special shareholder meetings. A proxy is the form whereby a person who is eligible to vote on corporate matters transmits written instructions for voting or transfers the right to vote to another person. Cantor Fitzgerald Investment Advisors, L.P. (CFIA) has been assigned the responsibility for voting proxies for most of the accounts under its management. We have adopted and implemented policies and procedures that we believe are reasonably designed to ensure that proxies are voted in the best interest of clients, in accordance with our fiduciary duties.

#### **PROCEDURES**

Proxy voting procedures at CFIA are designed to ensure that all proxies for which we are eligible to vote are voted in a timely manner and in accordance with our Proxy Voting Policies (incorporated herein). The procedures are designed and implemented in a way that is reasonably expected to ensure that proxy matters are conducted in the best interest of clients.

Responsibility for proxy voting administration and oversight is assigned to the CFIA Proxy Voting Committee, comprised of members from the CFIA Investment Committee. The Proxy Voting Committee is responsible for:

- Developing, updating, and implementing the policies and procedures.
- Overseeing the proxy voting process.
- Monitoring legislative and corporate governance developments and coordinating any communication related to proxy issues.
- Meeting regularly as necessary to fulfill its responsibilities.
- Annual review of all proxy policies.

All proxy materials received at CFIA are recorded upon receipt and holdings are cross-checked to ensure that all proxies are received and voted before the deadline. The proxy material is delivered to the member of the CFIA Investment Committee designated to vote the proxy on a company-by-company basis. That person bears the responsibility of voting each proxy in a timely fashion in accordance with proxy voting guidelines. In any case where the adopted guidelines are not clear or in a case where, based upon the judgment of the voting person, a vote is cast in a fashion contrary to the guidelines, justification for the exception is documented in writing. The votes are cast, and any notation or comments are filed with the proxy materials and maintained at the offices of CFIA.

Each proxy is checked against the Potential Conflict of Interest Checklist as it is received. This is a list maintained by the Proxy Voting Committee of any public companies where a potential conflict exists at CFIA. Such conflict may arise due to a real or contemplated commercial relationship with that company, where an CFIA client is a party to a shareholder proposal or where an CFIA employee serves in a professional capacity (such as a director) for that company. In an instance where a proxy is received from a company on that list, that proxy is immediately forwarded to the CFIA Executive Committee for action. If a true conflict of interest exists, CFIA will consult an independent third party under a special contractual arrangement. CFIA will determine that the third party does not have a conflict of interest regarding the issuer in question. CFIA will vote the proxy in accordance with the recommendation of that third party consultant.

In an instance where an apparent conflict does exist and the shares represented are deemed immaterial, the proxy will be voted according to CFIA materiality policy guidelines *without* consulting an independent third party. (See

**XII. De Minimis Holdings)** A holding will be considered to be de minimis if the total market value of the holding is less than \$350,000 and is less than 0.01% of total equity market cap of outstanding shares for that company. Voting these immaterial holdings is unlikely to impact the outcome of a shareholder vote.

All proxy vote records are maintained at CFIA and are available for client review upon request.

## **PROXY VOTING POLICIES**

Our policy is guided by our fiduciary responsibility of loyalty as well as a reasonable standard of care whereby investment actions are carried out for the sole benefit of the shareholder and are never compromised. Each proxy vote represents a valuable right, essentially an asset, which is an important and integral part of investment management. These proxy guidelines are adopted to ensure consistency of application. Each vote, however, is ultimately decided on a case-by-case basis considering all other relevant facts and circumstances at the time of the vote.

**I. General Philosophy-** After an initial review, CFIA will generally vote with management on routine matters related to the operation of the company that are not expected to have a material impact on the company and/or shareholders. CFIA will review and analyze on a case-by-case basis, non-routine proposals that are more likely to affect the structure and/or operation of the issuer and to have a greater impact on the value of the investment.

Corporate Governance – CFIA reviews and considers corporate governance issues related to proxy matters and generally supports proposals that foster good corporate governance practices.

Such Other Business – Ballots sometimes contain a proposal granting the board authority to “transact such other business as may properly come before the meeting.” CFIA will typically vote against such proposals, as granting management the proxy to vote using its full discretion is imprudent.

**II. Board of Directors -** Separating the positions of Chairman and CEO - In order to maximize the board’s ability to oversee the actions of management by eliminating the potential conflict of interest, CFIA will generally vote in favor of such proposals.

