CONFIDENTIAL OFFERING MEMORANDUM

PRUDENTIAL TRUST COMPANY

INSTITUTIONAL BUSINESS TRUST

(a Massachusetts Business Trust)

January 2017

THE TRUST, THE FUNDS AND THE UNITS HAVE NOT BEEN REGISTERED WITH, AND THEIR RESPECTIVE MERITS HAVE NOT BEEN PASSED UPON BY, THE U.S. SECURITIES AND EXCHANGE COMMISSION, THE U.S. COMMODITY FUTURES TRADING COMMISSION OR ANY OTHER REGULATORY AGENCY (INCLUDING ANY OTHER FEDERAL OR STATE REGULATORY AGENCY) NOR HAS ANY REGULATORY AGENCY PASSED UPON THE ADEQUACY OR ACCURACY OF THIS OFFERING MEMORANDUM.

City of Valdez

Dated: July 15, 2019

Memorandum Copy Number: QMA-006

PRUDENTIAL TRUST COMPANY

Confidential Offering Memorandum

PRUDENTIAL TRUST COMPANY INSTITUTIONAL BUSINESS TRUST

The Prudential Trust Company Institutional Business Trust (the "**Trust**") was declared and established as a voluntary association with transferable shares in accordance with Chapter 182 of the Massachusetts General Laws (commonly referred to as a Massachusetts business trust) by Prudential Trust Company, a Pennsylvania trust company (the "**Trust Company**" or, in its capacity as trustee of the Trust, the "**Trustee**") for the collective investment and management of the assets of one or more investors that meet the criteria set forth herein or such other criteria as are established from time to time by the Trustee. The Trust Company is subject to the oversight and supervision of the Pennsylvania Department of Banking and Securities.

The beneficial interests in the Trust are divided into one or more separate investment funds (each, a "**Fund**", and together, the "**Funds**") as are established and maintained from time to time by the Trustee. Each Fund will be separately held, managed, administered, valued, invested, reinvested, distributed, accounted for and otherwise dealt with separately under the Amended and Restated Declaration of Trust of the Trust dated June 24, 2016 (as further amended from time to time, the "**Declaration of Trust**").

This Confidential Offering Memorandum (the "**Memorandum**") sets forth important information concerning the Trust and the Funds. Any capitalized terms not otherwise defined herein have the respective meanings ascribed to them in the Declaration of Trust.

How to Invest in a Fund

Subject to and as provided in the Declaration of Trust, a prospective investor who desires to invest in a Fund (and is otherwise eligible and accepted) must:

(a) enter into an agreement (a "**Subscription Trust Agreement**") with the Trust Company establishing a revocable trust and appointing the Trust Company as trustee of such revocable trust; and

(b) transfer and deliver to the Trust Company, as trustee of such revocable trust, cash and/or other assets for investment in the Fund in accordance with the terms of such Subscription Trust Agreement.

The Trust Company, as trustee of such revocable trust, will in turn transfer and deliver, in accordance with such Subscription Trust Agreement, such cash and/or other assets to the Trustee for investment in the Fund.

Certain Terminology

Each Fund is a separate investment fund of the Trust. An investment by an investor in a Fund is sometimes described as an "admission" of the investor into the Fund and investors are also sometimes referred to as "participating" in the Fund. Each investor is admitted to and participates in a Fund (i.e., invests in such Fund) through the revocable trust that such investor establishes pursuant to the investor's Subscription Trust Agreement (and a revocable trust that is invested in one or more Funds is referred to as a "**Participating Trust**").

The term "**Fund Investor**" as used herein refers to an eligible investor that has entered into a Subscription Trust Agreement and is participating in a Fund through its Participating Trust.

Units of each Fund are non-voting. Units of, and participation in, a Fund may not be transferred except as provided in the Declaration of Trust.

The Trustee:	Prudential Trust Company 30 Scranton Office Park Scranton, PA 18507
The Investment Advisers:	PGIM, Inc. 655 Broad Street Newark, NJ 07102
	Quantitative Management Associates LLC 100 Mulberry St., 2 Gateway Center Newark, NJ 07102
	Jennison Associates LLC 466 Lexington Avenue New York, NY 10017

THIS MEMORANDUM HAS BEEN PREPARED SOLELY FOR, AND IS BEING DELIVERED ON A CONFIDENTIAL BASIS TO, A LIMITED NUMBER OF PROSPECTIVE INVESTORS CONSIDERING THE PURCHASE OF UNITS (AS FURTHER DEFINED BELOW, THE "**UNITS**") IN ONE OR MORE FUNDS SEPARATELY ESTABLISHED IN ACCORDANCE WITH, AND MAINTAINED UNDER, THE DECLARATION OF TRUST. ANY REPRODUCTION OR DISTRIBUTION OF THIS MEMORANDUM, IN WHOLE OR IN PART, OR THE DISCLOSURE OF ITS CONTENTS, WITHOUT THE PRIOR WRITTEN CONSENT OF THE TRUSTEE IS PROHIBITED AND ALL RECIPIENTS AGREE THEY WILL KEEP CONFIDENTIAL ALL INFORMATION CONTAINED HEREIN AND WILL USE THIS MEMORANDUM FOR THE SOLE PURPOSE OF EVALUATING A POSSIBLE INVESTMENT IN ONE OR MORE FUNDS. BY ACCEPTING THIS MEMORANDUM, EACH PROSPECTIVE INVESTOR AGREES TO THE FOREGOING AND AGREES TO RETURN THE MEMORANDUM UPON REQUEST OF THE TRUSTEE IF THE PROSPECTIVE INVESTOR DOES NOT PURCHASE UNITS.

THIS MEMORANDUM IS INTENDED TO PRESENT A GENERAL OUTLINE OF THE TRUST AND THE FUNDS. EACH PROSPECTIVE INVESTOR SHOULD CAREFULLY REVIEW THE DECLARATION OF TRUST, THE FUND DECLARATIONS, THE CLASS DESCRIPTIONS (IF ANY) AND THE SUBSCRIPTION TRUST AGREEMENT (AS EACH SUCH DOCUMENT MAY BE AMENDED FROM TIME TO TIME, THE "**FUND INVESTMENT DOCUMENTS**"), EACH OF WHICH IS SUBJECT TO REVISION PRIOR TO ISSUANCE AND DELIVERY OF THE UNITS OFFERED HEREBY. THE DESCRIPTIONS OF THE FUND INVESTMENT DOCUMENTS CONTAINED HEREIN ARE SUMMARY IN NATURE ONLY AND DO NOT PURPORT TO PRESENT ALL INFORMATION THAT MAY BE RELEVANT TO A PROSPECTIVE INVESTOR OR FUND INVESTOR. SUCH DESCRIPTIONS ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE FUND INVESTMENT DOCUMENTS AND ANY INCONSISTENCY BETWEEN SUCH DESCRIPTIONS AND THE FUND INVESTMENT DOCUMENTS WILL BE RESOLVED IN FAVOR OF THE FUND INVESTMENT DOCUMENTS. THE OFFERING MADE HEREBY CAN BE WITHDRAWN AT ANY TIME AND IS SPECIFICALLY MADE SUBJECT TO THE TERMS DESCRIBED IN THIS MEMORANDUM AND THE FUND INVESTMENT DOCUMENTS. THE TRUSTEE RESERVES THE RIGHT TO REJECT OR ACCEPT ANY PROPOSED INVESTMENT IN WHOLE OR IN PART FOR ANY REASON OR NO REASON.

THE UNITS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**1933 ACT**"), OR ANY STATE SECURITIES LAWS OR THE LAWS OF ANY NON-U.S. JURISDICTION. THE UNITS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD IN THE UNITED STATES OR TO "U.S. PERSONS" (AS DEFINED IN REGULATION S UNDER THE 1933 ACT), EXCEPT AS PERMITTED UNDER THE 1933 ACT AND THE APPLICABLE STATE SECURITIES LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. NOTWITHSTANDING THE PRECEDING SENTENCE, SUCH UNITS MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR HYPOTHECATED, IN WHOLE OR IN PART, EXCEPT AS PROVIDED IN THE DECLARATION OF TRUST. ACCORDINGLY, PROSPECTIVE INVESTORS AND FUND INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR

THE FINANCIAL RISKS OF AN INVESTMENT IN ANY FUND FOR AN INDEFINITE PERIOD OF TIME. THERE WILL BE NO PUBLIC MARKET FOR THE UNITS, AND THERE IS NO OBLIGATION ON THE PART OF ANY PERSON TO REGISTER THE UNITS UNDER THE 1933 ACT OR ANY STATE SECURITIES LAWS.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE UNITS IN ANY STATE OR OTHER JURISDICTION TO ANY PERSON TO WHOM OR ENTITY TO WHICH IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH STATE OR JURISDICTION. WITHIN THE UNITED STATES, THE UNITS WILL BE OFFERED AND SOLD UNDER THE EXEMPTION PROVIDED BY SECTION 4(a)(2) OF THE 1933 ACT AND REGULATION D PROMULGATED THEREUNDER AND OTHER EXEMPTIONS OF SIMILAR IMPORT IN THE LAWS OF THE STATES AND OTHER JURISDICTIONS WHERE THE OFFERING WILL BE MADE. IF APPLICABLE, OUTSIDE THE UNITED STATES, THE UNITS WILL BE OFFERED AND SOLD PURSUANT TO REGULATION S UNDER THE 1933 ACT ONLY TO PERSONS OR ENTITIES THAT ARE NOT "U.S. PERSONS" AS DEFINED IN SUCH REGULATION, AND PURSUANT TO EXEMPTIONS FROM APPLICABLE SECURITIES LAWS OF OTHER COUNTRIES.

THE TRUST AND THE FUNDS ARE RELYING ON ONE OR MORE EXEMPTIONS FROM REGISTRATION UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**1940 ACT**"). CONSEQUENTLY, PROSPECTIVE INVESTORS AND FUND INVESTORS WILL NOT BE AFFORDED THE PROTECTIONS OF THE 1940 ACT.

THE TRUSTEE IS OFFERING UNITS OF EACH FUND PURSUANT TO AN EXEMPTION FROM THE DEFINITION OF "COMMODITY POOL OPERATOR" (AS DEFINED UNDER THE U.S. COMMODITY EXCHANGE ACT, AS AMENDED, AND THE REGULATIONS THEREUNDER), AND NEITHER THIS MEMORANDUM NOR ANY OTHER DOCUMENT REGARDING THE TRUST OR ANY FUND IS REQUIRED TO BE, OR HAS BEEN, FILED WITH THE U.S. COMMODITY FUTURES TRADING COMMISSION (THE "**CFTC**"). THE CFTC HAS NOT PASSED ON THE MERITS OF PURCHASING THE UNITS OR UPON THE ADEQUACY OR ACCURACY OF THIS MEMORANDUM.

THIS MEMORANDUM DOES NOT CONSTITUTE, AND MUST NOT BE CONSTRUED AS, LEGAL, TAX, ERISA, INVESTMENT OR OTHER ADVICE. EACH PROSPECTIVE INVESTOR SHOULD MAKE ITS OWN INQUIRIES AND CONSULT ITS ADVISERS AS TO ANY INVESTMENT, INCLUDING AS TO LEGAL, TAX, ERISA, SUITABILITY AND OTHER RELEVANT MATTERS. INVESTMENT IN ANY FUND WILL INVOLVE SIGNIFICANT RISKS DUE TO, AMONG OTHER THINGS, THE NATURE OF SUCH FUND'S INVESTMENTS AND THE FACT THAT THERE WILL BE NO PUBLIC MARKET FOR THE UNITS. AN INVESTMENT IN ANY FUND IS SUITABLE ONLY FOR SOPHISTICATED INVESTORS AND REQUIRES THE FINANCIAL ABILITY AND WILLINGNESS TO ACCEPT THE RISKS AND LACK OF LIQUIDITY THAT ARE CHARACTERISTIC OF AN INVESTMENT IN THE TYPE OF FUNDS DESCRIBED HEREIN. INVESTMENT IN ANY FUND INVOLVES CERTAIN SIGNIFICANT INVESTMENT RISKS, INCLUDING LOSS OF AN INVESTOR'S ENTIRE VALUE OF INVESTMENT OR OTHER AMOUNT OF CAPITAL (SEE "*ARTICLE III-CERTAIN RISKS*

AND OTHER IMPORTANT CONSIDERATIONS"). PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER THESE RISKS.

NO PERSON HAS BEEN AUTHORIZED IN CONNECTION WITH THIS OFFERING TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN AS EXPRESSLY SET FORTH IN THIS MEMORANDUM OR THE FUND INVESTMENT DOCUMENTS. THE INFORMATION CONTAINED HEREIN IS AS OF THE DATE SET FORTH ON THE COVER PAGE HEREOF AND THERE IS NO OBLIGATION TO UPDATE SUCH INFORMATION. THIS MEMORANDUM SUPERSEDES ANY OFFERING MEMORANDUM WITH RESPECT TO THE TRUST DATED PRIOR TO THE DATE OF THIS MEMORANDUM.

THIS MEMORANDUM DOES NOT CONSTITUTE, AND MUST NOT BE CONSTRUED AS, ANY REPRESENTATION OR WARRANTY AS TO THE ADEQUACY OR ACCURACY OF THE INFORMATION SET FORTH IN THIS MEMORANDUM, AND NOTHING CONTAINED IN THIS MEMORANDUM IS, OR SHALL BE RELIED UPON AS, A PROMISE OR REPRESENTATION AS TO THE PAST OR THE FUTURE.

CERTAIN STATEMENTS CONTAINED IN THIS MEMORANDUM CONSTITUTE "FORWARD-LOOKING STATEMENTS" THAT CAN BE IDENTIFIED BY THE USE OF FORWARD-LOOKING TERMINOLOGY, SUCH AS "MAY", "WILL", "SHOULD", "EXPECT", "ANTICIPATE", "ESTIMATE", "AIM", "PROJECT", "TARGET", "INTEND", "CONTINUE" OR "BELIEVE", THE NEGATIVES THEREOF, OTHER VARIATIONS THEREON OR OTHER COMPARABLE TERMINOLOGY. DUE TO VARIOUS RISKS AND UNCERTAINTIES, INCLUDING THOSE LISTED IN "*ARTICLE III-CERTAIN RISKS AND OTHER IMPORTANT CONSIDERATIONS*", ACTUAL EVENTS OR RESULTS, OR THE ACTUAL PERFORMANCE OF ANY FUND, MAY DIFFER MATERIALLY FROM THOSE REFLECTED OR CONTEMPLATED IN SUCH FORWARD-LOOKING STATEMENTS.

