

Statement of Additional Information

October 28, 2025

DGI Investment Trust

DGI Balanced Fund

Class P – DGIBX
Class T – DGITX
Class NT – DGINX
Class A – DGIAX
Class C – DGICX
Class I – DGIIX

DGI Investment Trust

Oriental Center 254 Muñoz Rivera Avenue, 10th Floor
San Juan, Puerto Rico 00918

787-474-1993

www.orientalbank.com

This Statement of Additional Information (SAI) is not a prospectus and it should be read in conjunction with the Prospectus for DGI Investment Trust, dated October 28, 2025, advised by Oriental Trust (the “Investment Adviser”), a separately identifiable division of Oriental Bank. Copies of the Fund’s Prospectus are available at www.dgiinvest.com/bf or by calling the above number.

The Fund’s audited financial statements and related report of the independent registered public accounting firm may be obtained upon request and without charge by calling the Fund at 787-474-1993 or by visiting www.dgiinvest.com/bf.

TABLE OF CONTENTS

The Trust.....	1
Investment Strategies, Policies, and Risks.....	1
Investment Restrictions.....	23
Portfolio Turnover	24
Portfolio Holdings Information.....	25
Trustees and Executive Officers	25
Code of Ethics.....	31
Proxy Voting Policies	31
Control Persons and Principal Shareholders.....	32
The Fund’s Investment Team	32
Service Providers	33
Execution of Portfolio Transactions and Brokerage.....	34
Capital Stock.....	35
Determination of Net Asset Value	36
Anti-Money Laundering Program.....	37
Purchases and Redemptions of Fund Shares.....	37
Distributions and Tax Information.....	38
Distribution Plan	45
Distributor	46
Financial Statements	46
Appendix A.....	APP-1
Appendix B	APP-6

THE TRUST

DGI Investment Trust (the “Trust”) is a collective investment trust formed and organized under the laws of the Commonwealth of Puerto Rico (the “Commonwealth” or “Puerto Rico”) pursuant to a certain Deed of Constitution of Trust, dated January 28, 2021, as amended and restated from time to time (the “Deed of Trust”).

The Trust is an investment vehicle designed to replace the investment activities of the Puerto Rico Diversified Tax Managed Total Return IRA Trust as well as add new series from time to time and, therefore, has not been engaged in any business prior to 2021. The Trust is intended to provide an investment option that is compliant with the Investment Company Act of 1940 (the “1940 Act”) in light of the U.S. Economic Growth, Regulatory Relief, and Consumer Protection Act, which was approved on May 24, 2018, and which amended the 1940 Act to repeal Section 6(a)(1) of the 1940 Act and, therefore, terminated the registration exemption for investment companies located in Puerto Rico and other U.S. territories.

The Trust is registered with the Securities and Exchange Commission (the “SEC”) as an open-end management investment company under the 1940 Act. The Deed of Trust permits the Trust’s board of trustees (the “Board”) to issue an unlimited number of full and fractional shares of beneficial interest, without par value, which may be issued in any number of series. The Trust may also issue separate classes of shares of any series, each being a separately managed pool of assets (i.e., a portfolio). Currently, the Trust consists of two series, the DGI Balanced Fund (the “Fund”), which offers Class P shares, Class T shares, Class NT shares, Class A shares, Class C shares, and Class I shares; and the DGI U.S. Government Money Market Fund, which offers Class A Withholding shares, Class A Non-Withholding shares, Class I Withholding shares and Class I Non-Withholding shares. The Board may from time to time issue other series (and multiple classes of such series), the assets and liabilities of which will be separate and distinct from any other series.

The Fund is classified and operates as a diversified fund under the 1940 Act. Under the 1940 Act, a diversified fund is a fund that meets the following requirements: at least 75% of the value of its total assets is represented by cash and cash items (including receivables), government securities, securities of other investment companies, and other securities for the purposes of this calculation limited in respect of any one issuer to an amount not greater in value than 5% of the value of the total assets of such management company and to not more than 10% of the outstanding voting securities of such issuer. The Fund may not change its diversification classification to become non-diversified without the approval of the holders of a majority of the Fund’s outstanding voting securities.

As used in this SAI, “a majority of the Fund’s outstanding voting securities” means the lesser of (1) 67% of the shares of beneficial interest of the Fund represented at a meeting at which more than 50% of the outstanding shares are present, or (2) more than 50% of the outstanding shares of beneficial interest of the Fund.

The Fund’s prospectus and this SAI are a part of the Trust’s registration statement filed with the SEC. Copies of the complete registration statement may be obtained from the SEC upon payment of the prescribed fee or may be accessed free of charge at the SEC’s website at sec.gov.

INVESTMENT STRATEGIES, POLICIES, AND RISKS

Equity Securities

Equity securities include common and preferred stocks, warrants, rights, and depository receipts. An investment in the equity securities of a company represents a proportionate ownership interest in that company. Therefore, the Fund participates in the financial success or failure of any company in which it has an equity interest.

Equity investments are subject to greater fluctuations in market value than other asset classes as a result of such factors as the issuer’s business performance, investor perceptions, stock market trends, and general economic conditions. Equity securities rank lower than bonds and other debt instruments in a company’s capital structure in terms of priority for corporate income and liquidation payments. See the prospectus for additional information regarding equity investments and their risks.

All investments in equity securities are subject to market risks that may cause their prices to fluctuate over time. Historically, the equity markets have moved in cycles, and the value of the Fund’s securities may fluctuate substantially from day to day. Owning an equity security can also subject the Fund to the risk that the issuer may discontinue paying dividends.

To the extent the Fund invests in the equity securities of small- or medium-sized companies, it will be exposed to the risks of small- and medium-sized companies. Such companies may have narrower markets for their goods and/or services and may have more limited managerial and financial resources than larger, more established companies. Furthermore, such companies may have limited product lines, or services, markets, or financial resources, or may depend on a small management group. In addition, because these stocks may not be well-known to the investing public, may not have significant institutional ownership, and are typically followed by fewer third-party analysts, there will normally be less publicly available information on these securities compared with the securities of larger companies. Adverse publicity and investor perceptions can also decrease the value and liquidity of securities held by the Fund. As a result, their performance can be more volatile and they face greater risk of business failure, which could increase the Fund’s volatility.

Common Stock—Common stocks represent a proportionate ownership share of a company, and its value is based on the success of the company's business, any income paid to stockholders, the value of its assets, and general market conditions. In addition to the general risks set forth above, investments in common stocks are subject to risks related to their ranking in the capital structure. If a company in which the Fund invests is liquidated, the holders of preferred stock and creditors will be paid in full before any payments are made to holders of common stock. It is possible that all assets of a liquidated company will be exhausted before any payments are made to the Fund.

Preferred Stock—Preferred stocks are equity securities that often pay dividends at a specific rate and have a preference over common stocks for dividend payments and liquidation of assets. A preferred stock has characteristics of both a bond and common stock. It can offer the higher yield of a bond and has priority over common stock in equity ownership but does not have the seniority of a bond. Unlike common stock, a preferred stock's participation in the issuer's growth may be limited. Although the dividend is set at a fixed annual rate, it is subject to the risk that the dividend can be changed or omitted by the issuer. Distributions on preferred stocks are generally payable at the discretion of the issuer's board of directors, after the company makes required payments to holders of its bonds and other debt securities. For this reason, the value of preferred stock will usually react more strongly than bonds and other debt securities to actual or perceived changes in the company's financial condition or prospects. Preferred stock of smaller companies may be more vulnerable to adverse developments than preferred stock of larger companies. Preferred stocks may be less liquid than common stocks. Preferred stocks may include provisions that permit the issuer, at its discretion, to defer or omit distributions for a stated period without any adverse consequences to the issuer. Preferred shareholders may have certain rights if distributions are not paid but generally have no legal recourse against the issuer and may suffer a loss of value if distributions are not paid. Generally, preferred shareholders have no voting rights with respect to the issuer unless distributions to preferred shareholders have not been paid for a stated period, at which time the preferred shareholders may elect a number of directors to the issuer's board. Generally, once all the distributions have been paid to preferred shareholders, the preferred shareholders no longer have voting rights.

Equity-Linked Investments—Equity-linked investments are subject to the same risks as direct investments in securities of the underlying investment. If the underlying investment decreases in value, the value of the equity-linked investment will decrease; however, the performance of such investments may not correlate exactly to the performance of the underlying investment that they seek to replicate. Equity-linked investments are also subject to counterparty risk, which is the risk that the issuer of such investment — which is different from the issuer of the underlying investment — may be unwilling or unable to fulfill its obligations. There is no guarantee that a liquid market will exist or that the counterparty or issuer of such investments will be willing to repurchase them when the Fund wishes to sell them.

Convertible Securities and Warrants

Convertible securities are securities (such as debt securities or preferred stock) that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. Convertible securities also include corporate bonds, notes, and preferred stock. A convertible security entitles the holder to receive interest paid or accrued on debt or dividends paid on preferred stock until the convertible stock matures or is redeemed, converted or exchanged. While no investment is without some risk, investments in convertible securities generally entail less risk than an issuer's common stock. However, any reduction in risk depends in large value as a fixed-income security. In addition to the general risks associated with equity securities discussed above, the market value of convertible securities is also affected by prevailing interest rates, the credit quality of the issuer, and any call provisions. While convertible securities generally offer lower interest or dividend yields than nonconvertible debt securities of similar quality, they do enable the investor to benefit from increases in the market price of the underlying common stock.

Warrants and similar rights are instruments that give the Fund the right to purchase certain securities from an issuer at a specific price (the strike price) for a limited period of time. The strike price of warrants typically is much lower than the current market price of the underlying securities, yet they are subject to similar price fluctuations. As a result, warrants may be more volatile investments than the underlying securities and may offer greater potential for capital appreciation as well as capital loss. Warrants do not entitle a holder to dividends or voting rights with respect to the underlying securities and do not represent any rights in the assets of the issuing company. Also, the value of the warrant does not necessarily change with the value of the underlying securities and a warrant ceases to have value if it is not exercised before the expiration date. These factors can make warrants more speculative than other types of investments.

Other Corporate Debt Securities

The Fund may invest in non-convertible debt securities of foreign and domestic companies over a cross-section of industries. The debt securities in which the Fund may invest will be of varying maturities and may include corporate bonds, debentures, notes and other similar corporate debt instruments. The value of a longer-term debt security fluctuates more widely in response to changes in interest rates than do shorter-term debt securities.

Cash Position

When Oriental Trust believes that market conditions are unfavorable, the Fund's holdings in cash or similar investments may increase. Cash or similar investments generally are a residual — they represent the assets that remain after the portfolio manager has committed available assets to desirable investment opportunities. However, the Investment Adviser may also temporarily increase the Fund's cash position to protect its assets or maintain liquidity. The cash positions of the Fund may vary significantly. If the Fund's investments in cash or similar investments increase, it may not participate in market advances or declines to the same extent that it would if the Fund remained more fully invested in stocks or bonds.

Risks of Investing in Debt Securities

There are a number of risks generally associated with an investment in debt securities (including convertible securities). Yields on short, intermediate, and long-term securities depend on a variety of factors, including the general condition of the money and bond markets, the size of a particular offering, the maturity of the obligation, and the rating of the issue.

Debt securities with longer maturities tend to produce higher yields and are generally subject to potentially greater capital appreciation and depreciation than obligations with short maturities and lower yields. The market prices of debt securities usually vary, depending upon available yields. An increase in interest rates will generally reduce the value of such portfolio investments, and a decline in interest rates will generally increase the value of such portfolio investments. The ability of the Fund to achieve its investment objective also depends on the continuing ability of the issuers of the debt securities in which the Fund invests to meet their obligations for the payment of interest and principal when due.

Taxes—The Fund may purchase debt securities (such as zero coupon or pay-in-kind securities) that contain an original issue discount, which could require the Fund to recognize the related interest income during the term of the securities and, therefore, be subject to the distribution requirements applicable to registered investment companies under Section 1112.01 of the PR Code with respect to such income. Because such interest income recognized by the Fund in a taxable year may not be represented by cash income, the Fund may have to dispose of other securities and use the proceeds to make distributions to shareholders.

Risks of Lower-Rated Debt Securities

Sensitivity to Interest-Rate and Economic Changes—The economy and interest rates affect lower-rated debt securities differently from other securities. For example, the prices of lower-rated bonds have often 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, the 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 lower-rated bonds and the Fund's asset values.

Payment Expectations—Lower-rated bonds present certain risks based on payment expectations. For example, lower-rated bonds may contain redemption and call provisions. If an issuer exercises these provisions in a declining interest-rate market, the Fund would have to replace the security with a lower yielding security, resulting in a decreased return for investors. Conversely, a lower-rated bond's value will decrease in a rising interest-rate market, as will the value of the Fund's assets. If the Fund experiences unexpected net redemptions, it may be forced to sell its lower-rated bonds without regard to their investment merits, thereby decreasing the asset base upon which the Fund's expenses can be spread and possibly reducing the Fund's rate of return.

Liquidity and Valuation—To the extent that there is no established retail secondary market, there may be thin trading of lower-rated bonds, and this may impact the Investment Adviser's ability to accurately value lower-rated bonds and the Fund's assets and hinder the Fund's 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 lower-rated 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 lower-rated bonds. Also, since credit rating agencies may fail to timely change the credit ratings to reflect subsequent events, the Investment Adviser must monitor the issuers of lower-rated bonds in the Fund's portfolio 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 the Fund can meet redemption requests. The Fund will not necessarily dispose of a portfolio security when its rating has been changed.

Distressed Companies, Loan Participations and Unfunded Commitments

From time to time, the Fund may purchase the direct indebtedness of various companies ("Indebtedness"), or participation interests in Indebtedness ("Participations"), including Indebtedness and Participations of reorganizing companies. Indebtedness can be distinguished from traditional debt securities in that debt securities are part of a large issue of securities to the general public which is typically registered with a securities registration organization, such as the SEC, and which is held by a large group of investors. Indebtedness may not be a security, but rather, may represent a specific commercial loan or portion of a loan which has been given to a company by a financial institution such as a bank or insurance company. The company is typically obligated to repay such commercial loan over a specified time period. By purchasing the Indebtedness of companies, the Fund in effect steps into the shoes of the financial institution which made the loan to the company before its restructuring or refinancing. Indebtedness purchased by the Fund may be in the form of loans, notes or bonds.

The length of time remaining until maturity on the Indebtedness is one factor the Investment Adviser considers in purchasing a particular Indebtedness. Indebtedness which represents a specific Indebtedness of the company to a bank, is not considered to be a security issued by the bank selling it. The Fund may purchase loans from national and state-chartered banks as well as foreign banks, and they normally invest in the Indebtedness of a company which has the highest priority in terms of payment by the company, although on occasion lower priority Indebtedness also may be acquired.

Participations represent fractional interests in a company's Indebtedness. The financial institutions that typically make Participations available are banks or insurance companies, governmental institutions, such as the Resolution Trust Corporation, the Federal Deposit Insurance Corporation ("FDIC") or the Pension Benefit Guaranty Corporation, or certain organizations such as the World Bank, which are known as "supranational organizations." Supranational organizations are entities established or financially supported by the national governments of one or more countries to promote reconstruction or development. Indebtedness and Participations may be illiquid as described below.

When the Fund purchases a loan participation, the Fund enters into a contractual relationship with the lender or a third party selling such participations ("Selling Participant"), but not the borrower. In this case, the Fund assumes the credit risk of the borrower and the Selling Participant and any other persons inter-positioned between the Fund and the borrower ("Intermediate Participants"). In contrast, when the Fund purchases an assignment, the contractual relationship is with the borrower and the credit risk assumed by the Fund is only with the borrower. Although certain loan participations or assignments are secured by collateral, the Fund could experience delays or limitations in realizing such collateral or have its interest subordinated to other indebtedness of the obligor.

The Fund may also enter into unfunded commitments, which are contractual obligations for future funding. These unfunded commitments represent a future obligation in full, even though a percentage of the commitment may not be utilized by the borrower. Loan commitments are made pursuant to a term loan, a revolving credit line or a combination thereof. A term loan is generally a loan in a fixed amount that borrowers repay in a scheduled series of repayments or a lump-sum payment at maturity. A revolving credit line permits borrowers to draw down, repay, and re-borrow specified amounts on demand. These types of investments may include standby financing commitments, which obligate the Fund to supply additional cash to the borrower on demand. The value of the unfunded portion of the investment is determined using a pro-rata allocation based on its par value relative to the par value of the entire investment. The unfunded commitments are marked to market daily and any unrealized appreciation (depreciation) from unfunded commitments is reported in the Statements of Assets and Liabilities as well as the Statements of Operations. When investing in a loan participation, the Fund has the right to receive payments of principal, interest and any fees to which it is entitled only from the lender selling the loan agreement and only upon receipt of payments by the lender from the borrower. The Fund may receive a commitment fee based on the undrawn portion of the underlying line of credit portion of a loan. In certain circumstances, the Fund may receive a penalty fee upon the prepayment of a loan by a borrower. Fees earned or paid are recorded as a component of interest income or interest expense, respectively, on the Statements of Operations. In addition, loan participations and assignments are vulnerable to market conditions such that economic conditions or other events may reduce the demand for loan participations and assignments and certain loan participations and assignments which were liquid, when purchased, may become illiquid.

Potential lack of investor protections under federal and state securities laws. If a corporate loan purchased by the Fund is not considered to be a "security," the Fund will not receive the same investor protections with respect to such investment that are available to purchasers of investments that are considered "securities" under federal and state securities laws, including any possible recourse against an underwriter.

Illiquid Investments

Pursuant to Rule 22e-4 of the 1940 Act ("Rule 22e-4"), the Fund may not acquire any illiquid investment if, immediately after the acquisition, the Fund would have invested more than 15% of its net assets in illiquid investments that are assets. An illiquid investment is defined in Rule 22e-4 as any investment that the 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. Oriental Trust will monitor the amount of illiquid investments in the Fund, consistent with Rule 22e-4 and in accordance with the Trust's Liquidity Risk Management Program.

Illiquid investments may include securities and other financial instruments that do not have a readily available market, repurchase agreements having a maturity of longer than seven calendar days and certain securities subject to contractual or legal restrictions on resale because they have not been registered under the Securities Act of 1933, as amended (the "Securities Act"). Limitations on resale may have an adverse effect on the marketability of such securities, and the Fund might be unable to sell such securities promptly or at reasonable prices and might thereby experience difficulty satisfying redemption requests within seven calendar days.

Because of their illiquid nature, illiquid investments may need to be priced at fair value as determined in good faith pursuant to procedures approved by the Board. Despite such good faith efforts to determine fair value prices, the Fund's illiquid investments are subject to the risk that the investment's fair value price may differ from the actual price that the Fund may ultimately realize upon its sale or disposition. Low levels of liquidity in particular investments may force the Fund to sell a security at a price that is lower than the Fund anticipated and may cause the Fund to lose money.

In recent years, however, a large institutional market has developed for certain securities that are not registered under the Securities Act, including repurchase agreements, commercial paper, foreign securities, municipal securities and corporate bonds and notes. Institutional investors depend on an efficient institutional market in which the unregistered security can be readily resold or on an issuer's ability to honor a demand for repayment. The fact that there are contractual or legal restrictions on resale to the general public or to certain institutions may not be indicative of the liquidity of such investments. If such securities are subject to purchase by institutional buyers in accordance with Rule 144A promulgated by the SEC under the Securities Act, the Investment Adviser, pursuant to procedures adopted by the Board, may determine that such securities are not illiquid investments pursuant to Rule 22e-4 notwithstanding their legal or contractual restrictions on resale.

There is a limited number of shareholders in the market for certain Puerto Rico securities. In addition, certain Puerto Rico securities may have periods of illiquidity. To the extent the Fund invests in illiquid investments, the Fund may not be able to readily liquidate such investments, particularly at a time when it is advisable to do so to minimize losses to the Fund, and would have to sell other investments, if necessary, to raise cash to meet its obligations. These factors may affect the Fund's ability to acquire or dispose of Puerto Rico securities, as well as the price paid or received upon such acquisition or disposition. In addition, investment by the Fund in Puerto Rico securities is subject to their availability in the open market.

Exchange-Traded Funds and Other Registered Investment Companies

The Fund may invest in exchange-traded funds ("ETFs"), certain of which are a type of index fund bought and sold on a securities exchange. An ETF trades like common stock and an index-based ETF represents a fixed portfolio of securities designed to track a particular market index. The Fund could purchase an ETF to temporarily gain exposure to a portion of the U.S. or a foreign market while awaiting purchase of underlying securities. The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in it being more volatile and ETFs have management fees that increase their costs. ETFs are also subject to other risks, including the risk that their prices may not correlate perfectly with changes in the underlying index and the risk of possible trading halts due to market conditions or other reasons that, in the view of the exchange upon which an ETF trades, would make trading in the ETF inadvisable. An exchange-traded sector fund may also be adversely affected by the performance of that specific sector or group of industries on which it is based. Investments in ETFs are generally subject to limits in the 1940 Act on investments in other investment companies, subject to certain exceptions.

Despite the possibility of greater fees and expenses, investments in other investment companies may nonetheless be attractive for several reasons, especially in connection with foreign investments. Because of restrictions on direct investment by U.S. entities in certain countries, investing indirectly in such countries (by purchasing shares of another fund that is permitted to invest in such countries) may be the most practical and efficient way for the Fund to invest in such countries. In other cases, when the portfolio manager desires to make only a relatively small investment in a particular country, investing through another fund that holds a diversified portfolio in that country may be more effective than investing directly in issuers in that country.

The 1940 Act generally prohibits the Fund from investing more than 5% of the value of its total assets in any one investment company or more than 10% of the value of its total assets in investment companies as a group, and also restricts its investment in any investment company to 3% of the voting securities of such investment company. There are exceptions, however, to these limitations pursuant to various rules promulgated by the SEC. Additionally, the Fund and certain underlying investment companies in which they may invest (including, but not limited to, ETFs) have obtained exemptive orders from the SEC that each permit the Fund to acquire securities of other investment companies in excess of the percentage limitations of the 1940 Act.

The Fund may invest in other investment companies, including those managed by Oriental Trust, to the extent permitted by any rule or regulation of the SEC or any order or interpretation thereunder. Effective January 2022, the SEC adopted regulatory changes related to the ability of an investment company to invest, or remain invested in, other investment companies in excess of specified statutory limits. These changes include, among other things, amendments to Rule 12d1-1, the rescission of Rule 12d1-2, the adoption of Rule 12d1-4, and the rescission of certain exemptive relief issued by the SEC permitting certain fund of funds arrangements. These regulatory changes may impose additional compliance related costs on the Fund, or may otherwise adversely impact the Fund's operations. That is, to the extent that the Fund invests in other investment companies, these regulatory changes could impose new limits on the Fund's investment strategies and operations. The Fund may invest in non-U.S. investment companies to the extent permitted by law.

Money Market Mutual Funds

The Fund may under certain circumstances invest a portion of its assets in money market funds. However, an investment in a money market mutual fund will involve payment by the Fund of its pro rata share of advisory and administrative fees charged by such fund.

A Fund could lose money invested in a money market fund. An investment in a money market fund is not a bank account and is not insured or guaranteed by the fund sponsor, FDIC or any other government agency. A money market fund's sponsor is not required to reimburse the money market fund for losses, and you should not expect that the sponsor or any person will provide financial support to a money market fund at any time, including during periods of market stress.

Short-Term Investments

The Fund may invest in any of the following short-term securities and instruments:

Bank Obligations—Obligations including certificates of deposit, fixed time deposits and bankers' acceptances, commercial paper and other debt obligations of banks subject to regulation by the U.S. government and having total assets of \$1 billion or more, and instruments secured by such obligations, not including obligations of foreign branches of domestic banks except as permitted below.

Certificates of Deposit, Bankers' Acceptances and Time Deposits—The Fund may hold certificates of deposit, bankers' acceptances and time deposits. Certificates of deposit are negotiable certificates issued against funds deposited in a commercial bank for a definite period of time and earning a specified return. Bankers' acceptances are negotiable drafts or bills of exchange, normally drawn by an importer or exporter to pay for specific merchandise, which are "accepted" by a bank, meaning in effect that the bank unconditionally agrees to pay the face value of the instrument on maturity.

Obligations of Savings Institutions—Certificates of deposit of savings banks and savings and loan associations, having total assets of \$1 billion or more (investments in savings institutions above \$100,000 in principal amount are not protected by federal deposit insurance).

Fully Insured Certificates of Deposit—Certificates of deposit of banks and savings institutions, having total assets of less than \$1 billion, if the principal amount of the obligation is insured by the FDIC, limited to \$250,000 principal amount per certificate and to 15% or less of the Fund's net assets in all such obligations and in all illiquid assets, in the aggregate.

Commercial Paper and Short-Term Notes—The Fund may invest a portion of its assets in commercial paper and short-term notes. Commercial paper consists of unsecured promissory notes issued by corporations. Commercial paper and short-term notes will normally have maturities of less than nine months and fixed rates of return, although such instruments may have maturities of up to one year.

Commercial paper and short-term notes will consist of issues rated at the time of purchase "A-2" or higher by S&P, "Prime-1" or "Prime-2" by Moody's, or similarly rated by another nationally recognized statistical rating organization or, if unrated, will be determined by the adviser to be of comparable quality. These rating symbols are described in Appendix A.

Other Short-Term Obligations—Debt securities initially issued with a remaining maturity of 397 days or less and that have a short-term rating within ratings categories of at least A-1 by S&P or P-1 by Moody's.

Municipal Securities

The Fund may invest in municipal securities. Municipal securities are issued by the states, territories and possessions of the United States, their political subdivisions (such as cities, counties and towns) and various authorities (such as public housing or redevelopment authorities), instrumentalities, public corporations and special districts (such as water, sewer or sanitary districts) of the states, territories, and possessions of the United States or their political subdivisions. In addition, municipal securities include securities issued by or on behalf of public authorities to finance various privately operated facilities, such as industrial development bonds, that are backed only by the assets and revenues of the non-governmental user (such as hospitals and airports).

Municipal securities are issued to obtain funds for a variety of public purposes, including general financing for state and local governments, or financing for specific projects or public facilities. Municipal securities are classified as general obligation or revenue bonds or notes. General obligation securities are secured by the issuer's pledge of its full faith, credit and taxing power for the payment of principal and interest. Revenue securities are payable from revenue derived from a particular facility, class of facilities, or the proceeds of a special excise tax or other specific revenue source, but not from the issuer's general taxing power. Private activity bonds and industrial revenue bonds do not carry the pledge of the credit of the issuing municipality, but generally are guaranteed by the corporate entity on whose behalf they are issued. Further, decreased inventories of municipal securities held by brokers and dealers can lessen their ability to make a market in these securities, and result in increased municipal security price volatility and trading costs, particularly during periods of economic or market stress.

Municipal leases are entered into by state and local governments and authorities to acquire equipment and facilities such as fire and sanitation vehicles, telecommunications equipment, and other assets. Municipal leases (which normally provide for title to the leased assets to pass eventually to the government issuer) have evolved as a means for governmental issuers to acquire property and equipment without meeting the constitutional and statutory requirements for the issuance of debt. The debt-issuance limitations of many state constitutions and statutes are deemed to be inapplicable because of the inclusion in many leases or contracts of "non-appropriation" clauses that provide that the governmental issuer has no obligation to make future payments under the lease or contract unless money is appropriated for such purpose by the appropriate legislative body on a yearly or other periodic basis.

The secondary market for municipal obligations also tends to be less well-developed and less liquid than many other securities markets, including with respect to certain high yield municipal securities or municipal securities that represent relatively recent innovations in such markets, which may limit the Fund's ability to sell its municipal obligations at attractive prices, especially on short notice. There may be less publicly available information about the financial condition of municipal security issuers than for issuers of other types of securities. As a result, municipal securities may be more difficult to value accurately.