Independence- CFIA will generally vote for the proposed slate of directors after a fully satisfactory review that ensures that the Nominating Committee is completely independent from management, that there is no material evidence of interlocking directorates, and that the composition of the board is sufficiently independent of company management.

Limitations on Director Tenure and Retirement – CFIA will generally favor proposals to limit the term of outside directors by institution of a mandatory retirement age in order to foster the introduction of new perspectives on the board.

D&O Indemnification - Increased indemnification and decreased liability for directors is important to ensure the continued availability of competent directors. CFIA will generally vote in favor of proposals that include: a) indemnifying directors for acts conducted in the normal course of business and b) providing expanded coverage in cases where a director was found to have acted in good faith and in a manner that he or she reasonably believed was in the best interests of the company.

Majority Voting – CFIA will generally support proposals calling for the election of directors by a majority vote.

**III. Auditors** – Generally vote for proposed auditors provided the ratification has been approved by an appropriate audit committee that meets applicable composition and independence requirements. Also considered will be the absolute magnitude and proportion, in relation to audit fees, of non-audit fees billed by the auditors.

**IV. Proxy Contests** – CFIA will consider the following factors when voting for a director in a contested election: 1) long-term financial performance of the company; 2) management’s track record; 3) background and circumstances surrounding the proxy contest; 4) qualifications of both slates of nominees; 5) evaluation of what each side brings to shareholders and the likelihood of accomplishing those goals; and 6) stock ownership.

CFIA will only approve reimbursement of reasonable proxy solicitation expenses for dissidents in those cases where they are successful.

**V. Proxy Contest Defenses** – CFIA will support proposals requiring shareholder approval for changes to the size of the board within the context that a smaller board size generally promotes better governance. CFIA will approve proposals that permit shareholders to remove a director for cause and that allow shareholders to elect directors to fill board vacancies.

Cumulative Voting-CFIA will generally oppose proposals to adopt or restore cumulative voting. Cumulative voting promotes single interest representation that may not be concerned with overall shareholder interests.

**VI. Tender Offer Defenses** – CFIA will generally oppose proposals to classify boards. Periodic as opposed to annual election of directors can be used to entrench management and guard against unwanted takeovers.

Poison Pills – CFIA will generally oppose poison pills and will support proposals asking companies to put their poison pill provisions to a shareholder vote.

Fair Price Provisions – CFIA will generally favor proposals for fair price provisions that prohibit an acquirer from employing a two-tiered pricing scheme by offering a higher price for a sufficient number of shares to gain control and a lower price for the balance of shares.

Greenmail – CFIA will oppose any proposal or plan that allows a company to repurchase shares at above market prices to avoid a takeover proxy fight.

Unequal Voting Rights Plans- CFIA will generally oppose plans to establish unequal voting rights plans designed to concentrate significant voting rights in the hands of management.

Supermajority Shareholder Requirements – CFIA will generally oppose proposals to establish supermajority voting requirements.

White Squire Placements – CFIA will generally oppose provisions permitting issuance of blank check preferred stock in the form of a white squire placement as a defense against takeovers and as a source of “patient capital.”

**VII. Miscellaneous Governance Provisions - Confidential Voting** – CFIA will generally oppose proposals to establish confidential voting.

Bundled/Combination Proposals – CFIA will assess the total benefits and detriments to shareholders of the combination proposal and take into consideration the extent to which issues included in the combination proposal should be subject to separate votes.

CFIA will generally oppose proposals that result in the elimination of or restriction to the authority of shareholders to the benefit of management.

**VIII. Capital Structure - Stock Authorizations-** CFIA will seek to distinguish between legitimate proposals to authorize increases in common stock for expansion and other corporate purposes and those designed principally as an anti-takeover device. Consideration will be given to the need for the increase, the percentage increase with respect to the existing authorization, the voting rights of the stock and the overall capital structure.

Preferred Stock- Blank check preferred stock is that which is authorized for issuance at some uncertain time in the future and allows the board to establish voting, dividend, conversion, and other rights at the time of issuance. CFIA generally opposes proposals to issue blank check preferred stock, as it can be used as an antitakeover device. However, CFIA will generally vote in favor of proposals to allow real estate investment trusts or REITs to issue preferred stock, recognizing it is an accepted means of funding capital investment.