UNITS OR INVESTMENTS IN ANY FUND AND ASSETS OF ANY REVOCABLE TRUST ESTABLISHED PURSUANT TO A SUBSCRIPTION TRUST AGREEMENT ARE NOT SAVINGS ACCOUNTS, DEPOSITS OR OBLIGATIONS OF PRUDENTIAL TRUST COMPANY OR ANY BANK OR NON-BANK SUBSIDIARY OR AFFILIATE OF PRUDENTIAL TRUST COMPANY, AND ARE NOT INSURED OR GUARANTEED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, SECURITIES INVESTOR PROTECTION CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY OR INSTRUMENTALITY.

NO REPRESENTATION IS MADE BY THE TRUSTEE OR THE INVESTMENT ADVISERS AS TO THE FUTURE PERFORMANCE OF ANY FUND. THERE CAN BE NO ASSURANCE THAT A FUND WILL ACHIEVE ITS INVESTMENT OBJECTIVE. EACH FUND INVESTOR BEARS THE ENTIRE RISK OF DIMINUTION IN THE VALUE OF ITS PARTICIPATION IN A FUND AND, ON WITHDRAWAL FROM A FUND, MAY RECEIVE AN AMOUNT GREATER THAN OR LESS THAN THE AMOUNT ORIGINALLY INVESTED.

Table of Contents

I. SUMMARY

*The following is a summary only and is qualified in its entirety by reference to the more detailed information contained in the Declaration of Trust, the Fund Declarations, the Class Descriptions (if any) and the Subscription Trust Agreement (as each such document may be amended, from time to time, the "**Fund Investment Documents**"). The terms of the Fund Investment Documents may vary from those described in this summary and in the event of any conflict between the terms of this summary and the Fund Investment Documents, the Fund Investment Documents will control. Copies of the Fund Investment Documents will be provided to each prospective investor and should be carefully read and understood by each prospective investor and its advisors.*

THE FUNDS:	Each of the Funds is a separate investment fund of the Trust established in accordance with, and maintained under, the Declaration of Trust. The Trustee may add new Funds from time to time. See "*Article II-Management of the Trust and the Funds-In General*".
MANAGEMENT:	The Trustee is responsible for the management and administration of the Funds and the investment of the assets of the Funds and may engage, employ, retain or consult with or delegate to such investment advisers, investment managers, other consultants or other agents, including affiliates of the Trustee, as the Trustee may deem advisable to assist it in carrying out its responsibilities. Each of: (a) PGIM, Inc., a New Jersey corporation ("**PGIM**"), and an affiliate of the Trustee, through its public fixed income unit known as PGIM Fixed Income; (b) Quantitative Management Associates LLC, a New Jersey limited liability company ("**QMA**") and an affiliate of the Trustee; and (c) Jennison Associates LLC, a Delaware limited liability company ("**Jennison**") and an affiliate of the Trustee, has been engaged or employed by the Trustee to advise the Trustee with respect to the investment of the assets of the Funds, subject to the Trustee's supervision and control (each, an "**Investment Adviser**" and together, the "**Investment Advisers**"). The Investment Adviser for each Fund will be specified in the Fund Declaration of such Fund. See "*Article II-Management of the Trust and the Funds*".
FUND INVESTMENT OBJECTIVES:	Each Fund's investment objective is described in its Fund Declaration. Each Fund will invest in the types of securities, instruments and other assets described in its Fund Declaration. There can be no assurance that any Fund will achieve its investment objective. The performance results of any Fund are not guaranteed.

ELIGIBLE INVESTORS: Units of the Funds are being offered principally to experienced and sophisticated investors that are taxable or tax-exempt U.S. institutional investors. Certain non-U.S. institutional investors may also be eligible to invest in the Funds.

In general, only an entity that meets certain requirements is eligible to invest in the Funds. For these purposes, an "entity" includes, but is not limited to, a partnership, limited liability company, corporation, unincorporated association, joint venture, trust, country or state or any governmental agency or political subdivision thereof, and any other form of organization or any other investor deemed by the Trustee, in its sole discretion, to be an "entity".

Unless waived by the Trustee in its sole discretion, for such an entity to be eligible to invest in any Fund, it must be:

- an "accredited investor" as defined in Rule 501 promulgated under the 1933 Act;
- a "qualified purchaser" within the meaning of Section 2(a)(51) of the 1940 Act (if such Fund relies on the exemption from the registration requirements of the 1940 Act specified in Section 3(c)(7) thereof); and
- otherwise acceptable to the Trustee in its sole discretion.

Investment in certain Funds may also require such entity to be a "qualified client" within the meaning of Rule 205-3 of the Investment Advisers Act of 1940, as amended (the "**Advisers Act**"). With respect to Units offered and sold outside the United States, such entity (in addition to having to satisfy the above requirements) must represent, among other things, that: (i) it is not a "U.S. person" as defined in Regulation S under the 1933 Act; (ii) Units are not being acquired for the account or benefit of any "U.S. person"; and (iii) it is outside of the United States at the time it executes and delivers its Subscription Trust Agreement.

ADMISSION TO TRUST AND FUNDS: In order to invest in a Fund, a prospective investor generally must: (a) enter into a Subscription Trust Agreement with the Trust Company (pursuant to which, among other things, such investor establishes a revocable trust with the Trust Company as trustee and makes certain representations and warranties (including as to its eligibility to invest with respect to such Fund) and agrees to certain other matters as required by the Trust Company); and (b) transfer and deliver to the Trust

Company, as trustee of such revocable trust, cash for investment in such Fund or (if the Trustee, in its sole discretion, permits) other assets or a combination of cash and other assets for investment in such Fund. The Trust Company, as trustee of such revocable trust, will in turn transfer and deliver, in accordance with such Subscription Trust Agreement, such cash and/or assets to the Trustee for investment in the Fund.

A Fund Investor may invest in a Fund only as of a Valuation Date. In order for its investment in the Fund to commence as of a Valuation Date, the cash and/or other assets to be transferred and delivered to the Trust Company for such investment must (unless and on such terms as the Trustee, in its sole discretion, otherwise permits) be: (a) transferred and delivered to the Trust Company with such prior notice (if any) to the Trust Company as the Trust Company may require; and (b) received by the Trust Company prior to the time specified by the Trust Company on such Valuation Date (generally, prior to 4 p.m. New York, NY time, on such Valuation Date, or in the event of an early market close of the New York Stock Exchange on such Valuation Date, prior to the time of such close on such Valuation Date, except that if such cash and/or other assets are received after such time, the investment will commence on the next Valuation Date). Notwithstanding anything to the contrary in the Declaration of Trust or in the Subscription Trust Agreement, the Trustee reserves the right, in its sole discretion, to nevertheless decline any investment in a Fund for which such cash and/or assets, as applicable, are not received prior to such time.

The Trustee may, in its sole discretion, waive any requirements for initial or subsequent investments in a Fund and/or impose other requirements with respect to any initial or subsequent investments in a Fund. The Trustee reserves the right, in its sole discretion, to refuse any investment in any Fund.

Subject to applicable law, the Trustee may charge a Fund Investor brokerage fees (and other expenses payable to third parties) incurred in connection with the purchase and sale of securities and other assets for a Fund relating to or arising out of the contribution of cash and/or other assets to such Fund or the withdrawal of cash and/or other assets from such Fund.

The Trust Company may negotiate additional, supplemental or different terms with certain prospective investors or Fund Investors.

UNITS: The beneficial interests in each Fund will be divided into transferable non-voting shares ("**Units**", which term includes fractional shares), which will be designated on a Fund-by-Fund basis, and if the Trustee has established Classes for such Fund, on a Class-by-Class basis, in the books and records of the Trust as beneficial interests in such Fund. The number of Units issued to a Participating Trust with respect to each investment by it will be based on the applicable Unit value on the applicable Valuation Date.

VALUATION OF UNITS: The value of a Unit in a Fund at the inception of such Fund was $10.00000000 (or such other value as determined by the Trustee in its sole discretion). As of each Valuation Date, the Trustee, in accordance with the policies and procedures adopted by it with respect to the valuation of the assets of the Funds, will determine or cause to be determined the fair market value of each Unit of each Class by dividing the fair market value of the applicable Class by the number of Units into which such Class is divided. The Trustee, in its sole discretion, will determine the number of decimal places to which Unit value will be rounded. If the Trustee determines that any of its Unit value determinations is inaccurate, it will correct such valuation in accordance with its unit value revision policies and procedures.

No prospective investor or Fund Investor may be admitted to, and no Fund Investor may withdraw from, any Fund except on the basis of the value of such Fund (and of the Units into which such Fund is divided) determined as of the applicable Valuation Date.

CLASSES: The Trustee may establish one or more Classes of Units within a Fund from time to time, subject to applicable law. Multiple Classes within a Fund may be differentiated based upon the types of investors eligible to invest in the Fund, the nature of the services provided to the Fund Investors, and/or such other characteristics as the Trustee may determine. Certain fees, including management fees, may vary among Classes within a Fund. If a Fund has multiple Classes, the valuation for purposes of admission to, and withdrawal from, a particular Class in the Fund will be determined based upon the applicable Class's Unit value.

MANAGEMENT FEES / OPERATING EXPENSES:

Each Fund Investor will be charged management fees by the Trustee in connection with such Fund Investor's investment in a Fund. The management fees charged will cover fees for investment advisory and management services provided by the Trustee and the Investment Adviser for such Fund. Fees are subject to change.

Unless otherwise set forth in the Fund Investment Documents, management fees with respect to a Fund may be charged against the Fund (as long as the fees charged against such Fund are uniform for all Fund Investors) or against a Class of such Fund (as long as the fees charged against such Class are uniform for all Fund Investors in that particular Class) or may be charged separately to and paid directly by a Fund Investor. If the management fees are to be charged separately to and paid directly by a Fund Investor, the Trustee may, in its sole discretion, charge and collect the management fees against the interest of the Fund Investor in the Fund by redemption, cancellation or subtraction of Units of the Fund held by the related Participating Trust.

Each Fund will be charged (and the Trustee may cause to be paid out of the assets of such Fund) and/or the Trustee may, with respect to such Fund, incur (and cause such Fund to reimburse the Trustee out of the assets of such Fund): (a) the cost of money borrowed in respect of such Fund; (b) costs, commissions, dealer-concessions, income taxes, withholding taxes, transfer and other taxes and expenses associated with the lending, holding, purchase and/or sale of, and receipt of income from, Investments of such Fund; (c) such Fund's proportionate share (as determined by the Trustee in its sole discretion) of any indemnification payment or advances in the Declaration of Trust and any expenses of a court settlement of accounts (including certain expenses of settlements with respect to objections to such Fund's annual report as further described in the Declaration of Trust); (d) the reasonable expenses of an audit of such Fund; (e) reasonable attorneys' fees and litigation and insurance expenses; (f) expenses, if any, in connection with establishing and maintaining short positions and borrowing securities, including fees and expenses of prime brokers and lending agents; and (g) any other expense, claim, liability or charge appropriately payable by such Fund under the Declaration of Trust, the Fund Declaration of such Fund and/or applicable Class Description, or that in the opinion of the Trustee is necessary or incidental to, or in support of, the carrying out of any of the purposes of the Declaration of Trust or such Fund Declaration or such Class Description, or that is appropriately payable from such Fund under applicable law, in each case including fees, expenses, charges, taxes and other liabilities due by or in respect of such Fund to the Trustee (including the Trustee's compensation to the extent such compensation is to be charged against such Fund pursuant to the Declaration of Trust), custodians, investment advisers, investment managers, valuation agents, depositories, pricing agents, transfer agents, accountants, attorneys, appraisers, prime brokers, brokers and broker-dealers, service providers (including those providing tax services), and other agents, whether or not some or all of these are affiliates of the Trustee. The Trustee will allocate among the Funds (and Classes therein) such charges and expenses in such manner as it deems equitable, and such allocation will be conclusive and binding on all Fund Investors and other persons. The Trust Company will absorb all costs of establishing or reorganizing a Fund, and no portion of such expenses will be charged to any Fund.

Without limiting the generality of the foregoing, if and to the extent a Fund invests in one or more other Funds, the investing Fund shall (unless and to the extent otherwise set forth in its Fund Declaration) bear its proportionate share of the applicable operating expenses of such other Fund or Funds, but shall not pay any investment management fee in connection with its investment in such other Fund or Funds.

The Trust Company or an affiliate of the Trust Company, in the Trust Company's sole discretion and without notice to Fund Investors, may voluntarily pay any Fund expenses, either directly or by reimbursing the Fund, so that such Fund expenses are not borne by the Fund. Unless otherwise agreed by the Trust Company, the payment of Fund expenses by the Trust Company or such affiliate as contemplated in the preceding sentence shall not create any obligation requiring the Trust Company or such affiliate to continue to make any such payments, and the Trust Company or such affiliate may stop making such payments with respect to Fund expenses at any time without notice.

DISTRIBUTIONS: Except as otherwise provided in the Fund Investment Documents, no Fund will make distributions other than upon a complete or partial withdrawal by a Fund Investor or in connection with the termination of such Fund.

TRANSFERABILITY: Units of a Fund may not be transferred except to the Trust Company, in its capacity as trustee of a revocable trust established pursuant to a Subscription Trust Agreement, and on such terms and conditions as are satisfactory to the Trust Company in its sole discretion. Any such transfer shall also require the consent of the Fund Investor whose Participating Trust seeks to transfer such Units to the Trust Company. Any attempt by a Fund Investor to transfer or assign any Units without the consent of the Trustee will be of no effect and will not bind the Trust Company, the Trustee, the Trust or any Fund or any of their respective affiliates.

Among other restrictions also described in the applicable Fund Investment Documents, no right or claim to the Trust or any Fund or any interest of any Fund Investor in the Trust or any Fund is permitted to be assigned, transferred, pledged or encumbered by any Fund Investor without the written consent of the Trustee (which consent may be withheld by the Trustee in its sole discretion).

WITHDRAWALS:

Except to the extent otherwise specified in the Fund Declaration of a Fund (which specifications may be more or less restrictive than those set forth in the Declaration of Trust) and as further described in or required by the Declaration of Trust and the applicable Subscription Trust Agreement, withdrawals from such Fund are subject to the following:

- Any Fund Investor may withdraw totally or partially from any Fund on any Valuation Date by delivering a written request for withdrawal to the Trustee specifying the dollar amount or the number of Units to be withdrawn from such Fund and the Valuation Date with respect to which such withdrawal is desired.

- Unless the Trustee otherwise permits in its sole discretion, such Fund Investor must deliver such request and notify the Trustee at least five (5) business days prior to such Valuation Date.