Tender Option Bonds

The Fund may invest in tender option bond (TOB) programs, a type of synthetic municipal bond instrument that allows the purchaser to receive a variable rate of tax-exempt income from a trust entity that holds long-term municipal bonds. These types of instruments involve the deposit into a trust or custodial account of one or more long-term tax-exempt bonds or notes (Underlying Bonds), and the sale of certificates evidencing interests in the trust or custodial account to investors such as an Underlying Fund. The trustee or custodian receives the long-term fixed-rate interest payments on the Underlying Bonds, and pays certificate holders fixed rates or short-term floating or variable interest rates which are reset periodically. A TOB provides a certificate holder with the conditional right to sell its certificate to the sponsor or some designated third party at specified intervals and receive the par value of the certificate plus accrued interest (a demand feature). A "fixed-rate trust certificate" evidences an interest in a trust entitling a certificate holder to fixed future interest and/or principal payments on the Underlying Bonds. A "variable-rate trust certificate" evidences an interest in a trust entitling the certificate holder to receive variable-rate interest based on prevailing short-term interest rates and also typically provides the certificate holder with the conditional demand feature (the right to tender its certificate at par value plus accrued interest under certain conditions).

All TOBs purchased by the Fund must meet the minimum quality standards for the Fund as disclosed in the purchasing Fund's prospectus. In selecting TOB instruments for the Fund, Oriental Trust will consider the creditworthiness of the issuer of the Underlying Bond, the sponsor and the party providing certificate holders with a conditional right to sell their certificates at stated times and prices (a demand feature).

Typically, a certificate holder cannot exercise the demand feature until the occurrence of certain conditions, such as where the issuer of the Underlying Bond defaults on interest payments. Moreover, because TOB instruments involve a trust or custodial account and a third-party conditional demand feature, they involve complexities and potential risks that may not be present where a municipal security is owned directly.

The tax-exempt character of the interest paid to certificate holders is based on the assumption that the holders have an ownership interest in the Underlying Bonds; however, the IRS has not issued a ruling addressing this issue. In the event the IRS issues an adverse ruling or successfully litigates this issue, it is possible that the interest paid to an Underlying Fund on certain TOB instruments would be deemed to be taxable. The Underlying Funds rely on opinions of special tax counsel on this ownership question and opinions of bond counsel regarding the tax-exempt character of interest paid on the Underlying Bonds.

U.S. and Foreign Government Obligations

The Fund may invest in U.S. government obligations including Treasury bills, certificates of indebtedness, notes and bonds, and issues of such entities as the Government National Mortgage Association ("GNMA" or "Ginnie Mae"), Export-Import Bank of the United States, Tennessee Valley Authority, Resolution Funding Corporation, Farmers Home Administration, Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Farm Credit Banks, Federal Land Banks, Federal Housing Administration, Federal National Mortgage Association ("FNMA" or "Fannie Mae"), Federal Home Loan Mortgage Corporation ("FHLMC" or "Freddie Mac"), and the Student Loan Marketing Association (SLMA).

Some of these obligations, such as those of the GNMA, are supported by the full faith and credit of the U.S. Department of Treasury (the "U.S. Treasury"); others, such as those of the Export-Import Bank of the United States, are supported by the right of the issuer to borrow from the U.S. Treasury; others, such as those of the FNMA, are supported by the discretionary authority of the U.S. government to purchase the agency's obligations; still others, such as those of the SLMA, are supported only by the credit of the instrumentality. No assurance can be given that the U.S. government would provide financial support to U.S. government-sponsored instrumentalities if it is not obligated to do so by law.

Floating-Rate and Variable-Rate Demand Notes

The Fund may purchase taxable or tax-exempt floating-rate and variable-rate demand notes for short-term cash management or other investment purposes. Floating-rate and variable-rate demand notes and bonds may have a stated maturity in excess of one year, but may have features that permit a holder to demand payment of principal plus accrued interest upon a specified number of days' notice. Frequently, such obligations are secured by letters of credit or other credit support arrangements provided by banks. The issuer has a corresponding right, after a given period, to prepay in its discretion the outstanding principal of the obligation plus accrued interest upon a specific number of days' notice to the holders. The interest rate of a floating-rate instrument may be based on a known lending rate, such as a bank's prime rate, and is reset whenever such rate is adjusted. The interest rate on a variable-rate demand note is reset at specified intervals at a market rate.

Inverse Floaters

An inverse floater is a type of instrument that bears a floating or variable interest rate that moves in the opposite direction to interest rates generally or the interest rate on another security or index. Inverse floaters are typically created by a broker depositing an income-producing instrument, which may be a mortgage-backed security, in a trust. The trust in turn issues a variable-rate security and inverse floaters. The interest rate for the variable-rate security is typically determined by an index or an auction process, while the inverse floater holder receives the balance of the income from the underlying income-producing instrument less an auction fee. Because inverse floaters may be considered to be leveraged, including if their interest rates vary by a magnitude that exceeds the magnitude of the change in a reference rate of interest (typically a short-term interest rate) the market prices of inverse floaters may be highly sensitive to changes in interest rates and in prepayment rates on the underlying securities, and may decrease significantly when interest rates increase or prepayment rates change. The returns on inverse floaters may be leveraged, increasing substantially the volatility and interest-rate sensitivity. The absence of an active secondary market with respect to these investments could make it difficult for the Fund to dispose of a variable or floating-rate note if the issuer defaulted on its payment obligation or during periods that the Fund is not entitled to exercise its demand rights, and the Fund could, for these or other reasons, suffer a loss with respect to such instruments.

Zero-Coupon and Payment-in-Kind Bonds

The Fund may invest without limit in so-called zero-coupon bonds and payment-in-kind bonds. Zero-coupon bonds are issued at a significant discount from their principal amount in lieu of paying interest periodically. Payment-in-kind bonds allow the issuer, at its option, to make current interest payments on the bonds either in cash or in additional bonds. Because zero-coupon and payment-in-kind bonds do not pay current interest in cash, their value is subject to greater fluctuation in response to changes in market interest rates than bonds that pay interest currently. Both zero-coupon and payment-in-kind bonds allow an issuer to avoid the need to generate cash to meet current interest payments. Accordingly, such bonds may involve greater credit risks than bonds paying interest currently in cash. The Fund is required to accrue interest income on such investments and to distribute such amounts at least annually to shareholders even though the investments do not make any current interest payments. Thus, it may be necessary at times for the Fund to liquidate other investments to satisfy its distribution requirements under the PR Code.

Foreign Securities

The Fund may invest in securities issued by foreign governments and corporations, including emerging- and frontier-market securities, that are U.S. dollar denominated obligations. The Fund may invest in securities issued by foreign companies or governmental authorities either directly or through depository receipts or ETFs (generally referred to as “foreign securities”). Investing in foreign securities involves more risk than investing in U.S. securities. Changes in the value of foreign currencies can significantly affect the value of a foreign security held by the Fund, irrespective of developments relating to the issuer. In addition, the values of foreign securities may be affected by changes in exchange control regulations and fluctuations in the relative rates of exchange between the currencies of different nations, as well as by economic and political developments. Other risks involved in investing in foreign securities include the following: there may be less reliable and publicly available information about foreign companies comparable to the reports and ratings that are published about companies in the United States; foreign companies are not generally subject to uniform accounting, auditing and/or financial reporting standards and requirements comparable to those applicable to U.S. companies; some foreign stock markets have substantially less volume than U.S. markets, and securities of some foreign companies are less liquid and more volatile than securities of comparable U.S. companies; there may be less government supervision and regulation of foreign stock exchanges, brokers and listed companies than exist in the United States; and there may be the possibility of expropriation or confiscatory taxation, political or social instability or diplomatic developments which could affect assets of the Fund held in foreign countries. Investments in foreign government debt obligations also involve special risks. The issuer of the debt may be unable or unwilling to pay interest or repay principal when due in accordance with the terms of such debt, and the Fund may have limited legal resources in the event of default. Political conditions, especially a sovereign entity’s willingness to meet the terms of its debt obligations, are of considerable significance. Additionally, the imposition of sanctions, exchange controls (including repatriation restrictions), confiscations, trade restrictions (such as tariffs) and other government restrictions by the United States, other nations or other governmental entities with respect to certain countries or issuers in various sectors of certain foreign countries may limit the Fund’s ability to invest in accordance with its investment strategy and/or to meet its investment objective, as well as adversely impacting the value of the affected investments.

Foreign Securities Traded in the United States—The Fund may own foreign equity or debt securities that are traded in the United States and denominated in United States dollars. They also may be issued originally in the United States. For example, some foreign companies raise capital by selling dollar-denominated bonds to institutional investors in the United States. Such bonds have all of the risks associated with foreign securities traded in foreign markets, except for the risks of foreign securities markets. There may be a thin trading market for foreign securities that are traded in the United States, and in some cases such securities may be illiquid, since such securities may be restricted and traded principally among institutional investors.

Foreign Securities Traded in Foreign Markets—The Fund may invest in foreign securities that are traded in foreign securities markets. In addition to the general risks of foreign investments discussed above, securities that are traded in foreign markets present special risks, including higher brokerage costs, potentially thinner trading markets, extended settlement periods and the risks of holding securities with foreign sub-custodians and securities depositories. The Fund may also engage in foreign currency futures contracts, foreign currency forward contracts, and foreign currency exchange contracts. See “Foreign Currency” below for a description of such investments. The Fund may also invest some or all of its excess cash in deposit accounts with foreign banks.

Securities of Emerging-Market Issuers—The Fund may invest in the securities of issuers in less developed foreign countries including countries whose economies or securities markets are not yet highly developed (emerging markets). Emerging markets are nations with below investment grade credit ratings and social or business activity in the process of rapid growth and industrialization. There are special risks associated with investing in emerging markets in addition to those described above. These special risks include, among others, greater political uncertainties, an economy’s dependence on revenues from particular commodities or on international aid or development assistance, currency transfer restrictions, a limited number of potential buyers for such securities and delays and disruptions in securities settlement procedures. Certain emerging market countries have material limitations on Public Company Accounting Oversight Board (“PCAOB”) inspection, investigation and enforcement capabilities which hinder the ability to engage in independent oversight or inspection of accounting firms located in or operating in certain emerging markets; therefore, there is no guarantee that the quality of financial reporting or the audits conducted by audit firms of certain emerging market issuers meet PCAOB standards. Securities law in many emerging market countries is relatively new and unsettled. Therefore, laws regarding foreign investment in emerging market securities, securities regulation, title to securities, and shareholder rights may change quickly and unpredictably. Emerging markets countries also may have less developed legal systems allowing for enforcement of private property rights and/or redress for injuries to private property, such as bankruptcy. The ability to bring and enforce actions in emerging market countries, or to obtain information needed to pursue or enforce such actions, may be limited and shareholder claims may be difficult or impossible to pursue.

Securities of Frontier-Market Issuers—The Fund may invest in the securities of issuers in frontier markets. There are special risks associated with investing in frontier markets in addition to those described above. Frontier-market countries are countries that have smaller economies or less developed capital markets than traditional emerging markets. Frontier countries tend to have relatively low gross national product per capita compared to the larger traditionally recognized emerging markets. The frontier emerging-market countries include the least developed countries even by emerging-market standards. The risks of investments in frontier emerging market countries include all the risks described above for investment in foreign securities and emerging markets, although these risks are magnified in the case of frontier countries.

European Market Risk—The Fund may invest in issuers in European markets. Adverse economic and political events in Europe may cause the Fund’s investments to decline in value. Member states of the European Union (“EU”) are subject to restrictions on inflation rates, deficits, interest rates, debt levels and fiscal and monetary controls, each of which may significantly affect every country in Europe. Decreasing imports or exports, changes in governmental or EU regulations on trade, changes in the exchange rate of the euro, the default or threat of default by an EU member country on its sovereign debt, and recessions in an EU member country may have a significant adverse effect on the economies of other EU member countries. In recent years, the European financial markets have experienced volatility and adverse trends due to concerns about rising government debt levels, significant rates of unemployment, aging populations, and heavy regulation in certain economic sectors of several European countries, including Greece, Spain, Ireland, Italy and Portugal. A default or debt restructuring by any European country would adversely impact holders of that country’s debt and sellers of credit default swaps linked to that country’s creditworthiness. These events have adversely affected the exchange rate of the euro and may continue to significantly affect every country in Europe, including EU member countries that do not use the euro and non-EU member countries. In addition, the risk of investing in Europe may be heightened due to the United Kingdom’s departure from the EU on January 31, 2020. The country’s departure (known as “Brexit”) sparked depreciation in the value of the British pound, short-term declines in the stock markets and heightened risk of continued economic volatility worldwide, thus heightening the risk of investing in Europe. The United Kingdom and the EU have reached an agreement that governs the relationship between the United Kingdom and the EU following the United Kingdom’s departure from the EU in areas such as trade in goods and in certain services. There remains considerable uncertainty about the consequences and economic effects of the UK’s departure. While it is not possible to determine the precise impact these events may have on the Fund, the impact on the United Kingdom and European economies and the broader global economy could be significant, resulting in negative impacts, such as increased volatility and illiquidity, and potentially lower economic growth, on markets in the United Kingdom, Europe and globally, which may adversely affect the value of the Fund’s investments. In addition, Brexit could create actual or perceived additional economic stresses for the United Kingdom, including potential for decreased trade, capital outflows, devaluation of the British pound, wider corporate bond spreads due to uncertainty, and possible declines in business and consumer spending, as well as foreign direct investment. Moreover, the United Kingdom had been one of the EU’s largest economies; its departure also may negatively impact the EU and Europe by triggering prolonged economic downturns in certain European countries or sparking additional member states to contemplate departing the EU (thereby perpetuating political instability in the region). If one or more other countries were to exit the EU or abandon the use of the euro as a currency, the value of investments tied to those countries or the euro could decline significantly and unpredictably.

Risks of Investing in Asian Issuers—Investments in securities of Asian issuers involve risks and special considerations not typically associated with investments in the U.S. securities markets. Certain Asian economies have experienced over- extension of credit, currency devaluations and restrictions, high unemployment, high inflation, rapid fluctuations in inflation and interest rates, decreased exports, economic recessions and political unrest. Investments in certain Asian issuers are also subject to the risk of frequent trading suspensions and government interventions (including by nationalizing assets); potential limits on using brokers and on foreign ownership; different financial reporting standards; custody and other risks associated with programs used to access certain investments; higher dependence on exports and international trade; political and social instability; wars, either internal or with other countries; infectious disease outbreaks; regional and global conflicts; increased trade tariffs, embargoes and other trade limitations; and uncertainties in tax rules that could result in unexpected tax liabilities for the Fund. Economic and political events in any one Asian country can have a significant effect on the entire Asian region as well as on major trading partners outside Asia, and any adverse effect on some or all of the Asian countries and regions in which the Fund invests. The securities markets in some Asian economies are relatively underdeveloped and may subject the Fund to a higher degree of risk. Since 1997, there have been tensions between the Chinese government and many people in Hong Kong who perceive China as tightening control over Hong Kong’s semi-autonomous liberal political, economic, legal, and social framework. Recent protests and unrest have increased tensions even further. Due to the interconnected nature of the Hong Kong and Chinese economies, this instability in Hong Kong may cause uncertainty in the Hong Kong and Chinese markets. China has a complex territorial dispute regarding the sovereignty of Taiwan and has made threats of invasion. Taiwan-based companies and individuals are significant investors in China. Military conflict between China and Taiwan may adversely affect securities of Chinese issuers. To the extent the Fund invests in securities of companies located in or operating in China, any difficulties of the PCAOB to inspect audit work papers and practices of PCAOB-registered accounting firms in China with respect to their audit work of U.S. reporting companies may impose additional risks associated with investments in China.

Investments in Chinese issuers are also subject to the risk of escalating tensions and deteriorating relations with the U.S. as economic and strategic competition between the U.S. and China intensifies, which could result in further tariffs, trade restrictions, sanctions, or other actions that adversely impact the value of such investments. In addition, there is less regulation and monitoring of the securities markets and the activities of investors, brokers and other participants in China than in the U.S. Accordingly, issuers of securities in China are not subject to the same degree of regulation as those in the U.S. with respect to such matters as insider trading rules, tender offer regulation, stockholder proxy requirements and the requirements mandating timely and accurate disclosure of information. Stock markets in China are in the process of change and further development. This may lead to trading volatility, and difficulties in the settlement and recording of transactions and interpretation and application of the relevant regulations. Custodians may not be able to offer the level of service and safe-keeping in relation to the settlement and administration of securities in China that is customary in more developed markets. In particular, there is a risk that a Fund may not be recognized as the owner of securities that are held on behalf of the Fund. The Chinese government also exercises substantial influence over many aspects of the private sector and may own or control many companies, which may increase the risk of losses due to expropriation, nationalization, confiscation of assets and property, and the imposition of restrictions on foreign investments and on repatriation of capital invested.

Investments in Chinese companies may be made through a special structure known as a variable interest entity (“VIE”). In a VIE structure, foreign investors, such as the Fund, will only own stock in a shell company rather than directly in the Chinese company, known as the VIE. The VIE must be owned by Chinese nationals (and/or Chinese companies), which are typically the VIE’s founders, to obtain the licenses and/or assets required to operate in certain restricted and/or prohibited sectors in China. The value of the shell company is therefore derived from its ability to consolidate the VIE into its financials pursuant to contractual arrangements that allow the shell company to exert a degree of control over, and obtain economic benefits arising from, the VIE without formal legal ownership. The shell company is typically set up in an offshore jurisdiction, such as the Cayman Islands, and enters into the service and other contracts with the VIE through a wholly foreign-owned enterprise based in China. The VIE structure is designed to provide foreign investors with exposure to Chinese companies that operate in certain sectors in which China restricts and/or prohibits foreign investments, such as internet, media, education and telecommunications. While VIEs are a longstanding industry practice that is well known to Chinese officials and regulators, historically they have not been formally recognized under Chinese law and regulations regarding the structure are evolving. The Chinese government previously placed restrictions on China-based companies raising capital offshore in certain sectors, including through VIEs, and investors face uncertainty about future actions by the Chinese government that could significantly affect the operating company’s financial performance and the enforceability of the contractual arrangements underlying the VIE structure; however, effective March 31, 2023, the China Securities Regulatory Commission (“CSRC”) released new rules and implementing guidelines that permit the use of VIE structures, provided they comply with Chinese laws and register with the CSRC. The rules, however, may cause Chinese companies to undergo greater scrutiny and may make the process to create VIEs more difficult and costly. Further, while the rules and implementing guidelines do not prohibit the use of VIE structures, this does not serve as a formal endorsement. It is uncertain whether Chinese officials or regulators will withdraw their acceptance of the VIE structure, generally, or with respect to certain industries, or limit VIEs’ ability to pass through economic and governance rights to foreign individuals and entities. The contractual arrangements with the VIE also may not be as effective in providing operational control as direct equity ownership. The Chinese equity owner(s) of a VIE could decide to breach the contractual arrangements and may have conflicting interests and fiduciary duties as compared to foreign investors in the shell company. Further, any breach or dispute under these contracts will likely fall under Chinese jurisdiction and law. Prohibitions of these structures by the Chinese government, or the inability to enforce such contracts through Chinese courts and/or arbitration bodies, would likely cause the VIE-structured holding(s) to suffer significant, detrimental, and possibly permanent effects, and in turn, adversely affect the Fund’s returns and net asset value per share.

Risks of Investing in Latin American Issuers—The economies of certain Latin American countries have experienced high interest rates, economic volatility, inflation, currency devaluations, government debt defaults and high unemployment rates. Certain Latin American countries have experienced periods of political and economic instability and social unrest in the past. International economic conditions, particularly those in the U.S., Europe and Asia, as well as world prices for oil and other commodities may also influence the development of Latin American economies. These risks, among others, may adversely affect the value of the Fund's investments.

Depository Receipts

Many securities of foreign issuers are represented by American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs), and European Depositary Receipts (EDRs) (collectively, depository receipts). Generally, depository receipts in registered form are designed for use in the U.S. securities market and depository receipts in bearer form are designed for use in securities markets outside the U.S. ADRs evidence ownership of, and represent the right to receive, securities of foreign issuers deposited in a domestic bank or trust company or a foreign correspondent bank. Prices of ADRs are quoted in U.S. dollars, and ADRs are traded in the U.S. on exchanges or over-the-counter (OTC). While ADRs do not eliminate all the risks associated with foreign investments, by investing in ADRs rather than directly in the stock of foreign issuers, the Fund will avoid currency and certain foreign market trading risks during the settlement period for either purchases or sales. In general, there is a large, liquid market in the U.S. for ADRs quoted on a national securities exchange. The information available for ADRs is subject to the accounting, auditing and financial reporting standards of the U.S. market or exchange on which they are traded, which standards are generally more uniform and more exacting than those to which many foreign issuers may be subject.

EDRs and GDRs are typically issued by foreign banks or trust companies and evidence ownership of underlying securities issued by either a foreign or a U.S. corporation. EDRs and GDRs may not necessarily be denominated in the same currency as the underlying securities into which they may be converted. The underlying shares are held in trust by a custodian bank or similar financial institution in the issuer's home country. If the issuer's home country does not have developed financial markets, the Fund could be exposed to the credit risk of the custodian or financial institution and greater market risk. The depository bank may not have physical custody of the underlying securities at all times and may charge fees for various services, including forwarding dividends and interest, and processing corporate actions. The Fund would be expected to pay a share of the additional fees, which it would not pay if investing directly in the foreign securities. The Fund may experience delays in receiving its dividend and interest payments or exercising rights as a shareholder.

Depository receipts may reduce some but not eliminate all the risks inherent in investing in the securities of foreign issuers. Depository receipts are still subject to the political and economic risks of the underlying issuer's country and are still subject to foreign currency exchange risk. Depository receipts will be issued under sponsored or unsponsored programs. In sponsored programs, an issuer has made arrangements to have its securities traded in the form of depository receipts. In unsponsored programs, the issuer may not be directly involved in the creation of the program. Although regulatory requirements with respect to sponsored and unsponsored programs are generally similar, in some cases it may be easier to obtain financial information about an issuer that has participated in the creation of a sponsored program. There may be an increased possibility of untimely responses to certain corporate actions of the issuer, such as stock splits and rights offerings, in an unsponsored program. Accordingly, there may be less information available regarding issuers of securities underlying unsponsored programs and there may not be a correlation between this information and the market value of the depository receipts. If the Fund's investment depends on obligations being met by the arranger as well as the issuer of an unsponsored program, the Fund will be exposed to additional credit risk.

Asset-Backed, Mortgage-Related and Mortgage-Backed Securities

Mortgage-backed securities, including CMOs and certain stripped mortgage-backed securities, represent a participation in, or are secured by, mortgage loans. 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 or installment loan contracts, leases of various types of real and personal property, receivables from credit card agreements, company receivables or other assets. The cash flow generated by the underlying assets is applied to make required payments on the securities and to pay related administrative expenses. The amount of residual cash flow resulting from a particular issue of asset-backed or mortgage-backed securities depends on, among other things, the characteristics of the underlying assets, the coupon rates on the securities, prevailing interest rates, the amount of administrative expenses and the actual prepayment experience on the underlying assets. The Fund may each invest in any such instruments or variations as may be developed, to the extent consistent with its investment objectives and policies and applicable regulatory requirements. In general, the collateral supporting asset-backed securities is of a shorter maturity than mortgage loans and is likely to experience substantial prepayments.

Mortgage-backed securities have yield and maturity characteristics corresponding to the underlying assets. Unlike traditional debt securities, which may pay a fixed rate of interest until maturity, when the entire principal amount comes due, payments on certain mortgage-backed securities include both interest and a partial repayment of principal. Besides the scheduled repayment of principal, repayments of principal may result from the voluntary prepayment, refinancing or foreclosure of the underlying mortgage loans. If property owners make unscheduled prepayments of their mortgage loans, these prepayments will result in early payment of the applicable mortgage-backed securities. In that event the Fund may be unable to invest the proceeds from the early payment of the mortgage-backed securities in an investment that provides as high a yield as the mortgage-backed securities. Consequently, early payment associated with mortgage-backed securities may cause these securities to experience significantly greater price and yield volatility than that experienced

by traditional fixed-income securities. The occurrence of mortgage prepayments is affected by factors including the level of interest rates, general economic conditions, the location and age of the mortgage and other social and demographic conditions. During periods of falling interest rates, the rate of mortgage prepayments tends to increase, thereby tending to decrease the life of mortgage-backed securities. During periods of rising interest rates, the rate of mortgage prepayments usually decreases, thereby tending to increase the life of mortgage-backed securities. If the life of a mortgage-backed security is inaccurately predicted, the Fund may not be able to realize the rate of return it expected.

Adjustable rate mortgage securities (“ARMs”), like traditional mortgage-backed securities, are interests in pools of mortgage loans that provide investors with payments consisting of both principal and interest as mortgage loans in the underlying mortgage pool are paid off by the borrowers. Unlike fixed-rate mortgage-backed securities, ARMs are collateralized by or represent interests in mortgage loans with variable rates of interest. These interest rates are reset at periodic intervals, usually by reference to an interest-rate index or market interest rate. Although the rate adjustment feature may act as a buffer to reduce sharp changes in the value of adjustable rate securities, these securities are still subject to changes in value based on, among other things, changes in market interest rates or changes in the issuer’s creditworthiness. Because the interest rates are reset only periodically, changes in the interest rate on ARMs may lag changes in prevailing market interest rates. Also, some ARMs (or the underlying mortgages) are subject to caps or floors that limit the maximum change in the interest rate during a specified period or over the life of the security. As a result, changes in the interest rate on an ARM may not fully reflect changes in prevailing market interest rates during certain periods.

The Fund may also invest in hybrid ARMs, whose underlying mortgages combine fixed-rate and adjustable rate features.

Mortgage-backed and asset-backed securities are less effective than other types of securities as a means of locking in attractive long-term interest rates. One reason is the need to reinvest prepayments of principal; another is the possibility of significant unscheduled prepayments resulting from declines in interest rates. These prepayments would have to be reinvested at lower rates. The automatic interest-rate adjustment feature of mortgages underlying ARMs likewise reduces the ability to lock-in attractive rates. As a result, mortgage-backed and asset-backed securities may have less potential for capital appreciation during periods of declining interest rates than other securities of comparable maturities, although they may have a similar risk of decline in market value during periods of rising interest rates. Prepayments may also significantly shorten the effective maturities of these securities, especially during periods of declining interest rates. Conversely, during periods of rising interest rates, a reduction in prepayments may increase the effective maturities of these securities, subjecting them to a greater risk of decline in market value in response to rising interest rates than traditional debt securities, and, therefore, potentially increasing the volatility of the Fund.

At times, some mortgage-backed and asset-backed securities will have higher than market interest rates and, therefore, will be purchased at a premium above their par value. Prepayments may cause losses on securities purchased at a premium.

CMOs may be issued by a U.S. government agency or instrumentality or by a private issuer. Although payment of the principal of, and interest on, the underlying collateral securing privately issued CMOs may be guaranteed by the U.S. government or its agencies or instrumentalities, these CMOs represent obligations solely of the private issuer and are not insured or guaranteed by the U.S. government, its agencies or instrumentalities or any other person or entity.

Prepayments could cause early retirement of CMOs. CMOs are designed to reduce the risk of prepayment for certain investors by issuing multiple classes of securities, each having different maturities, interest rates and payment schedules, and with the principal and interest on the underlying mortgages allocated among the several classes in various ways. Payment of interest or principal on some classes or series of CMOs may be subject to contingencies or some classes or series may bear some or all of the risk of default on the underlying mortgages. CMOs of different classes or series are generally retired in sequence as the underlying mortgage loans in the mortgage pool are repaid. If enough mortgages are repaid ahead of schedule, the classes or series of a CMO with the earliest maturities generally will be retired before their maturities. Thus, the early retirement of particular classes or series of a CMO would have the same effect as the prepayment of mortgages underlying other mortgage-backed securities. Conversely, slower than anticipated prepayments can extend the effective maturities of CMOs, subjecting them to a greater risk of decline in market value in response to rising interest rates than traditional debt securities, and, therefore, potentially increasing their volatility.