Preemptive Rights – CFIA will generally oppose proposals to grant or restore preemptive rights to shareholders and will generally support proposals that eliminate such rights when deemed an anti-takeover defense. However,

CFIA will generally vote in favor of preemptive rights proposals when a company is domiciled in a country where this is standard practice intended to prevent existing shareholder dilution.

State of Incorporation- CFIA will generally oppose proposals to change state of incorporation for the purpose of taking advantage of a state's courts interpretations of laws governing unsolicited takeovers. CFIA will generally oppose proposals to establish an offshore presence for tax purposes.

**IX. Executive and Director Compensation** – Stock option plans and other executive and director compensation plans are designed to attract, retain and motivate talented executives and outside directors. CFIA will evaluate such plans by weighing the need to attract and retain qualified people against the implications for dilution and transfer of shareholder wealth.

Stock Option Plans – Consideration will be given to the financial reasonableness of the plan relative to the company's market capitalization and the practices of peer companies. Any evaluation of new proposals will include consideration of all existing stock option plans and any authorized but not yet granted options. The following may be considered (any one of which may be sufficient to result in opposition to the plan by CFIA) when addressing proposed option plans: 1) whether the plan expressly permits re-pricing of underwater options, 2) whether the plan could potentially result in an unacceptable level of earnings dilution after complete vesting, 3) whether the plan has an option exercise price below the market price on the day of the grant, 4) whether the proposal relates to an amendment to extend the term of options for persons leaving the firm voluntarily or for cause, and 5) whether the plan has certain imbedded features, such as a) participation by non-employees; b) exercise prices set at the discretion of the board; c) no limit on the number of shares available for issue under the plan; d) excessive concentration of options available only to a small percentage of top employees; e) authority granted to the board to amend the plan without prior shareholder approval to the extent permitted by law; and f) reload options.

Director Compensation – Stock option plans for outside directors may be approved based upon whether shares are at the same risk as those of shareholders and how option programs for non-employee directors compare with the standards of employee programs. CFIA will generally oppose plans that result in outright grants of options or stock for outside directors (except when distributed in lieu of cash compensation). CFIA will also oppose plans where the total compensation appears excessive.

OBRA-Related Compensation Proposals – The Omnibus Budget Reconciliation Act (OBRA) requires a company to obtain shareholder approval of incentive compensation plans that would result in a deduction greater than \$1 million in non-deferred executive compensation. CFIA will generally approve OBRA related proposals after evaluation of the provisions for reasonable performance-based goals and financial reasonableness. Each will be evaluated on a case-by-case basis.

Golden and Tin Parachutes – Golden parachutes assure certain key officers of an acquired company a significant severance package if such officer is terminated or demoted pursuant to the takeover. Tin parachutes make similar assurances to all employees. These proposals have anti-takeover implications because of the added expense to the acquisition. CFIA will oppose all Golden and Tin parachutes.

Executive Severance Compensation – CFIA will generally oppose proposals where the total economic value of the severance package (salary plus bonus) exceeds 2.99 times the total compensation of that executive.

Loans to Officers – CFIA will generally oppose proposals to grant loans to officers for the purpose of buying stock in the company.

401(k) Benefit Plans – CFIA will generally support proposals to implement 401(k) Employee Benefit Plans.

Employee Savings Plans – CFIA will generally favor such plans that permit purchases of shares at a discount to market value not to exceed 15% of the current market price.



Say-on-Pay Frequency – CFIA will vote to allow shareholders an advisory vote on senior executive compensation practices on an annual basis. Advisory votes provide shareholder feedback without constraining a board’s ability to set compensation policy.

**X. Mergers and Acquisitions** – Each merger or acquisition proposal will be evaluated on a case-by-case basis, taking into consideration anticipated financial and operating benefits, the offer price, prospects of the combined entity, how the deal was negotiated and changes in corporate governance and their potential impact on shareholder rights.

**XI. Social Issues** – CFIA will generally oppose shareholder resolutions on behalf of individuals or activist groups intent on furthering a social or political agenda. Corporate managements are held responsible for all ramifications of their policies and activities as measured by the financial impact of those decisions on earnings and/ or corporate assets. It is the intent of CFIA that corporate management will appreciate that it is necessary to promote corporate responsibility and accountability on social issues because it is generally in the best long-term interests of shareholders. Those responsible parties should be empowered by shareholders to conduct business and set corporate policy free from shareholder interference.