- No withdrawal request may be countermanded or canceled except as may be permitted by the Trustee in its sole discretion.

- Unless otherwise provided for in the Declaration of Trust or in such Fund Declaration, any withdrawing Fund Investor will receive from the Fund from which it withdraws, in cash or ratably in kind, or partly in cash and partly in kind, as determined in the Trustee's sole discretion to be fair to the withdrawing Fund Investor and the Fund Investors remaining invested in such Fund, an amount equal to the dollar amount or the value of the number of Units, as the case may be, requested to be withdrawn from such Fund, based on the Trustee's records as of the applicable Valuation Date.

- The proceeds of any withdrawal (whether in cash and/or in kind) will be paid by the Trustee to the withdrawing Fund Investor promptly, but in any event within ten (10) business days following the applicable Valuation Date (or as promptly as reasonably practicable thereafter to the extent necessary to take into account local market holidays and other closures that may delay liquidation of investments).

- The Trustee has the discretion to limit the maximum withdrawal from any Fund as of any Valuation Date to: (i) the greater of $2,000,000 or five percent (5%) of the value of the assets in such Fund as of such Valuation Date; or (ii) such different amount (if any) as may be specified in the Fund Declaration of such Fund.

Withdrawals from each Fund are also subject to the limitations described under "Suspension" below.

MANDATORY WITHDRAWAL: The Trustee may, in its sole discretion, require a Fund Investor to withdraw totally or partially for any reason from any or all Funds in which such Fund Investor is invested in accordance with the terms of the Declaration of Trust and (if applicable) the Fund Declaration of such Fund. The Trustee may take such course of action if the Fund Investor no longer meets the eligibility requirements with respect to the Fund or for any other reason.

WITHHOLDING: The Trustee may withhold and pay over to the Internal Revenue Service (or any other relevant taxing authority) such amounts as any Fund is required under applicable law to withhold or pay over on account of a Fund Investor's investment in such Fund. The Trustee may liquidate from time to time sufficient Units held by such Fund Investor, and/or may reduce the amount otherwise distributable to such Fund Investor pursuant to the Declaration of Trust, to pay or otherwise discharge such amounts.

SUSPENSION: Except to the extent otherwise specified in the Fund Declaration of a Fund (which specifications may be more or less restrictive than those set forth in the Declaration of Trust) and as further described in or required by the Declaration of Trust, the Trustee, in its sole discretion, may suspend without notice (either in whole or in part and without regard to the liquidity of such Fund) for such period as it determines in its sole discretion: (a) the valuation of the assets or Units of such Fund; and/or (b) the right to make contributions to such Fund; and/or (c) the right to make withdrawals from such Fund; and/or (d) the payment of any amount to a Fund Investor in connection with a withdrawal, in each case for any of the following reasons:

- Any commingled pool or other fund in which such Fund invests, suspends or otherwise restricts (in whole or in part): (i) the determination of the net asset value of such commingled pool or other fund; and/or (ii) contributions into such commingled pool or other fund; and/or (iii) the right to make withdrawals from such commingled pool or other fund; and/or (iv) the payment of any amount in connection with a withdrawal from such commingled pool or other fund;

- Any market or stock exchange on which a significant portion of the Investments of such Fund are quoted is closed (other than for ordinary holidays) or during which dealings therein are restricted or suspended;

- There exists any state of affairs that, in the opinion of the Trustee, constitutes an emergency as a result of which disposition of the Investments of such Fund would not be reasonably practicable or would have a material adverse effect on the Fund Investors invested in such Fund;

- There has been a breakdown in the means of communication, or in any software and/or hardware systems, normally employed in determining or obtaining the price or value of any of the Investments of such Fund, or of current prices on any stock exchange on which a significant portion of the Investments of such Fund are quoted, or when for any reason the prices or values of any Investments of such Fund cannot reasonably be promptly and accurately ascertained;

- The action of any government or agency thereof or of any regulatory body or any self-regulatory body prevents or interferes with the ability of the Trustee to appropriately value Investments of such Fund or readily transfer or dispose of Investments of such Fund;

- The disposition or other transactions involving the sale, transfer or delivery of funds or Investments of such Fund are not reasonably practicable without being detrimental to such Fund or to the interests of any withdrawing or remaining Fund Investors;

- The transfer of funds involved in the realization or acquisition of any Investment of such Fund cannot, in the opinion of the Trustee, be effected at normal rates of exchange;

- The Trustee, in its sole discretion, determines that such valuation, contribution, withdrawal or payment could result in a violation by the Trust, the Trustee, such Fund, any investment adviser or investment manager of such Fund or any service provider to the Trust, the Trustee or such Fund or any of their respective affiliates of the securities, anti-money laundering or other applicable laws or regulations of the United States or any other applicable jurisdiction, or the rules of any national securities exchange, self-regulatory organization, regulatory agency or exchange applicable to any of the foregoing; or

- The Trustee, in its sole discretion, otherwise determines that the withdrawal by any Fund Investor (whether in whole or in part) would not be in the best interests of such Fund or the other Fund Investors in such Fund.

The Trustee will promptly cease any such suspension of any valuation, contribution, withdrawal or payment as is in effect as promptly as reasonably practicable after it has determined that the condition or circumstance giving rise to the suspension has been resolved or has been appropriately addressed.

The Trustee will not suspend or otherwise restrict withdrawals pursuant to the Declaration of Trust to the extent that such suspension or restriction would violate applicable law.

TAXATION:

The Trustee intends to use its commercially reasonable efforts to maintain each Fund as a separate "common trust fund" within the meaning of Section 584 of the U.S. Internal Revenue Code, as amended (the "**Code**"), including compliance with the applicable rules and regulations of the Office of the Comptroller of the Currency of the United States (the "**OCC**"). (The Trustee is not, however, subject to the supervision or oversight of the OCC.) The Trustee may take or require any person or entity to take any action that it deems necessary or desirable to maintain such status. If the Trustee receives a notice from the Internal Revenue Service that the Internal Revenue Service has determined that a Fund is not a common trust fund exempt from U.S. federal income tax under Section 584 of the Code, then the Trustee will promptly notify each Fund Investor invested in such Fund of such fact. Prospective investors and Fund Investors should consult with their own tax advisors for advice relating to the U.S. federal, state, local and non-U.S. tax consequences of an investment in a specific Fund.

A Fund may utilize leverage in connection with its trading activities and may engage in certain other activities that could give rise to "unrelated business taxable income" within the meaning of Section 512 of the Code ("**UBTI**") for U.S. tax-exempt investors. In addition, a Fund may engage in certain activities that could give rise to income that is effectively connected with a U.S. trade or business under Section 864 of the Code ("**ECI**") for non-U.S. investors.

See "*Article III-Certain Risk Factors and Other Important Considerations-Certain Tax Considerations*".

ERISA MATTERS:

Certain entities that are subject to the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), may purchase Units. Investment in Units by entities subject to ERISA requires special consideration. Fiduciaries or trustees of such entities are urged to carefully review the matters discussed in this Memorandum. It is anticipated that the assets of each Fund may, from time to time, be treated as "plan assets" (as defined in Section 3(42) of ERISA and any regulations promulgated thereunder) subject to ERISA's fiduciary duty and prohibited transaction rules. In addition, the Trustee may elect, in certain cases or at certain times, to treat a Fund as subject to ERISA's fiduciary duty and prohibited transaction rules regardless of whether such Fund would otherwise be subject to ERISA. During all periods when the assets of a Fund are treated as plan assets or when the Trustee elects to have ERISA's fiduciary duty and prohibited transaction rules apply, its Investment Adviser will manage the assets of such Fund in conformity with its fiduciary responsibilities under ERISA. See "*Article III-Certain Risk Factors and Other Important Considerations-Certain ERISA Considerations and Related Risks*".

LIABILITY AND INDEMNIFICATION:

Except to the extent otherwise required by applicable law, including ERISA, the applicable Fund Investment Documents provide that certain persons (including the Trust Company, the Investment Advisers and their respective affiliates) will not be liable for, and will be indemnified (including out of the assets of the Funds) against, certain losses that arise out of or in connection with or in relation to (among other things) the Trust, any Fund, any Participating Trust or any Subscription Trust Agreement, except to the extent, and then only to the extent, such losses have been caused by such person's fraud, bad faith, willful misconduct, negligence or breach of fiduciary duty. Such exculpation and indemnification provisions may be expressly modified in whole or in part with respect to or in connection with a Fund in its Fund Declaration (provided that, in all events, the terms in such Fund Declaration that so modify such provisions shall be limited to the extent otherwise required by applicable law, including ERISA).

AMENDMENTS:

The Trustee has full and complete authority to determine each Fund's investment policies, guidelines and objectives. The Trustee will not amend the Declaration of Trust, the Fund Declaration of a Fund or any Class Description without providing each applicable Fund Investor with written notice and a copy of such amendment at least 30 days (or such shorter period determined to be necessary or appropriate by the Trustee, to the extent not prohibited by applicable law) prior to its effectiveness. Notwithstanding the foregoing, the Trustee may make certain immaterial amendments (as described in the Declaration of Trust) without notice to any Fund Investor or any other person or entity.

LIQUIDATION:

The Trustee may at any time in its sole discretion terminate and liquidate the Trust or any Fund or consider the Trust or any Fund to be in the process of being terminated and liquidated, and in any such event, unless the Trustee in its sole discretion otherwise permits: (a) no prospective investor may invest in any Fund that is being so terminated and liquidated (and neither may any Fund Investor not already invested in such Fund); (b) Fund Investors invested in such Fund will not be permitted to make additional investments into such Fund; and (c) all of the assets then held in such Fund will be deemed transferred to one or more liquidating accounts to be held and disposed of as provided in the Declaration of Trust. Notwithstanding the foregoing, but subject to the terms of the Fund Declaration of a Fund, the Trustee may, on any Valuation Date, without advance notice, nevertheless terminate a Fund and thereafter distribute to each Fund Investor invested in such Fund in cash or in kind or partly in cash and partly in kind a sum equal to the value of the Units held by such Fund Investor.

RISK FACTORS: Participation in each Fund involves certain risks, including the loss of some or all of a Fund Investor's investment.

Units are not deposits or obligations of any bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation (the "**FDIC**"), Securities Investor Protection Corporation (the "**SIPC**") or any other governmental agency.

Depending upon the particular Fund, risks include, to varying degrees, those relating to investments in equity securities, fixed income securities, securities of non-U.S. issuers, derivative investments, small and medium sized companies, real estate, commodities, and other securities, instruments and assets. Prospective investors considering investment in the Funds and Fund Investors should be aware of and consider carefully the matters discussed herein under "*Article III-Certain Risks and Other Important Considerations*".

II. MANAGEMENT OF THE TRUST AND THE FUNDS

A. In General

Each Fund is a separate investment fund of the Trust and is established in accordance with, and maintained under, the Declaration of Trust. The Trust Company is a Pennsylvania trust company located in Scranton, Pennsylvania, and is an indirect wholly-owned subsidiary of Prudential Financial, Inc. ("**Prudential Financial**"). Prudential Financial is not affiliated in any manner with Prudential plc, a company incorporated in the United Kingdom.

Each Fund has been established and is maintained by the Trust Company, in its capacity as trustee with respect to the Fund, for the collective investment and management of the assets of one or more Fund Investors.

The Trustee maintains its offices at 30 Scranton Office Park, Scranton, PA 18507. The books and records of each Fund may be maintained by the Trustee, in its sole discretion, at the office of the Fund's custodian or such other office as the Trustee may from time to time determine. The Trust Company will bear the organizational costs of the Trust and the Funds.

The Trustee will have the exclusive management and control of the Trust and each Fund and, in such capacity, will have fiduciary responsibility for each Fund. Subject to the foregoing, the Trustee may engage, employ, retain or consult with or delegate to such investment advisers, investment managers, other consultants or other agents, including affiliates of the Trustee, in its sole discretion, to advise the Trustee with respect to the investment of the assets of the Funds, subject to the Trustee's supervision and control. Any investment adviser or investment manager engaged by the Trustee will also have fiduciary responsibility to the Fund with respect to which it has been engaged (depending upon, and consistent with, the scope of its engagement). The Trustee intends to employ or engage affiliated investment advisers or investment managers with respect to the Funds (except that if the Trustee establishes and maintains a Fund the strategy or asset class of which is not offered or managed by any affiliated investment adviser or investment manager, the Trustee may employ or engage an unaffiliated investment or investment manager with respect to such Fund). Any fees owed to any investment adviser or investment manager engaged by the Trustee will be paid by the Trustee out of the management fee it receives from or on behalf of each Fund Investor.

Neither the Trustee nor any investment adviser or investment manager employed or engaged by the Trustee (including any Investment Adviser) will be responsible for determining the prudence or appropriateness of the decision by a prospective investor or a Fund Investor or its authorized representative(s) to invest or retain assets in any Fund.

B. The Investment Advisers

Pursuant to the powers vested in it under the Declaration of Trust, the Trustee has employed or engaged each of PGIM (through its public fixed income unit known as PGIM Fixed Income), QMA and Jennison as Investment Advisers for the Funds to advise the Trustee with respect to the investment of the assets of the Funds. The Investment Adviser for each Fund will be specified in the Fund Declaration of such Fund.

Each Investment Adviser is registered with the U.S. Securities and Exchange Commission (the "**SEC**") as an investment adviser under the Advisers Act. PGIM and QMA are headquartered in Newark, New Jersey, and Jennison is headquartered in New York, New York. An Investment Adviser may resign upon 30 days' prior notice to the Trustee or be removed by the Trustee upon 30 days' prior notice to the Investment Adviser (or upon prior notice for such shorter period as may be agreed with the Investment Adviser).

A copy of the Form ADV brochure of the applicable Investment Adviser will be provided to the prospective investor at or prior to the time it signs its Subscription Trust Agreement.

PGIM Fixed Income. PGIM Fixed Income is a global asset manager primarily focused on public fixed income investments, whose business operates as a unit within PGIM (itself an indirect wholly-owned subsidiary of Prudential Financial). PGIM Fixed Income offers a wide range of fixed income investment strategies, including broad market strategies, sector-specific strategies, long duration strategies and alternative strategies. PGIM Fixed Income is headquartered in Newark, New Jersey and also has affiliated offices in London, Tokyo and Singapore. Each of these non-U.S. affiliates operates within a separate legal entity.

QMA. QMA offers a broad array of advisory services, including active and passive equity investment management as well as asset allocation strategies that invest across a range of asset classes. It is organized as a limited liability company formed under the laws of the State of New Jersey as a single member limited liability company whose sole member is PGIM (itself an indirect wholly-owned subsidiary of Prudential Financial).