Prepayments could result in losses on stripped mortgage-backed securities. Stripped mortgage-backed securities are usually structured with two classes that receive different portions of the interest and principal distributions on a pool of mortgage loans. The yield to maturity on an interest only or “IO” class of stripped mortgage-backed securities is extremely sensitive not only to changes in prevailing interest rates but also to the rate of principal payments (including prepayments) on the underlying assets. A rapid rate of principal prepayments may have a measurable adverse effect on the Fund’s yield to maturity to the extent it invests in IOs. If the assets underlying the IO experience greater than anticipated prepayments of principal, the Fund may fail to recoup fully its initial investment in these securities. Principal only or “Pos” tend to increase in value if prepayments are greater than anticipated and decline if prepayments are slower than anticipated. The secondary market for stripped mortgage-backed securities may be more volatile and less liquid than that for other mortgage-backed securities, potentially limiting the Fund’s ability to buy or sell those securities at any particular time.

Subprime mortgage loans, which typically are made to less creditworthy borrowers, have a higher risk of default than conventional mortgage loans. Therefore, mortgage-backed securities backed by subprime mortgage loans may suffer significantly greater declines in value due to defaults or the increased risk of default.

The risks associated with other asset-backed securities (including in particular the risks of issuer default and of early prepayment) are generally similar to those described above for CMOs. In addition, because asset-backed securities generally do not have the benefit of a security interest in the underlying assets comparable to a mortgage, asset-backed securities present certain additional risks that are not present with mortgage-backed securities. The ability of an issuer of asset-backed securities to enforce its security interest in the underlying assets may be limited. For example, revolving credit receivables are generally unsecured and the debtors on such receivables are entitled to the protection of a number of state and federal consumer credit laws, many of which give debtors the right to set-off certain amounts owed, thereby reducing the balance due. Automobile receivables generally are secured, but by automobiles, rather than by real property.

Asset-backed securities may be collateralized by the fees earned by service providers. The values of asset-backed securities may be substantially dependent on the servicing of the underlying asset and are therefore subject to risks associated with the negligence or malfeasance by their servicers and to the credit risk of their servicers. In certain circumstances, the mishandling of related documentation may also affect the rights of the security holders in and to the underlying collateral. The insolvency of entities that generate receivables or that utilize the assets may result in added costs and delays in addition to losses associated with a decline in the value of the underlying assets. For the purposes of the Fund's concentration policy, asset-backed securities will be classified in a consistent manner deemed reasonable by the Fund.

Collateralized Bond Obligations (CBOs), Collateralized Loan Obligations (CLOs), and Other Collateralized Debt Obligations (CDOs)—A CBO is a trust which is often backed by a pool of high risk, below investment grade fixed-income securities, such as high-yield bonds, privately issued mortgage-related securities, commercial mortgage-related securities, trust preferred securities, or emerging-market debt. A CLO is a trust typically backed by a pool of loans, which may include senior secured loans, senior unsecured loans, and subordinate corporate loans, including loans that may be below investment grade. Other CDOs are trusts backed by other types of assets. The assets backing a CBO, CLO, or CDO trust may be referred to as "the collateral." CBOs, CLOs and other CDOs may charge management fees and administrative expenses. The cash flows from the trust are split into two or more portions, called tranches, varying in risk and yield. Senior tranches can often be rated investment grade. CBO, CLO or other CDO tranches can experience substantial losses due to defaults, deterioration of protecting tranches, market participants' perception of credit risk, as well as aversion to these securities generally. The risks of an investment in a CBO, CLO or other CDO often depend on the collateral securities and the particular tranche in which the Fund invests. These securities are often privately offered and not registered under securities laws. In addition to the normal risks associated with fixed-income securities (e.g., interest-rate risk and credit risk), CBOs, CLOs and other CDOs carry additional risks including the possibility that distributions from collateral securities will not be adequate to make interest or other payments, the possibility that the quality of the collateral may decline in value or default, the risk that the Fund may invest in CBOs, CLOs or other CDOs that are subordinate to other tranches, as well as risks related to the complexity of the security and its structure.

Federal, state and local government officials and representatives as well as certain private parties have proposed actions to assist homeowners who own or occupy property subject to mortgages. Certain of those proposals involve actions that would affect the mortgages that underlie or relate to certain mortgage-related securities, including securities or other instruments which the Fund may hold or in which they may invest. Some of those proposals include, among other things, lowering or forgiving principal balances; forbearing, lowering or eliminating interest payments; or utilizing eminent domain powers to seize mortgages, potentially for below market compensation. The prospective or actual implementation of one or more of these proposals may significantly and adversely affect the value and liquidity of securities held by the Fund and could cause the Fund's net asset value per share to decline, potentially significantly. Tremendous uncertainty remains in the market concerning the resolution of these issues; the range of proposals and the potential implications of any implemented solution is impossible to predict.

Collateralized Mortgage Obligations (CMOs) and Multiclass Pass-Through Securities—CMOs are debt obligations collateralized by mortgage loans or mortgage pass-through securities. CMOs may be collateralized by Ginnie Mae, Fannie Mae, or Freddie Mac certificates, but also may be collateralized by whole loans or private mortgage pass-through securities (such collateral is collectively hereinafter referred to as "Mortgage Assets"). Mortgage Assets may be collateralized by commercial or residential uses. Multiclass pass-through securities are equity interests in a trust composed of Mortgage Assets. Payments of principal of and interest on the Mortgage Assets, and any reinvestment income thereon, may require the Fund to pay debt service on the CMOs or make scheduled distributions on the multiclass pass-through securities. CMOs may be issued by Federal Agencies, or by private originators of, or investors in, mortgage loans, including savings and loan associations, mortgage banks, commercial banks, investment banks and special purpose subsidiaries of the foregoing. The issuer of a series of mortgage pass-through securities may elect to be treated as a Real Estate Mortgage Investment Conduit (REMIC). REMICs include governmental and/or private entities that issue a fixed pool of mortgages secured by an interest in real property. REMICs are similar to CMOs in that they issue multiple classes of securities, but unlike CMOs, which are required to be structured as debt securities, REMICs may be structured as indirect ownership interests in the underlying assets of the REMICs themselves. Although CMOs and REMICs differ in certain respects, characteristics of CMOs described below apply in most cases to REMICs, as well.

In a CMO, a series of bonds or certificates is issued in multiple classes. Each class of CMOs, often referred to as a tranche, is issued at a specific fixed or floating coupon rate and has a stated maturity or final distribution date. Principal prepayments on the Mortgage Assets may cause the CMOs to be retired substantially earlier than their stated maturities or final distribution dates. Interest is paid or accrues on all classes of the CMOs on a monthly, quarterly or semiannual basis. Certain CMOs may have variable or floating interest rates and others may be stripped mortgage securities. For more information on stripped mortgage securities, see "Stripped Mortgage Securities" below.

The principal of and interest on the Mortgage Assets may be allocated among the several classes of a CMO series in a number of different ways. Generally, the purpose of the allocation of the cash flow of a CMO to the various classes is to obtain a more predictable cash flow to certain of the individual tranches than exists with the underlying collateral of the CMO. As a general rule, the more predictable the cash flow is on a CMO tranche, the lower the anticipated yield will be on that tranche at the time of issuance relative to prevailing market yields on other mortgage-backed securities. As part of the process of creating more predictable cash flows on most of the tranches in a series of CMOs, one or more tranches generally must be created that absorb most of the volatility in the cash flows on the underlying mortgage loans. The yields on these tranches are generally higher than prevailing market yields on mortgage-backed securities with similar maturities. As a result of the uncertainty of the cash flows of these tranches, the market prices of and yield on these tranches generally are more volatile.

CMO Residuals—CMO residuals are mortgage securities issued by agencies or instrumentalities of the U.S. government or by private originators of, or investors in, mortgage loans, including savings and loan associations, homebuilders, mortgage banks, commercial banks, investment banks and special purpose entities of the foregoing. The cash flow generated by the mortgage assets underlying a series of a CMO is applied first to make required payments of principal and interest on the securities or certificates issued by the CMO and second to pay the related administrative expenses and any management fee of the issuer. The residual in a CMO structure generally represents the interest in any excess cash flow remaining after making the foregoing payments. The amount of residual cash flow resulting from a CMO will depend on, among other things, the characteristics of the mortgage assets, the coupon rate of each class of CMO, prevailing interest rates, the amount of administrative expenses and the pre-payment experience on the mortgage assets. The yield to maturity on CMO residuals is extremely sensitive to pre-payments on the related underlying mortgage assets. In addition, if a series of a CMO includes a class that bears interest at an adjustable rate, the yield to maturity on the related CMO residual will be extremely sensitive to changes in the level of the index upon which interest-rate adjustments are based. The Fund may fail to recoup fully its initial investment in a CMO residual. CMO residuals may or, pursuant to an exemption therefrom, may not have been registered under the Securities Act. CMO residuals, whether or not registered under the Securities Act, may be subject to certain restrictions on transferability, and may be deemed “illiquid.”

Government Mortgage Pass-Through Securities—The Fund may invest in mortgage pass-through securities representing participation interests in pools of residential mortgage loans purchased from individual lenders by an agency, instrumentality or sponsored corporation of the United States government (Federal Agency) or originated by private lenders and guaranteed, to the extent provided in such securities, by a Federal Agency. Such securities, which are ownership interests in the underlying mortgage loans, differ from conventional debt securities, which provide for periodic payment of interest in fixed amounts (usually semiannually) and principal payments at payments (not necessarily in fixed amounts) that are a pass-through of the monthly interest and principal payments (including any prepayments) made by the individual borrowers on the pooled mortgage loans, net of any fees paid to the guarantor of such securities and the servicer of the underlying mortgage loans.

The government mortgage pass-through securities in which the Fund may invest include those issued or guaranteed by Ginnie Mae, Fannie Mae and Freddie Mac. Ginnie Mae certificates are direct obligations of the U.S. government and, as such, are backed by the full faith and credit of the United States. Fannie Mae is a federally chartered, privately owned corporation and Freddie Mac is a corporate instrumentality of the United States. Fannie Mae and Freddie Mac certificates are not backed by the full faith and credit of the United States but the issuing agency or instrumentality has the right to borrow, to meet its obligations, from an existing line of credit with the U.S. Department of Treasury. The U.S. Treasury has no legal obligation to provide such line of credit and may choose not to do so.

Certificates for these types of mortgage-backed securities evidence an interest in a specific pool of mortgages. These certificates are, in most cases, modified pass-through instruments, wherein the issuing agency guarantees the payment of principal and interest on mortgages underlying the certificates, whether or not such amounts are collected by the issuer on the underlying mortgages.

The Housing and Economic Recovery Act of 2008 (HERA) authorized the Secretary of the Treasury to support Fannie Mae, Freddie Mac, and the Federal Home Loan Banks (FHLBs) (collectively, the “GSEs”) by purchasing obligations and other securities from those government-sponsored enterprises. HERA gave the Secretary of the Treasury broad authority to determine the conditions and amounts of such purchases.

On September 6, 2008, the Federal Housing Finance Agency (“FHFA”) placed Fannie Mae and Freddie Mac into conservatorship. As the conservator, FHFA succeeded to all rights, titles, powers and privileges of Fannie Mae and Freddie Mac and of any stockholder, officer or director of Fannie Mae and Freddie Mac with respect to Fannie Mae and Freddie Mac and the assets of Fannie Mae and Freddie Mac. FHFA selected a new chief executive officer and chairman of the board of directors for Fannie Mae and Freddie Mac.

In connection with the conservatorship, the U.S. Treasury, exercising powers granted to it under HERA, entered into a Senior Preferred Stock Purchase Agreement (SPA) with each of Fannie Mae and Freddie Mac pursuant to which the U.S. Treasury will purchase up to an aggregate of \$100 billion of each of Fannie Mae and Freddie Mac to maintain a positive net worth in each enterprise. This agreement contains various covenants that severely limit each enterprise’s operations. In exchange for entering into these agreements, the U.S. Treasury received \$1 billion of each enterprise’s senior preferred stock and warrants to purchase 79.9% of each enterprise’s common stock. On February 18, 2009, the U.S. Treasury announced that it was doubling the size of its commitment to each enterprise under the Senior Preferred Stock Program to \$200 billion. The U.S. Treasury’s obligations under the Senior Preferred Stock Program are for an

indefinite period of time for a maximum amount of \$200 billion per enterprise. On December 24, 2009, the U.S. Treasury announced further amendments to the SPAs which included additional financial support for each GSE through the end of 2012 and changes to the limits on their retained mortgage portfolios. Although legislation has been enacted to support certain GSEs, including the FHLBs, Freddie Mac and Fannie Mae, there is no assurance that GSE obligations will be satisfied in full, or that such obligations will not decrease in value or default. Discussions among policymakers continue as to whether certain GSEs should be nationalized, privatized, restructured or eliminated altogether. It is difficult, if not impossible, to predict the future political, regulatory or economic changes that could impact the GSEs and the values of their related securities or obligations.

Fannie Mae and Freddie Mac are continuing to operate as going concerns while in conservatorship and each remain liable for all of its obligations, including its guaranty obligations, associated with its mortgage-backed securities. The SPA is intended to enhance each of Fannie Mae's and Freddie Mac's ability to meet its obligations.

Under the Federal Housing Finance Regulatory Reform Act of 2008 (the Reform Act), which was included as part of Housing and Economic Recovery Act of 2008, FHFA, as conservator or receiver, has the power to repudiate any contract entered into by Fannie Mae or Freddie Mac before FHFA's appointment as conservator or receiver, as applicable, if FHFA determines, in its sole discretion, that performance of the contract is burdensome and that repudiation of the contract promotes the orderly administration of Fannie Mae's or Freddie Mac's affairs. The Reform Act requires FHFA to exercise its right to repudiate any contract within a reasonable period of time after its appointment as conservator or receiver.

FHFA, in its capacity as conservator, has indicated that it has no intention to repudiate the guaranty obligations of Fannie Mae or Freddie Mac because FHFA views repudiation as incompatible with the goals of the conservatorship. However, if FHFA, as conservator or if it is later appointed as receiver for Fannie Mae or Freddie Mac, were to repudiate any such guaranty obligation, the conservatorship or receivership estate, as applicable, would be liable for actual direct compensatory damages in accordance with the provisions of the Reform Act. Any such liability could be satisfied only to the extent of Fannie Mae's or Freddie Mac's available assets. The future financial performance of Fannie Mae and Freddie Mac is heavily dependent on the performance of the U.S. housing market.

In the event of repudiation, the payments of interest to holders of Fannie Mae, or Freddie Mac mortgage-backed securities would be reduced if payments on the mortgage loans represented in the mortgage loan groups related to such mortgage-backed securities are not made by the borrowers or advanced by the servicer. Any actual direct compensatory damages for repudiating these guaranty obligations may not be sufficient to offset any shortfalls experienced by such mortgage-backed security holders.

Further, in its capacity as conservator or receiver, FHFA has the right to transfer or sell any asset or liability of Fannie Mae or Freddie Mac without any approval, assignment or consent. Although FHFA has stated that it has no present intention to do so, if FHFA, as conservator or receiver, were to transfer any such guaranty obligation to another party, holders of Fannie Mae or Freddie Mac mortgage-backed securities would have to rely on that party for satisfaction of the guaranty obligation and would be exposed to the credit risk of that party.

In addition, certain rights provided to holders of mortgage-backed securities issued by Fannie Mae and Freddie Mac under the operative documents related to such securities may not be enforced against FHFA, or enforcement of such rights may be delayed, during the conservatorship or any future receivership. The operative documents for Fannie Mae and Freddie Mac mortgage-backed securities may provide (or with respect to securities issued before the date of the appointment of the conservator may have provided) that upon the occurrence of an event of default on the part of Fannie Mae or Freddie Mac, in its capacity as guarantor, which includes the appointment of a conservator or receiver, holders of such mortgage-backed securities have the right to replace Fannie Mae or Freddie Mac as trustee if the requisite percentage of mortgage-backed security holders consent. The Reform Act prevents mortgage-backed security holders from enforcing such rights if the event of default arises solely because a conservator or receiver has been appointed. The Reform Act also provides that no person may exercise any right or power to terminate, accelerate or declare an event of default under certain contracts to which Fannie Mae or Freddie Mac is a party, or obtain possession of or exercise control over any property of Fannie Mae or Freddie Mac, or affect any contractual rights of Fannie Mae or Freddie Mac, without the approval of FHFA, as conservator or receiver, for a period of 45 or 90 days following the appointment of FHFA as conservator or receiver, respectively.

The FHFA has indicated that the conservatorship of each of Fannie Mae and Freddie Mac will end when the director of the FHFA determines that the FHFA's plan to restore the enterprise to a safe and solvent condition has been completed. The FHFA recently announced plans to consider taking Fannie Mae and Freddie Mac out of conservatorship. Should Fannie Mae and Freddie Mac be taken out of conservatorship, it is unclear whether the U.S. Treasury would continue to enforce its rights or perform its obligations under the SPAs. It also is unclear how the capital structure of Fannie Mae and Freddie Mac would be constructed post-conservatorship, and what effects, if any, the privatization of Fannie Mae and Freddie Mac will have on their creditworthiness and guarantees of certain mortgage-backed securities. Accordingly, should the FHFA take Fannie Mae and Freddie Mac out of conservatorship, there could be an adverse impact on the value of their securities which could cause the Fund's investments to lose value.

Private Mortgage Pass-Through Securities—Private mortgage pass-through securities are structured similarly to the Ginnie Mae, Fannie Mae and Freddie Mac mortgage pass-through securities and are issued by United States and foreign private issuers such as originators of and investors in mortgage loans, including savings and loan associations, mortgage banks, commercial banks, investment banks and special purpose subsidiaries of the foregoing. These securities usually are backed by a pool of conventional fixed-rate or adjustable-rate mortgage loans. Private mortgage pass-through securities typically are not guaranteed by an entity having the credit status of Ginnie Mae, Fannie Mae and Freddie Mac, and are subject to greater complexity and risk of loss.

Mortgage Assets often consist of a pool of assets representing the obligations of a number of different parties. There are usually fewer properties in a pool of assets backing commercial mortgage-backed securities than in a pool of assets backing residential mortgage-backed securities hence they may be more sensitive to the performance of fewer Mortgage Assets. To lessen the effect of failures by obligors on underlying assets to make payments, those securities may contain elements of credit support, which fall into two categories: (i) liquidity protection and (ii) protection against losses resulting from ultimate default by an obligor on the underlying assets. Liquidity protection refers to the provision of advances, generally by the entity administering the pool of assets, to ensure that the receipt of payments on the underlying pool occurs in a timely fashion. Protection against losses resulting from default ensures ultimate payment of the obligations on at least a portion of the assets in the pool. This protection may be provided through guarantees, insurance policies or letters of credit obtained by the issuer or sponsor from third parties, through various means of structuring the transaction or through a combination of such approaches. The degree of credit support provided for each issue is generally based on historical information respecting the level of credit risk associated with the underlying assets. Delinquencies or losses in excess of those anticipated could adversely affect the return on an investment in a security.

Stripped Mortgage Securities—Stripped mortgage securities may be issued by Federal Agencies, or by private originators of, or investors in, mortgage loans, including savings and loan associations, mortgage banks, commercial banks, investment banks and special purpose subsidiaries of the foregoing. Stripped mortgage securities not issued by Federal Agencies may be illiquid. The liquidity of such investments will be determined pursuant to Rule 22c-4 and in accordance with the Trust's Liquidity Risk Management Program.

Stripped mortgage securities usually are structured with two classes that receive different proportions of the interest and principal distribution of a pool of mortgage assets. A common type of stripped mortgage security will have one class receiving some of the interest and most of the principal from the mortgage assets, while the other class will receive most of the interest and the remainder of the principal. In the most extreme case, one class will receive all of the interest (the interest-only or "IO" class), while the other class will receive all of the principal (the principal-only or "PO" class). PO classes generate income through the accretion of the deep discount at which such securities are purchased, and, while PO classes do not receive periodic payments of interest, they receive monthly payments associated with scheduled amortization and principal prepayment from the mortgage assets underlying the PO class. The yield to maturity on a PO or an IO class security is extremely sensitive to the rate of principal payments (including prepayments) on the related underlying mortgage assets. A slower than expected rate of principal payments may have an adverse effect on a PO class security's yield to maturity. If the underlying mortgage assets experience slower than anticipated principal repayment, the Fund may fail to fully recoup its initial investment in these securities. Conversely, a rapid rate of principal payments may have a material adverse security's yield to maturity. If the underlying mortgage assets experience greater than anticipated prepayments or principal, the Fund may fail to fully recoup its initial investment in these securities.

The Fund may purchase stripped mortgage securities for income, or for hedging purposes to protect the Fund's portfolio against interest rate fluctuations. For example, since an IO class will tend to increase in value as interest rates rise, it may be used to hedge against a decrease in value of other fixed-income securities in a rising interest-rate environment.

Mortgage Dollar Rolls—The Fund may enter into mortgage dollar rolls with a bank or a broker-dealer. A mortgage dollar roll is a transaction in which the Fund sells mortgage-related securities for immediate settlement and simultaneously purchases the same type of securities for forward settlement at a discount. While the Fund begins accruing interest on the newly purchased securities from the purchase or trade date, it is able to invest the proceeds from the sale of its previously owned securities, which will be used to pay for the new securities. The use of mortgage dollar rolls is a speculative technique involving leverage and can have an economic effect similar to borrowing money for investment purposes. Dollar roll transactions involve the risk that the market value of the securities the Fund is required to purchase may decline below the agreed upon repurchase price of those securities. If the broker-dealer to whom the Fund sells securities becomes insolvent, the Fund's right to purchase or repurchase securities may be restricted. Successful use of mortgage dollar rolls may depend upon the adviser's ability to correctly predict interest rates and prepayments. There is no assurance that dollar rolls can be successfully employed.

Forward Commitments and Dollar Rolls—The Fund may enter into contracts to purchase mortgage securities for a fixed price at a future date beyond customary settlement time (forward commitments) if the Fund sets aside on its books liquid assets in an amount sufficient to meet the purchase price, or if the Fund enters into offsetting contracts for the forward sale of other securities it owns. In the case of to-be-announced ("TBA") mortgage purchase commitments, the unit price and the estimated principal amount are established when the Fund enters into a contract, with the actual principal amount being within a specified range of the estimate. TBA mortgages shall not exceed 20% of the Fund's net assets. For these obligations, the Fund will segregate or earmark liquid assets in an amount sufficient to

cover its obligations. Forward commitments may be considered securities in themselves and involve a risk of loss if the value of the security to be purchased declines before the settlement date, which risk is in addition to the risk of decline in the value of the Fund's other assets. Where such purchases are made through dealers, the Fund relies on the dealer to consummate the sale. The dealer's failure to do so may result in the loss to the Fund of an advantageous yield or price. Although the Fund will generally enter into forward commitments with the intention of acquiring securities for its portfolio, the Fund may dispose of a commitment before settlement if the Investment Adviser deems it appropriate to do so. The Fund may realize short-term profits or losses upon the sale of forward commitments.

The Fund may enter into TBA sale commitments to hedge its portfolio positions or to sell securities it owns under delayed delivery arrangements. Proceeds of TBA sale commitments are not received until the contractual settlement date. Unsettled TBA sale commitments are valued at current market value of the underlying securities. If the TBA sale commitment is closed through the acquisition of an offsetting purchase commitment, the Fund realizes a gain or loss on the commitment without regard to any unrealized gain or loss on the underlying security. If the Fund delivers securities under the commitment, the Fund realizes a gain or loss from the sale of the securities based upon the unit price established at the date the commitment was entered into.

The Fund may enter into mortgage dollar roll transactions (generally using TBAs) in which it sells a fixed-income security for delivery in the current month and simultaneously contracts to purchase similar securities (for example, same type, coupon and maturity) at an agreed upon future time. By engaging in a dollar roll transaction, the Fund foregoes principal and interest paid on the security that is sold but receives the difference between the current sales price and the forward price for the future purchase. The Fund would also be able to earn interest on the proceeds of the sale before they are reinvested. The Fund accounts for dollar rolls as purchases and sales. Dollar rolls may be used to create investment leverage and may increase the Fund's risk and volatility.

The obligation to purchase securities on a specified future date involves the risk that the market value of the securities that the Fund is obligated to purchase may decline below the purchase price. In addition, in the event the other party to the transaction files for bankruptcy, becomes insolvent or defaults on its obligation, the Fund may be adversely affected.

Inflation-Protected Securities

The Fund may invest in U.S. Treasury Inflation Protected Securities ("U.S. TIPS"), which are fixed-income securities issued by the U.S. Treasury, the principal amounts of which are adjusted daily based upon changes in the rate of inflation. The Fund may also invest in other inflation-protected securities issued by non-U.S. governments or by private issuers. U.S. TIPS pay interest on a semi-annual basis, equal to a fixed percentage of the inflation-adjusted principal amount. The interest rate on these bonds is fixed at issuance, but over the life of the bond this interest may be paid on an increasing or decreasing principal value that has been adjusted for inflation.

Repayment of the original bond principal upon maturity (as adjusted for inflation) is guaranteed for U.S. TIPS, even during a period of deflation. However, because the principal amount of U.S. TIPS would be adjusted downward during a period of deflation, the Fund will be subject to deflation risk with respect to its investments in these securities. In addition, the current market value of the bonds is not guaranteed and will fluctuate. If the Fund purchases in the secondary market U.S. TIPS whose principal values have been adjusted upward due to inflation since issuance, the Fund may experience a loss if there is a subsequent period of deflation. The Fund may also invest in other inflation-related bonds which may or may not provide a guarantee of principal. If a guarantee of principal is not provided, the adjusted principal value of the bond repaid at maturity may be less than the original principal amount.

The periodic adjustment of U.S. TIPS is currently tied to the CPI-U, which is calculated by the U.S. Department of Treasury. The CPI-U is a measurement of changes in the cost of living, made up of components such as housing, food, transportation and energy. Inflation-protected bonds issued by a non-U.S. government are generally adjusted to reflect a comparable inflation index, calculated by that government. There can be no assurance that the CPI-U or any non-U.S. inflation index will accurately measure the real rate of inflation in the prices of goods and services. If interest rates rise due to reasons other than inflation (for example, due to changes in currency exchange rates), investors in these securities may not be protected to the extent that the increase is not reflected in the bond's inflation measure. In addition, there can be no assurance that the rate of inflation in a non-U.S. country will be correlated to the rate of inflation in the United States.

In general, the value of inflation-protected bonds is expected to fluctuate in response to changes in real interest rates, which are in turn tied to the relationship between nominal interest rates and the rate of inflation. Therefore, if inflation were to rise at a faster rate than nominal interest rates, real interest rates might decline, leading to an increase in value of inflation-protected bonds. In contrast, if nominal interest rates increased at a faster rate than inflation, real interest rates might rise, leading to a decrease in value of inflation-protected bonds. If inflation is lower than expected during the period the Fund holds the security, the Fund may earn less on the security than on a conventional bond. Any increase in principal value is taxable in the year the increase occurs, even though holders do not receive cash representing the increase at that time. As a result, if the Fund invests in inflation-protected securities, it could be required at times to liquidate other investments, including when it is not advantageous to do so, to satisfy its distribution requirements as a registered investment company under PR Code Section 1112.01 and to eliminate any fund-level income tax liability under the PR Code.

Initial Public Offerings

The Fund may purchase debt securities in initial public offerings (IPOs). These securities, which are often issued by unseasoned companies, may be subject to many of the same risks of investing in companies with smaller market capitalizations. Securities issued in IPOs have no trading history, and information about the companies may be available for very limited periods. Securities issued in an IPO frequently are very volatile in price, and the Fund may hold securities purchased in an IPO for a very short period of time. As a result, the Fund's investments in IPOs may increase portfolio turnover, which increases brokerage and administrative costs and may result in taxable distributions to shareholders.