**XII. De Minimis Holdings** - From time-to-time CFIA receives proxies representing very small security holdings that may be held for one or a few accounts. CFIA considers any security holding less than \$350,000 and that is less than 0.01% of total equity market cap of outstanding shares for that company to be de minimis. Voting these immaterial holdings is unlikely to impact the outcome of a shareholder vote. In these cases, the proxy will be voted along the guidelines recommended by the management of that company.

The policy does not apply to any model portfolio holding that results from a purchase decision by the Investment Committee. This would include companies where CFIA has made a small initial investment. Those proxies will be voted as material, regardless of size, by a member of the Investment Committee.

**XIII. Proxy Advisory Firm** – CFIA engages a well-renowned proxy advisory firm to serve as an independent third-party consultant in situations where CFIA has a potential conflict of interest and otherwise, to provide supplemental research used in the proxy voting process. CFIA reviews the proxy advisory firm and its use of the proxy advisory firm’s research on an annual basis. This includes an examination of the firm’s Conflict of Interest Statement, Policies and Procedures for Managing and Disclosing Conflicts of Interest, Policy Guidelines, Compliance with Best Practice Principles for Providers of Shareholder Voting Research and Analysis, and its Due Diligence and Approach to Peer Groups publications. Otherwise, CFIA communicates with the proxy advisory firm on matters of concern as necessary. CFIA requires notification of relevant business changes which could impact the proxy advisory firm’s capacity, competency, or independence, in a timely manner.

## **APPENDIX C – PROXY VOTING POLICIES**

### **Smith Group Asset Management, LLC**

#### **1. Routine/Miscellaneous**

##### **Adjourn Meeting**

Generally vote AGAINST proposals to provide management with the authority to adjourn an annual or special meeting absent compelling reasons to support the proposal.

Vote FOR proposals that relate specifically to soliciting votes for a merger or transaction if supporting that merger or transaction. Vote AGAINST proposals if the wording is too vague or if the proposal includes “other business.”

##### **Amend Quorum Requirements**

Vote AGAINST proposals to reduce quorum requirements for shareholder meetings below a majority of the shares outstanding unless there are compelling reasons to support the proposal.

##### **Amend Minor Bylaws**

Vote FOR bylaw or charter changes that are of a housekeeping nature (updates or corrections).

##### **Change Company Name**

Vote FOR proposals to change the corporate name unless there is compelling evidence that the change would adversely impact shareholder value.

##### **Change Date, Time, or Location of Annual Meeting**

Vote FOR management proposals to change the date, time, or location of the annual meeting unless the proposed change is unreasonable.

Vote AGAINST shareholder proposals to change the date, time, or location of the annual meeting unless the current scheduling or location is unreasonable.

##### **Other Business**

Vote AGAINST proposals to approve other business when it appears as voting item.

##### **Audit-Related**

##### **Auditor Indemnification and Limitation of Liability**

Vote CASE-BY-CASE on the issue of auditor indemnification and limitation of liability. Factors to be assessed include but are not limited to:

The terms of the auditor agreement--the degree to which these agreements impact shareholders' rights;

The motivation and rationale for establishing the agreements;

The quality of the company's disclosure; and

The company's historical practices in the audit area.

Vote AGAINST or WITHHOLD from members of an audit committee in situations where there is persuasive evidence that the audit committee entered into an inappropriate indemnification agreement with its auditor that limits the ability of the company, or its shareholders, to pursue legitimate legal recourse against the audit firm.

### **Auditor Ratification**

Vote FOR proposals to ratify auditors unless any of the following apply:

An auditor has a financial interest in or association with the company, and is therefore not independent;

There is reason to believe that the independent auditor has rendered an opinion that is neither accurate nor indicative of the company's financial position;

Poor accounting practices are identified that rise to a serious level of concern, such as: fraud; misapplication of GAAP; and material weaknesses identified in Section 404 disclosures; or

Fees for non-audit services ("Other" fees) are excessive.

Non-audit fees are excessive if:

- Non-audit ("other") fees > audit fees + audit-related fees + tax compliance/preparation fees

Tax compliance and preparation include the preparation of original and amended tax returns and refund claims, and tax payment planning. All other services in the tax category, such as tax advice, planning, or consulting, should be added to "Other" fees. If the breakout of tax fees cannot be determined, add all tax fees to "Other" fees.