Jennison. Jennison's investment strategy is based on rigorous internal fundamental research and a highly interactive investment process, using a bottom-up approach to stock selection. It is organized under the laws of the State of Delaware as a single member limited liability company whose sole member is PGIM (itself an indirect wholly-owned subsidiary of Prudential Financial).

C. Administration and Custody

State Street Bank and Trust Company, a Massachusetts trust company, is the custodian of the assets of the Funds and, separately, also provides certain investment accounting and recordkeeping services with respect to such assets. Certain Funds may utilize a prime broker to clear transactions that are effected through other brokerage firms. Any such prime broker may also act generally as custodian of the Fund's assets, although in certain instances other brokers who execute transactions for the Fund will maintain custody of the Fund's assets, and assets may be pledged or delivered as collateral in connection with borrowings and other transactions.

Certain administrative services and day-to-day ministerial matters relating to the Funds, such as receiving and processing contribution and withdrawal requests or notices and responding to a Fund Investor's inquiries relating to the Funds, may be performed by one or more of the Trustee's affiliates.

D. Fund Transactions and Brokerage and Other Transaction Costs

Each Fund implements its investment strategies by means of trading on securities exchanges, on futures exchanges and/or in over-the-counter transactions. Fund portfolio transactions and trades are executed through registered broker-dealers, electronic trading systems and/or with futures commission merchants. Funds incur brokerage commission charges and/or other transaction costs in connection with such portfolio transactions and trades. Each Fund (and accordingly each Fund Investor in proportion to its investment therein) will bear all brokerage commission charges and other transaction costs relating to securities and other instruments purchased or sold by it, including, without limitation, expenses incurred in connection with establishing and maintaining short positions and borrowing securities, including fees and expenses of prime brokers and lending agents.

Orders may be directed to any broker-dealer, electronic trading system or futures commission merchant to the extent and in the manner permitted by applicable law. In executing transactions, the Funds will seek to achieve best execution in accordance with applicable law.

An Investment Adviser may aggregate orders relating to portfolio transactions and trades for a Fund with orders for the Investment Adviser's other clients to the extent permitted by applicable law. To the extent that trades for multiple clients have been aggregated but not fully executed, the Investment Adviser will allocate the securities or instruments purchased or sale proceeds in the manner it considers to be equitable and consistent with its fiduciary obligations to the Fund. However, a specific portfolio transaction, when viewed in isolation, may have the effect of benefiting one or more such other clients over the Fund (or the Fund over one or more such other clients). Each Investment Adviser's Form ADV brochure also contains information with respect to order aggregation.

III. CERTAIN RISKS AND OTHER IMPORTANT CONSIDERATIONS

Investments in the Funds are speculative investments and are not intended as a complete investment program. Investment in the Funds is suitable only for investors that can bear the economic risk of the loss of their investment. There is no guarantee that any Fund will meet its investment objective, and it is possible for some or all of an investment in a Fund to be lost. This section does not include a complete summary of all of the risks involved in investing in any Fund and the descriptions of risk factors do not include every element of each risk. Prospective investors and Fund Investors are expected to assess carefully for themselves the risks of investing in the Funds and the risks of the investment techniques used by the Funds.

Various risks described below may apply to a given Fund. While some risks will be more relevant to certain Funds, prospective investors and Fund Investors should ensure that they understand all the risks discussed in this Memorandum, insofar as they may relate to the Fund(s) in which they are investing. In addition, the relevant Fund Declaration may provide more information on risks associated with an individual Fund (and the summary discussion of risks, if any, in such Fund Declaration should be read together with the summary discussion of risks below). The risks summarized below may adversely affect the investment performance of a Fund.

A. General Risks

Forward-Looking Statements. This Memorandum may contain forward-looking statements, including observations about markets and industry and regulatory trends as of the original date of this Memorandum. Forward-looking statements may be identified by, among other things, the use of words such as "intends", "expects", "anticipates" or "believes", or the negatives of these terms, and similar expressions. Forward-looking statements reflect views as of such date with respect to possible future events. Actual results could differ materially from those in the forward-looking statements as a result of factors beyond the control of the Trustee or Investment Advisers. Prospective investors are cautioned not to place undue reliance on such statements. Neither the Trustee nor any Investment Adviser has any obligation to update any of the forward-looking statements in this Memorandum.

Limited Operating History; No Reliance on Past Performance. A Fund may have limited or no operating history upon which to evaluate its likely performance. The success of a Fund depends in substantial part upon the skill and expertise of the personnel of the applicable Investment Adviser and the ability of such Investment Adviser to develop and successfully implement the investment policy of the Fund. No assurance can be given that any Investment Adviser will be able to do so. Moreover, decisions made by the applicable Investment Adviser may cause a Fund to incur losses or to miss profit opportunities on which the Fund may otherwise have capitalized. Fund Investors are not permitted to engage in the active management and affairs of a Fund. As a result, prospective investors and Fund Investors will not be able to evaluate for themselves the merits of investments to be acquired by a Fund prior to their being required to pay for Units of a Fund. Instead, such investors must rely on the judgment of the applicable Investment Adviser to conduct appropriate evaluations and to make investment decisions. Fund Investors will be relying entirely on the Trustee and the applicable

Investment Advisers to manage the assets of the Funds. There can be no assurance that any of the key investment professionals will continue to be associated with the applicable Investment Adviser throughout the life of a Fund.

General Economic and Market Conditions. The success of a Fund's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls and national and international political circumstances. These factors may affect the level and volatility of prices of securities and other assets in which a Fund is invested and the liquidity of a Fund's investments. Volatility or illiquidity could impair a Fund's profitability or result in losses. A Fund may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets; the larger the positions, the greater the potential for loss. Unpredictable or unstable market conditions may result in reduced opportunities to find suitable investments to deploy capital or make it more difficult to exit and realize value from a Fund's existing investments. It is important to understand that a Fund can incur material losses even if it reacts quickly to difficult market conditions and there can be no assurance that a Fund will not suffer material adverse effects from broad and rapid changes in market conditions.

Competition. A Fund may invest in equities, credit and fixed income securities, instruments, leveraged acquisitions and reorganizations. These and other markets are highly competitive. Competition for investment opportunities includes non-traditional participants, such as hedge funds, public funds including business development companies, and other private investors, as well as more traditional lending institutions. Some of these competitors may have access to greater amounts of capital and to capital that may be committed for longer periods of time or may have different return thresholds than a Fund, and thus these competitors may have advantages not shared by a Fund. In addition, the identification of attractive investment opportunities may be difficult and involve a high degree of uncertainty. A Fund may incur significant expenses in connection with identifying investment opportunities and investigating other potential investments which are ultimately not consummated, including expenses relating to due diligence, transportation, legal expenses and the fees of other third party advisors.

Public Securities. When a Fund acquires fixed income securities and/or equity securities that are publicly traded, the Fund will be subject to the risks inherent in investing in public securities. In addition, in such circumstances the Fund may be unable to obtain financial covenants or other contractual rights that it might otherwise be able to obtain if it were to be able to make privately-negotiated debt investments. Moreover, a Fund may not have the same access to information in connection with investments in public securities, either when investigating a potential investment or after making an investment, as compared to a privately-negotiated investment. Furthermore, a Fund may be limited in its ability to make investments, and to sell existing investments, in public securities if the applicable Investment Adviser or an affiliate has material, non-public information regarding the issuers of those securities. The inability to sell securities in these circumstances could materially adversely affect the investment results of a Fund.

Insolvency Considerations With Respect to Issuers of Securities. Various laws enacted for the protection of creditors may apply to the securities held by a Fund. Insolvency considerations will differ with respect to issuers located in different jurisdictions. If a court in a lawsuit brought by an unpaid creditor or representative of creditors of an issuer of a loan and/or bond, such as a trustee in bankruptcy, were to find that the issuer did not receive fair consideration or reasonably equivalent value for incurring the indebtedness constituting such loan or bond and, after giving effect to such indebtedness, the issuer (i) was insolvent, (ii) was engaged in a business for which the remaining assets of such issuer constituted unreasonably small capital, or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could determine to invalidate, in whole or in part, such indebtedness as a fraudulent conveyance, to subordinate such indebtedness to existing or future creditors of the issuer or to recover amounts previously paid by the issuer in satisfaction of such indebtedness. The measure of insolvency for purposes of the foregoing will vary. Generally, an issuer would be considered insolvent at a particular time if the sum of its debts were then greater than all of its property at a fair valuation or if the present fair market value of its assets were then less than the amount that would be required to pay its probable liabilities on its existing debts as they became absolute and matured. There can be no assurance as to what standard a court would apply in order to determine whether the issuer was "insolvent" after giving effect to the incurrence of the indebtedness constituting the securities or that, regardless of the method of valuation, a court would not determine that the issuer was "insolvent" upon giving effect to such incurrence. In addition, in the event of the insolvency of an issuer of a loan or bond, payments made on such loan or bond could be subject to avoidance as a "preference" if made within a certain period of time before insolvency.

In general, if payments on securities may be avoidable, whether as fraudulent conveyances or preferences, such payments can be recaptured either from the initial recipient (such as a Fund) or from subsequent transferees of such payments (such as the Fund Investors). To the extent that any such payments are recaptured from a Fund, the resulting loss will be borne by the Fund Investors at that time pro rata. However, a court in a bankruptcy or insolvency proceeding would be able to direct the recapture of any such payment from a Fund Investor only to the extent that such court has jurisdiction over such holder or its assets. Moreover, it is likely that avoidable payments could not be recaptured directly from a Fund Investor that has given value in exchange for its Units, in good faith and without knowledge that the payments were avoidable.

Many of the events within a bankruptcy case are adversarial and often beyond the control of the creditors. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that a bankruptcy court would not approve actions which may be contrary to the interests of a Fund.

Generally, the duration of a bankruptcy case can only be roughly estimated. The reorganization of a company usually involves the development and negotiation of a plan of reorganization, plan approval by creditors and confirmation by the bankruptcy court. This process can involve substantial legal, professional and administrative costs to the Fund; it is subject to unpredictable and lengthy delays; and during the process, the company's competitive position may erode, key management may depart and the company may not be able to invest adequately. In some cases, the company may not be able to reorganize and may be required to liquidate assets. The debt of companies in financial reorganization will, in most cases, not pay current interest, may not accrue interest during reorganization and may be affected adversely by an erosion of the issuer's fundamental values. Such investments can result in a total loss of principal.

An Investment Adviser, on behalf of a Fund, may elect to serve on creditors' committees, equity holders' committees or other groups to ensure preservation or enhancement of a Fund's positions as a creditor or equity holder. A member of any such committee or group may owe certain obligations generally to all parties similarly situated that the committee represents. If an Investment Adviser concludes that its obligations owed to the other parties as a committee or group member conflict with its duties owed to a Fund, it may resign from that committee or group, and in such case a Fund may not realize the benefits, if any, of participation on the committee or group. In addition, if a Fund is represented on a committee or group, it may be restricted or prohibited under applicable law from disposing of or increasing its investments in such company while it continues to be represented on such committee or group.

Reorganizations can be contentious and adversarial. It is by no means unusual for creditors, equity holders and/or others to use the threat of, as well as actual, litigation as a negotiating technique. It is possible that the Trust, a Fund, or an Investment Adviser could be named as defendants in civil proceedings. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would generally be borne by the Fund and would reduce net assets.

Illiquid Investments. Certain investments and types of investments are subject to restrictions on resale, may trade in the over-the-counter market or in limited volume, or may not have an active trading market. Illiquid securities may trade at a discount from comparable, more liquid investments and may be subject to wide fluctuations in market value. It may be difficult for a Fund to value illiquid securities accurately. Also, a Fund may not be able to dispose of illiquid securities or execute or close out a derivatives transaction readily at a favorable time or price or at prices approximating those at which the Fund currently values them. Illiquid securities also may entail registration expenses and other transaction costs that are higher than those for liquid securities.

From time to time, the counterparties with which a Fund effects transactions might cease making markets or quoting prices in certain of the securities or instruments in which a Fund has invested. In such instances, a Fund might be unable to enter into a desired transaction or to enter into any offsetting transaction with respect to an open position, which might adversely affect the Fund's performance.

Use of Leverage. A Fund may borrow to make investments and may also enter into repurchase agreements or securities lending agreements and purchase delayed-settlement debt instruments or securities. These transactions may expose a Fund to additional levels of risk including: (i) greater losses from investments than would otherwise have been the case had a Fund not borrowed to make the investments; (ii) margin calls or interim margin requirements that may force premature liquidations of investment positions; and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the relevant Fund's cost of borrowing such funds (including interest, transaction costs and other costs of borrowing).

A Fund may also be leveraged through the use of derivatives, including entering into swap agreements, futures contracts, forward contracts, options and other derivative instruments. Derivative instruments contain inherent leverage in that they provide more market exposure than the money paid or deposited when the transaction is entered into; consequently, a relatively small adverse market movement can not only result in the loss of the entire investment, but may also expose a Fund to the possibility of a loss exceeding the original amount invested or deposited. In addition, many of these instruments are subject to variation or other interim margin requirements, which may force premature liquidation of investment positions.

A Fund may attempt to mitigate the risks described above by maintaining cash and cash equivalents at least equal to the value of the obligations created by its net mark-to-market futures and swap positions, and the obligations created by its repurchase agreements, securities lending agreements and delayed-settlement debt instruments and securities.

Securities Lending Risk. A Fund may participate in securities lending programs. The primary risk of securities lending is the credit and market risk related to the re-investment of cash collateral. In addition, securities lending involves the risk that a counterparty will default on its obligation to return loaned securities.

Concentration Risk. Depending on the investment strategy of a Fund, a significant percentage of the Fund's assets may be invested from time to time in groups of issuers deriving significant revenues from the same market, region or industry. To the extent a Fund makes such investments, the exposure to equity, credit and market risks associated with such market, region or industry will be increased.

Limited Disclosure of Certain Information Relating to Securities. Other than as included in any periodic reports of the Funds, the Trustee and the Investment Advisers will not be required to provide the Fund Investors with financial or other information with respect to the Funds or the securities held therein.

Systemic Risk. A default by one or several large institutions that are dependent on one another to meet their liquidity or operational needs may cause a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which a Fund interacts on a daily basis.

Third Party Litigation. A Fund's investment activities subject it to the normal risks of becoming involved in litigation by third parties. The expense of defending against any such claims and paying any amounts pursuant to settlements or judgments would generally be borne by such Fund and could reduce its assets.