At any particular time or from time to time the Fund may not be able to invest in securities issued in IPOs, or invest to the extent desired because, for example, only a small portion (if any) of the securities being offered in an IPO may be made available to the Fund. In addition, under certain market conditions a relatively small number of companies may issue securities in IPOs.

Hybrid Securities

The Fund may acquire hybrid securities. A third party may create a hybrid security by combining an income-producing debt security (income producing component) and the right to receive payment based on the change in the price of an equity security (equity component). The income-producing component is achieved by investing in non-convertible, income-producing securities such as bonds, preferred stocks and money market instruments, which may be represented by derivative instruments. The equity component is achieved by investing in securities or instruments such as cash-settled warrants to receive a payment based on whether the price of a common stock surpasses a certain exercise price. A hybrid security comprises two or more separate securities, each with its own market value. Therefore, the market value of a hybrid security is the sum of the values of its income-producing component and its equity component.

Structured Investments

A structured investment is a security having a return tied to an underlying index or other security or asset class. Structured investments generally are individually negotiated agreements and may be traded over-the-counter ("OTC"). Structured investments are organized and operated to restructure the investment characteristics of the underlying security. This restructuring involves the deposit with or purchase by an entity, such as a corporation or trust, or specified instruments (such as commercial bank loans) and the issuance by that entity or one or more classes of securities ("structured securities") backed by, or representing interests in, the underlying instruments. The cash flow on the underlying instruments may be apportioned among the newly issued structured securities to create securities with different investment characteristics, such as varying maturities, payment priorities and interest-rate provisions, and the extent of such payments made with respect to structured securities is dependent on the extent of the cash flow on the underlying instruments. Because structured securities typically involve no credit enhancement, their credit risk generally will be equivalent to that of the underlying instruments. Investments in structured securities are generally of a class of structured securities that is either subordinated or unsubordinated to the right of payment of another class. Subordinated structured securities typically have higher yields and present greater risks than unsubordinated structured securities. Structured securities are typically sold in private placement transactions, and there currently is no active trading market for structured securities. Investments in government and government-related and restructured debt instruments are subject to special risks, including the inability or unwillingness to repay principal and interest, requests to reschedule or restructure outstanding debt and requests to extend additional loan amounts.

Credit-Linked Notes—Credit-linked notes ("CLNs") are typically set up as a "pass-through" note structure created by a broker or bank as an alternative investment for funds or other purchasers to directly buying a bond or group of bonds. CLNs are typically issued at par, with a one-to-one relationship with the notional value to the underlying bond(s). The performance of the CLN, however, including maturity value, is linked to the performance of the specified underlying bond(s) as well as that of the issuing entity.

In addition to the risk of loss of its principal investment, the Fund bears the risk that the issuer of the CLN will default or become bankrupt. In such an event, the Fund may have difficulty being repaid, or fail to be repaid, the principal amount of its investment. A downgrade or impairment to the credit rating of the issuer will also likely impact negatively the price of the CLN, regardless of the price of the bond(s) underlying the CLNs. A CLN is typically structured as a limited recourse, unsecured obligation of the issuer of such security such that the security will usually be the obligation solely of the issuer and will not be an obligation or responsibility of any other person, including the issuer of the underlying bond(s).

Most CLNs are structured as Rule 144A securities so that they may be freely traded among institutional buyers. However, the market for CLNs may be, or suddenly can become, illiquid. The other parties to the transaction may be the only investors with sufficient understanding of the CLN to be interested in bidding for it. Changes in liquidity may result in significant, rapid and unpredictable changes in the prices of CLNs. In certain cases, a market price for a CLN may not be available or may not be reliable, and the Fund could experience difficulty in selling such security at a fair price.

Borrowing and Other Forms of Leverage

The Fund is authorized to borrow funds from third parties as may be necessary, convenient or appropriate in the opinion of Oriental Trust, subject to the 1940 Act and Fund's investment policies and restrictions and the requirements of applicable law. Such borrowing authority may be used by the Fund in order to increase the amounts available for investment. The Fund's leverage activities present special risks for shareholders, including the possibility of higher volatility in the net asset value per share of the Fund, a lower rate of return to shareholders, and other investment risks will tend to be compounded. This is because leverage tends to exaggerate the effect of any increase or decrease in the value of the Fund's holdings. In addition, debt-service requirements may adversely affect the cash flow for the Fund and increase the exposure of the Fund to adverse economic factors such as rising interest rates and downturns in the economy.

Certain of the Fund's borrowings may be subject to certain covenants set forth in the governing credit agreements relating to asset coverage requirements and portfolio composition. The Fund does not expect that observance of such covenants would materially adversely affect the ability of the Fund to achieve its investment objectives. However, a breach of any such covenant not cured within the specified cure period may result in acceleration of outstanding indebtedness and require the Fund to dispose of portfolio investments at a time when it may be disadvantageous to do so. The Fund also may be required to maintain minimum average balances in connection with borrowings 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 a stated interest rate.

Utilization of leverage also involves certain risks for the shareholders. For example, the use of leverage may result in higher volatility of the net asset value per share of the Fund, and if the current interest or dividend rate paid as a result of leveraging were to exceed the net return on the Fund's portfolio, the Fund's leveraged capital structure would result in a lower rate of return to the shareholders than if the Fund were not leveraged. Similarly, since both the costs associated with the use of leverage and any decline in the value of the Fund's investments (including investments purchased with the proceeds from any leveraging transaction) will be borne entirely by the shareholders, the effect of leverage in a declining market would result in a greater decrease in net asset value per share to the shareholders than if the Fund were not leveraged.

In addition to borrowing money from banks, the Fund may engage in certain other investment transactions that may be viewed as forms of financial leverage — for example, entering into reverse repurchase agreement and dollar rolls, investing collateral from loans of portfolio securities, or entering into when-issued, delayed-delivery, or forward commitment transactions.

Reverse Repurchase Agreements—The Fund may enter into reverse repurchase agreements. Under such agreements, the seller of the security agrees to repurchase it at a mutually agreed upon time and price. The repurchase price may be higher than the purchase price, the difference being income to the Fund, or the purchase and repurchase prices may be the same, with interest at a stated rate due to the Fund together with the repurchase price on repurchase. In either case, the income to the Fund is unrelated to the interest rate on the security itself. The Fund will generally enter into reverse repurchase agreements of short durations, from overnight to one week, although the underlying securities generally have longer maturities. The Fund may not enter into a repurchase agreement with more than seven calendar days to maturity if, as a result, more than 15% of the value of its net assets would be invested in illiquid investments, including such reverse repurchase agreements.

It is not clear whether a court would consider the security acquired by the Fund subject to a reverse repurchase agreement as being owned by the Fund or as being collateral for a loan by the Fund to the seller. In the event of the commencement of bankruptcy or insolvency proceedings with respect to the seller of the security before its repurchase under a reverse repurchase agreement, the Fund may encounter delays and incur costs before being able to sell the security. Delays may involve loss of interest or a decline in price of the security. If a court characterizes the transaction as a loan, and the Fund has not perfected a security interest in the security, the Fund may be required to return the security to the seller's estate and be treated as an unsecured creditor of the seller. As an unsecured creditor, the Fund would be at risk of losing some or all of the principal and income involved in the transaction. As with any unsecured debt instrument purchased for the Fund, Oriental Trust seeks to minimize the risk of loss through reverse repurchase agreements by analyzing the creditworthiness of the other party, in this case the seller of the security.

Apart from the risk of bankruptcy or insolvency proceedings, there is also the risk that the seller may fail to repurchase the security. However, the Fund will always receive as collateral for any reverse repurchase agreement to which it is a party securities acceptable to it, the market value of which is equal to at least 102% of the amount invested by the Fund plus accrued interest, and the Fund will make payment against such securities only upon physical delivery or evidence of book entry transfer to the account of its custodian. If the market value of the security subject to the repurchase agreement becomes less than the repurchase price (including interest), the Fund will direct the seller of the security to deliver additional securities so that the market value of all securities subject to the repurchase agreement will equal or exceed the repurchase price. It is possible that the Fund will be unsuccessful in seeking to impose on the seller a contractual obligation to deliver additional securities.

The acquisition of a reverse repurchase agreement may be deemed to be an acquisition of the underlying securities as long as the obligation of the seller to repurchase the securities is collateralized fully.

The SEC has finalized new rules requiring the central clearing of certain repurchase transactions involving U.S. Treasuries. Historically, such transactions have not been required to be cleared and voluntary clearing of such transactions has generally been limited. The new clearing requirements could make it more difficult for a Fund to execute certain investment strategies.

Master Netting Agreements

The Fund may be a party to master netting arrangements with counterparties (“Master Agreements”). Master Agreements govern the terms of certain like transactions, and reduce the counterparty risk associated with relevant transactions by specifying payment netting mechanisms across multiple transactions and providing standardization that improves legal certainty. Since different types of transactions have different mechanics and are sometimes traded by different legal entities of a particular counterparty organization, each type of transaction may be covered by a different Master Agreement, resulting in the need for multiple Master Agreements with a counterparty and its affiliates.

As the Master Agreements are specific to unique operations of different asset types, they allow the Fund to i) close out and net their total exposure to a counterparty in the event of a default with respect to all the transactions governed under a single Master Agreement with a counterparty, ii) exit transactions through means other than sale, such as through a negotiated agreement with the Fund’s counterparty, a transfer to another party, or close out of the position through execution of an offsetting transaction.

Master Repurchase Agreements govern repurchase, or reverse repurchase transactions, relating to government bonds between the Fund and select counterparties. Master Repurchase Agreements maintain provisions for initiation, income payments, events of default, and maintenance of collateral.

Prime Broker Arrangements may be entered into to facilitate execution and/or clearing of equities or bonds between the Fund and selected counterparties. These arrangements provide financing terms for such transactions and include guidelines surrounding the rights, obligations, and other events, including, but not limited to, margin, execution, and settlement. These agreements maintain provisions for payments, maintenance of collateral, events of default, and termination. Margin and other assets delivered as collateral are typically held by the prime broker and offset any obligations due to the prime broker.

Temporary Defensive Investments

The Fund may, from time to time, take temporary defensive positions that are inconsistent with the Fund’s principal investment strategies in attempting to respond to adverse market, economic, political or other conditions. For example, during such periods, 100% of the Fund’s assets may be invested in short-term, high-quality fixed-income securities, cash or cash equivalents. Temporary defensive positions may be initiated by Oriental Trust. When the Fund takes temporary defensive positions, it may not achieve its investment objective.

Other Non-Principal Investment Risks

The following risk considerations relate to investment practices undertaken by the Fund. Generally, since shares of the Fund represent an investment in securities with fluctuating market prices, shareholders should understand that the value of their Fund shares will vary as the value of the Fund’s portfolio securities increases or decreases.

Therefore, the value of an investment in the Fund could go down as well as up. You can lose money by investing in the Fund. There is no guarantee of successful performance, that the Fund’s objective can be achieved or that an investment in the Fund will achieve a positive return. An investment in the Fund should be considered as a means of diversifying an investment portfolio and is not in itself a balanced investment program. Prospective investors should consider the following risks:

Asset Allocation Risk—In an attempt to invest in areas that look most attractive on a valuation basis, the Fund may overweight asset classes or market segments that underperform relative to the broad market or other market segments.

Geographic Concentration Risk—To the extent that the Fund invests a significant portion of its assets in a particular country, region or continent, economic, political, social and environmental conditions in such country, region or continent will have a greater effect on the Fund’s performance than they would in a more geographically diversified equity fund. Similarly, if so concentrated, the Fund’s performance may be more volatile than the performance of a more geographically diversified fund. Information about the Fund’s investment in a geographic area is available in its annual and semi-annual reports to shareholders, on the Fund’s website and/or on the Fund’s Forms N-PORT and N-CSR.

Inverse Floater Risk—The interest rate of an inverse floater resets in the opposite direction from the market rate of interest on a security or interest to which it is related. An inverse floater may be considered to be leveraged to the extent that its interest rate varies by a magnitude that exceeds the magnitude of the change in the index rate of interest. The higher degree of leverage inherent in inverse floaters is associated with greater volatility in their market values. Certain of these investments may be illiquid. The absence of an active secondary market with respect to these investments could make it difficult for the Fund to dispose of a variable or floating-rate note if the issuer defaulted on its payment obligation or during periods that the Fund is not entitled to exercise its demand rights, and the Fund could, for these or other reasons, suffer a loss with respect to such instruments.

Investment Strategy Risk—There can be no assurance that the Fund will achieve its investment objectives. The ability of the Fund to achieve its investment objectives depends on a number of factors, including, but not limited to, the Investment Adviser’s judgment, market risk, credit risk, regulatory risk, liquidity risk and systemic risk, among others. Each potential investor should consider his or her personal tolerance for the daily fluctuations of the securities markets and view his or her investment in the Fund as part of an overall investment program.

Limited U.S. Federal Income Tax Benefits—Distributions from the Fund are generally not subject to U.S. federal income tax if the distribution is made to: (i) individuals who are bona fide residents of Puerto Rico within the meaning of US Code Sections 933 and 937, (ii) trusts (other than business trusts) organized under the laws of Puerto Rico, if all the beneficiaries are residents of Puerto Rico and the trustees are individuals residents of Puerto Rico or entities organized under the laws of Puerto Rico treated as corporations for income tax purposes (“Qualifying Trusts”), or (iii) entities organized under the laws of Puerto Rico treated as corporations for income tax purposes, engaged in trade or business exclusively in Puerto Rico and controlled by residents of Puerto Rico (“Qualifying Corporations”). Distributions to investors who are not individual residents of Puerto Rico, Qualifying Trusts or Qualifying Corporations will be subject to U.S. federal income taxes. Please see “Tax Information” in the SAI and consult your tax advisors.

Additionally, individuals who are bona fide residents of Puerto Rico should note that, pursuant to the Regulations issued under Section 937(b) of the US Code, dividends treated as Puerto Rico source income (under the general sourcing rules otherwise applicable to dividends paid by Puerto Rico corporations) may be treated as income from sources outside of Puerto Rico subject to U.S. federal income taxes, if the investment in the Fund is treated as made pursuant to a conduit plan or arrangement (“conduit arrangements”). Please refer to “Tax Information” in the SAI. We understand that said conduit regulations were not intended to apply to an actively managed investment company, such as the Fund, that is subject to regulation by governmental authorities and, therefore, the general sourcing rules should apply to treat the dividends paid by the Fund as Puerto Rico source income excluded from U.S. federal income taxes by shareholders who are bona fide residents of Puerto Rico. However, the IRS or the courts may disagree with this interpretation and treat the investment in the Fund as a conduit arrangement, and, as a result, the dividends paid to shareholders who are bona fide residents of Puerto Rico would be treated as income from United States sources subject to U.S. federal income taxes.

Portfolio Turnover Risk—The Fund may engage in active and frequent trading of its portfolio securities. Such a strategy often involves higher transaction costs, including brokerage commissions and dealer mark-ups, and may increase the amount of capital gains (in particular, short-term gains) realized by the Fund. Shareholders may pay tax on such capital gains. These effects of higher than normal portfolio turnover may adversely affect Fund performance.

Segregation of Portfolio Risk—The Fund is a separately managed pool of assets (i.e., a portfolio) intended to be segregated from the assets and liabilities of any other portfolio of the DGI Investment Trust (the “Trust”), so that each shareholder of the Fund has the exclusive right to the assets, income and profits, if any, of the Fund and only bear the expenses, deductions and costs properly attributable or allocated to the Fund. The Fund also intends that creditors of any other Trust portfolio will have recourse only to the assets in that other portfolio. There can be no assurance, however, that the Trust’s efforts to effect this segregation of assets and liabilities will be successful, nor that a court, in the event of the Fund’s or another portfolio’s bankruptcy, would regard the Fund or such other portfolio as a separate entity for purposes of determining the bankruptcy estate.

U.S. Foreign Account Tax Compliance Act. Sections 1471 through 1474 (commonly known as “FATCA”) of the US Code impose a 30% withholding tax at the source upon most payments of U.S. source income made to certain “foreign financial institutions” (“FFI”) or “non-financial foreign entities” (including “territory non-financial foreign entities”) (“NFFE”), unless certain certification and reporting requirements are satisfied by such entities, including providing information with respect to its respective investors. In the case of most payments of U.S. source income, the 30% withholding will apply to payments made after June 30, 2014. Pursuant to the final regulations issued by the U.S. Treasury and the IRS relating to FATCA, the Fund will be treated as a passive NFFE. Accordingly, the Fund may be required to provide certain information with respect to its investors when requested by a US payor or withholding agent. If the Fund were to be unable to provide such investor information or otherwise fail or be unable to comply with the legal and regulatory requirements of the US Code with respect to FATCA, the Fund’s U.S. source income would be reduced, in as much as it would be subject to such 30% withholding tax. This reduction may negatively affect the Fund’s ability to fulfill its obligations. See “Tax Information” in the SAI and consult your tax adviser.

Market Risks

Securities, whether equity or debt, fluctuate in value, often based on factors unrelated to the issuer of the securities, and such fluctuations can be pronounced. Changes in the value of the Fund’s investments will result in changes in the value of its shares. The value of the Fund’s investments will fluctuate with various factors, including, but not limited to, changes in interest rates, stock market conditions in the United States, other general economic conditions and other factors affecting the particular investments held by the Fund.

The Fund may invest in equity securities, which are subject to market risks that may cause their prices to decline over short or even extended periods of time. The U.S. stock market tends to be cyclical, with periods when stock prices generally rise and periods when stock prices generally fall.

The shares of stock of medium- and small-capitalization companies in which the Fund may invest may be subject to more volatile movements in price than those of larger-capitalization, more established companies. Among the reasons for the greater price volatility of these securities are the less certain growth prospects of smaller firms, the lower degree of liquidity in the markets for such stocks, and the greater sensitivity of medium- and small-size companies to changing economic conditions.

Large-capitalization stocks as a group could fall out of favor with the market, causing the Fund to underperform investments that focus solely on small- or medium-capitalization stocks. Large-capitalization companies may trail the returns of the overall stock market. Historically, large-capitalization stocks tend to go through cycles of doing better—or worse—than the stock market in general and these periods may last as long as several years.

Even though interest-bearing securities are investments which promise a stable stream of income, the prices of such securities generally are inversely affected by changes in interest rates and, therefore, are subject to the risk of market price fluctuations. The market value of fixed-income securities, and, accordingly, the value of the shares, normally will vary inversely with changes in interest rates. The values of fixed-income securities also may be affected by changes in the credit rating or financial condition of the issuer and general municipal and fixed-income security market conditions. Once the rating of a portfolio security has been changed, the Investment Adviser will consider all circumstances deemed relevant in determining whether the Fund should continue to hold the security.

Recent Regulatory Events—Legal, tax and regulatory changes could occur that may adversely affect the Fund and its ability to pursue its investment strategies and/or increase the costs of implementing such strategies. New or changing regulation could materially impact the value of the issuers of investments held by the Fund. Federal, state, and non-U.S. governments, their regulatory agencies, or self-regulatory organizations may take actions that affect the regulation of the instruments in which the Fund invests, or the issuers of such instruments, in ways that are unforeseeable. Legislation or regulation may also change the way in which the Fund itself is regulated. Such legislation or regulation could diminish or preclude the Fund's ability to achieve its investment objective. Governments or their agencies may also acquire distressed assets from financial institutions and acquire ownership interests in those institutions. The implications of government ownership and disposition of these assets are unclear, and such a program may have positive or negative effects on the liquidity, valuation, and performance of the Fund's portfolio holdings.

Recent Economic Events—Recent political and diplomatic events within the United States may adversely impact financial markets and the broader economy, perhaps suddenly and to a significant degree. Such events include trade tensions, a contentious domestic political environment, economic sanctions and tariffs, potential changes in political party control of one or more branches of the U.S. government, the U.S. government's inability at times to agree on a long-term budget and deficit reduction plan, the threat or occurrence of a U.S. government shutdown, and disagreements over, or threats not to increase, the U.S. government's borrowing limit (or "debt ceiling"). Continuing uncertainties regarding interest rates and inflation rates also contribute to market volatility. In the second half of 2022, national inflation as measured by the Consumer Price Index reached the highest level in decades. While these high rates of inflation were largely due to base effects from the trough of the COVID-19 recession along with temporary increases in some discretionary consumer goods, sustained high inflation can lead to price instability if businesses and consumers expect the price increases to continue. Persistently high inflation pushed the Federal Reserve to raise interest rates several times between March 2022 and July 2023 but lowered it four times since September 2024 and may continue to do so. U.S. inflation rates have decreased since 2022, but inflation remains uncertain. A sudden and significant increase in interest rates could lead to a stock market correction and could hinder the U.S.'s economic recovery, as rising interest rates would harm businesses that have debt to maintain and individuals with variable mortgage rates. For example, in May 2025, Moody's downgraded the United States' credit issuer rating to Aa1 from Aaa, citing an inability of the nation to address large and growing deficits. The effect of continued political polarization on the ability of the United States to set fiscal policy, including borrowing and debt service may further affect the United States default rating. The tariffs recently announced and/or enacted by the U.S. government on most goods imported into the United States from other countries and the retaliatory measures announced and/or adopted by countries in response to such tariffs, as well as continuing uncertainties regarding interest rates and inflation rates, also contribute to market volatility.

Following the financial crisis that began in 2007, the Board of Governors of the Federal Reserve System (the "Federal Reserve") has attempted to support the U.S. economic recovery by keeping the federal funds rate at a low level. Similar steps took place again in 2020 and 2021 in an effort to support the economy during the COVID-19 pandemic. The Federal Reserve then raised the federal funds rate starting in March 2022 and has lowered rates four times since September 2024. In a low or negative interest rate environment, debt securities may trade at, or be issued with, negative yields, which means the purchaser of the security may receive at maturity less than the total amount invested. In addition, in a negative interest rate environment, 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. In the past, the U.S. government and certain foreign central banks have taken steps to stabilize markets by, among other things, reducing interest rates. To the extent such actions are pursued, they present heightened risks to debt securities, and such risks could be even further heightened if these actions are unexpectedly or suddenly reversed or are ineffective in achieving their desired outcomes. At times, the U.S. government also has sought to stabilize markets and curb inflation by implementing increases to the federal funds interest rate. As interest rates rise, there is risk that rates across the financial system also may rise. To the extent rates increase substantially and/or rapidly, the Fund may be subject to significant losses.

Market Disruptions—Various economic, industry, regulatory, political or other factors (such as natural disasters, epidemics and pandemics, terrorism, conflicts or social unrest) may disrupt US and world economies and can dramatically affect markets generally, certain industry sectors, and/or individual companies. Economies and financial markets throughout the world have become increasingly interconnected, which increases the likelihood that events or conditions in one region or country will adversely affect markets or issuers in other regions or countries. Market disruptions could have negative effects on the Fund, including with respect to the liquidity and valuation of the Fund’s underlying securities, and could have the effect of magnifying other risks faced by the Fund. Negative global events also can disrupt the operations and processes of any of the service providers for the Fund. Similarly, negative global events, in some cases, could constitute a force majeure event under contracts with service providers or contracts entered into with counterparties for certain transactions. Russia’s military invasion of Ukraine in February 2022 has significantly amplified already existing geopolitical tensions among Russia, Ukraine, Europe, NATO, and the West. As a result, the U.S., the European Union and other countries have instituted or may in the future institute sanctions against Russia, and could institute broader sanctions on Russia, including banning Russia from global payment systems that facilitate cross-border payments.

In October 2023, Hamas, a designated Foreign Terrorist Organization (“FTO”) by the U.S. State Department, launched an attack on Israel targeting Israeli civilians. In response, Israel declared war against Hamas, attacking Hamas targets in Gaza. Subsequently, following attacks on Israeli positions by Hezbollah, a U.S.-designated FTO, Israel attacked Hezbollah and launched a military incursion into southern Lebanon. In November 2024, Israel and Hezbollah reached a ceasefire agreement and, in January 2025, Israel and Hamas reached an agreement for the release of Israeli hostages abducted to Gaza in exchange for the release of Hamas militants and other Palestinian prisoners held in Israel. The first phase of the ceasefire agreement expired in March 2025 without the parties thereto agreeing to terms for the second phase. Shortly thereafter hostilities resumed and continued intermittently until early October 2025 when Israel and Hamas reached an agreement for a ceasefire. The resumption of the war, the escalation of such military conflict, or any other resulting conflicts in the region could affect oil prices and macroeconomic conditions globally and lead to other potential future geopolitical tensions and consequences which remain uncertain.

Valuation Risk—The sale of any assets caused by the redemption of shares, or the accelerated prepayment or amortization of principal of the assets, before any premium paid in their purchase is recovered by the Fund may result in gains or losses to the Fund. The income, gains and return of principal received by the Fund in the course of its investment activities will be reinvested in a manner consistent with the investment objectives and policies previously described with a view to the appreciation of capital and income objectives of the Fund.

The acquisition of assets in excess of funds received and income reinvested through borrowed funds may also result in gains or losses to the Fund in the event of severe fluctuations in interest rates or variations in the normal interest yield curve, or in the event such assets need to be sold instead of retained by the Fund.

No guarantee or representation can be made that moneys received by Fund from the sale of its shares, or as a result of interest, dividend and principal payments, either during the term of any investment or at maturity of any underlying assets, can be invested at the same rate as such assets were initially invested. Accordingly, no assurance can be given that the value of the shares will remain constant, nor that a shareholder will receive any rate of return while he or she holds such shares.

INVESTMENT RESTRICTIONS

The Trust (on behalf of the Fund) has adopted the following policies as fundamental policies (unless otherwise noted), which may not be changed without the affirmative vote of the holders of a “majority” of the outstanding voting securities of the Fund. Under the 1940 Act, the “vote of a majority of the outstanding voting securities of the Fund” means the vote of the holders of the lesser of (i) 67% or more of the shares of the Fund represented at a meeting at which the holders of more than 50% of the Fund’s outstanding shares are represented or (ii) more than 50% of the outstanding shares of the Fund.

Fundamental Policies

The investment policies below have been adopted as fundamental policies for the Fund:

1. The Fund may make loans, except as prohibited under the 1940 Act, the rules and regulations thereunder or any exemption therefrom, as such statute, rules, or regulations may be amended or interpreted from time to time.
2. The Fund may borrow money, except as prohibited under the 1940 Act, the rules and regulations thereunder or any exemption therefrom, as such statute, rules, or regulations may be amended or interpreted from time to time, provided that such borrowings do not exceed 25% of the total assets of the Fund.
3. The Fund may not issue senior securities, as such term is defined under the 1940 Act, the rules or regulations thereunder or any exemption therefrom as amended or interpreted from time to time, except as permitted under the 1940 Act, the rules and regulations thereunder or any exemption therefrom, as such statute, rules, or regulations may be amended or interpreted from time to time.

4. The Fund may not concentrate its investments in a particular industry, as concentration is defined under the 1940 Act, the rules or regulations thereunder or any exemption therefrom, as such statute, rules or regulations may be amended or interpreted from time to time, except that the Fund may invest without limitation in: (i) securities issued or guaranteed by the U.S. government, its agencies, or instrumentalities; and (ii) tax-exempt obligations of state or municipal governments and their political subdivisions.
5. The Fund may purchase or sell commodities and real estate, except as prohibited under the 1940 Act, the rules and regulations thereunder or any exemption therefrom, as such statute, rules, or regulations may be amended or interpreted from time to time.
6. The Fund may underwrite securities issued by other persons, except as prohibited under the 1940 Act, the rules and regulations thereunder or any exemption therefrom, as such statute, rules, or regulations may be amended or interpreted from time to time.

The following descriptions of the 1940 Act may assist investors in understanding the above policies and restrictions.