Substantial Withdrawals. Substantial withdrawal requests by Fund Investors in a concentrated period of time could require a Fund to liquidate certain of its investments more rapidly than might otherwise be desirable in order to raise cash to fund the withdrawals and achieve a portfolio appropriately reflecting a smaller asset base. This may limit the ability of the applicable Investment Adviser to successfully implement the investment policy of a Fund and could negatively impact the value of the Units being withdrawn and the value of Units that remain outstanding.

Moreover, regardless of the time period over which substantial withdrawal requests are made, the resulting reduction in the Unit value of a Fund could make it more difficult for the Fund to generate profits or recover losses. Fund Investors will not receive notification of substantial or other withdrawal requests in respect of any particular Valuation Date from a Fund and, therefore, may not have the opportunity to withdraw their Units or portions thereof prior to or at the same time as the Fund Investors who have made withdrawal requests.

The risk of substantial withdrawal requests in a concentrated period of time may be heightened if a Fund accepts investments related directly or indirectly to the offering of structured products including, without limitation, in connection with the hedging of positions under such structured products, particularly those structured products with a fixed life. A Fund may or may not accept such investments, as determined by the Fund in its sole discretion, and such investments could, at any time, make up a significant portion of the Fund's assets.

Limited Withdrawal and Transfer Rights. Fund Investors may be subject to significant limitations on withdrawals. In addition, withdrawals may be suspended or limited under the circumstances described in the Declaration of Trust and the applicable Fund Declarations. Units of, and participation in, a Fund may not be transferred except to the Trust Company, in its capacity as trustee of a revocable trust established pursuant to a Subscription Trust Agreement, on such terms and conditions as the Trust Company may require and as further provided in the Declaration of Trust.

In-Kind Distributions. It is anticipated that distributions to withdrawing Fund Investors will be made in cash, but the Trustee may, in its sole discretion, unless otherwise specified in the Declaration of Trust and the applicable Fund Declarations, make distributions wholly or partly in-kind to satisfy withdrawal requests.

Risk of Involuntary Withdrawal. The Trustee may, in its sole discretion, require a Fund Investor to withdraw its investments totally or partially for any reason from any or all Funds. The Trustee may take such course of action if the Fund Investor no longer meets the eligibility requirements with respect to the Fund or for any other reason. A Fund Investor required to withdraw in this manner will nevertheless be subject to certain limitations on withdrawals as further provided in the applicable Fund Investment Documents.

Excessive Trading. Prospective investors or Fund Investors should not expect to engage in market-timing or other excessive trading practices. Contributions to the Funds, purchases of Units and exchanges among Funds should be made for long-term investment purposes only. Units should only be acquired by Fund Investors willing and able to commit their assets for an indefinite period of time. The Trustee, in its sole discretion, has the right to refuse any investment in any Fund and may restrict exchanges from one Fund to one or more other Funds (including if they are considered by the Trustee to be excessive exchanges among Funds).

Indemnification of the Trust Company and the Investment Advisers; Trustee Not Personally Liable. The Fund Investment Documents contain broad exculpation and indemnification provisions. Except to the extent otherwise required by applicable law (including ERISA), the applicable Fund Investment Documents provide that certain persons (including the Trust Company, the Investment Advisers and their respective affiliates) will not be liable for, and will be indemnified (including out of the assets of the Funds) against, certain losses that arise out of or in connection with or in relation to (among other things) the Trust, any Fund, any Participating Trust or any Subscription Trust Agreement, except to the extent, and then only to the extent, such losses have been caused by such person's fraud, bad faith, willful misconduct, negligence or breach of fiduciary duty. Such exculpation and indemnification provisions may be expressly modified in whole or in part with respect to or in connection with a Fund in its Fund Declaration (provided that, in all events, the terms in such Fund Declaration that so modify such provisions shall be limited to the extent otherwise required by applicable law, including ERISA).

No Separate Counsel. Goodwin Procter LLP acts as counsel to the Trust Company, the Trust, the Funds and their respective affiliates. Goodwin Procter LLP does not represent prospective investors or Fund Investors, and no independent counsel has been retained to act on behalf of Fund Investors.

Risk of Investment Loss – Generally. No warranty is given by the Trustee or any Investment Adviser as to the investment performance of any Fund, and there is no guarantee that any Fund will achieve its investment objective. A Fund may suffer loss of principal, and income, if any, will fluctuate. The value of a Fund's investments will be affected by a variety of factors including, but not limited to, economic and political developments, changes in interest rates, issuer-specific events, and market conditions. Units are not deposits or obligations of the Trustee or of any bank or other trust company and are not insured or guaranteed by the FDIC, SIPC or any other governmental agency.

Market Risk. Market risk is the risk that the markets in which the Funds invest will experience market volatility and go down in value, including the possibility that a market will go down sharply and unpredictably. All markets go through cycles, and market risk involves being on the wrong side of a cycle. Factors affecting market risk include political events, broad economic and social changes, and the mood of the investing public. If investor sentiment turns negative, the price of all securities and instruments may decline.

Management Risk. Management risk is the risk that the investment strategy of a Fund, as designed or implemented by the applicable Investment Adviser, will not work as intended. All decisions by the Investment Advisers require judgment and may be based on inaccurate information and/or assumptions that may or may not prove to be correct.

Model Risk. Any Fund managed using an investment model is subject to the risk that the investment model may not perform as anticipated. Model-based strategies present certain unique risks including, for example, design flaws in the model; input, coding or similar errors; technology disruptions that make model implementation difficult or impossible; and errors in externally supplied data utilized in models. To the extent that portfolio manager judgment is applied to model output, decisions based on judgment may detract from the investment performance that might otherwise be generated by the model.

Active Trading. A Fund may engage in frequent trading to achieve its investment objective. If a Fund does trade frequently, it may incur increased costs, which can lower the Fund's return.

Failure of Brokers and Counterparties. A Fund will be exposed to the credit risk of the counterparties with which, or the brokers, dealers and exchanges through which, the Fund trades or deals, whether it engages in exchange-traded or off-exchange transactions. A Fund may be subject to risk of loss of its assets on deposit with a broker in the event of the broker's bankruptcy, the bankruptcy of any clearing broker through which the broker executes and clears transactions on behalf of the Fund, or the bankruptcy of an exchange clearing house. A Fund may also be subject to risk of loss of its funds on deposit with brokers who are not required by their own regulatory bodies to segregate customer funds. A Fund may be required to post margin for its foreign exchange transactions with foreign exchange dealers or others who are not required to segregate funds (although such margin funds are generally maintained in separate accounts on the foreign exchange dealer's books and records in the name of the Fund).

In the case of a bankruptcy of the counterparties with which, or the brokers, dealers and exchanges through which, a Fund trades or deals, or a risk of loss of funds on deposit as described in the foregoing paragraph, the Fund might not be able to recover any of its assets held, or amounts owed, by such person, even property specifically traceable to the Fund, and, to the extent such assets or amounts are recoverable, the Fund might only be able to recover a portion of such amounts. Further, even if the Fund is able to recover a portion of such assets or amounts, such recovery could take a significant period of time. Prior to receiving the recoverable amount of the Fund's property, the Fund may be unable to trade any positions held by such person, or to transfer any positions and cash held by such person on behalf of the Fund. This could result in significant losses to the Fund.

A Fund may effect transactions on "over-the-counter" or "interdealer" markets. In these markets, participants are typically not subject to credit evaluation and regulatory oversight as are members of "exchange based" markets. To the extent the Fund invests in swaps, derivatives or synthetic instruments, or other over-the-counter transactions, in these markets, the Fund may take a credit risk with regard to parties with which it trades and also may bear the risk of settlement default. These risks may differ materially from those involved in exchange-traded transactions, which generally are characterized by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between two counterparties generally do not benefit from these protections, which, in turn, may subject the Fund to the risk that a counterparty will not settle a transaction in accordance with agreed terms and conditions due to, among other things, a dispute over the terms of the contract or a credit or liquidity problem. Such "counterparty risk" is increased for contracts with longer maturities when events may intervene to prevent settlement. The inability of the Fund to transact business with any one or any number of counterparties, the lack of any independent evaluation of the counterparties or their financial capabilities, and the absence of a regulated market to facilitate settlement, may increase the potential for losses to the Fund.

A Fund may engage in direct or indirect trading of securities, currencies, derivatives (including swaps, forward contracts, futures, options and repurchase and reverse repurchase agreements) and other instruments (as permitted by its investment policy) on a principal basis. As such, a Fund as transferee or counterparty could experience both delays in liquidating the underlying security, future or other investment and losses, including those arising from: (i) the risk of the inability or refusal to perform with respect to such transactions on the part of the principals with which the Fund trades, including without limitation, the inability or refusal to timely return collateral posted by the Fund; (ii) possible decline in the value of any collateral during the period in which the Fund seeks to enforce its rights with respect to such collateral; (iii) the need to remargin or repost collateral in respect of transferred, assigned or replaced positions; (iv) reduced levels of income and lack of access to income during such period; (v) expenses of enforcing its rights; and (vi) legal uncertainty concerning the enforceability of certain rights under swap agreements and possible lack of priority against collateral posted under swap agreements. Any such failure or refusal, whether due to insolvency, bankruptcy or other causes, could subject the Fund to substantial losses. A Fund will not be excused from performance on any such transactions due to the default of third parties in respect of other trades in which its trading strategies were to have substantially offset such contracts.

Correlation of Performance Across Investments and Strategies. A Fund may invest in securities and/or other assets in a manner that is intended to provide some degree of portfolio diversification. However, there can be no assurance that the performance of such investments will not be correlated. For example, in periods of illiquidity such as those experienced in 2008, assets in certain market sectors that historically did not show a high degree of correlation became correlated due to the sharp decrease in liquidity available to investors and the loss of systemically important institutions that affected all such investments. Similarly, there can be no assurance that the strategies employed by a Fund will be uncorrelated with other investment strategies in the future.

Execution of Orders; Electronic Trading. A Fund's investment strategies and trading strategies depend on its ability to establish and maintain an overall market position in a combination of securities and other financial instruments selected by the applicable Investment Adviser. A Fund's trading orders may not be executed in a timely and efficient manner due to various circumstances, including, without limitation, trading volume surges or systems failures attributable to a Fund, the Investment Adviser, a Fund's counterparties, brokers, dealers, agents or other service providers. In such event, a Fund might only be able to acquire or dispose of some, but not all, of the components of such position, or if the overall position were to need adjustment, the Fund might not be able to make such adjustment. As a result, a Fund would not be able to achieve the market position selected by the Investment Adviser, which may result in a loss. In addition, a Fund relies heavily on electronic execution systems (and may rely on new systems and technology in the future), and such systems may be subject to certain systemic limitations or mistakes, causing the interruption of trading orders made by the Fund.

Trading on Exchanges. A Fund may trade, directly or indirectly, securities and futures on exchanges located anywhere. Some exchanges, in contrast to those based in the United States, for example, are "principals' markets" in which performance of a contract is solely the responsibility of the individual member with whom such contract has been entered or executed and not that of an exchange or its clearinghouse, if any. In the case of trading on such exchanges, a Fund will be subject to the risk of the inability of, or refusal by, such individual member or other counterparty to perform with respect to contracts. Moreover, in certain jurisdictions there is generally less government supervision and regulation of worldwide stock exchanges, clearinghouses and clearing firms than, for example, in the United States. A Fund is also subject to the risk of the failure of the exchanges on which its positions trade or of their clearinghouses or clearing firms and there may be a higher risk of financial irregularities and/or lack of appropriate risk monitoring and controls.

Custodians and Sub-Custodians. The assets of a Fund will be held by custodians, sub-custodians and/or broker-dealers. There are risks involved in dealing with the custodians, sub-custodians or broker-dealers who settle a Fund's trades. It is expected that all securities and other assets deposited with custodians, sub-custodians or broker-dealers will be identified as being assets of a Fund, and hence a Fund should not be exposed to credit risk with regard to such parties. However, with respect to both U.S. and non-U.S. custodians, sub-custodians or broker-dealers, it may not always be possible to achieve such segregation, and there may be practical, timing or other problems associated with enforcing the Fund's rights to its assets in the case of an insolvency of any such party.

Custody services in certain non-U.S. jurisdictions remain undeveloped, and accordingly, there are transaction and custody risks of dealing in certain non-U.S. jurisdictions. Given the undeveloped state of regulations on custodial activities and bankruptcy in certain non-U.S. jurisdictions, the ability of a Fund to recover assets held by a sub-custodian in any such jurisdiction in the event of such sub-custodian's insolvency would be in doubt.

Credit Risk of Prime Brokers and Futures Commission Merchants. Certain risks exist to the extent assets of a Fund may be held by a prime broker rather than a bank. Some or all of such Fund's assets may be held in one or more margin accounts that may provide less segregation of customer assets than would be the case with a more conventional custody arrangement. If the prime broker experiences severe financial difficulty, assets of such Fund could be frozen and inaccessible for withdrawal or subsequent trading for an extended period of time while the prime broker's business is liquidated, resulting in a potential loss to such Fund due to adverse market movements while the positions cannot be traded. Furthermore, if the prime broker's pool of assets is determined to be insufficient to meet all claims, such Fund could suffer a loss. This credit risk will be greater during periods when such Fund utilizes only one prime broker. In addition, prime brokers have the right to move a Fund's assets to affiliates in non-U.S. jurisdictions.

Under the Commodity Exchange Act (the "**CEA**"), futures commission merchants are required to maintain customers' assets in a segregated account. To the extent that a Fund engages in futures and options contract trading and the futures commission merchants with whom the maintains accounts fail to so segregate the Fund's assets, the Fund will be subject to a risk of loss in the event of the bankruptcy of any of its futures commission merchants. In certain circumstances, the Fund might be able to recover, even in respect of property specifically traceable to the Fund, only a *pro rata* share of all property available for distribution to a bankrupt futures commission merchant's customers. In addition, it may not always be practical or there may be timing problems associated with enforcing the rights of the Fund to its assets in the case of an insolvency of any such party.

Cybersecurity Risk. As part of its business, the Trustee and each Investment Adviser processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Funds and personally identifiable information of the investors in the Funds. Similarly, service providers of the Trustee, the Investment Advisers or the Funds may process, store and transmit such information. The Trustee and each Investment Adviser has procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties may be susceptible to compromise, leading to a breach of the Trustee's or an Investment Adviser's network. The Trustee's or an Investment Adviser's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. Breach of such information systems may cause information relating to the transactions of the Funds and personally identifiable information of the investors in the Funds to be lost or improperly accessed, used or disclosed.

The service providers of the Trustee, the Investment Advisers or the Funds are subject to the same electronic information security threats described above. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Funds and personally identifiable information of the investors in the Funds may be lost or improperly accessed, used or disclosed.