Borrowing—The 1940 Act allows open-end investment companies, such as the Fund, to borrow from banks, but restricts such an investment company from borrowing in excess of 33 1/3% of its total assets (including the amount borrowed but excluding temporary borrowings not in excess of 5% of its total assets). Transactions that are fully collateralized in a manner that does not involve the prohibited issuance of a “senior security,” within the meaning of Section 18(f) of the 1940 Act, will not be regarded as borrowings for the purposes of the Fund’s investment restriction.

Concentration—The SEC has defined concentration as investing 25% or more of an investment company’s total assets in any particular industry or group of industries, with certain exceptions such as with respect to investments in obligations issued or guaranteed by the U.S. government or its agencies and instrumentalities, or tax-exempt obligations of state or municipal governments and their political subdivisions.

Diversification—Under the 1940 Act and the rules, regulations and interpretations thereunder, a “diversified company,” as to 75% of its total assets, may not purchase securities of any issuer (other than obligations of, or guaranteed by, the U.S. government or its agencies, or instrumentalities or securities of other investment companies) if, as a result, more than 5% of its total assets would be invested in the securities of such issuer, or more than 10% of the issuer’s voting securities would be held by a fund.

Lending—Under the 1940 Act, an investment company may only make loans if expressly permitted by its investment policies.

Real Estate—The 1940 Act does not directly restrict an investment company’s ability to invest in real estate, but does require that every investment company have the fundamental investment policy governing such investments. The Fund has adopted a fundamental policy that would permit direct investment in real estate. However, the Fund has a non-fundamental investment limitation that prohibits it from investing directly in real estate. This non-fundamental policy may be changed by vote of the Board.

Senior Securities—Senior securities may include any obligation or instrument issued by an investment company evidencing indebtedness. The 1940 Act generally prohibits a fund from issuing senior securities, although it provides allowances for certain bank borrowings, temporary borrowings, and certain other investments, such as short sales, reverse repurchase agreements, and firm commitment agreements, when such investments are “covered” or with appropriate earmarking or segregation of assets to cover such obligations.

Underwriting—Under the 1940 Act, underwriting securities involves an investment company purchasing securities directly from an issuer for the purpose of selling (distributing) them or participating in any such activity either directly or indirectly. Under the 1940 Act, a diversified fund may not make any commitment as underwriter, if immediately thereafter the amount of its outstanding underwriting commitments, plus the value of its investments in securities of issuers (other than investment companies) of which it owns more than 10% of the outstanding voting securities, exceeds 25% of the value of its total assets.

Percentage Restrictions—Except with respect to borrowing, if a percentage restriction set forth in the Prospectus or in this SAI is adhered to at the time of investment, a subsequent increase or decrease in a percentage resulting from a change in the values of assets will not constitute a violation of that restriction. With respect to the limitation on illiquid investments, if a subsequent change in net assets or other circumstances causes the Fund to exceed its limitation, the Fund will take steps to bring the aggregate amount of illiquid investments back within the limitations as soon as reasonably practicable, pursuant to Rule 22e-4 and in accordance with the Trust’s Liquidity Risk Management Program. The Fund will reduce its borrowing amount within three days (not including Sundays and holidays), if its asset coverage falls below the amount required by the 1940 Act.

PORTFOLIO TURNOVER

The frequency of portfolio transactions of the Fund (the portfolio turnover rate) will vary from year to year depending on many factors. From time to time, the Fund may engage in active short-term trading to take advantage of price movements affecting individual issues, groups of issues, or markets. An annual portfolio turnover rate of 100% would occur if all the securities in the Fund were replaced once in a period of one year. Higher portfolio turnover rates may result in increased brokerage costs to the Fund and a possible increase in short-term capital gains or losses.

PORTFOLIO HOLDINGS INFORMATION

The Fund has adopted a disclosure policy that governs the timing and circumstances of disclosure of the portfolio holdings of the Fund. The policy was developed in consultation with Oriental Trust and has been adopted by Oriental Trust. Information about the Fund's holdings will not be distributed to any third party except in accordance with this policy. The Board considered the circumstances under which the Fund's holdings may be disclosed under this policy and the actual and potential material conflicts that could arise in such circumstances between the interests of the Fund's shareholders and the interests of Oriental Trust, the principal underwriter or any other affiliated person of the Fund. After due consideration, the Board determined that the Fund has a legitimate business purpose for disclosing holdings to persons described in the policy, including mutual fund rating or statistical agencies, or persons performing similar functions, and internal parties involved in the investment process, or custody of the Fund. Pursuant to the policy, the Trust's Chief Compliance Officer ("CCO"), Principal Executive Officer, and Treasurer are each authorized to consider and authorize dissemination of portfolio holdings information to additional third parties, after considering the best interests of the shareholders and potential conflicts of interest in making such disclosures.

The Board exercises continuing oversight of the disclosure of the Fund's holdings by (1) overseeing the implementation and enforcement of the portfolio holding disclosure policy, Codes of Ethics and other relevant policies of the Fund and its service providers by the Trust's CCO, (2) by considering reports and recommendations by the Trust's CCO concerning any material compliance matters (as defined in Rule 38a-1 under the 1940 Act), and (3) by considering to approve any amendment to this policy. The Board reserves the right to amend the policy at any time without prior notice in its sole discretion.

Disclosure of the Fund's complete holdings is available semi-annually and annually in Form N-CSR filed with the SEC and, after the first and third fiscal quarters, on Form N-PORT. These shareholder reports and Form N-PORT filings are filed with the SEC and are generally available, free of charge, within sixty (60) days of the end of the Fund's fiscal quarter on the SEC website at sec.gov.

In the event of a conflict between the interests of the Fund and the interests of Oriental Trust or an affiliated person of Oriental Trust, Oriental Trust's CCO, in consultation with the Trust's CCO, shall make a determination in the best interests of the Fund, and shall report such determination to the Board at the end of the quarter in which such determination was made. Any employee of Oriental Trust who suspects a breach of this obligation must report the matter immediately to the CCO or to his or her supervisor.

In addition, material non-public holdings information may be provided without lag as part of the normal investment activities of the Fund to each of the following entities which, by explicit agreement or by virtue of their respective duties to the Fund, are required to maintain the confidentiality of the information disclosed, including a duty not to trade on non-public information: Oriental Trust, fund administrator, fund accountant, custodian, transfer agent, securities lending agent, pricing vendors, proxy voting service providers, auditors, counsel to the Fund or the trustees, broker-dealers (in connection with the purchase or sale of securities or requests for price quotations or bids on one or more securities) and regulatory authorities. Holdings information not publicly available with the SEC or through the Fund's website may only be provided to additional third parties, including mutual fund ratings or statistical agencies, in accordance with the policy, when the Fund has a legitimate business purpose and when the third-party recipient is subject to a confidentiality agreement that includes a duty not to trade on non-public information. The Fund may disclose portfolio holdings to transition managers, provided that the Fund or Oriental Trust has entered into a non-disclosure or confidentiality agreement with the transition manager.

In no event shall Oriental Trust, its affiliates or employees, the Fund, nor any other party in connection with any arrangement receive any direct or indirect compensation in connection with the disclosure of information about the Fund's holdings.

There can be no assurance that the policy and these procedures will protect the Fund from potential misuse of that information by individuals or entities to which it is disclosed.

TRUSTEES AND EXECUTIVE OFFICERS

The Board is responsible for the overall management of the Trust, including general supervision and review of the investment activities of the Trust. The Board, in turn, elects the officers of the Trust, who are responsible for administering the day-to-day operations of the Trust and its separate series, as applicable. The current trustees and officers of the Trust, their years of birth, position with the Trust, term of office with the Trust and length of time served, and their principal occupation and other directorships for the past five years are set forth below.

The addresses of each trustee and officer, with the exception of Timothy Shaloo, Maggie Bull and James Colantino, is: DGI Investment Trust c/o Oriental Trust, 254 Muñoz Rivera Avenue, 10th Floor, San Juan, Puerto Rico 00918. The address of Timothy Shaloo and Maggie Bull is: 2 Easton Oval, Suite 300, Columbus, OH 43219; and the address of James Colantino is 80 Arkay Drive, Suite 110, Hauppauge, NY 11788.

Name & Year of Birth	Position with Trust & Length of Time Served	Principal Occupation During Past 5 Years	Number of Portfolios Overseen by Trustees	Other Directorships Held by Trustee During Past 5 Years
INDEPENDENT TRUSTEES¹				
Iván C. López Morales (1966)	Trustee since May 2021	Senior Vice President of Assurant Inc. (insurance company) 2017-2021; Chief Executive Officer of Lopez Consulting since December 2020; President of ESOP Corporation (real estate company) since August 2005; Consultant for STS Capital Partners (mergers and acquisitions firm) since 2024.	1	Caribbean American Life Assurance Company (subsidiary of Assurant Inc.) 1997-2021; Caribbean American Property Insurance Company (subsidiary of Assurant Inc.) 1997-2021; Director of various other, non-public subsidiaries of Assurant Inc. until May 2021.
Joshua Aaron Sigmon (1981)	Trustee since May 2021	Principal of MHR Fund Management LLC (private equity firm) since September 2018; Head of Special Opportunities of Axar Capital LP (investment firm) from September 2016 to September 2018; Managing Director of Fortress Investment Group LLC (credit fund) from March 2015 to July 2016.	1	Planet Financial Group, LLC (mortgage servicer) since October 2019; Momental Investments LLC (investment firm) since October 2019; SCPG HoldCo (pharmacy company) since September 2019; Terra Capital Partners (asset manager) from July 2017 to December 2018.
Carlos García (1980)	Trustee since June 2024	CEO of Finhabits Inc. (consumer financial services) since March 2015; Managing Member for Finhabits Advisors LLC (registered investment advisor) since March 2015.	1	None.
INTERESTED TRUSTEE				
Carlos A. González ^{2, 3} (1951)	Chair of the Board and Trustee since January 2021	Consultant with OFG Bancorp* (bank holding company) since September 1998.	1	Scenic Hudson (non-profit land trust) since October 2009; USIC Group (private holding company) since 2001; Empresas Caparra (private family real estate business) since January 1995.

Name & Year of Birth	Position with Trust & Length of Time Served	Principal Occupation During Past 5 Years	Number of Portfolios Overseen by Trustees	Other Directorships Held by Trustee During Past 5 Years
OFFICERS				
Ramon Rosado-Linera (1963)	Principal Executive Officer since December 2023	Managing Director Oriental Asset Management since June 2024, MD Oriental Bank Wealth Management October 2021 to June 2024, Director Oriental Bank U.S. Loan Program September 2016 to October 2021.	N/A	N/A
Maritza Arizmendi Diaz (1968)	Principal Financial Officer, Chief Financial Officer and Treasurer since May 2021	Chief Financial Officer of OFG Bancorp* and Oriental Bank* since March 2017; Director of Oriental International Bank, Inc.* since June 2020; Chief Financial Officer and Treasurer of OFG Ventures LLC* since June 2020.	N/A	N/A
Hugh González Robison ³ (1979)	Chief Legal Officer, General Counsel and Secretary since May 2021	General Counsel at OFG Bancorp* and Oriental Bank* since January 2021; Secretary of Oriental Financial Services LLC* since 2017; Assistant Secretary of OFG Bancorp* and Oriental Bank* since 2014; Secretary of OFG USA LLC* (commercial lender) since 2017; Secretary of OFG Ventures LLC* since 2019; Deputy General Counsel at Oriental Bank* from July 2012 to December 2020.	N/A	N/A
Timothy Shaloo (1970)	Chief Compliance Officer since June 2024	Assistant Vice President and Fund Compliance Officer, Northern Lights Compliance Services, LLC (“NLCS”) (Sept. 2023-present); Senior Compliance Analyst NLCS (2021-2023); Compliance Specialist, Ultimus Fund Solutions, LLC (2016 to 2021).	N/A	N/A
Miriam H. Rodriguez (1962)	Anti-Money Laundering Compliance Officer	BSA Officer, Oriental Bank, since May 2023; Chief Compliance Officer, BNC International Bank from August 2021 to April 2023; FI Risk & EDD Manager, BSA/ AML Compliance, Firstbank/ Banco Santander from November 2017 to August 2021.	N/A	N/A

Name & Year of Birth	Position with Trust & Length of Time Served	Principal Occupation During Past 5 Years	Number of Portfolios Overseen by Trustees	Other Directorships Held by Trustee During Past 5 Years
Maggie Bull (1965)	Assistant Secretary since May 2021	Vice President, Senior Managing Counsel, Ultimus Fund Solutions, LLC (“Ultimus”) since August 2022; Vice President, Senior Legal Counsel, Ultimus from February 2020 to July 2022; Senior Attorney of Ultimus June 2017-January 2020.	N/A	N/A
James Colantino (1969)	Assistant Treasurer since May 2021	Senior Vice President — Fund Administration of Gemini Fund Services, LLC since 2012.	N/A	N/A
Laura Szalyga (1978)	Assistant Treasurer since August 2021	Vice President of Fund Administration, Ultimus Fund Solutions, LLC, formerly, Gemini Fund Services, LLC, since 2015.	N/A	N/A
Alfonso J. Cuesta (1989)	Assistant Secretary since September 2024	Director – Legal Department, Oriental Bank, since October 2025, Manager — Legal Department, Oriental Bank, from April 2021 to October 2025; Senior Attorney, Oriental Bank, from March 2020 to March 2021; Associate, Pietrantonio Mendez & Alvarez LLC, from October 2014 to March 2020.	N/A	N/A
Gustavo Románach Suárez	Vice President since September 2025 and Portfolio Manager since October 2025	Portfolio Manager, DGI Investment Trust since 2024; Portfolio Manager, UBS Financial Services from 2002 to 2024.	N/A	N/A

1 The trustees of the Trust who are not “interested persons” of the Trust as defined under section 2(a)(19) of the 1940 Act (independent trustees).

2 Mr. González is an “interested person” of the Trust as defined by the 1940 Act because he is an affiliated person of the adviser.

3 Mr. González is the uncle of Hugh González Robison, the Fund’s Chief Legal Officer, General Counsel and Secretary.

* Denotes an affiliate of the Fund.

General Information Regarding the Board of Trustees and Leadership Structure

The Board has oversight responsibility for the conduct of the affairs of the Trust. The Board approves policies and procedures regarding the operation of the Trust, regularly receives and reviews reports from the Trust’s CCO and the Investment Adviser regarding such policies and procedures, and elects the officers of the Trust to perform the daily functions of the Trust. The chair of the Board is an interested person of the Fund. The Board is satisfied that having the Chair be an interested person is appropriate for the Fund due to the Chair’s greater familiarity with the Fund and the operations of the Adviser, among other reasons. The Fund does not have a lead independent trustee because the Board has determined that its size, and the composition and leadership of its committees, allow each independent trustee to enjoy full, accurate and efficient communication with the Fund and the Investment Adviser and also facilitates the timely transmission of information among the trustees, such that a lead independent trustee is not necessary.

The trustees approve financial arrangements and other agreements between the Fund, on the one hand, and the Investment Adviser or other affiliated parties, on the other hand. The independent trustees meet regularly as a group in executive session and with independent legal counsel. The Board has delegated responsibility for certain specific matters to the Audit and Governance Committees of the Board (each a “Committee” and together the “Committees”), as described below. The Committees meet as often as necessary, either in conjunction with regular meetings of the Board or otherwise. The membership and chair of each Committee are appointed by the Board upon recommendation of the Governance Committee.

The board reviews its leadership structure periodically in order to ensure that it remains appropriate and effective. The Board also completes an annual self-assessment during which it reviews its leadership and Committee structure, and considers whether its structure remains appropriate in light of the Fund’s current operations.

Each trustee shall hold office during the lifetime of the Trust, and until its termination as herein provided; except that (A) any trustee may resign his or her trusteeship or may retire by written instrument signed by him or her and delivered to the Trust and the other trustees, which shall take effect upon such delivery or upon such later date as is specified therein; (B) any trustee may be removed at any time by written instrument signed by at least two-thirds (66 2/3%) of the number of trustees prior to such removal, specifying the date when such removal shall become effective; (C) any trustee who has died, become physically or mentally incapacitated by reason of disease or otherwise, or is otherwise unable to serve, may be retired by written instrument signed by a majority of the other trustees, specifying the date of his retirement; (D) a trustee may be removed at any meeting of the shareholders by a vote of the shareholders owning at least two-thirds (66 2/3%) of the outstanding shares; and (E) a trustee shall be retired in accordance with the terms of any retirement policy adopted by the trustees and in effect from time to time. Shareholders are generally not entitled to elect trustees except as required by the 1940 Act, or as otherwise considered necessary or desirable by the trustees in their sole discretion. To the extent required by the 1940 Act, the shareholders shall elect the trustees on such dates as the trustees may fix from time to time. The shareholders may elect trustees at any meeting of shareholders called by the trustees for that purpose.

The officers of the Trust are appointed by the Board, or and each shall serve at the pleasure of the Board, or, to the extent permitted by the Trust’s By-laws, and except for its CCO, at the pleasure of the Principal Executive Officer of the Trust, subject to the rights, if any, of an officer under any contract of employment. The Trust’s CCO must be approved by a majority of the independent trustees. Subject to the rights, if any, of an Officer under any contract of employment, any officer may be removed, with or without cause, by the Board at any regular or special meeting of the Board, or, to the extent permitted by the Trust’s By-laws, by the President of the Trust; provided, that only the Board may remove, with or without cause, the Chief Compliance Officer of the Trust.

Committees of the Board

There are two (2) standing committees of the Board: (1) the Audit Committee and (2) the Governance Committee.

The Audit Committee is composed of at least two (2) members of the Board and no member of the Audit Committee shall be an “interested person” of the Fund as defined in Section 2(a)(19) of the 1940 Act. The purpose of the Audit Committee is to oversee the accounting and financial reporting processes of the Fund and its internal control over financial reporting and, to the extent the Audit Committee deems appropriate, to inquire into the internal control over financial reporting of certain third-party service providers. The Audit Committee is also responsible for oversight over the quality and integrity of the Fund’s financial statements and the independent auditors thereof as well as to oversee or, as appropriate, assist Board oversight of the Fund’s compliance with legal and regulatory requirements that relate to the Fund’s financial reporting, internal control over financial reporting and independent audits. The Audit Committee reviews and evaluates the qualifications, independence and performance of the Fund’s independent auditors and makes recommendations to the full Board regarding the appointment of independent auditors. The Audit Committee also acts as a liaison between the full Board and the Fund’s independent auditors. The Audit Committee meets no fewer than two (2) times annually and may hold special meetings as circumstances require. The Audit Committee consists of three (3) members: Iván C. López Morales (chairperson of the Audit Committee), Joshua Aaron Sigmon and Carlos García, none of whom are an interested person of the Fund. The Audit Committee met four times during the period ended June 30, 2025.

The Governance Committee is composed of those members of the Board so appointed to serve on the Governance Committee and no member of the Governance Committee shall be an “interested person” of the Fund as defined in Section 2(a)(19) of the 1940 Act. The purpose of the Governance Committee is to provide assistance to the trustees in fulfilling their responsibilities to the shareholders relating to corporate governance matters including, but not limited to: nomination of trustees, election of trustees, retirement policies of Independent Trustees, addressing and resolving conflicts of interests, promoting the education of trustees and enhancing the quality and integrity of the functioning of the Board. In fulfilling this purpose, it is the responsibility of the Governance Committee to maintain open communication between the trustees and the management of the Trust. The Governance Committee will consider shareholder recommendations for trustee nominees so long as such recommendations are presented with appropriate background material concerning the candidate that demonstrates such candidate’s ability to serve as a trustee, including as an Independent Trustee, in accordance with the criteria established by the Governance Committee. A shareholder submitting a trustee recommendation must provide written notice to the Governance Committee with the following information: (a) the name and address of the shareholder making the recommendation; (b) the number of shares of each class and series, if any, of shares of the Trust which are owned of record and beneficially by such shareholder and the length of time that such shares have been so owned by the shareholder; (c) a description of all arrangements and understandings between such shareholder and any other person or persons

(naming such person or persons) pursuant to which the recommendation is being made; (d) the name, age, date of birth, business address and residence address of the person or persons being recommended; (e) such other information regarding each person recommended by such shareholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the SEC had the nominee been nominated by the Board; (f) whether the shareholder making the recommendation believes the person recommended would or would not be an “interested person” of the Trust, as defined in 1940 Act; and (g) the written consent of each person recommended to serve as a trustee of the Trust if so nominated and elected/appointed. The Governance Committee meets at such times as it or the Board may determine, but no less frequently than annually, and may hold special meetings as circumstances require. The Governance Committee consists three (3) members: Joshua Aaron Sigmon (chairperson of the Governance Committee), Iván C. López Morales and Carlos García. The Governance Committee met two times during the period ended June 30, 2025.

Board Oversight of Risk Management

The Board’s role is one of oversight, including oversight of the Fund’s risks, rather than day-to-day management. The Board’s committee structure allows the Board to focus on risk management as part of its broader oversight of the operation of the Fund. While day-to-day risk management is the responsibility of the Investment Adviser, trustees receive regular reports from the Trust’s CCO, the Investment Adviser and the Fund’s various service providers regarding investment risks and compliance risks. These reports allow the Board to focus on various risks and their potential impact on the Fund. The Board has discussions with the Trust’s CCO and the Investment Adviser, as well as the portfolio manager, regarding how they monitor and control such risks. Additionally, the Trust’s CCO and officers of the Fund regularly, and on an ad hoc basis, report to the Board on a variety of risk-related matters.

The Board has retained Oriental Trust, a registered investment adviser and a separately identifiable division of Oriental Bank, as the Fund’s investment adviser. Oriental Trust is responsible for the day-to-day operation of the Fund. Additionally, the Board meets periodically with the Trust’s CCO who reports to the trustees regarding the compliance of the Fund with the federal securities laws and the internal compliance policies and procedures of the Fund. The Board also reviews the CCO’s annual report, including the CCO’s compliance risk assessments for the Fund.

Trustees’ Qualifications and Experience

The Governance Committee is responsible for identifying, evaluating and nominating trustee candidates. The Governance Committee reviews the background and the educational, business and professional experience of trustee candidates and the candidates’ expected contributions to the Board. Trustees selected to serve on the Board are expected to possess relevant skills and experience, time availability and the ability to work well with the other trustees. A trustee’s ability to perform his or her duties effectively may have been attained through the trustee’s executive, business, consulting, and/or legal positions; experience from service as a director/trustee of other investment funds, public companies, or non-profit entities or other organizations; educational background or professional training or practice; and/or other life experiences.

The Board believes that each of the trustees has the ability to review critically, evaluate, question and discuss information provided to them; to interact effectively with each other, Oriental Trust, other service providers, counsel and independent auditor; and to exercise effective business judgment in the performance of his or her duties. In addition to those qualities and based on each trustee’s experience, qualifications and attributes (including the information above regarding each of the trustees) and the trustees’ combined contributions to the Board, following is a brief summary of the information that led to the conclusion that each Board member should serve as a trustee.

Mr. López has served as an independent trustee of the Trust since May 2021. The Board believes that Mr. López’s experience as senior vice president, chief executive officer and president of three companies and various directorship positions benefits the Fund.

Mr. Sigmon has served as an independent trustee of the Trust since May 2021. The Board believes that Mr. Sigmon’s knowledge of private equity and investment firms gained through his current and prior employment and board memberships benefits the Fund.

Mr. García has served as an independent trustee of the Trust since June 2024. The Board believes that Mr. García’s experience in the financial services industry and knowledge of investment advisors through his current employment benefits the Fund.

Mr. González has served as an interested trustee of the Trust since January 2021. The Board believes that Mr. González’s previous experience as portfolio manager of the Puerto Rico Diversified Tax Managed Total Return IRA Trust prior to the Fund’s registration under the 1940 Act, in addition to his work with OFG Bancorp, benefits the Fund.

References to the qualifications, attributes and skills of trustees are pursuant to requirements of the SEC, do not constitute holding out the Board or any trustee as having any special expertise or experience, and shall not impose any greater responsibility or liability on any such person or on the Board by reason thereof.

Trustee Ownership of Fund Shares

For each Trustee, the following table discloses the dollar range of equity securities beneficially owned by the Trustee of each Fund in the Trust and, on an aggregate basis, in any registered investment companies overseen by the Trustee within the Trust's family of investment companies, as of December 31, 2024. The Trustees may have investments in other pools of securities managed by the Investment Adviser. The dollar ranges used in the table are: (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 Ownership in Fund	Aggregate Dollar Range of Ownership in Investment Companies Overseen by Trustee in Family of Investment Companies
Iván C. López Morales	A	A
Joshua Aaron Sigmon	A	A
Carlos García	A	A
Carlos González	A	A

Trustee Compensation

Independent trustees shall each receive an annual retainer of \$16,000 allocated to the Trust. The chair of the Audit Committee and Governance Committee shall receive an additional annual retainer of \$1,000 and \$500, respectively. In addition, independent trustees receive a \$1,000 per meeting fee for attendance at regularly scheduled and special Board meetings. For attendance at special Board meetings by video or telephone, independent trustees receive \$500 per meeting.

All trustees are reimbursed for expenses in connection with each Board meeting attended, with this reimbursement allocated to the Trust. The Trust has no pension or retirement plan. No other entity affiliated with the Trust pays any compensation to the independent trustees. Set forth below is the rate of compensation received by the following independent trustees for the fiscal year ended June 30, 2025.

Name of Trustee & Position	Aggregate Compensation ¹ from the Fund	Pension or Retirement Benefits Accrued as Part of Fund Expenses	Annual Benefits Upon Retirement	Total Compensation from Trust & Fund Paid to Trustees
Iván C. López Morales (Independent Trustee & Audit Committee Chair)	\$17,875	N/A	N/A	\$20,750
Joshua Aaron Sigmon (Independent Trustee & Governance Committee Chair)	\$17,562.50	N/A	N/A	\$20,375
Carlos García (Independent Trustee)	\$17,250	N/A	N/A	\$20,000
Carlos González (Interested Trustee ²)	N/A	N/A	N/A	N/A

1 Aggregate compensation is comprised of all applicable retainers and meeting fees but does not include reimbursements for Trustee expenses.

2 The interested trustee does not receive compensation from the Trust for his service as trustee.

CODE OF ETHICS

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

PROXY VOTING POLICIES

The Board has delegated responsibility for decisions regarding proxy voting for securities held by the Fund to Oriental Trust. The Investment Adviser will vote such proxies in accordance with its proxy policies and procedures, which are included as Appendix B to this SAI. Information about how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 may be obtained (1) without charge, upon request, by calling 787-474-1993 and (2) on the SEC's website at <http://www.sec.gov>.

CONTROL PERSONS AND PRINCIPAL SHAREHOLDERS

A principal shareholder is any person who owns of record or beneficially 5% or more of the outstanding shares of the Fund. A control person is one who owns beneficially, or through controlled companies, more than 25% of the voting securities of the Fund or acknowledges the existence of control.

As of October 1, 2025 there were no identifiable principal shareholders or control persons of the Fund's outstanding equity securities, and the trustees as a group did not own more than 1% of the outstanding shares of the Fund.

THE FUND'S INVESTMENT TEAM

Oriental Trust, a registered investment adviser and a separately identifiable division of Oriental Bank, located at Oriental Center 254 Muñoz Rivera Avenue, 10th Floor, San Juan, Puerto Rico 00918, acts as investment adviser to the Fund pursuant to an investment advisory agreement (the "Advisory Agreement") with the Trust. As of June 30, 2025, Oriental Trust had assets under management of approximately \$304.5 million.

Oriental Trust is a division of Oriental Bank, which is a subsidiary of OFG Bancorp, a diversified financial holding company and corporation organized under the laws of the Commonwealth of Puerto Rico that operates under U.S., Puerto Rico and U.S. Virgin Islands banking laws and regulations.