The loss of or improper access to, or the improper use or disclosure of, proprietary information may cause the Trustee, the Investment Advisers or the Funds to suffer, among other things, financial loss, the disruption of business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on any Fund and any Fund Investor's investments therein.

ERISA and Non-ERISA Fund Investors. Fund Investors in a Fund may include both Fund Investors that are subject to ERISA and Fund Investors that are not subject to ERISA. The assets of any Fund with Fund Investors subject to ERISA will be considered "plan assets" for purposes of ERISA, and such Fund will be subject to certain restrictions pursuant to ERISA that would not otherwise apply to it if its assets were not considered plan assets. In addition, the Trustee may elect, in certain cases or at certain times, to treat a Fund as subject to ERISA's fiduciary duty and prohibited transaction rules regardless of whether such Fund would otherwise be subject to ERISA. While the Trustee and applicable Investment Advisers expect to be able to rely on certain ERISA statutory or administrative class exemptions in the operation of such Funds, Fund Investors who are not subject to ERISA may experience reduced investment or other opportunities by investing in a Fund whose assets are considered plan assets or are treated as subject to ERISA as compared to a Fund whose assets are not considered plan assets or are not otherwise subject to such rules.

Methods of Valuation. Different valuation methods may result in differing values for the same asset. The fair value of an asset of a Fund that is used in connection with determining the Fund's Unit value may differ from that asset's quoted or published price.

B. Risks Relating to Investment in Equity Securities

Risks of Investing in Equity and Equity-Related Securities and Instruments. Equity market risk is the possibility that stock prices overall will decline over short or even extended periods. Equity markets are volatile and tend to move in cycles, with periods of rising and falling stock prices. This volatility in stock prices means that the value of a Fund Investor's holding in a Fund may go down as well as up and a Fund Investor may not recover the amount invested.

A Fund may, directly or indirectly, purchase equity securities and equity-related securities and instruments, such as convertible securities, warrants, stock options and individual stock futures. The value of equity securities varies in response to many factors. Factors specific to an issuer, such as certain decisions by management, lower demand for its products or services, or even loss of a key executive, could result in a decrease in the value of the issuer's securities. Factors specific to the industry in which the issuer participates, such as increased competition or costs of production or consumer or investor perception, can have a similar effect. The value of an issuer's stock can also be adversely affected by changes in financial markets generally, such as an increase in interest rates or a decrease in consumer confidence, that are unrelated to the issuer itself or its industry. In addition to the foregoing, certain options and other equity-related instruments may be subject to additional risks, including liquidity risk, counterparty credit risk, legal risk and operations risk, and may involve significant economic leverage and, in some cases, be subject to significant risks of loss. These factors and others can cause significant fluctuations in the prices of the securities and instruments in which a Fund invests and can result in significant losses.

Investment in Small and Medium-Sized Companies. The shares of small and medium sized companies tend to trade less frequently than those of larger, more established companies, which can have an adverse effect on the prices of these securities and on a Fund's ability to sell these securities. Changes in the demand for these securities generally have a disproportionate effect on their market price, tending to make prices rise more in response to buying demand and fall more in response to selling pressure. Such investments also may be more volatile than investments in larger companies, as smaller and medium sized companies generally experience higher growth and failure rates, and typically have less diversified product lines, less experienced senior management, and less access to capital than larger companies. In the case of shares of certain specialized small companies, which tend to be more volatile than those of other companies or sectors, these risks are magnified.

Investment in Preferred Stock, Convertible Securities and Warrants. The value of preferred stocks, convertible securities and warrants will vary with the movements in the equity market and the performance of the underlying common stock, in particular. Their value is also affected by adverse issuer or market information. Thus, for example, as the value of the underlying common stock of an issuer fluctuates, the value of the preferred stock of such issuer would also be expected to fluctuate. With respect to warrants, their value may decrease or may be zero (and thus they will not be exercised) if the market price of the underlying securities remains lower than the specified price at which holders of warrants are entitled to buy such securities, resulting in a loss to the Fund of the purchase price of the warrant (or the embedded warrant price in the case of securities issued with warrants attached).

With respect to convertible debt securities, the market value of such securities tends to decline as interest rates increase and, conversely, to increase as interest rates decline. However, when the market price of the common stock underlying a convertible security exceeds the conversion price, the convertible security tends to reflect the market price of the underlying common stock. As the market price of the underlying common stock declines, the convertible security tends to trade increasingly on a yield basis and thus may not decline in price to the same extent as the underlying common stock. Convertible securities rank senior to common stock in an issuer's capital structure and consequently may entail less risk than the issuer's common stock.

Depository Receipts. A Fund may purchase sponsored or unsponsored American Depository Receipts ("**ADRs**"), European Depository Receipts ("**EDRs**") and Global Depository Receipts ("**GDRs**") (collectively, "**Depository Receipts**") typically issued by a bank or trust company which evidence ownership of underlying securities issued by a non-U.S. corporation.

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 United States. Depository Receipts may not necessarily be denominated in the same currency as the underlying securities into which they may be converted. Depository Receipts may be issued pursuant to 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 from an issuer that has participated in the creation of a sponsored program. Accordingly, there may be less information available regarding issuers of securities underlying unsponsored programs and there may not be a correlation between such information and the market value of the Depository Receipts.

C. Risks Relating to Investment in Fixed Income Securities

Risks of Investing in Fixed Income Securities Generally. Investment in fixed income securities involves a variety of risks, including credit risk, liquidity risk and interest rate risk.

> *Credit risk.* Credit risk is the risk that an issuer or guarantor of a security will be unable to pay principal and interest when due, or that the value of the security will suffer because investors believe the issuer is less able to make required principal and interest payments. Credit ratings are intended to provide a measure of credit risk. However, credit ratings are only the opinions of the credit rating agency issuing the ratings and are not guarantees as to quality. The lower the rating of a debt security held by a Fund, the greater the degree of credit risk that is perceived to exist by the credit rating agency with respect to that security. Increasing the amount of Fund assets allocated to lower-rated

securities generally will increase the credit risk to which a Fund is subject. Not all securities are rated. Some but not all U.S. government securities are insured or guaranteed by the U.S. government, while others are only insured or guaranteed by the issuing agency, which must rely on its own resources to repay the debt. Although credit risk may be lower for U.S. government securities than for other investment-grade securities, the return may also be lower.

Liquidity risk. Liquidity risk is the risk that a Fund may not be able to sell some or all of the securities it holds, either at the price it values the security or at any price.

Interest rate risk. Interest rate risk is the risk that: (i) the rates of interest income generated by the fixed income investments of a Fund may decline due to a decrease in market interest rates; and (ii) the market prices of the fixed income investments of a Fund may decline due to an increase in market interest rates. Generally, the longer the maturity of a fixed income security, the greater the decline in its value when rates increase. As a result, portfolios with longer durations and longer weighted average maturities generally have more volatile prices than portfolios with shorter durations and shorter weighted average maturities. The prices of fixed income securities generally move in the opposite direction from that of market interest rates. Certain securities acquired by a Fund may pay interest at a variable rate or the principal amount of the security may periodically adjust according to the rate of inflation or other measure. In either case, the interest rate at issuance is generally lower than the fixed interest rate of bonds of similar seniority from the same issuer; however, variable interest rate securities generally are subject to a lower risk that their value will decrease during periods of increasing interest rates and increasing inflation.

Investment in Corporate Debt. Bonds, notes and debentures issued by corporations may pay fixed, variable or floating rates of interest, and may include zero-coupon obligations. Corporate debt instruments may be subject to credit ratings downgrades. Other instruments may have the lowest quality ratings or may be unrated. Such investments may experience greater market value volatility than debt obligations that provide for regular payments of interest in cash and, in the event of a default, the Fund may experience substantial losses.

Investment in Zero Coupon, Deferred Interest Bonds and Payment in Kind Bonds. A Fund may invest in zero coupon bonds and deferred interest bonds, which are debt obligations issued at a significant discount from face value. The original discount approximates the total amount of interest the bonds will accrue and compound over the period until maturity or the first interest accrual date at a rate of interest reflecting the market rate of the security at the time of issuance. A Fund may also invest in payment in kind bonds, which are debt obligations where interest is paid in the form of the issue of additional bonds. While zero coupon bonds and payment in kind bonds do not require the periodic payment of interest, deferred interest bonds generally provide for a period of delay before the regular payment of interest begins. Such investments benefit the issuer by mitigating its initial need for cash to meet debt service and some also provide a higher rate of return to attract investors who are willing to defer receipt of cash. Such investments experience greater volatility in market value due to changes in interest rates than debt obligations that provide for regular payments of interest, and a Fund may accrue income on such obligations even though it receives no cash.

Investment in Floating Rate Debt Instruments. Floating rate debt securities present more complex types of interest rate risks. For example, range floaters are subject to the risk that the coupon will be reduced below market rates if a designated interest rate floats outside of a specified interest rate band or collar. Dual index or yield curve floaters are subject to lower prices in the event of an unfavorable change in the spread between two designated interest rates.

Investment in Non-Investment Grade Fixed Income Securities. Non-investment grade fixed income securities are considered predominantly speculative by traditional investment standards. In some cases, these obligations may be highly speculative and have poor prospects for reaching investment grade standing. Non-investment grade fixed income securities and unrated securities of comparable credit quality (commonly known as "high yield bonds") are subject to the increased risk of an issuer's inability to meet principal and interest obligations. These securities may be subject to greater price volatility due to such factors as specific corporate developments, interest rate sensitivity, negative perceptions of the high yield bond markets generally and less secondary market liquidity.

The market value of non-investment grade fixed income securities tends to reflect individual corporate developments to a greater extent than that of higher-rated securities which react primarily to fluctuations in the general level of interest rates. As a result, where a Fund invests in such securities its ability to achieve its investment objective may depend to a greater extent on the applicable Investment Adviser's judgment concerning the creditworthiness of issuers than funds that invest in higher-rated securities. Issuers of non-investment grade fixed income securities may not be able to make use of more traditional methods of financing and their ability to service debt obligations may be more adversely affected than issuers of higher-rated securities by economic downturns, specific corporate developments or the issuer's inability to meet specific projected business forecasts. Negative publicity about the high yield bond market and investor perceptions regarding lower rated securities, whether or not based on fundamental analysis, may depress the prices for such securities.

A holder's risk of loss from default is significantly greater for non-investment grade fixed income securities than is the case for holders of higher-rated debt securities because such non-investment grade securities are generally unsecured and are often subordinated to the rights of other creditors of the issuers of such securities. Investment by a Fund in defaulted securities poses additional risk of loss should non-payment of principal and interest continue in respect of such securities. Even if such securities are held to maturity, recovery by a Fund of its initial investment and any anticipated income or appreciation is uncertain.

The secondary market for non-investment grade fixed income securities is concentrated among relatively few market makers and is dominated by institutional investors, including mutual funds, insurance companies and other financial institutions. Accordingly, the secondary market for such securities is not as liquid as, and is more volatile than, the secondary market for higher-rated securities. In addition, market trading volume for high yield bonds is generally lower and the secondary market for such securities could contract under adverse market or economic conditions, independent of any specific adverse changes in the condition of a particular issuer. These factors may have an adverse effect on the market price of such securities and a

Fund's ability to dispose of particular portfolio investments. A less liquid secondary market also may make it more difficult for a Fund to obtain precise valuations of the high yield bonds in its portfolio.

Risks of Investing in Money Market Instruments. Investments in money market instruments are subject to risks associated with adverse changes in interest rates. In addition, such instruments are subject to the risk that an issuer, guarantor or liquidity provider of an instrument will fail, or the risk of the perception that such an entity will fail, to make scheduled interest or principal payments, which may reduce the Fund's income and the market value of the instrument.

Recent Law Changes Related to Money Market Funds. Changes in the laws and regulations applicable to and governing money market funds, such as Rule 2a-7 under the 1940 Act, can impact investments in money market funds. On July 23, 2014, the SEC voted to amend Rule 2a-7 and other rules and forms related to money market funds. These amendments may affect the manner in which money market funds are structured and operated, as well as their expenses and returns. As a result of these amendments, investments in money market funds may be impacted and the precise nature of any such impact has not yet been determined.

*Risks of Investing in Treasury-Inflation Protected Securities ("**TIPS**").* The value of TIPS generally fluctuates in response to inflationary concerns. As inflationary expectations increase, TIPS will become more attractive, because they protect future interest payments against inflation. Conversely, as inflationary concerns decrease, TIPS will become less attractive and less valuable. Although the principal value of TIPS declines in periods of deflation, holders at maturity receive no less than the par value of the bond. However, if a Fund purchases TIPS in the secondary market, where principal values have been adjusted upward due to inflation since issuance, it may experience a loss if there is a subsequent period of deflation. If inflation is lower than expected during the period a Fund holds TIPS, the Fund may earn less on the security than on a conventional bond.

Investment in Asset-Backed and Mortgage-Backed Securities. Asset-backed and mortgage-backed securities are fixed income securities that represent an interest in an underlying pool of assets, such as credit card receivables or, in the case of mortgage-backed securities, mortgage loans. Like other fixed income securities, asset-backed and mortgage-backed securities are subject to interest rate risk, liquidity risk, and credit risk (further described above), which may be heightened in connection with investments in loans to "subprime" borrowers. Certain asset-backed and mortgage-backed securities are subject to the risk that those obligations will be repaid sooner than expected or later than expected, either of which may result in lower than expected returns. Mortgage-backed securities, because they are backed by mortgage loans, are also subject to risks related to real estate, and securities backed by mortgages issued by private companies may experience higher rates of default on the underlying mortgages than securities backed by government-issued mortgages. Investments in asset-backed and mortgage-backed securities by Funds whose assets are considered "plan assets" subject to ERISA (or by Funds that are treated as subject to ERISA) may be limited to asset-backed and mortgage-backed securities that are "ERISA eligible".

Risks of Spread Transactions. Where a Fund enters into spread transactions, it is subject to the risk that the prices of the currencies underlying the positions comprising such spreads will not fluctuate in the same direction or to the same extent during the period in which the spread position is maintained. Under such circumstances, the Fund could sustain losses on one or both legs of the spread position.