As Investment Adviser, Oriental Trust is responsible for recommending new investments and/or changes in existing investments of the Fund consistent with the investment objectives and policies of the Fund. Oriental Trust, in executing those transactions, is required to obtain offers to purchase or sell a particular investment unless such security is listed or traded on an exchange in the United States or is traded in the OTC market.

From time to time, Oriental Trust selects various equity investment strategies in order to attain the investment objective of long-term capital appreciation consistent with prudent investment management. Such strategies include, but are not limited to, large capitalization companies, mid capitalization companies, small capitalization companies, growth companies and value companies.

Under the Advisory Agreement, Oriental Trust is entitled to receive an annual management fee equal to 0.93% of the average net assets of the Fund (including assets purchased with the proceeds of any leverage). The management fee for each calendar month is accrued daily and payable monthly. For the period from July 1, 2024, to June 30, 2025, the Fund paid the Investment Adviser \$2,778,966 in net advisory fees. For the period from July 1 2023, to June 30, 2024, the Fund paid the Investment Adviser \$2,766,219 in net advisory fees. For the period from July 1, 2022, to June 30, 2023, the Fund paid \$2,888,603 in net advisory fees.

Under the Advisory Agreement, Oriental Trust furnishes, at its own expense, all services, facilities and personnel necessary in connection with managing the Fund's investments and pays any compensation for services provided to the Fund by its trustees, officers, employees and/or agents who are affiliated with Oriental Trust or any of its affiliates.

Oriental Trust shall provide the Trust with such investment research, advice and supervision as the Trust may from time to time consider necessary for the proper management of the assets of the Fund, shall furnish continuously an investment program for the Fund, shall determine from time to time which securities or other investments shall be purchased, sold or exchanged for the Fund, including providing or obtaining such services as may be necessary in managing, acquiring or disposing of securities, cash or other investments.

After its initial two-year term, the Advisory Agreement continues in effect for successive annual periods so long as such continuation is specifically approved at least annually by the vote of (1) the Board (or a majority of the outstanding shares of the Fund), and (2) a majority of the trustees who are not interested persons of any party to the Advisory Agreement, in each case, cast in person at a meeting called for the purpose of voting on such approval and subject to exemptive or other relief granted by the SEC or its staff. The Advisory Agreement may be terminated at any time, without penalty, by either party to the Advisory Agreement upon a 60-day written notice and is automatically terminated in the event of its "assignment," as defined in the 1940 Act.

Oriental Trust shall generally supervise and oversee all custody, transfer agency, dividend disbursing, legal, accounting and administrative services by third parties that have contracted with the Trust to provide such services.

Portfolio Manager

The following section provides information regarding the portfolio manager's compensation, other accounts managed, material conflicts of interests, and any ownership of securities in the Fund.

Other Accounts Managed by the Portfolio Manager—The table below identifies, for the portfolio manager of the Fund, the number of accounts managed (excluding the Fund) and the total assets in such accounts, within each of the following categories: registered investment companies, other pooled investment vehicles, and other accounts. To the extent that any of these accounts are based on account performance, this information is reflected in separate tables below. Information in all tables is shown as of October 22, 2025. Asset amounts are approximate and have been rounded.

Portfolio Manager	Other Registered Investment Companies	Other Pooled Investment Vehicles	Other Accounts	With Performance-Based Advisory Fee		
				Other Registered Investment Companies	Other Pooled Investment Vehicles	Other Accounts
Gustavo Románach	None	None	None	None	None	None
Suárez	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)

Material Conflicts of Interest

Actual or apparent material conflicts of interest may arise when the portfolio manager has day-to-day management responsibilities with respect to more than one investment account or in other circumstances. Potential conflicts of interest may exist between various individuals and entities, including Oriental Trust, employees, and current or prospective clients and investors. Oriental Trust has policies and procedures that have been designed to identify and properly disclose, mitigate, and/or eliminate applicable conflicts of interest. Conflicts of interest that involve Oriental Trust and/or its employees on one hand, and clients and/or investors on the other hand, will be fully disclosed and/or resolved in a way that favors the interests of clients and/or investors over the interests of Oriental Trust and its employees.

Compensation Structure and Methods

The following information describes the structure of, and the methods used to determine the different types of compensation (*e.g.*, salary, bonus, deferred compensation, retirement plans and arrangements) for the Fund’s portfolio manager as of the most recent practicable date. Oriental Trust pays the Portfolio Manager through a fixed monthly payment. The payment is reviewed from time to time. Oriental Trust does not pay a bonus or any performance-based or asset-based compensation to the Portfolio Manager.

Securities Owned in the Fund by the Portfolio Manager

As of June 30, 2025, the Portfolio Manager did not beneficially own any shares of the Fund.

SERVICE PROVIDERS

Administrator, Fund Accountant and Transfer Agent

The Trust has entered into a Master Services Agreement (the “Service Agreement”) with Ultimus Fund Solutions, LLC (the “Administrator” or “Ultimus”), located at 4221 North 203rd Street, Suite 100, Elkhorn, NE 68022, under which Ultimus provides administrative, accounting, and transfer agent and shareholder services necessary for the operation of the Fund, including assistance in the preparation of financial reports to shareholders; reporting Fund performance; support with respect to routine regulatory examinations of the Fund; assistance in preparing Fund expense projections and establishing accruals; arranging for the computation of data, including daily calculation of the net asset value per share; preparation for signature by an officer of the Trust certain documents required to be filed for compliance by the Trust with applicable laws and regulations including those of the SEC; preparation of tax returns; certain accounting, clerical and bookkeeping services; arranging for the maintenance of books and records of the Fund; serving as the Trust’s registrar, transfer agent, and dividend disbursing agent; processing purchase and redemption orders, maintaining records of Fund shareholders; disbursing dividends and other distributions; and providing, at its own expense, office facilities, equipment and personnel necessary to carry out its duties. Ultimus also maintains certain books and records of the Trust that are required by applicable federal regulations. Ultimus does not have any responsibility or authority for the management of the Fund or the determination of investment policy. In consideration of the services rendered pursuant to the Fund Administration, Accounting Services, and Transfer Agent and Shareholder Services Addendums to the Service Agreement, Ultimus receives fees from the Fund for said services, and is reimbursed for certain expenses assumed pursuant to the Service Agreement. During the fiscal years ended June 30, 2025 and June 30, 2024, Ultimus received the following fees from the Fund for its services as Administrator, Fund Accountant and Transfer Agent:

	Administration & Fund Accounting	Transfer Agent
Period Ended June 30, 2025	\$269,348	\$412,266
Period Ended June 30, 2024	\$276,022	\$367,916

The Service Agreement between the Trust, on behalf of the Fund, and Ultimus, unless otherwise terminated as provided in the Master Services Agreement, is renewed automatically for successive one-year periods immediately following the Initial Term.

Compliance Services

Northern Lights Compliance Services, LLC (“Northern Lights”), an affiliate of Ultimus, located at 4221 North 203rd Street, Suite 100, Elkhorn, NE 68022, provides an individual to serve as the Trust’s CCO and administers the Trust’s compliance policies and procedures. During the fiscal years ended June 30, 2025 and June 30, 2024, the Fund paid Northern Lights \$37,984 and \$38,018, respectively, for CCO services.

Distributor

The Trust has entered into a Distribution Agreement with Northern Lights Distributors, LLC (the “Distributor”) on behalf of the Fund, to serve as the distributor of shares of beneficial interest in the Fund. The Distributor’s responsibilities include selling the Fund’s shares, receiving and submitting purchase orders to the Fund’s transfer agent, facilitating redemption of shares by Shareholders, reviewing advertising materials and sales literature, preparing reports for the Board, and providing materials to the Trust’s CCO as reasonably necessary to support the Board’s findings regarding the Trust’s compliance policies and procedures.

The Fund pays the Distributor an annual fee of \$10,000 plus:

- 0.01% per year of the Fund’s average daily net assets* up to \$250 million;
- 0.0075% per year of the Fund’s average daily net assets* between \$250 million and \$500 million;
- 0.0050% per year of the Fund’s average daily net assets* between \$500 million and \$1 billion; and
- 0.0025% per year of the Fund’s average daily net assets* over \$1 billion.

* All fee calculations are based on the Fund’s average daily net assets invested in Class A, Class C, and Class I shares only.

The Fund will also pay the Distributor \$100 per submission for eleven or more advertising submissions made per month. Additionally, the Fund will pay the Distributor a fee of 25% of any FINRA costs incurred. The Fund will also reimburse the Distributor for certain reimbursable expenses incurred on the Trust’s behalf, including, but not limited to, NSCC Fund/SERV fees, monitoring software, and any expenses approved by the Trust.

Custodian

The Bank of New York Mellon Corporation (“BNY Mellon” or the “Custodian”), located at 240 Greenwich Street, New York, NY 10286, is the custodian of the assets of the Fund. The Custodian’s responsibilities include safeguarding and controlling the Fund’s cash and securities, handling the receipt and delivery of securities, determining income and collecting interest and dividends on the Fund’s investments. The Custodian also maintains certain books and records of the Fund that are required by applicable federal regulations. The Custodian does not determine the investment policies of the Fund or decide which securities the Fund will buy or sell.

Legal Counsel

Stradley Ronon Stevens and Young, LLP, 2000 K Street, NW, Washington, D.C. 20006 and Pietrantonio Mendez & Alvarez LLC, Popular Center 19th Floor, 208 Ponce de León Ave., San Juan, PR 00918 serve as legal counsel to the Trust.

Independent Registered Public Accounting Firm

Cohen & Company, Ltd., located at 1835 Market Street, Suite 310, Philadelphia, PA 19103, is the Fund’s independent registered public accounting firm. The independent registered public accounting firm provides services including an audit of the Fund’s annual financial statements.

EXECUTION OF PORTFOLIO TRANSACTIONS AND BROKERAGE

The Advisory Agreement states that the Investment Adviser shall be responsible for broker-dealer selection and for negotiation of brokerage commission rates, provided that it shall only direct orders to an affiliated person in accordance with Board adopted procedures and/or the 1940 Act. In general, the Investment Adviser’s primary consideration in effecting a securities transaction will be execution at the most favorable cost or proceeds under the circumstances. In selecting a broker-dealer to execute each particular transaction, the Investment Adviser may take the following into consideration, among other things: the best net price available; the reliability, integrity and financial condition of the broker-dealer; the size of and difficulty in executing the order; and the value of the expected contribution of the broker-dealer to the investment performance of the Fund on a continuing basis. The price to the Fund in any transaction may be less favorable than that available from another broker-dealer if the difference is reasonably justified by other aspects of the portfolio execution services offered.

Under revisions to the EU’s Markets in Financial Instruments Directive (“MiFID II”), effective January 3, 2018, EU investment managers may only pay for research from brokers and dealers directly out of their own resources or by establishing “research payment accounts” for each client, rather than through client commissions. MiFID II limits the use of soft dollars by advisers located in the EU and in certain circumstances may result in other advisers (including, potentially, the Fund’s Investment Adviser) reducing or eliminating the use of research paid for with soft dollars as to certain groups of clients or as to all clients, including the Fund.

Subject to such policies as Oriental Trust and the Board may determine, the Investment Adviser shall not be deemed to have acted unlawfully or to have breached any duty created by its Advisory Agreement with the Fund or otherwise solely by reason of its having caused the Fund to pay a broker or dealer that provides (directly or indirectly) brokerage or research services to the Investment Adviser a commission for effecting a portfolio transaction in excess of the amount of commission another broker or dealer would have charged for effecting that transaction, if the Investment Adviser determines in good faith that such amount of commission was reasonable in relation to the value of the brokerage and research services provided by such broker or dealer, viewed in terms of either that particular transaction or the Investment Adviser’s overall responsibilities with respect to the Fund or other advisory clients. The Investment Adviser is further authorized to allocate the orders placed by it on behalf of the Fund to such brokers or dealers who also provide research or statistical material, or other services, to the Trust, Oriental Trust or any affiliate of either. Such allocation shall be in such amounts and proportions as the Investment Adviser shall determine. The Investment Adviser shall report on such allocations regularly to the Trust, indicating the broker-dealers to whom such allocations have been made and the basis for such allocations.

On occasions when the Investment Adviser deems the purchase or sale of a security to be in the best interest of the Fund as well as other clients of the Investment Adviser, it, to the extent permitted by applicable laws and regulations, may aggregate the securities to be so purchased or sold to obtain the most favorable price or lower brokerage commissions and the most efficient execution. In such event, allocation of the securities so purchased or sold, as well as the expenses incurred in the transaction, will be made by the Investment Adviser in the manner it considers to be the most equitable and consistent with its fiduciary obligations to the Fund and to such other clients.

CAPITAL STOCK

None of the Class P shares, Class T shares, Class NT shares, Class A shares, Class C shares, and Class I shares issued by the Fund have preemptive, conversion, or subscription rights. Each of the class of shares issued and sold by the Fund are deemed to be validly issued, fully paid and non-assessable by the Trust.

Shareholders have equal and exclusive rights as to dividends and distributions as declared by the Fund and to the net assets of the Fund upon liquidation or dissolution. The Fund votes on all matters affecting the Fund (e.g., approval of the Advisory Agreement); if additional series are issued, all series of the Trust vote as a single class on matters affecting those series jointly or the Trust as a whole (e.g., election or removal of trustees). Voting rights are not cumulative, so that the holders of more than 50% of the shares voting in any election of trustees can, if they so choose, elect all of the trustees. Further, each class of shares of the Fund shall vote separately with respect to any matter that separately affects that class or as required by applicable law. The shares of each class of the Fund have one vote per share and a pro-rata fractional vote for a fraction of a share. While the Trust is not required and does not intend to hold annual meetings of shareholders, such meetings may be called by the Board in its discretion, or upon demand by the holders of 50% or more of the outstanding shares of the Trust entitled to vote at such meeting, for the purpose of electing or removing trustees.

Class P shares are available through direct investment through IRA accounts. Class A and C shares may be purchased by the public and Class A shares are also available through IRA accounts. To the extent a Class P shareholder, or a Class A shareholder that has purchased his or her shares through an IRA account sponsored by Oriental Trust, reinvests his or her dividends, those shareholders shall have their dividends automatically reinvested in Class T shares, in the case of reinvestment of certain taxable dividends, or in Class NT shares, in the case of reinvestment of certain non-taxable dividends. Class I shares are available to institutional clients and to advisory or fee-based accounts. Each class of shares will represent interests in the same portfolio of investments of the Fund and are identical in all respect to each other class of the Fund, except as set forth in the Fund’s multiple class plan pursuant to Rule 18f-3 under the 1940 Act. Class P shares, Class T shares, Class NT shares and Class I shares of the Fund are to be sold at net asset value without a sales charge and are not subject to the payment of any Rule 12b-1 fees. Class A shares are sold at net asset value plus an initial sales charge rounded to the nearest whole cent. Due to rounding, the actual sales charge may be more or less than the percentage shown. The maximum sales charge is 3.50% of the offering price. The sales charge varies depending on the amount of your purchase, as follows:

Amount Invested	Sales Charge
Less than \$50,000	3.50%
\$50,000 to \$99,999	3.00%
\$100,000 to \$249,000	2.50%
\$250,000 to \$499,999	2.00%
\$500,000 to \$999,999	1.00%
\$1,000,000 and over	None

Class A shares of the Fund are also subject to the payment of an annual Rule 12b-1 shareholder services fee of 0.25% of average daily net assets. Class C shares are sold at net asset value without a sales charge and are subject to the payment of Rule 12b-1 fees. Class C shares (excluding shares purchased by reinvestment of dividends or distributions) that are redeemed within one year of purchase are subject to a contingent deferred sales charge. At present, the Fund does not permit conversions or exchanges from one class to another class, although the Fund reserves the right consider such flexibility in the future. Income, including both realized and unrealized capital gains and losses, and expenses of the Fund shall be allocated to the Fund as a whole.

Any series of the Trust may reorganize or merge with one or more other series of the Trust or another investment company. Any such reorganization or merger shall be pursuant to the terms and conditions specified in an agreement and plan of reorganization authorized and approved by the trustees and entered into by the relevant series in connection therewith. In addition, such reorganization or merger may be authorized by vote of a majority of the trustees then in office and, to the extent permitted by applicable law, without the approval of shareholders of any series.

DETERMINATION OF NET ASSET VALUE

The value of each class of the shares of the Fund for purposes of the Sales Price (defined below) and the Redemption Price (defined below) will be equal to the net asset value per share of the Fund, as determined by the Fund's investment adviser in accordance with Rule 2a-5 under the 1940 Act. The determination of the Sales Price is made as of the close of trading (presently 4:00 p.m., New York time) on the NYSE on each Business Day and is accomplished by dividing the net assets (the excess of assets over liabilities) of the Fund by the number of outstanding shares. The value of each class of the shares of the Fund for purposes of redemption (the "Redemption Price") is determined in the same manner as the Sales Price. A "Business Day" means a day on which commercial banks in the United States are authorized by law to conduct business with the public and the NYSE is open for trading.

The sale of shares by the Fund's distributor to a shareholder will be made as of the Business Day on which the distributor receives the funds from the shareholder and his or her request to purchase shares. This means that funds from the shareholder will only be applied to purchase shares on a particular Business Day if the electronic funds transfer, check or money order used to purchase the shares has cleared the bank on which the transfer was made or the check or money order was drawn. No income will be earned by a shareholder with respect to an investment in the Fund until the sale of shares corresponding to such investment has been made.

Since the Sales Price applicable to shares purchased will be determined as of the Business Day on which funds are available for investment, changes in the net asset value per share of the Fund occurring during the period in which the electronic funds transfer, check or money order for the purchase of shares has not cleared will be reflected in the Sales Price. In other words, any decrease in the net asset value per share of the Fund occurring during this period will decrease the Sales Price and increase the number of shares that the shareholder will receive in connection with such investment in the Fund. Conversely, any increase in the net asset value per share of the Fund occurring during this period will increase the Sales Price and decrease the number of shares which the shareholder will receive in connection with such investment in the Fund.

The Fund's assets will be valued by the Investment Adviser based upon market quotations when such quotations are available. A security listed or traded on any exchange in the United States will be valued at its last sales price on the principal exchange on which it is traded prior to the time the assets of the Fund are valued. If no sale is reported at that time or the security is traded in the over-the-counter ("OTC") market, the most recent bid will be used for purposes of valuation.

Assets for which market quotations are not readily available will be valued at fair value as determined in good faith by the Investment Adviser, pursuant to Rule 2a-5 under the 1940 Act. Debt securities (other than short-term obligations) are valued each day by an independent pricing service approved by the Board based on methods which include consideration of: yields or prices of securities of comparable quality, coupon, maturity and type, indications as to values from dealers, and general market conditions or market quotations from a major market maker in the securities. Investments valued in currencies other than the U.S. dollar are converted to U.S. dollars using exchange rates obtained from pricing services. Short-term debt obligations having 60 days or less remaining until maturity, at time of purchase, may be valued at amortized cost. These prices may change depending on market conditions.

Shareholders should be aware that the value of the shares at any particular time will depend on, among other factors, the market value of the underlying investments then held by the Fund, determined as described above. The market value of these underlying investments will fluctuate with various factors, including interest rates, stock market conditions in the United States, economic and fiscal conditions in Puerto Rico, other general economic conditions, and other factors affecting the issuer of any particular investment then held by the Fund. Therefore, neither Oriental Trust, the Distributor or any other person can guarantee the value of the shares at any particular time. Under certain conditions the value of the shares held by the shareholder may be less than the aggregate amount invested by the shareholder. Furthermore, the Fund or any other person cannot guarantee or represent that funds received from the sale of shares or derived from income received or investments made by the Fund can be invested or reinvested, as the case may be, at the same rate as that at which assets of the Fund were initially invested, nor that any shareholder will receive any anticipated rate of return while he or she holds shares.

ANTI-MONEY LAUNDERING PROGRAM

The Trust has established an Anti-Money Laundering Compliance Program (the “Program”) as required by the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the “USA PATRIOT Act”). To ensure compliance with this law, the Trust’s Program provides for the development of internal practices, procedures and controls, designation of anti-money laundering compliance officers, an ongoing training program and an independent audit function to determine the effectiveness of the Program.

Procedures to implement the Program include, but are not limited to, determining that the Distributor and the Fund’s Transfer Agent have established proper anti-money laundering procedures, reporting suspicious and/or fraudulent activity and conducting a complete and thorough review of all new opening account applications. The Fund will not transact business with any person or entity whose identity cannot be adequately verified under the provisions of the USA PATRIOT Act.

As a result of the Program, the Trust may be required to “freeze” the account of a shareholder if the shareholder appears to be involved in suspicious activity or if certain account information matches information on government lists of known terrorists or other suspicious persons, or the Trust may be required to transfer the account or proceeds of the account to a governmental agency.

PURCHASES AND REDEMPTIONS OF FUND SHARES

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

Purchases and Offering of Shares

The Trust has had a continuous offering of its shares since 2021. The shares are registered with the SEC under the Securities Act and the 1940 Act.

The public offering price of the shares during the continuous offering is the Sales Price, which is determined by the Fund’s investment adviser on each Business Day. The number of shares credited to the shareholder will be equal to the cash amount received by the Fund divided by the net asset value per share of the Fund that is applicable on the day the funds are received (the “Sales Price”). If such day is not a Business Day, the Sales Price will be determined on the next Business Day. The Sales Price applicable during any given Business Day is the Sales Price calculated as of the close of trading on the NYSE on such Business Day. Computations will be done to three decimal points.

The Fund reserves the right to limit the sales of shares and may, in its sole discretion, permit purchases of shares where, in the judgment of management, such purchases do not have a detrimental effect on the portfolio management of the Fund or its Shareholders. The Fund reserves the right to reject any order for the purchase of shares in whole or in part for any reason, and to suspend, without notice, the sale of shares to the public in response to conditions in the securities markets or otherwise.

Purchases of certain share classes through financial intermediaries—Pursuant to SEC guidance, certain financial intermediaries may impose on shareholders sales charges or transaction fees determined by the financial intermediary related to the purchase of Fund shares. Specifically, purchases of Class P shares of the Fund may be made only through qualified Puerto Rican individual retirement accounts (“IRAs”). Purchases of Class P shares, Class T shares, and Class NT through qualified Puerto Rican IRAs are subject to certain fees related to the maintenance and operations of those accounts. In the event that Class A shares are purchased through qualified Puerto Rican IRAs, they will also be subject to the certain fees related to the maintenance and operations of those accounts. These charges and fees are not disclosed in the prospectus or this SAI. You should consult with representatives of your financial intermediary or visit the financial intermediary’s website for more information.

If Fund shares are purchased through a financial intermediary, the financial intermediary may receive all or a portion of the sales charges and distribution fees discussed under “Purchase and Redemption of Fund Shares” in the prospectus and under “Capital Stock” and “Purchases and Offering of Shares” in this SAI. In this context, the term “financial intermediaries” includes any broker-dealer, bank, or other financial intermediary having a selling or similar agreement with the Distributor.

To the extent permitted by SEC and FINRA rules and other applicable laws and regulations, Oriental Trust (or its affiliates) may from time to time make additional payments from their own resources to financial intermediaries in connection with the sale of Class A and Class C shares of the Fund (“additional payments”). Such payments may come directly or indirectly from fees paid by the Fund to Oriental Trust for various services, such as investment advisory services. The additional payments are not an additional charge to the Fund or its shareholders and do not change the price paid by shareholders for the purchase of the Fund’s shares or the amount the Fund receives as proceeds from such purchases.

The additional payments may be calculated based on sales of shares of the Fund (i.e., as a percentage of the value of shares sold), and they primarily create an incentive for new sales of shares of the Fund. Oriental Trust is motivated to make the additional payments as they promote the sale of Fund shares. To the extent financial intermediaries sell more shares of the Fund, Oriental Trust benefits from the incremental management fees paid to Oriental Trust with respect to those assets.

The additional payments may create a conflict of interest by influencing the financial intermediary to recommend the Fund over another investment. In certain cases, the payments could be significant to the financial intermediary. Certain arrangements are still being negotiated. Accordingly, please contact your financial intermediary to determine whether they currently may be receiving the additional payments and to obtain further information regarding any such payments. You may wish to take such payment arrangements into account when considering and evaluating any recommendations relating to Fund shares and you should discuss this matter with representatives of your financial intermediary.

Redemptions in Kind

The Fund has reserved the right to pay the Redemption Price of its shares, either totally or partially, by a distribution in kind of portfolio securities (instead of cash). The securities so distributed would be valued at the same amount as that assigned to them in calculating the net asset value per share for the shares being sold. If a shareholder receives a distribution in kind, the shareholder could incur brokerage or other charges in converting the securities to cash. A redemption in-kind is treated as a taxable transaction and a sale of the redeemed shares, generally resulting in capital gain or loss to you, subject to certain loss limitation rules. Under unusual conditions that make the payment of cash unwise and for the protection of the Fund's remaining shareholders, the Fund might pay all or part of the remaining redemption proceeds in securities with a market value equal to the Redemption Price (redemption in kind).

The Fund may hold illiquid investments but not more than 15% of the Fund's assets. As discussed above, for purposes of redemptions in-kind, illiquid investments are any investments that the 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. In the unlikely event the Fund were to elect to make an in-kind redemption, the Fund expects that it would follow the normal protocol of making such distribution by way of a pro rata distribution based on its entire portfolio. If the Fund held illiquid investments, such distribution may contain a pro rata portion of such illiquid investments or the Fund may determine, based on a materiality assessment, not to include illiquid investments in the in-kind redemption in accordance with the Trust's Liquidity Risk Management Program and Redemption In-Kind Policies and Procedures. The Fund does not anticipate that it would ever selectively distribute a greater than pro rata portion of any illiquid investments to satisfy a redemption request. If such securities are included in the distribution, shareholders may not be able to liquidate such securities and may be required to hold such securities indefinitely. Shareholders' ability to liquidate such securities distributed in-kind may be restricted by resale limitations or substantial restrictions on transfer imposed by the issuers of the securities or by law. Shareholders may only be able to liquidate such securities distributed in-kind at a substantial discount from their value, and there may be higher brokerage costs associated with any subsequent disposition of these securities by the recipient.

DISTRIBUTIONS AND TAX INFORMATION

Distributions

The Fund expects to declare and distribute all of its net investment income, if any, to shareholders as dividends at least annually.

The Fund will make a distribution of any undistributed capital gains, if any, at least annually, usually in December. The Fund may make an additional payment of dividends or other distributions if it deems it to be desirable or necessary at other times during any year.

The amount of any distribution will vary, and there is no guarantee the Fund will pay either an income dividend or a capital gains distribution.

Distributions will be reinvested in shares of the Fund, unless otherwise directed by the shareholder. Generally, distributions within taxable accounts are taxable events for shareholders whether the distributions are received in cash or reinvested.

Dividends to individual shareholders consisting of Ordinary Dividends (defined below under the heading, "Tax Information") will be distributed net of the 15% tax imposed by the PR Code, which will be automatically withheld at source by the Fund. All dividend distributions by the Fund to a tax-advantaged account, such as a Puerto Rico tax-qualified retirement plan or IRA account, will be made on a gross basis, without any tax withholding, and will be reinvested automatically in shares of the Fund. Such distributions may be taxed as ordinary income when withdrawn from the tax-advantaged account.

On or before February 28 of each year, the Fund will file with the Puerto Rico Treasury Department ("PRTD"), and provide a copy to each shareholder, an informative return to report all distributions made to each shareholder during the preceding tax year.

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 the Fund or its shareholders, and the discussions here and in the Prospectus are not intended as a substitute for careful tax planning. Potential investors should consult their tax advisers with specific reference to their own tax situations.