Investment in Structured Notes. A Fund may invest in structured notes. The values of the structured notes in which a Fund will invest may be linked to equities or debt instruments ("reference instruments"). These notes differ from other types of debt securities in several respects. The interest rate or principal amount payable at maturity may vary based on changes in the value of the reference instruments. A structured note may be positively or negatively indexed; that is, its value or interest rate may increase or decrease if the value of the reference instrument increases. Similarly, its value or interest rate may increase or decrease if the value of the reference instrument decreases. Further, the change in the principal amount payable with respect to, or the interest rate of, a structured note may be a multiple of the percentage change (positive or negative) in the value of the underlying reference instrument(s). Investments in structured notes involve certain risks, including the credit risk of the issuer and the normal risks of price changes in response to changes in interest rates. Further, in the case of certain structured notes, a decline or increase in the value of the reference instrument may cause the interest rate to be reduced to zero, and any further declines or increases in the reference instrument may then reduce the principal amount payable on maturity. Finally, these securities may be less liquid than other types of securities, and may be more volatile than their underlying reference instruments.

D. Risks Relating to Other Investments by the Funds

Risks of Investing in Derivatives. A derivative is a financial contract the value of which depends upon, or is derived from, the value of one or more underlying investments, such as an asset, reference rate, or index, and may relate to, among other things, stocks, bonds, interest rates, currencies, or currency exchange rates. Derivatives in which the Funds may invest include exchange-traded instruments as well as privately negotiated instruments, also called over-the-counter instruments. Examples of derivatives include options, futures, forward agreements, interest rate swap agreements, credit default swap agreements, and credit-linked securities. A Fund may, but is not required to, use derivatives to earn income or enhance returns, manage or adjust its risk profile, replace more traditional direct investments, or obtain exposure to certain markets.

The use of derivatives involves a variety of risks and costs that are different from, or possibly greater than, investing directly in traditional equity or debt securities, including:

> *Counterparty credit risk.* There is a risk that the counterparty (the party on the other side of the derivative transaction) will be unable to honor its financial obligation to a Fund. This risk is especially important in the context of privately negotiated instruments.
>
> *Leverage risk.* Certain derivatives and related trading strategies create debt obligations similar to borrowings and, therefore, create leverage. Leverage can result in losses to a Fund that exceed the amount the Fund originally invested. The use of leverage

may cause a Fund to liquidate its positions, when it may not be advantageous to do so, in order to satisfy its obligations or to meet segregation or coverage requirements.

Liquidity and valuation risk. Certain exchange-traded derivatives may be difficult or impossible to buy or sell at the time that the Fund would like to do so, or at the price that the Fund believes the derivative is currently worth. Privately negotiated instruments may be difficult to terminate, and from time to time, a Fund may find it difficult to enter into a transaction that would offset the losses incurred by another derivative that it holds. Derivatives, and especially privately negotiated instruments, also involve the risk of incorrect valuation (that is, the value assigned to the derivative may not always reflect its risks or potential rewards).

Hedging risk. Hedging is a strategy in which a Fund uses a derivative to offset the risks associated with its other portfolio holdings. While hedging can reduce losses, it can also reduce or eliminate gains or magnify losses if the market moves in a manner different from that anticipated by the Fund. Hedging also involves the risk that changes in the value of the derivative will not match the value of the holdings being hedged to the extent expected by the Fund, in which case any losses on the holdings being hedged may not be reduced and, in fact, may be increased. No assurance can be given that any hedging strategy will reduce risk or that hedging transactions will be available or cost effective. Funds are not required to use hedging and may choose not to do so.

Risks of Investing in Commodities and Commodity-Linked Derivatives. The value and prices of commodities and commodity-linked derivatives historically have been affected by, among other things, overall market movements or fluctuations, such as demand, supply disruptions and speculation, and changes in interest and exchange rates. The value and prices of commodities and commodity-linked derivative instruments also may be more volatile than the value or prices of investments in traditional equity and debt securities.

*Risks of Investing in Exchange Trade Funds ("**ETFs**").* ETFs are investment companies whose shares are traded on stock exchanges or on the over-the-counter market. Certain Funds may invest in ETFs. Like mutual funds, which are not exchange-traded or traded on the over-the counter market, ETFs charge asset-based fees that a Fund will indirectly bear as a result of its investment in an ETF. ETFs do not charge initial sales charges or redemption fees and investors pay only customary brokerage fees to buy and sell ETF shares.

An investment in an ETF generally presents the same primary risks as an investment in a mutual fund that has the same investment objectives, strategies and policies. In addition, ETFs may be subject to the following risks: (i) the market price of an ETF's shares may trade above or below their net asset value; (ii) an active trading market for an ETF's shares may not develop or be maintained; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such an action appropriate, the shares are delisted from the exchange or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices in a short period of time) halts stock trading generally.

Risks of Investing in Non-U.S. Securities. Investing in non-U.S. securities generally involves more risk than investing in securities of U.S. issuers. Non-U.S. securities include securities of non-U.S. issuers denominated in non-U.S. currencies, securities of non-U.S. issuers denominated in U.S. dollars and Depositary Receipts. Non-U.S. markets tend to be more volatile than U.S. markets and are generally not subject to regulatory requirements comparable to those in the U.S. In addition, non-U.S. markets are subject to differing custody and settlement practices. Non-U.S. markets are subject to bankruptcy laws different from those in the U.S., which may result in lower recoveries for a Fund in the event of the bankruptcy of an issuer in which the Fund invests.

Investing in non-U.S. securities also entails the following risks:

Currency risk. Changes in currency exchange rates may affect the value of non-U.S. securities held by a Fund. Currency exchange rates can be volatile and affected by, among other factors, the general economic conditions of a country, the actions of the U.S. and non-U.S. governments or central banks, the imposition of currency controls, and speculation. A security may be denominated in a currency that is different from the currency of the country where the issuer is domiciled. Changes in currency exchange rates may affect the value of non-U.S. securities held by a Fund. If a foreign currency grows weaker relative to the U.S. dollar, the value of securities denominated in that foreign currency generally decreases in terms of U.S. dollars. If a Fund does not correctly anticipate changes in exchange rates, the value of its investments could decline as a result. A Fund may, from time to time, attempt to hedge a portion of its currency risk using a variety of techniques, including currency futures, forwards, and options. However, these instruments may not always work as intended, and in certain cases a Fund may be exposed to losses that are greater than the amount originally invested. For certain emerging market currencies, suitable hedging instruments may not be available.

Emerging markets risk. Countries in emerging markets may have relatively unstable governments, economies based on only a few industries and securities markets that trade a limited number of securities. Securities of issuers located in these countries tend to have volatile prices and offer the potential for substantial loss as well as gain. In addition, these securities may be less liquid than investments in more established markets as a result of inadequate trading volume or restrictions on trading imposed by the governments of such countries. Emerging markets may also have increased risks associated with clearance and settlement. Delays in settlement could result in periods of uninvested assets, missed investment opportunities or losses for a Fund.

Information risk. Financial reporting standards for companies based in non-U.S. markets may differ from those in the U.S. As a result, information about issuers in these markets may be less complete, less reliable or less available.

Liquidity and valuation risk. Stocks that trade less frequently can be more difficult or more costly to buy or sell than more liquid or active stocks. This liquidity risk is a function of the trading volume of a particular stock, as well as the size and liquidity of the entire local market. On the whole, foreign exchanges are smaller and less liquid than U.S. markets. This can make buying and selling certain securities more difficult and costly. Relatively small transactions in some instances can have a disproportionately large effect on the price and supply of securities. In certain situations, it may become virtually impossible to sell a security in an orderly fashion at a price that approaches an estimate of its value.

Political risk. Political developments may adversely affect the value of a Fund's non-U.S. securities. In addition, some non-U.S. governments have limited the outflow of profits to investors abroad, extended diplomatic disputes to include trade and financial relations, and imposed high taxes on corporate profits. A Fund's investments in non-U.S. securities may also be subject to the risk of nationalization or expropriation of a non-U.S. corporation's assets, imposition of currency exchange controls, restrictions on the repatriation of non-U.S. currency, confiscatory taxation, political or financial instability and adverse diplomatic developments. These risks are heightened in all respects with respect to investments in non-U.S. securities issued by non-U.S. corporations and governments located in developing countries or emerging markets.

Taxation risk. Many non-U.S. markets are not as open to non-local investors as U.S. markets. A Fund may be required to pay special taxes on gains and distributions that are imposed on non-local investors. Payment of these taxes may reduce the investment performance of a Fund.

Risks Related to Short Sales. The sale of securities not owned by a Fund (*i.e.*, short sales) necessarily involves certain additional risks. There is the risk that securities sold by the Fund could become scarce or "special" in the financing "repo" markets. If a security becomes special, it may be very costly or even impossible to borrow in order to fulfill the delivery obligation of a short sale. A "short squeeze" could occur where the Fund might be compelled to purchase the shorted securities at a disadvantageous time, possibly at prices significantly in excess of the proceeds received in the earlier sale. A short sale involves the theoretically unlimited risk of an increase in the market price of the security that would result in a theoretically unlimited loss.

Risks Related to Investments in Real Estate-Related Securities. Certain Funds may invest directly or indirectly in "real estate investment trusts" ("**REITs**") or real estate-linked derivative instruments, which will subject such Funds to risks similar to those associated with the direct ownership of real estate, including illiquidity, losses from casualty or condemnation, and changes in local and general economic conditions, supply and demand, interest rates, zoning laws, regulatory limitations, property taxes and operating expenses. Moreover, an investment in a REIT is subject to additional risks, such as poor performance by the manager of the REIT, adverse changes to the tax laws or failure by the REIT to qualify as such under the Code.

E. Regulatory Risks

No Registration under the 1940 Act. While each Fund may be considered similar to an investment company, none of them intends to register as such under the 1940 Act in reliance upon one or more exemptions available thereunder, and, accordingly, the provisions of the 1940 Act (which, among other matters, require investment companies to have disinterested directors, require securities held in custody to at all times be individually segregated from the securities of any other person or marked to clearly identify such securities as the property of such investment company and regulate the relationship between the adviser and the investment company) will not be applicable.

Business and Regulatory Risks of Private Investment Funds. Legal, tax and regulatory developments that may adversely affect the Funds could occur. Securities and futures markets are subject to comprehensive statutes, regulations and margin requirements enforced by the SEC, other regulators and self-regulatory organizations and exchanges that are authorized to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial actions. The regulatory environment for private investment funds is evolving, and changes in the regulation of private investment funds and their respective trading activities may adversely affect the ability of the Funds to pursue their respective investment strategies, their ability to obtain leverage and financing and the value of investments held by the Funds.

There has been an increase in governmental, as well as self-regulatory, scrutiny of the financial industry in general. For instance, regulators in various countries temporarily banned short-selling of publicly traded equity securities and required certain investors, including private investment fund managers, to make disclosure of short positions on publicly traded equity securities. Such scrutiny may increase exposure of the Trustee, any or all Funds and/or each Investment Adviser to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight can also impose administrative burdens on the Trustee and/or the Investment Advisers, including, without limitation, responding to investigations and implementing new policies and procedures. Such burdens may divert the Investment Adviser's time, attention and resources from portfolio management activities. In addition, it is anticipated that, in the normal course of business, officers of the Trustee and/or any Investment Adviser will have contact with governmental authorities, and/or be subjected to responding to questionnaires or examinations. The Funds may also be subject to regulatory inquiries concerning their positions and trading.

Prospective investors and Fund Investors should understand that the business of the Trustee, each Investment Adviser and their respective affiliates is dynamic and is expected to change over time. Therefore, this Memorandum cannot address or anticipate every possible current or future regulation that may affect the Investment Advisers, the Trustee, the Funds or their businesses.

Dodd-Frank Act. On July 21, 2010, President Obama signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "**Dodd-Frank Act**"). The Dodd-Frank Act has resulted in extensive rulemaking and regulatory changes that affect private investment fund managers, the funds that they manage and the financial industry as a whole. The Dodd-Frank Act affects a broad range of market participants with whom the Funds interact or may interact, including banks, non-bank financial institutions, rating agencies, mortgage brokers, credit unions, insurance companies, lenders and broker dealers, and may change the way in which the Investment Advisers conduct the business of the Funds with counterparties. It may take years to understand the impact of the Dodd-Frank Act on the financial industry as a whole, and therefore, the continued uncertainty may make markets more volatile and make it difficult for the Investment Advisers to execute the investment strategy of the Funds. Among the reforms that could affect the Funds are the Volcker Rule (as defined below), a new framework for the regulation of derivatives, and new regulations on advisers to private investment funds. Under the Dodd-Frank Act, the CFTC and the SEC have mandated (and will mandate) new derivatives recordkeeping, reporting, central clearing and mandatory training on electronic facilities requirements for investment advisers, which add costs to the legal, operational and compliance obligations of the Investment Advisers and the Funds and increase the amount of time that the Investment Advisers spend on non-investment-related activities. Implementation of the Dodd-Frank Act requires extensive studies and rulemaking over several years by multiple regulators, and uncertainty remains about the final details, impact and timing of a number of significant rulemakings under the Dodd-Frank Act.

Prudential Financial has been designated by the U.S. Financial Stability Oversight Council as a nonbank systemically important financial institution that is to be supervised by the Board of Governors of the Federal Reserve System and subject to stricter prudential regulatory standards pursuant to the Dodd-Frank Act. Under the Dodd-Frank Act, these stricter prudential standards may include requirements regarding risk-based capital and leverage, liquidity, stress-testing, overall risk management, resolution plans, early remediation, and credit concentration; and may also include additional standards regarding capital, public disclosure, short-term debt limits, and other related subjects as appropriate.

The Volcker Rule. A key Dodd-Frank Act provision, commonly known as the "**Volcker Rule**", generally prohibits, with limited exceptions, a "banking entity" (including affiliates of depository institutions) from acquiring or retaining any equity, partnership, or other ownership interest in, or sponsoring, a private investment fund. The Federal banking agencies, the SEC and the CFTC have adopted regulations implementing the Volcker Rule that were effective April 1, 2014. Prudential Financial is not a "banking entity" subject to these regulations, but the Financial Stability Oversight Council has determined that Prudential Financial is a nonbank systemically important financial institution that is to be supervised by the Federal Reserve Board and subject to stricter prudential regulatory standards pursuant to the Dodd-Frank Act and, as such, the Volcker Rule provides that the Federal Reserve Board could impose upon Prudential Financial and its affiliates, including the Trustee or the Investment Advisers, even if not deemed to be banking entities, capital requirements, quantitative limits or other restrictions concerning private investment funds they sponsor or invest in. Those requirements have not been determined and accordingly the likelihood that they would have any material adverse impact on the Funds or the Fund Investors cannot be predicted at this time.

Derivatives Regulation. Derivative contracts are currently regulated by the SEC or the CFTC in the United States, and, in other jurisdictions, by comparable regulatory bodies. However, some over-the-counter derivatives are subject to less regulation than exchange-based contracts, with many of the former not being guaranteed by an exchange or its clearinghouse. The regulation of derivatives continues to change as a result of the Dodd-Frank Act and other similar laws, rules and regulations being adopted and implemented in jurisdictions outside the United States.