The discussion of the U.S. federal tax consequences in the Prospectus and this SAI are based on US Code and the regulations issued thereunder, and court decisions and administrative interpretations, as in effect on the date of this SAI. Except where otherwise indicated, the US income tax discussion assumes that the investors are individual U.S. citizens or residents (“US Individuals”), taxable corporations created or organized under the laws of a State of the United States (“US Corporations” and together with US Individuals, the “US Shareholders”), and taxable corporations organized under the laws of Puerto Rico (“Puerto Rico Corporations”) which are not subject to the controlled foreign corporation regime or the passive foreign investment company rules of the US Code. This discussion further assumes that no US Shareholder will hold directly, indirectly or by attribution 10% or more of the shares of the Fund.

The Puerto Rico tax discussion is based on the current provisions of the PR Code and the regulations promulgated or applicable thereunder, the administrative pronouncements issued by the PRTD, the Municipal Code and the regulations promulgated thereunder, and Act 93-2013. The Puerto Rico tax discussion assumes that (i) the Fund will meet the requirements of PR Code Section 1112.01 and the 1940 Act, (ii) all individual investors are US citizens, and (ii) no investor will be subject to special rules of taxation, such as partnerships or entities that are treated as conduit entities for Puerto Rico income tax purposes, “Special Partnerships,” “Subchapter E Corporations” (Corporations of Individuals), life insurance companies, registered investment companies, tax exempt organizations, estates and trusts.

No attempt has been made to discuss all Puerto Rico and U.S. federal income or other tax matters that may affect the Fund or its investors. The statements that follow are based on the existing provisions of the US and PR statutes and regulations above mentioned, and the corresponding judicial decisions and administrative pronouncements issued by the pertinent governmental agencies, all of which are subject to change (even with retroactive effect). A prospective investor should be aware that the conclusions set forth herein are not binding on the PRTD, any municipality or Puerto Rico governmental agency, the IRS and the courts. Accordingly, there can be no assurance that such conclusions, if challenged, will be sustained.

For purposes of the following Puerto Rico tax discussion, the term “Foreign Corporation” is used to refer to a corporation organized under the laws of a jurisdiction other than Puerto Rico.

Puerto Rico Taxation of the Fund

Income Taxes. As an investment company (i) organized in Puerto Rico, (ii) with its principal office in Puerto Rico, and (iii) registered with the SEC under the 1940 Act, the Fund will be treated as a registered investment company under Section 1112.01 of the PR Code. As such, the Fund will be exempt from Puerto Rico income tax for a taxable year if it distributes to its shareholders at least 90% of its net income for the taxable year within the time period provided by the PR Code (the “90% Distribution Requirement”). In determining its net income for purposes of the 90% Distribution Requirement, the Fund shall not take into account capital gains and losses and certain items of income (including interest) that are exempt from taxation under the PR Code. The Fund intends to meet the 90% Distribution Requirement to be exempt from Puerto Rico income tax.

Property Taxes. Under the provisions of the Municipal Code, the Fund will be subject to property taxes. However, stocks, bonds, notes and other securities, debt instruments or obligations (collectively, “Securities”) issued by Puerto Rico and Foreign entities are exempt from property taxes imposed by the Municipal Code.

Municipal License Taxes. Pursuant to Act 93-2013, investment companies, such as the Fund, are not subject to municipal license taxes, provided that they are registered under Act 93-2013. Because municipalities have the authority to impose taxes that are not incompatible with the taxes imposed by the Commonwealth of Puerto Rico, the holding of PR Treasury Determination 19-04 should be constructed as exempting the Fund from the municipal license tax imposed by the Municipal Code.

Puerto Rico Taxation of Fund Shareholders

Income Taxes on Dividend Distributions. Dividend distributions by the Fund are classified as “Exempt Dividends,” “Capital Gain Dividends,” or “Ordinary Dividends” as discussed below.

Distributions paid by the Fund from its earnings and profits derived from certain exempt income described in Section 1031.02 of the PR Code, including without limitation, interest on obligations of the United States, any state or territory of the United States or political subdivision thereof and of the District of Columbia constitute exempt dividends (“Exempt Dividends”) and are exempt from Puerto

Rico income tax. However, individual investors will be irrevocably agreeing that all Exempt Dividends distributed to them will be subject to a 15% withholding tax, which will be withheld by the brokers or other financial intermediaries through which the investors hold their shares. The 15% withholding tax may be claimed as a credit against the Puerto Rico income tax of the investor.

Distributions paid by the Fund from its earnings and profits derived from the sale or exchange of property constitute capital gain dividends (“Capital Gain Dividends”) and are taxable as long-term capital gains regardless of how long the shares of the Fund have been held by the shareholder. Capital Gain Dividends will qualify for the special income tax rate on capital gains of 15% (subject to the alternate basic tax discussed below) in the case of individuals that are bona fide residents of Puerto Rico within the meaning of US Code Sections 933 and 937 (“Individual PR Residents”), and for the alternative 20% income tax rate in the case of Puerto Rico Corporations.

A dividend distributed by the Fund that is not an Exempt Dividend or Capital Gain Dividend constitutes an ordinary dividend (“Ordinary Dividend”) if made out of earnings and profits attributable to income that is included in gross income by the Fund for Puerto Rico income taxes and subject to Puerto Rico income tax under the PR Code.

Ordinary Dividends and Capital Gain Dividends received by Individual PR Residents and Puerto Rico Corporations are included in income and subject to Puerto Rico income tax (as ordinary gross income or capital gain, as the case may be) regardless of whether they are reinvested in additional shares of the Fund pursuant to the Fund’s dividend reinvestment plan (if and when such plan is established). Distributions that exceed the earnings and profits of the Fund will be treated as a tax-free return of capital to a shareholder to the extent of the shareholders basis in the shares of the Fund, and any excess will be treated as a gain from the sale or exchange of such shares and subject to the tax consequences described below under Sale, Exchange or Other Disposition of the shares of the Fund.

Ordinary Dividends received by Individual PR Residents will be subject to a 15% preferential tax (subject to the alternate basic tax discussed below) to be withheld at source, rather than to the regular tax on ordinary income. Upon filing a Puerto Rico income tax return, the Individual PR Residents may elect not to be subject to the 15% preferential tax on the Ordinary Dividends and to be subject to the regular income tax rates provided by the PR Code on ordinary income and the 15% tax withheld at source may be claimed as a credit against Puerto Rico income taxes. By purchasing the shares of the Fund, each Individual PR Resident will be irrevocably agreeing to the 15% Puerto Rico income tax withholding on all Ordinary Dividends.

An Ordinary Dividend received by a Puerto Rico Corporation will be subject to regular and alternative minimum tax. An Ordinary Dividend received by a Puerto Rico Corporation will qualify for 85% dividends received deduction. Puerto Rico Corporations will not be eligible for the 15% preferential tax applicable in the case of Individual PR Residents.

Alternate Basic Tax. Individual PR Residents are subject to alternate basic tax if their regular tax liability is less than the alternate basic tax liability. The alternate basic tax applies with respect to Individual PR Residents that have alternate basic tax net income in excess of \$25,000. The alternate basic tax rates range from 1% to 24% depending on the alternate basic tax net income (the 24% top marginal rate applies to alternate basic tax net income in excess of \$250,000). The alternate basic tax net income is determined by adjusting the individual’s net income subject to regular income tax rates by, among other items, adding: (i) certain income exempt from the regular income tax and (ii) income subject to special tax rates as provided in the PR Code such as: Ordinary Dividends, Capital Gain Dividends and long-term capital gains recognized by Individual PR Residents on the sale, exchange or other taxable disposition of the shares of the Fund. It should be noted that Exempt Dividends paid by the Fund are not subject to alternate basic tax.

Puerto Rico Tax-qualified retirement plans and IRAs. Tax-qualified retirement plans and IRA accounts will not be subject to income taxation on Ordinary Dividends, Capital Gain Dividends and gains recognized from the sale, exchange or disposition of the shares of the Fund.

Income derived by IRA accounts from their shares of the Fund, and distributions by IRA trusts to IRA account beneficiaries, will be subject to the tax treatment afforded under the PR Code to IRA trusts and their beneficiaries, as disclosed in the offering documents for each IRA trust.

Individuals not Residents of Puerto Rico. Individuals who are not residents of Puerto Rico will be subject to Puerto Rico income tax on Ordinary Dividends at the rate of 15% to be withheld at source by the Fund or its paying agent. No PR income tax should apply on Exempt Dividends as well as Capital Gain Dividends because such dividends are treated as long-term capital gains from sources outside of Puerto Rico. By purchasing the shares of the Fund, each individual investor not resident of Puerto Rico will be irrevocably agreeing to the 15% Puerto Rico income tax withholding on all Ordinary Dividends.

Foreign Corporations. The income taxation of Ordinary Dividends and Capital Gain Dividends paid by the Fund to a foreign corporation will depend on whether or not the foreign corporation is engaged in a trade or business in Puerto Rico in the taxable year of the dividend.

A foreign corporation that is not engaged in a trade or business in Puerto Rico will be subject to Puerto Rico income tax on Ordinary Dividends at the income tax rate of 10% and no PR income tax should apply on Exempt Dividends as well as Capital Gain Dividends because such dividends are treated as long-term capital gains from sources outside of Puerto Rico.

Foreign corporations that are engaged in trade or business in Puerto Rico are subject to the applicable regular Puerto Rico corporate income tax rates on their net income that is effectively connected with the active conduct of a trade or business in Puerto Rico. This income will include all net income from sources within Puerto Rico, such as the Ordinary Dividends, and certain items of net income from sources outside Puerto Rico that are effectively connected with the active conduct of a trade or business in Puerto Rico, which may include Capital Gain Dividends in the case of foreign corporations engaged in a financing, lending or trading business in Puerto Rico. Such net income would be subject to the same rules applicable to Puerto Rico Corporations (including the dividends received deduction and 20% preferential tax on capital gains, discussed above). In general, foreign corporations that are engaged in a trade or business in Puerto Rico are subject to tax at gradual corporate income tax rates that range from 18.5% to 37.5%, plus a 10% branch profits tax.

Sale, Exchange or Other Disposition of the shares of the Fund. Gain recognized by a shareholder from the sale, exchange or other disposition (including a redemption that is not essentially equivalent to a dividend) of shares in the Fund will be treated as a capital gain for shareholders who hold such shares as a capital asset and as a long-term capital gain if such shares have been held by the shareholder for more than one (1) year prior to such sale or exchange. Long-term capital gains recognized by Individual PR Residents, on the sale, exchange or other disposition of their shares in the Fund will be subject to a 15% income tax rate. Alternatively, the Individual PR Residents may elect to include such long-term capital gains as ordinary income and be subject to the regular income tax rates imposed under the PR Code. Long-term capital gains recognized by a Puerto Rico Corporation on the sale, exchange or other disposition of its shares in the Fund will be subject to an alternative 20% income tax rate. Alternatively, a Puerto Rico Corporation may also elect to include such long-term capital gain as ordinary income and be subject to the regular income tax rates imposed under the PR Code. Losses from the sale, exchange or other disposition of shares in the Fund that constitute capital assets in the hands of Individual PR Residents or Puerto Rico Corporations are deductible only to the extent of gains recognized by such shareholders from the sale, exchange or other disposition of capital assets. Individual PR Residents may also deduct up to \$1,000 of such capital losses against ordinary income and the balance can be carried forward to the following seven (7) taxable years as a deduction against net capital gains derived in such years, provided, however, that the deduction may not exceed 90% of such capital gains. The deduction by Puerto Rico Corporations for losses carried over to subsequent taxable years is limited to 90% of the amount of capital gains.

Individuals not Residents of Puerto Rico. Individuals who are not residents of Puerto Rico should not be subject to Puerto Rico income tax on the sale or exchange of shares of the Fund because such gain constitutes income from sources outside Puerto Rico.

Foreign Corporations. Foreign corporations that are not engaged in a trade or business in Puerto Rico will not be subject to Puerto Rico income tax on any capital gain realized on the sale or exchange of shares of the Fund because such gains should constitute income from sources outside Puerto Rico. A foreign corporation that is engaged in a financing, banking or trading business in Puerto Rico will generally be subject to Puerto Rico corporate income tax on any gain realized on the sale or exchange of shares of the Fund because such gain should be treated as effectively connected with such trade or business in Puerto Rico. Any such gain should be eligible for the alternative tax of 20% if it qualifies as a long-term capital gain. In general, a foreign corporation that is engaged in a trade or business in Puerto Rico will also be subject to a 10% branch profits tax.

Estate and Gift Taxes. Estate and gift taxes imposed by the PR Code have been repealed with respect to transfers by inheritance or gift occurring after December 31, 2017.

Municipal License Taxes. Under the Municipal Code, all dividends distributed by the Fund to Puerto Rico Corporations will form part of their “volume of business” and, therefore, may be subject to a municipal license tax of up to 1.5% in the case of such shareholders that are engaged in a financial business, or of up to 0.5% in the case of such shareholders engaged in non-financial businesses. Individual investors should not be subject to a municipal license tax on the Fund’s distributions.

Property Taxes. Under the provisions of the Municipal Code, the shares of the Fund should be exempt from Puerto Rico personal property taxes in the hands of the Fund shareholders.

The discussion contained in this Section is a general and abbreviated summary of certain Puerto Rico tax considerations affecting the Fund and its shareholders and is not intended as tax advice or to address a shareholder’s particular circumstances. Investors are urged to consult their tax advisers regarding the tax consequences of investing in the Fund.

United States Taxation of the Fund

Income Taxes. Based on certain representations made by the Fund, under current United States federal income tax law, the Fund should not be engaged in a U.S. trade or business. Interest received by the Fund from U.S. sources on certain registered obligations (“Portfolio Interest”) and gains derived by the Fund from the sale or exchange of personal property (other than a “United States Real Property Interest”) are not subject to United States federal income taxation. Moreover, as an investment trust organized under Puerto Rico law treated as a foreign corporation not engaged in trade or business under the US Code, the Fund will only be subject to United States federal income taxation if it realizes certain items of U.S. source income of a fixed or determinable annual or periodic nature, in which case the Fund will be subject to withholding of United States federal income tax at a 10% gross rate on U.S. source dividends (if certain conditions are met) and at a 30% gross rate on such other U.S. source income. If the Fund ultimately is found to be engaged in a U.S. trade or business, it would be subject to U.S. corporate income tax at the regular rates applicable to corporations (currently 21%) on that part of its net income that is effectively connected with such business and, in addition, to a branch profits tax (which generally is imposed on a foreign corporation upon the repatriation outside of the United States of earnings and profits attributable to a U.S. trade or business) at a 30% rate on its earnings and profits attributable to such effectively connected income, subject to a number of statutory adjustments.

Sections 1471-1474 of the US Code (commonly known as “FATCA”) impose a 30% withholding tax upon most payments of U.S. source income made to certain “foreign financial institutions” or “non-financial foreign entities” (“NFFE”) (including “territory non-financial foreign entities”) unless certain certification and reporting requirements are satisfied. In the case of most payments of U.S. source income, the 30% withholding applies to interest and other periodic payments made after June 30, 2014.

Pursuant to the FATCA Regulations, the Fund will be treated as a passive NFFE. Accordingly, the Fund will be required to provide to withholding agents or any other entity required to certify the Fund’s status under FATCA, certain information about its direct or indirect substantial U.S. owners, or alternative, certify to such withholding agents or entities that the Fund has no such substantial U.S. owners. If the Fund were to be unable to provide such investor information or otherwise fail or be unable to comply with the legal and regulatory requirements of the US Code with respect to FATCA, the Fund’s U.S. source income would be reduced, inasmuch as it would be subject to such 30% withholding tax. The 30% withholding would result in a reduction of the Fund’s income available for distribution to its shareholders and may negatively affect the Fund’s ability to fulfill its obligations.

By making an investment in the Fund, each investor agrees to provide all information and certifications necessary to enable the Fund to comply with these requirements, authorizes the Fund to redeem his or her shares if it fails to timely provide such information or certifications and agrees to indemnify the Fund from any tax withheld due to such investors failure to timely provide the information required under FATCA.

Prospective investors should consult with their own tax advisers regarding these matters and similar disclosure requirements as they apply to them.

United States Taxation of Fund Shareholders

Income Taxes. The Fund will be treated as a foreign corporation not engaged in US trade or business under the US Code and dividends paid by the Fund will generally have a Puerto Rico source rather than a US source classification.

In general, Fund’s distributions to US Shareholders will be taxable for US federal income tax purposes, regardless of whether they are received in cash or reinvested in Fund shares, and will be subject to the passive foreign investment company (“PFIC”) rules described below. Gains from the sale of the shares of the Fund will also be taxable under the US Code and subject to the PFIC rules.

Puerto Rico Corporations that are not engaged in a U.S. trade or business should not be subject to US taxation on dividends received from the Fund and on gains from the sale or exchange of their shares in the Fund.

Under US Code Sections 933 and 937, and the regulations thereunder, Individual PR Residents who own, directly or indirectly, less than 10% of the total shares of the Fund will not be subject to United States income taxation on dividends received from the Fund. Also, Individual PR Residents will not be subject to United States income taxation on gains from the sale or exchange of their shares of the Fund. However, these shareholders will not generally be allowed a tax deduction for any amount allocable to or chargeable against amounts so excluded from the Individual PR Residents’ gross income.

In the case of Individual PR Residents who own, directly or indirectly, at least 10% of the total shares of the Fund, only the Puerto Rico source ratio of any dividend paid or accrued by the Fund shall be treated as income from sources within Puerto Rico and exempt for U.S. federal income taxes. For these shareholders, the Puerto Rico source ratio of any dividend from the Fund shall be a fraction, the numerator of which equals the gross income of the Fund from sources within Puerto Rico during the testing period and the denominator of which equals the total gross income of the Fund for the testing period. The term “testing period” as used herein means the 3-year period ending with the close of the taxable year of the payment of the dividend (or such part of such period as the Fund has been in existence, if less than 3 years). In the case of these shareholders, the part of the dividend determined to be from sources other than Puerto Rico (after applying the rules described in this paragraph) will be subject to United States income taxation, including the PFIC rules described below.

Individual PR Residents should consult their tax advisers to determine if under the provisions of Section 937 of the US Code and the regulations promulgated thereunder, they meet the direct or indirect 10% ownership requirement described above since certain attribution rules apply for purposes of determining such 10% ownership requirement. If after consulting his or her tax adviser, an Individual PR Residents determines that he or she is a 10% shareholder of the Fund, such shareholder must contact the investment adviser to get the necessary information to determine which part of the dividend received by him or her is from sources other than Puerto Rico.

Notwithstanding the foregoing, Individual PR Residents should also note that Section 937(b) of the US Code includes an exception to the general source of income rules (described above) otherwise applicable to dividends paid by Puerto Rico corporations (such as the Fund) in the case of dividends paid by such Puerto Rico corporations pursuant to certain conduit plans or arrangements (“conduit arrangements”). Under the regulations, income received pursuant to a conduit arrangement from United States sources would retain its character as U.S. source income notwithstanding the fact that the general sourcing rules would otherwise treat such income as being from Puerto Rico sources. In general, the regulations describe a conduit arrangement as one in which pursuant to a plan or arrangement income is received by a person in exchange for consideration provided to another person and such other person provides the same consideration (or consideration of a similar kind) to a third person in exchange for one or more payments constituting income from sources within the United States. We understand, however, that the conduit regulations were not intended to apply to an actively managed investment company such as the Fund that is subject to regulation by governmental authorities and, therefore, dividends paid by the Fund should be sourced by the general sourcing rules, which will treat such distributions as income from Puerto Rico sources.

Under current United States federal income tax law, the Fund will likely be treated as a PFIC. Under the PFIC rules, a Fund shareholder that is a US Shareholder (i.e., a U.S. citizen or resident of the United States, a U.S. domestic corporation or partnership, or an estate or trust that is taxed as a resident of the United States) and that disposes of its PFIC stock at a gain is treated as receiving an excess distribution equal to such gain. In addition, if a US shareholder receives a distribution from a PFIC in excess of 125% of the average amount of distributions such shareholder has received from the PFIC during the three preceding taxable years (or shorter period if the US shareholder has not held the stock for three years), the US shareholder is treated as receiving an excess distribution equal to such excess. In general, under the PFIC rules, (i) the excess distribution or gain would be allocated ratably over the US shareholder's holding period for the shares of the Fund, (ii) the amount allocated to the current taxable year would be taxed as ordinary income, and (iii) the amount allocated to each of the other taxable years would, with certain exceptions, be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year, and an interest charge for the deemed deferral benefit would be imposed on the resulting tax attributable to each such year.

As an alternative to these rules, US shareholders may, in certain circumstances, elect a mark-to-market treatment with respect to their shares in the Fund.

Under a proposed US Code regulation, Individual PR Residents are subject to the PFIC rules described above only to the extent that any excess distribution or gain is considered to be from sources other than Puerto Rico, is allocated to a taxable year during which the Individual PR Residents held the Shares and was not a bona fide resident of Puerto Rico during the entire taxable year, or is treated as a dividend from United States sources under the rules of US Code Section 933 and 937 described above. The portion of the excess distribution or gain considered to be Puerto Rico source income should not be subject to U.S. federal income tax pursuant to US Code Section 933.

Individual shareholders of a PFIC, such as the Fund, who are, among others, United States citizens, must file an annual report (IRS Form 8621) containing such information as the Secretary of the U.S. Treasury may require, unless an exemption from such filing requirement applies.

Estate and Gift Taxes. The transfer of shares of the Fund by death or gift by an Individual PR Resident will not be subject to estate and gift taxes imposed by the US Code if such individual (i) is a U.S. citizen who acquired such citizenship solely by reason of birth or residence in Puerto Rico and (ii) is a resident of Puerto Rico for purposes of the US Code as of the time of the death or gift.

The discussion contained in this section is a general and abbreviated summary of certain federal tax considerations affecting the Fund and the shareholders and is not intended as tax advice or to address a shareholder's particular circumstances.

Investors are urged to consult their tax advisers regarding specific questions as to United States federal or Puerto Rico taxes or as to the consequences of investing in the Fund.

State and Local Taxes. Distributions of Ordinary Dividends and Capital Gains dividends, and gains from the sale, exchange or redemption of your Fund shares, are generally subject to state and local taxes. You should consult your tax adviser regarding the tax status of distributions in your state and locality.

It must be noted that the U.S. Code provides special rules for entities that are treated as partnerships for U.S. federal income tax purposes.

(if certain conditions are met) and at a 30% gross rate on such other U.S. source income. If the Fund ultimately is found to be engaged in a U.S. trade or business, it would be subject to U.S. corporate income tax at the regular rates applicable to corporations (currently 21%) on that part of its net income that is effectively connected with such business and, in addition, to a branch profits tax (which generally is imposed on a foreign corporation upon the repatriation outside of the United States of earnings and profits attributable to a U.S. trade or business) at a 30% rate on its earnings and profits attributable to such effectively connected income, subject to a number of statutory adjustments.

Sections 1471-1474 of the US Code (commonly known as "FATCA") impose a 30% withholding tax upon most payments of U.S. source income made to certain "foreign financial institutions" or "non-financial foreign entities" unless certain certification and reporting requirements are satisfied. In the case of most payments of U.S. source income, the 30% withholding applies to interest and other periodic payments made after June 30, 2014. Regulations issued under FATCA (the "FATCA Regulations") treat the Fund as a "non-financial foreign entity." Under this classification, the Fund could be required to provide to the payors of such income (except with respect to certain grandfathered obligations) certain information with respect to its investors. The payors, in turn, would be required to disclose such information to the IRS.

Under the FATCA Regulations, the Fund would not have to provide the required information only if it is wholly owned directly or indirectly by investors who are individual bona fide residents of Puerto Rico for purposes of Section 933 of the US Code, otherwise it will have to provide the information with respect to direct and indirect substantial U.S. owners of the Fund. If the Fund is unable to obtain such information from any such investor or otherwise fails or is unable to comply with the requirements of the US Code, the FATCA Regulations or any other implementing rules, certain payments to the Fund may be subject to a 30% withholding tax. By making an investment in the Fund, each investor agrees to provide all information and certifications necessary to enable the Fund to comply with these requirements, authorizes the Fund to redeem his or her shares if it fails to timely provide such information or certifications and agrees to indemnify the Fund from any tax withheld due to such investors failure to timely provide the information required under FATCA.

Prospective investors should consult with their own tax advisers regarding these matters and similar disclosure requirements as they apply to them.

United States Taxation of Fund Shareholders

Income Taxes. The Fund will be treated as a foreign corporation not engaged in US trade or business under the US Code and dividends paid by the Fund will generally have a Puerto Rico source rather than a US source classification.

In general, Fund's distributions to US Shareholders will be taxable for US federal income tax purposes, regardless of whether they are received in cash or reinvested in Fund shares, and will be subject to the passive foreign investment company ("PFIC") rules described below. Gains from the sale of the shares of the Fund will also be taxable under the US Code and subject to the PFIC rules.

Puerto Rico Corporations that are not engaged in a U.S. trade or business should not be subject to US taxation on dividends received from the Fund and on gains from the sale or exchange of their shares in the Fund.

Under US Code Sections 933 and 937, and the regulations thereunder, Individual PR Residents who own, directly or indirectly, less than 10% of the total shares of the Fund will not be subject to United States income taxation on dividends received from the Fund. Also, Individual PR Residents will not be subject to United States income taxation on gains from the sale or exchange of their shares of the Fund. However, these shareholders will not generally be allowed a tax deduction for any amount allocable to or chargeable against amounts so excluded from the Individual PR Residents' gross income.

In the case of Individual PR Residents who own, directly or indirectly, at least 10% of the total shares of the Fund, only the Puerto Rico source ratio of any dividend paid or accrued by the Fund shall be treated as income from sources within Puerto Rico and exempt for U.S. federal income taxes. For these shareholders, the Puerto Rico source ratio of any dividend from the Fund shall be a fraction, the numerator of which equals the gross income of the Fund from sources within Puerto Rico during the testing period and the denominator of which equals the total gross income of the Fund for the testing period. The term "testing period" as used herein means the 3-year period ending with the close of the taxable year of the payment of the dividend (or such part of such period as the Fund has been in existence, if less than 3 years). In the case of these shareholders, the part of the dividend determined to be from sources other than Puerto Rico (after applying the rules described in this paragraph) will be subject to United States income taxation, including the PFIC rules described below.

Individual PR Residents should consult their tax advisers to determine if under the provisions of Section 937 of the US Code and the regulations promulgated thereunder, they meet the direct or indirect 10% ownership requirement described above since certain attribution rules apply for purposes of determining such 10% ownership requirement. If after consulting his or her tax adviser, an Individual PR Resident determines that he or she is a 10% shareholder of the Fund, such shareholder must contact the investment adviser to get the necessary information to determine which part of the dividend received by him or her is from sources other than Puerto Rico.

Notwithstanding the foregoing, Individual PR Residents should also note that Section 937(b) of the US Code includes an exception to the general source of income rules (described above) otherwise applicable to dividends paid by Puerto Rico corporations (such as the Fund) in the case of dividends paid by such Puerto Rico corporations pursuant to certain conduit plans or arrangements ("conduit arrangements"). Under the regulations, income received pursuant to a conduit arrangement from United States sources would retain its character as U.S. source income notwithstanding the fact that the general sourcing rules would otherwise treat such income as being from Puerto Rico sources. In general, the regulations describe a conduit arrangement as one in which pursuant to a plan or arrangement income is received by a person in exchange for consideration provided to another person and such other person provides the same consideration (or consideration of a similar kind) to a third person in exchange for one or more payments constituting income from sources within the United States. We understand, however, that the conduit regulations were not intended to apply to an actively managed investment company such as the Fund that is subject to regulation by governmental authorities and, therefore, dividends paid by the Fund should be sourced by the general sourcing rules, which will treat such distributions as income from Puerto Rico sources.

Under current United States federal income tax law, the Fund will likely be treated as a PFIC. Under the PFIC rules, a Fund shareholder that is a US Shareholder (i.e., a U.S. citizen or resident of the United States, a U.S. domestic corporation or partnership, or an estate or trust that is taxed as a resident of the United States) and that disposes of its PFIC stock at a gain is treated as receiving an excess distribution equal to such gain. In addition, if a US shareholder receives a distribution from a PFIC in excess of 125% of the average amount of distributions such shareholder has received from the PFIC during the three preceding taxable years (or shorter period if the US shareholder has not held the stock for three years), the US shareholder is treated as receiving an excess distribution equal to such excess. In general, under the PFIC rules, (i) the excess distribution or gain would be allocated ratably over the US shareholder's holding period for the shares of the Fund, (ii) the amount allocated to the current taxable year would be taxed as ordinary income, and (iii) the amount allocated to each of the other taxable years would, with certain exceptions, be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year, and an interest charge for the deemed deferral benefit would be imposed on the resulting tax attributable to each such year.

As an alternative to these rules, US shareholders may, in certain circumstances, elect a mark-to-market treatment with respect to their shares in the Fund.

Under a proposed US Code regulation, Individual PR Residents are subject to the PFIC rules described above only to the extent that any excess distribution or gain is considered to be from sources other than Puerto Rico, is allocated to a taxable year during which the Individual PR Residents held the Shares and was not a bona fide resident of Puerto Rico during the entire taxable year, or is treated as a dividend from United States sources under the rules of US Code Section 933 and 937 described above. The portion of the excess distribution or gain considered to be Puerto Rico source income should not be subject to U.S. federal income tax pursuant to US Code Section 933.

Individual shareholders of a PFIC, such as the Fund, who are, among others, United States citizens, must file an annual report (IRS Form 8621) containing such information as the Secretary of the U.S. Treasury may require, unless an exemption from such filing requirement applies.

Estate and Gift Taxes. The transfer of shares of the Fund by death or gift by an Individual PR Resident will not be subject to estate and gift taxes imposed by the US Code if such individual (i) is a U.S. citizen who acquired such citizenship solely by reason of birth or residence in Puerto Rico and (ii) is a resident of Puerto Rico for purposes of the US Code as of the time of the death or gift.

The discussion contained in this section is a general and abbreviated summary of certain federal tax considerations affecting the Fund and the shareholders and is not intended as tax advice or to address a shareholder's particular circumstances.

Investors are urged to consult their tax advisers regarding specific questions as to United States federal or Puerto Rico taxes or as to the consequences of investing in the Fund.

State and Local Taxes. Distributions of Ordinary Dividends and Capital Gains dividends, and gains from the sale, exchange or redemption of your Fund shares, are generally subject to state and local taxes. You should consult your tax adviser regarding the tax status of distributions in your state and locality.

It must be noted that the U.S. Code provides special rules for entities that are treated as partnerships for U.S. federal income tax purposes.

DISTRIBUTION PLAN

The Trust has adopted a plan pursuant to Rule 12b-1 under the 1940 Act (the "Plan"), whereby Class A shares and Class C shares of the Fund pay to Northern Lights Distributors, LLC (the "Distributor") service and distribution fees as described in the prospectus. The Plan authorizes the Trust to pay the Distributor an annual fee of up to 0.25% (Class A Shares) or 1.00% (Class C Shares) of the Fund's average daily net assets attributable to such classes, respectively, for services as the Fund's principal distributor in connection with any activities or expenses primarily intended to result in the sale of the Fund or for providing or arranging for others to provide shareholder services and for the maintenance of shareholder accounts, including, but not limited to, payment of compensation, including incentive compensation, to securities dealers and other financial institutions and organizations to obtain various distribution related and/or administrative services for the Fund's investors. No distribution or service fees are paid with respect to Class P shares, Class T shares, Class NT shares or Class I shares.

The Board has determined that the Plan could be a significant factor in the growth and retention of Fund assets, resulting in a more advantageous expense ratio and increased investment flexibility, which could benefit each class of Fund shareholders. A cash flow from sales of shares may enable the Fund to meet shareholder redemptions without having to liquidate portfolio securities and to take advantage of buying opportunities without having to make unwarranted liquidations of portfolio securities. The Board also considered that continuing growth in the Fund's size would be in the shareholders' best interests because increased size would allow the Fund to realize certain economies of scale in their operations and would likely reduce the proportionate share of expenses borne by each shareholder. In addition, the payment of ongoing compensation to a financial intermediary for providing services to its customers based on the value of their Fund shares, even in the case of the Fund being closed to new investors, which is not currently the case, is likely to provide the shareholders with valuable services and to benefit the Fund by promoting shareholder retention and reduced redemptions. The Board of trustees therefore determined that it would benefit the Fund to have monies available for the direct distribution and service activities of the Distributor as the Fund's distributor, in promoting the continuous sale of the Fund's shares. The Board, including the Independent Trustees, concluded, in the exercise of their reasonable business judgment and in light of their fiduciary duties, that there is a reasonable likelihood that the Plan will benefit the Fund and their shareholders.

The Plan has been approved by the Board, including all of the Independent Trustees. The Plan must be reviewed annually by the Board and may be continued from year to year by vote of the Board, including a majority of the Independent Trustees, cast in person at a meeting called for that purpose. It is also required that the selection and nomination of Independent Trustees be done by Independent Trustees. The Plan may be terminated at any time, without any penalty, by such trustees, by any act that terminates the distribution agreement between the Trust and the Distributor, or, as to the Fund, by vote of a majority of the Fund's outstanding shares.

DISTRIBUTOR

The Fund's distributor, and any broker or dealer as may be authorized by it from time to time, will act as the distributors of the shares. The distributors will solicit subscriptions for the shares during the offering period.

Northern Lights Distributors, LLC, located at 4221 North 203rd Street, Suite 100, Elkhorn, NE 68022, acts as principal underwriter in a continuous public offering of the Fund's shares. Pursuant to a distribution agreement (the "Distribution Agreement") between Northern Lights Distributors, LLC and the Fund, Northern Lights Distributors, LLC acts as the Trust's principal underwriter and distributor (the "Distributor") and provides certain administration services and promotes and arranges for the sale of the Fund's shares. The Distributor is a registered broker-dealer under the Securities Exchange Act of 1934, as amended, and is a member of the Financial Industry Regulatory Authority (FINRA).

After its two-year initial term, the Distribution Agreement between the Trust and the Distributor continues in effect only if such continuance is specifically approved at least annually by the Board or the vote of a majority of the Fund's outstanding voting securities and, in either case, by a majority of the independent trustees.

The Distribution Agreement is terminable without penalty by the Trust on behalf of the Fund on a 60-day written notice when authorized by a majority vote of the Fund's shareholders or by a vote of a majority of the Board, including a majority of the Independent Trustees, or by the Distributor on a 60-day written notice, and will automatically terminate in the event of its "assignment" (as defined in the 1940 Act).

FINANCIAL STATEMENTS

The Fund's audited financial statements for the fiscal period ended June 30, 2025, appearing in the Form N-CSR as filed with the SEC, and the Fund's unaudited financial statements for the fiscal period ended December 31, 2024, appearing in the Form N-CSRS as filed with the SEC, are incorporated herein by reference and made a part of this document. Copies of the Fund's annual and semi-annual reports to shareholders may be obtained upon request and without charge by calling the Fund at 787-474-1993 or by downloading at www.dgiinvest.com/bf.

APPENDIX A

Summary of Credit Ratings

The following summarizes the descriptions for some of the general ratings referred to in the Fund's prospectuses and this SAI. Ratings represent only the opinions of the rating organizations about the safety of principal and interest payments, not market value. The rating of an issuer is heavily influenced by past developments and does not necessarily reflect probable future conditions. A lag frequently occurs between the time a rating is assigned and the time it is updated. Ratings are therefore general and are not absolute standards of quality.

Credit Ratings — General Securities

The following summarizes the descriptions for some of the general ratings referred to in the Fund's prospectus and SAI. The descriptions for the ratings for municipal securities and commercial paper follow this section. Ratings represent only the opinions of these rating organizations about the quality of the securities which they rate. They are general and are not absolute standards of quality.

Moody's Investors Service, Inc.

The purpose of Moody's ratings is to provide investors with a single system of gradation by which the relative investment qualities of bonds may be rated.

Bonds

Aaa: Bonds which are rated Aaa are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as "gilt edged." Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues.

Aa: Bonds which are rated Aa are judged to be of high quality by all standards. Together with the Aaa group, they comprise what are generally known as high grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present which make the long-term risks appear somewhat larger than in Aaa securities.

A: Bonds which are rated A possess many favorable investment attributes and are to be considered as upper medium grade obligations. Factors giving security to principal and interest are considered adequate, but elements may be present which suggest a susceptibility to impairment sometime in the future.

Baa: Bonds which are rated Baa are considered as medium grade obligations. They are neither highly protected nor poorly secured. Interest payments and security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such bonds lack outstanding investment characteristics and in fact have speculative characteristics as well.

Ba: Bonds which are rated Ba are judged to have speculative elements; their future cannot be considered as well assured. Often, the protection of interest and principal payments may be very moderate, and thereby not well safeguarded during both good and bad times over the future. Uncertainty of position characterizes bonds in this asset class.

B: Bonds which are rated B generally lack characteristics of the desirable investment — they are considered speculative and subject to high credit risk. Assurance of interest and principal payments or of maintenance of other terms of the contract over any long period of time may be small.

Caa: Bonds which are rated Caa are of poor standing. Such issues may be in default or there may be present elements of danger with respect to principal or interest.

Ca: Bonds which are rated Ca represent obligations which are speculative in a high degree. Such issues are often in default or have other marked short-comings.

C: Bonds which are rated C are the lowest rated class of bonds, and issues so rated can be regarded as having extremely poor prospects of ever attaining any real investment standing.

Rating Refinements—Moody's may apply numerical modifiers, 1, 2, and 3 in each generic rating classification from Aa through B in its bond rating system. The modifier 1 indicates that the security ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and modifier 3 indicates that the issue ranks in the lower end of its generic rating category.*

- * By their terms, hybrid securities allow for the omission of scheduled dividends, interest, or principal payments, which can potentially result in impairment if such an omission occurs. Hybrid securities may also be subject to contractually allowable write-downs of principal that could result in impairment. Together with the hybrid indicator, the long-term obligation rating assigned to a hybrid security is an expression of the relative credit risk associated with that security.

Standard & Poor's Corporation

A Standard & Poor's debt rating is a current assessment of the creditworthiness of an obligor with respect to a specific obligation. This assessment may take into consideration obligors such as guarantors, insurers, or lessees. The ratings are based on current information furnished by the issuer or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform any audit in connection with any rating and may, on occasion, rely on unaudited financial information. The ratings are based, in varying degrees, on the following considerations: (a) likelihood of default — capacity and willingness of the obligor as to the timely payment of interest and repayment of principal in accordance with the terms of the obligation; (b) nature of and provisions of the obligation; and (c) protection afforded by, and relative position of, the obligation in the event of bankruptcy and other laws affecting creditors' rights.

Bonds

AAA: Bonds rated AAA have the highest rating assigned by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation (i.e., pay interest and repay principal) is extremely strong.

AA: Bonds rated AA differ from the highest-rated obligations only in a small degree. The obligor's capacity to meet its financial commitment on the obligation (i.e., pay interest and repay principal) is very strong.

A: Bonds rated A are 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 (i.e., pay interest and repay principal) is still strong.

BBB: Bonds rated BBB exhibit 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 (i.e., pay interest and repay principal).

BB: Bonds rated BB are less vulnerable to nonpayment than other speculative issues. However, they face major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation (i.e., pay interest and repay principal).

B: Bonds rated B are more vulnerable to nonpayment than obligations rated BB, but the obligor currently has the capacity to meet its financial commitment on the obligation (i.e., pay interest and repay principal). Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitment on the obligation.

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

CC: An obligation rated CC is currently highly vulnerable to nonpayment.

C: The C rating may be used to cover a situation where a bankruptcy petition has been filed or similar action has been taken, but payments on this obligation are being continued.

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

The Standard & Poor's ratings may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

r: This symbol is attached to the ratings of instruments with significant noncredit risks. It highlights risks to principal or volatility of expected returns which are not addressed in the credit rating. Examples include: obligations linked or indexed to equities, currencies, or commodities; obligations exposed to severe prepayment risk-such as interest-only or principal-only mortgage securities; and obligations with unusually risky interest terms, such as inverse floaters.

Fitch Ratings

Fitch investment grade bond ratings provide a guide to investors in determining the credit risk associated with a particular security. The ratings represent Fitch's assessment of the issuer's ability to meet the obligations of a specific debt issue or class of debt in a timely manner. The rating takes into consideration special features of the issue, its relationship to other obligations of the issuer, the current and prospective financial condition and operating performance of the issuer and any guarantor, as well as the economic and political environment that might affect the issuer's future financial strength and credit quality. Fitch ratings do not reflect any credit enhancement that may be provided by insurance policies or financial guarantees unless otherwise indicated.

Bonds

AAA: Bonds considered to be investment grade and of the highest credit quality. The obligor has an exceptionally strong ability to pay interest and repay principal, which is unlikely to be affected by reasonably foreseeable events.

AA: Bonds considered to be investment grade and of very high credit quality. The obligor's ability to pay interest and repay principal is very strong, although not quite as strong as bonds rated "AAA." Because bonds rated in the "AAA" and "AA" categories are not significantly vulnerable to foreseeable future developments, short-term debt of these issuers is generally rated "F-1+".

A: Bonds considered to be investment grade and of high credit quality. The obligor's ability to pay interest and repay principal is considered to be strong, but may be more vulnerable to adverse changes in economic conditions and circumstances than bonds with higher ratings.

BBB: Debt rated BBB is considered to be of satisfactory credit quality. Ability to pay interest and principal is adequate. Adverse changes in economic conditions and circumstances are more likely to impair timely payment than higher rated bonds.

BB: Bonds are considered speculative. The obligor's ability to pay interest and repay principal may be affected over time by adverse economic changes. However, business and financial alternatives can be identified, which could assist in the obligor satisfying its debt service requirements.

B: Bonds are considered highly speculative. While bonds in this class are currently meeting debt service requirements, the probability of continued timely payment of principal and interest reflects the obligor's limited margin of safety and the need for reasonable business and economic activity throughout the life of the issue.

CCC: Bonds have certain identifiable characteristics that, if not remedied, may lead to default. The ability to meet obligations requires an advantageous business and economic environment.

CC: Bonds are minimally protected. Default in payment of interest and/or principal seems probable over time.

C: Bonds are in imminent default in payment of interest or principal.

DDD, DD, and D: Bonds are in default on interest and/or principal payments. Such bonds are extremely speculative and should be valued on the basis of their ultimate recovery value in liquidation or reorganization of the obligor. "DDD" represents the highest potential for recovery on these bonds, and "D" represents the lowest potential for recovery.

Plus (+) and minus (-) signs are used with a rating symbol to indicate the relative position of a credit within the rating category. Plus and minus signs, however, are not used in the "AAA" or "D" categories.

Credit Ratings — Municipal Securities and Commercial Paper

Moody's Investors Service, Inc.

The purpose of Moody's ratings is to provide investors with a single system of gradation by which the relative investment qualities of bonds may be rated.

U.S. Tax-Exempt Municipals

Moody's ratings for U.S. Tax-Exempt Municipals range from Aaa to B and utilize the same definitional elements as are set forth above under the "Bonds" section of the Moody's descriptions.

Advance refunded issues: Advance refunded issues that are secured by escrowed funds held in cash, held in trust, reinvested in direct non-callable United States government obligations or non-callable obligations unconditionally guaranteed by the U.S. government are identified with a # (hashmark) symbol, e.g., # Aaa.

Municipal Note Ratings

Moody's ratings for state and municipal notes and other short-term loans are designated Moody's Investment Grade (MIG), and for variable-rate demand obligations are designated Variable Moody's Investment Grade (VMIG). This distinction recognizes the differences between short-term credit risk and long-term risk. Loans bearing the designation MIG 1/VMIG 1 are of the best quality, enjoying strong protection from established cash flows for their servicing or from established and broad-based access to the market for refinancing, or both. Loans bearing the designation MIG2/VMIG 2 are of high quality, with ample margins of protection, although not as large as the preceding group. Loans bearing the designation of MIG 3/VMIG 3 are of acceptable quality, but have narrow liquidity and cash-flow protection and less well-established access to refinancing.

Commercial Paper

Moody's short-term debt ratings are opinions of the ability of issuers to repay punctually senior debt obligations. These obligations have an original maturity not exceeding one year, unless explicitly noted. Moody's employs the following three designations, all judged to be investment grade, to indicate the relative repayment ability of rated issuers:

Prime-1: Issuers rated Prime-1 (or related supporting institutions) have a superior ability for repayment of short-term promissory obligations. Prime-1 repayment capacity will normally be evidenced by the following characteristics: (a) leading market positions in well-established industries; (b) high rates of return on funds employed; (c) conservative capitalization structures with moderate reliance on debt and ample asset protection; (d) broad margins in earnings coverage of fixed financial charges and high internal cash generation; and (e) well-established access to a range of financial markets and assured sources of alternate liquidity.

Prime-2: Issuers rated Prime-2 (or supporting institutions) have a strong ability for repayment of senior short-term debt obligations. This will normally be evidenced by many of the characteristics cited above but to a lesser degree.

Earnings trends and coverage ratios, while sound, may be more subject to variation. Capitalization characteristics, while still appropriate, may be more affected by external conditions. Ample alternate liquidity is maintained.

Prime-3: Issuers rated Prime-3 (or supporting institutions) have an acceptable ability for repayment of senior short-term obligations. The effect of industry characteristics and market compositions may be more pronounced. Variability in earnings and profitability may result in changes in the level of debt protection measurements and may require relatively high financial leverage. Adequate alternate liquidity is maintained.

Standard & Poor's Corporation

A Standard & Poor's debt rating is a current assessment of the creditworthiness of an obligor with respect to a specific obligation. This assessment may take into consideration obligors such as guarantors, insurers, or lessees. The ratings are based on current information furnished by the issuer or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform any audit in connection with any rating and may, on occasion, rely on unaudited financial information. The ratings are based, in varying degrees, on the following considerations: (a) likelihood of default — capacity and willingness of the obligor as to the timely payment of interest and repayment of principal in accordance with the terms of the obligation; (b) nature of and provisions of the obligation; and (c) protection afforded by, and relative position of, the obligation in the event of bankruptcy and other laws affecting creditors' rights.

Municipal Bond Ratings

AAA—Prime Grade: These are obligations of the highest quality. They have the strongest capacity for timely payment of debt service.

General Obligation Bonds: In a period of economic stress, the issuers will suffer the smallest declines in income and will be least susceptible to autonomous decline. Debt burden is moderate. A strong revenue structure appears more than adequate to meet future expenditure requirements. Quality of management appears superior.

Revenue Bonds: Debt service coverage has been, and is expected to remain, substantial, stability of the pledged revenues is also exceptionally strong due to the competitive position of the municipal enterprise or to the nature of the revenues. Basic security provisions (including rate covenant, earnings test for issuance of additional bonds and debt service reserve requirements) are rigorous. There is evidence of superior management.

AA—High Grade: The investment characteristics of bonds in this group are only slightly less marked than those of the prime quality issues. Bonds rated AA have the second strongest capacity for payment of debt service.

A—Good Grade: Principal and interest payments on bonds in this category are regarded as safe although the bonds are somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than bonds in higher rated categories. This rating describes the third strongest capacity for payment of debt service. Regarding municipal bonds, the rating differs from the two higher ratings because:

General Obligation Bonds: There is some weakness, either in the local economic base, in debt burden, in the balance between revenues and expenditures, or in quality of management. Under certain adverse circumstances, any one such weakness might impair the ability of the issuer to meet debt obligations at some future date.

Revenue Bonds: Debt service coverage is good, but not exceptional. Stability of the pledged revenues could show some variations because of increased competition or economic influences on revenues. Basic security provisions, while satisfactory, are less stringent. Management performance appearance appears adequate.

Rating Refinements: Standard & Poor's letter ratings may be modified by the addition of a plus (+) or a minus (-) sign, which is used to show relative standing within the major rating categories, except in the AAA rating category.

Municipal Note Ratings

Municipal notes with maturities of three years or less are usually given note ratings (designated SP-1, or SP-2) to distinguish more clearly the credit quality of notes as compared to bonds. Notes rated SP-1 have a very strong or strong capacity to pay principal and interest. Those issues determined to possess overwhelming safety characteristics are given the designation of SP-1. Notes rated SP-2 have a satisfactory capacity to pay principal and interest. Notes rated SP-3 have a speculative capacity to pay principal and interest.

Commercial Paper

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

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

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

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

Fitch Ratings

Fitch investment grade bond ratings provide a guide to investors in determining the credit risk associated with a particular security. The ratings represent Fitch's assessment of the issuer's ability to meet the obligations of a specific debt issue or class of debt in a timely manner. The rating takes into consideration special features of the issue, its relationship to other obligations of the issuer, the current and prospective financial condition and operating performance of the issuer and any guarantor, as well as the economic and political environment that might affect the issuer's future financial strength and credit quality. Fitch ratings do not reflect any credit enhancement that may be provided by insurance policies or financial guarantees unless otherwise indicated.

Commercial Paper

F-1: Highest Credit Quality—Indicates the strongest capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature.

F-2: Good Credit Quality—A satisfactory capacity for timely payment of financial commitments, but the margin of safety is not as great as in the case of the higher ratings.

F-3: Fair Credit Quality—The capacity for timely payment of financial commitments is adequate; however, near-term adverse changes could result in a reduction to non-investment grade.

B: Speculative—Uncertain capacity for timely payment of financial commitments, plus high vulnerability to near-term adverse changes in financial and economic conditions.

C: High Default Risk—Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon a sustained, favorable business and economic environment.

D: Default—Denotes actual or imminent payment default.

APPENDIX B

Proxy Voting Policies

The following information is a summary of the proxy voting guidelines for Oriental Trust.

Oriental Trust (the Adviser)

Proxies are assets of Oriental Trust's Clients that must be voted with diligence, care, and loyalty. Oriental Trust will vote each proxy in accordance with its fiduciary duty to its Clients. Oriental Trust will generally seek to vote proxies in a way that maximizes the value of Clients' assets. However, Oriental Trust will document and abide by any specific proxy voting instructions conveyed by a Client with respect to that Client's securities. The CCO coordinates Oriental Trust's proxy voting process.

Paragraph (c)(ii) of Rule 204-2 under the Advisers Act requires Oriental Trust to maintain certain books and records associated with its proxy voting policies and procedures. Oriental Trust's recordkeeping obligations are described in the *Maintenance of Books and Records* section of its Compliance Manual. The CCO will ensure that Oriental Trust complies with all applicable recordkeeping requirements associated with proxy voting.

A. Proxy Voting Policies

Oriental Trust will ensure that proxies are properly identified and voted, and that any conflicts of interest are addressed appropriately. Once the investment team receives a proxy voting ballot and accompanying materials, it will review the proposals being voted upon and will typically vote the shares by proxy either by mail, by phone or electronically. The vote will be recorded on the shareholder voting log and a copy of the shareholder voting materials will be retained.

Oriental Trust will conduct an investigation reasonably designed to ensure that the voting determination is not based on materially inaccurate or incomplete information (e.g., Oriental Trust will monitor corporate events with respect to those portfolio securities).

Oriental Trust may conduct a more detailed analysis than what may be entailed by application of its general voting guidelines (set forth below), to consider factors particular to the issuer or the voting matter under consideration (e.g., corporate events (mergers and acquisition transactions, dissolutions, conversions, or consolidations) or contested elections for directors). When determining whether to conduct such an issuer-specific analysis, or an analysis specific to the matter to be voted on, Oriental Trust will consider the potential effect of the vote on the value of a Client's investments.

Guidelines. When Oriental Trust votes portfolio securities held by a Client that is a registered investment company, the following guidelines generally apply.

- Proxy votes are cast FOR proposals that Oriental Trust reasonably believes:
 - i. maintain or strengthen the shared interests of shareholders and management;
 - ii. increase shareholder value;
 - iii. maintain or increase shareholder influence over the issuer's board of directors and management; and
 - iv. maintain or increase the rights of shareholders.
- Proxy votes are cast AGAINST proposals having the opposite effect, or where Oriental Trust does not have adequate objective facts available to it to make a reasonably informed decision as to whether the proposal is in the best interest of the Client.

In addition, if a Client that is a registered investment company invests in other investment companies in excess of the limitations in Section 12(d)(1) of the 1940 Act, Oriental Trust will, pursuant to Section 12(d)(1)(F) of the 1940 Act:

- Vote the shares in the same proportion as the vote of all shares of the investment company are voted.

B. Conflicts of Interest

From time to time, Oriental Trust or its portfolio managers ("Portfolio Managers") may have a conflict of interest in making voting determinations with respect to a Client's portfolio securities. A conflict of interest could arise, for example, because of a business relationship with an issuer, or a direct or indirect pecuniary interest in the issuer or matter being voted upon, or because of a personal relationship with corporate directors or candidates for directorships. Whether a material conflict of interest exists depends upon the facts and circumstances.

1. Identifying Conflicts of Interest. For purposes of identifying conflicts of interest under these procedures, the Portfolio Manager(s) will rely upon the objective facts available to him (them) about an issuer and its voting matters from reliable sources. The Portfolio Manager(s) may determine that Oriental Trust or a Portfolio Manager has a conflict of interest for the following reasons, among others:
 - a. Significant Business Relationships – The Portfolio Manager(s) will consider whether the matter involves an issuer or proponent with which Oriental Trust has a significant business relationship. Oriental Trust may have significant business relationships with certain entities, such as other investment advisory firms, service providers and vendors, clients and financial intermediaries. For this purpose, a “significant business relationship” is one that might create an incentive for Oriental Trust to vote in favor of the issuer’s management.
 - b. Direct or Indirect Pecuniary Interest in Issuers or Voting Matters – The Portfolio Manager(s) may have beneficial ownership of securities of an issuer (including securities in an issuer’s capital structure different from those owned by a Client), or and thus an opportunity to profit from changes in the value of an issuer’s securities.
 - c. Significant Personal or Family Relationships – The Portfolio Manager(s) will consider whether the matter involves an issuer, proponent or individual with which a Portfolio Manager may have a significant personal or family relationship. For this purpose, a “significant personal or family relationship” is one that would be reasonably likely to influence how the Portfolio Manager votes the proxy.
2. Disclosing and Mitigating Conflicts of Interest. If the Portfolio Manager(s) are aware of a potential conflict of interest that Oriental Trust or a Portfolio Manager has with respect to an issuer or a matter being voted upon (including those described above), the Portfolio Manager(s) will disclose the conflict(s) to Oriental Trust’s CCO. If the CCO determines that there is an actual material conflict of interest, Oriental Trust will convene a meeting of its senior management to determine how to vote after reviewing documentation associated with the proxy vote and considering, among other things:
 - a. A vote’s likely short-term and long-term impact on the issuer;
 - b. Whether the issuer has responded to the subject of the proxy vote in some other manner;
 - c. Whether the issues raised by the proxy vote would be better handled by some other action by the issuer; and
 - d. Whether implementation of the proxy proposal appears likely to achieve the proposal’s stated objectives.

If the Client is a registered investment company, Oriental Trust will fully disclose to the board of the registered investment company (or an appropriate committee of such board), such that the board (or committee) can make a determination on how to vote the proxy.

C. Annual Review

As part of Oriental Trust’s ongoing compliance program, Oriental Trust reviews and documents, no less frequently than annually, the adequacy of these voting policies and procedures to ensure that they have been formulated reasonably and implemented effectively, including whether these policies and procedures continue to be reasonably designed to ensure that Oriental Trust casts votes on behalf of Clients in their best interest as required by rule 204-2(a)(17)(ii) and rule 206(4)-7(b) under the Advisers Act. Oriental Trust takes reasonable measures to determine that it is casting votes on behalf of its Clients consistently with these voting policies and procedures. Oriental Trust reviews the proxy votes it casts on behalf of its Clients as part of this annual review.