In order to mitigate counterparty risk and systemic risk in general, various regulatory and legislative initiatives are underway to require certain over-the-counter derivatives to be cleared through a clearinghouse. In the United States, clearing requirements were part of the Dodd-Frank Act, and the CFTC and the SEC will introduce additional clearing requirements for other derivatives in the future. While such clearing requirements may be beneficial for the Funds in many respects (for instance, they may reduce the counterparty risk to the dealers to which a Fund would be exposed under non-cleared derivatives), the Funds could be exposed to new risks such as the risk that the majority of such derivatives may be required to be standardized and/or cleared through a clearinghouse, as a result of which the Funds may not be able to hedge their risks or express an investment view as well as they could using customizable derivatives available in the over-the-counter markets. Also, each clearinghouse only covers a limited range of products and the Funds may have to spread their derivative portfolio across multiple clearinghouses, which in turn reduces the benefits of netting that derivatives users rely on to mitigate counterparty risk.

Another risk is that the Funds will likely be subject to more onerous and more frequent (daily or even intraday) margin calls from both the clearinghouse and the dealer through which the Funds will access the clearinghouse, which may force the Funds to use temporary credit facilities of the dealer to meet margin calls related to cleared trades and increase the costs of cleared trades to the Funds. Clearinghouses also limit collateral that they will accept to cash, U.S. treasuries and, in some cases, other highly rated sovereign and private debt instruments, which may require the Funds to borrow eligible securities from a dealer to meet margin calls and raise the costs of cleared trades to the Funds. In addition, clearinghouses may not allow the Funds to portfolio-margin their positions, which may cause an increase in the costs to the Funds. Further, clearinghouses are encouraged to model risks and implement margin requirements in typical market environments. Many of the risk models, however, are subject to change at any time and, therefore, the Funds may be subject to an unexpected increase in collateral obligations by clearinghouses during a volatile market environment, which could have a detrimental effect on the Funds.

Derivatives clearing may also lead to concentration of counterparty risk, namely in the clearinghouse or any counterparty a Fund utilizes as a clearing agent or broker, subjecting the Fund to the risk that the assets of the clearing entity are insufficient to satisfy all of the clearing entity's payment obligations, leading to a payment default. The failure of a clearinghouse could have a significant impact on the financial system. Even if a clearinghouse does not fail, large losses could force significant capital calls on member firms during a financial crisis, which could lead member firms to default and thus worsen the crisis. Because these potential clearinghouses are still in the approval stage and are still being analyzed for bankruptcy risk, it is difficult to speculate what the actual risks would be to a Fund related to the default of a clearinghouse. There is no one international standard for clearinghouses; existing clearinghouses both domestically and internationally have different waterfalls that apply upon the insolvency of a clearinghouse or a clearinghouse member and it is possible that a Fund could be in a worse position if a clearinghouse were to fail than a traditional derivative counterparty. Also, a clearinghouse will likely require that the Fund relinquish control of its transactions if the clearinghouse were to become insolvent, and, therefore, the Fund would not be able to terminate and close out of a defaulting clearinghouse's positions, but would become subject to regulators' control over those positions. In such a circumstance, the Fund may not be able to take actions that it deems appropriate to lessen the impact of such clearinghouse default.

Applicable regulations may also require a Fund to make public information regarding its swaps volume, position size and/or trades, which could detrimentally impact the Fund's ability to achieve its investment objectives.

The overall impact of the Dodd-Frank Act on the Funds is highly uncertain and it is unclear how the over-the-counter derivatives markets will adapt to this new regulatory regime or any additional regulations in the future.

EU Regulation on OTC Derivatives, Central Counterparties and Trade Repositories. In parallel with the Dodd-Frank Act and other initiatives in the U.S., steps are also being taken to regulate derivatives contracts in the EU. European Union Regulation No. 648/2012 on over-the-counter derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation, or "**EMIR**") introduces uniform requirements with respect to derivative contracts. EMIR's requirements include: (i) mandatory clearing of over-the-counter derivatives contracts by regulated central clearing counterparties; (ii) the reporting of over the counter derivatives contracts and the reporting of exchange traded derivatives contracts to regulated trade repositories; and (iii) requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational counterparty credit risk with respect to over-the-counter derivatives contracts which are not subject to mandatory clearing. These requirements include the posting and segregation of collateral. Since EMIR is being implemented in phases by the adoption of delegated acts by the European Commission, not all of which had been proposed or finalized to date, it is difficult to predict the precise impact of EMIR on the Funds.

The EU regulatory framework relating to derivatives is set not only by EMIR but also by the "recast" of the Markets in Financial Instruments Directive (known as "**MiFID II**"). In particular, MiFID II will require certain derivatives to be traded on regulated trading venues.

The changes in the regulation of derivatives in Europe may in due course require a Fund to revise its operational procedures, employ third party service providers to effect the new requirements and adversely affect the Fund's ability to adhere to its investment approach and achieve its investment objective.

F. Potential Conflicts of Interest

The involvement of the Trustee and/or each Investment Adviser and their respective affiliates in the management of, or their interest in, other accounts and other activities of the Trust Company and/or its affiliates may present conflicts of interest with respect to each Fund or limit the investment activities of a Fund. Such relationships are complex and dynamic, and, as the businesses of the Trustee, each Investment Adviser or such affiliate change over time, they may be subject, and the Funds may be exposed, to new or additional conflicts of interest. The Trust Company and/or its affiliates, including the Investment Advisers, advise or manage other accounts and funds, including affiliated accounts and funds, that have investment objectives similar to those of the Funds and/or which engage in and compete for transactions in the same types of securities, currencies and instruments as the Funds. The Trust Company and its affiliates will not have any obligation to make available any information regarding their proprietary activities or strategies, or the activities or strategies used for such other accounts or funds, for the benefit of the management of the Funds. The results of a Fund's investment activities may differ from those of such other accounts or funds, and it is possible that a Fund could sustain losses during periods in which such other accounts or funds achieve significant gains. The management of the Funds side-by-side with other accounts or funds advised or managed by the Trust Company and/or its affiliates may also give rise to various conflicts of interest. In addition, the Funds may, from time to time, enter into transactions in which other clients of the advisers to the Funds have an adverse interest. A Fund's activities may be limited because of regulatory restrictions applicable to the Trust Company or its affiliates and/or their respective internal policies designed to comply with such restrictions.

Additional information about each Investment Adviser's actual and potential conflicts of interests is provided in its Form ADV brochure.

Affiliates of the Trustee may provide initial funding for or otherwise invest in vehicles sponsored, maintained or managed by the Trust Company (including the Funds). When an affiliate provides "seed capital" or other capital for a Fund, it may do so with the intention of withdrawing all or part of its interest at a future point in time or when it deems that sufficient additional capital has been invested in that Fund. The timing of a withdrawal by an affiliate could benefit the affiliate. For example, the applicable Fund may be more liquid at the time of the affiliate's withdrawal than it is at times when other Fund Investors may wish to withdraw all or part of their investments. In addition, a consequence of any withdrawal of a significant amount, including by an affiliate, is that Fund Investors remaining in the applicable Fund will bear a proportionately higher share of the Fund's expenses following the withdrawal. The Trustee could also face a conflict if the interests of an affiliated Fund Investor in a Fund diverge from those of the applicable Fund or other Fund Investors in such Fund.

G. Certain ERISA Considerations and Related Risks

Considerations for all Fund Investors. Fund Investors in any Fund may include both Fund Investors that are subject to ERISA and Fund Investors that are not subject to ERISA. If any of a Fund's assets consist of assets of an employee benefit plan that is subject to Title I of ERISA or any plan, individual retirement account or other arrangement subject to Section 4975 of the Code, then such Fund's assets will be considered "plan assets" and certain requirements and restrictions will apply to the management of such Fund that would not otherwise apply to it if its assets were not considered plan assets. In addition, the Trustee may elect, in certain cases or at certain times, to treat a Fund as subject to ERISA's fiduciary duty and prohibited transaction rules regardless of whether such Fund would otherwise be subject to ERISA. While the Trustee and applicable Investment Advisers expect to be able to rely on certain ERISA statutory or administrative class exemptions in the operation of such Funds (as described further below), Fund Investors who are not subject to ERISA may experience reduced investment or other opportunities by investing in a Fund whose assets are considered plan assets or are treated as subject to ERISA as compared to a Fund whose assets are not considered plan assets or are not otherwise subject to such rules.

Plan Assets Defined. ERISA and applicable U.S. Department of Labor ("**DOL**") regulations describe when the underlying assets of an entity in which "Benefit Plan Investors", as defined in Section 3(42) of ERISA and any regulations promulgated thereunder ("**Benefit Plan Investors**"), invest are treated as "plan assets" for purposes of ERISA. Under ERISA, the term Benefit Plan Investors is defined to include an "employee benefit plan" that is subject to the provisions of Title I of ERISA, a "plan" that is subject to the prohibited transaction provisions of Section 4975 of the Code, and entities the assets of which are treated as "plan assets" by reason of investment therein by Benefit Plan Investors.

Under ERISA, as a general rule, when a Benefit Plan Investor invests assets in another entity, the Benefit Plan Investor's assets include its investment, but do not, solely by reason of such investment, include any of the underlying assets of the entity. However, when a Benefit Plan Investor acquires an "equity interest" in an entity that is neither: (a) a "publicly offered security"; nor (b) a security issued by an investment fund registered under the 1940 Act, then the Benefit Plan Investor's assets will generally include both the equity interest and an undivided interest in each of the underlying assets of the entity.

An equity interest for these purposes is defined as an interest other than an instrument that is treated as indebtedness under applicable local law and that has no substantial equity features, and thus would include a Fund Investor's investment in a Fund. In addition, while there are exceptions available for investments in an "operating company" and when the equity participation by Benefit Plan Investors are limited, the applicable regulations specify that those exceptions do not apply to an investment in a "common or collective trust fund of a bank." Because each Fund will be treated as a common trust fund of a bank under ERISA for these purposes, the assets of a Fund will be treated as "plan assets" if any Benefit Plan Investor holds any equity interests in such Fund.

Plan Assets Consequences. The Trustee anticipates that Benefit Plan Investors may, from time to time, hold equity interests in one or more of the Funds. In such circumstances, the assets of such Funds would be treated as "plan assets" for purposes of ERISA. If Benefit Plan Investors do not hold any equity interests in a Fund, none of the Fund, the Trustee or the applicable Investment Adviser would be subject to the provisions of ERISA with respect to such Fund (unless such Fund is one that the Trustee has elected to treat as subject to ERISA's fiduciary duty and prohibited transaction rules regardless of whether such Fund would otherwise be subject to ERISA).

As a general rule, if the assets of a Fund were treated as "plan assets" of a Benefit Plan Investor, the Trustee, and each applicable Investment Adviser would be deemed a "fiduciary" (as defined in ERISA and Section 4975 of the Code) with respect to certain Benefit Plan Investors that are subject to ERISA investing in such Fund. The Trustee and each applicable Investment Adviser will acknowledge its status as a fiduciary with respect to each such Benefit Plan Investor, and will be an investment manager of each such Benefit Plan Investor for this limited purpose. In addition, if the assets of a Fund are treated as "plan assets" for purposes of ERISA, the Trustee and each applicable Investment Adviser will be subject to the general prudence and fiduciary responsibility provisions of Title I of ERISA with respect to each such Benefit Plan Investor investing in such Fund. In such circumstances, an investment by such Benefit Plan Investor in such Fund would constitute the appointment, in accordance with the written instruments governing the underlying Benefit Plan Investor, of the Trustee and each applicable Investment Adviser as an "investment manager" as defined in Section 3(38) of ERISA, with respect to each such investing Benefit Plan Investor. The acceptance of the investment constitutes acknowledgement by the Trustee and each applicable Investment Adviser of its status as a fiduciary with respect to such investing Benefit Plan Investor during any such period.

If the assets of a Fund are treated as "plan assets" for purposes of ERISA, such assets will be subject to various other requirements of Title I of ERISA and Section 4975 of the Code. In particular, the Fund would be subject to rules restricting transactions with "parties in interest" and prohibited transactions involving conflicts of interest on the part of fiduciaries that might result in a violation of ERISA and Section 4975 of the Code. In this regard, the Trustee and each applicable Investment Adviser anticipates that where an exemption is necessary to enable such Fund to enter into certain transactions with parties in interest or disqualified persons, the Trustee and the applicable Investment Adviser may rely on statutory, individual or administrative class exemptions, including the following statutory or administrative class exemptions:

(a) **Section 408(b)(17) of ERISA**. Section 408(b)(17) of ERISA permits a Fund to engage in transactions with various non-fiduciary service providers who are parties in interest as long as the conditions set forth in Section 408(b)(17) of ERISA are satisfied.

(b) **Qualified Professional Asset Manager Exemption**. Prohibited Transaction Class Exemption 84-14 ("**PTE 84-14**") generally permits a Fund to enter into transactions with parties in interest if such transactions are entered into by a "Qualified Professional Asset Manager" (a "**QPAM**").

(c) **Bank-Maintained Fund Exemption**. Prohibited Transaction Class Exemption 91-38 generally permits a Fund that is "maintained by a bank" to enter into transactions with parties in interest, as long as the conditions set forth in the exemption are satisfied.

Each of the Trustee and the Investment Advisers currently qualifies as a QPAM and, during all periods when the assets of a Fund are treated as "plan assets" for purposes of ERISA, each of the Trustee and the applicable Investment Adviser expects to be able to rely on PTE 84-14 with regard to transactions covered thereunder. However, there can be no assurance that an exemption will always be available or that the conditions of an otherwise available exemption can be satisfied in all circumstances.

If any transaction would or might constitute a prohibited transaction under ERISA or Section 4975 of the Code and a statutory, class or individual exemption from the prohibited transaction provisions of ERISA for such transaction does not apply, the Trustee may, in its sole discretion, require the withdrawal of a Fund Investor that is a Benefit Plan Investor.

If a prohibited transaction occurs for which no exemption is available, the Trustee, the applicable Investment Adviser and any other party in interest that has engaged in the prohibited transaction could be required (i) to restore to the Benefit Plan Investor any profit realized on the transaction and (ii) to reimburse the Benefit Plan Investor for any losses suffered by the Benefit Plan Investor as a result of the investment. Each party in interest involved could be subject to an excise tax equal to 15% of the amount involved in the prohibited transaction for each year the transaction continues and, unless the transaction is corrected within statutorily required periods, to an additional tax of 100%. Benefit Plan Investor fiduciaries that decide to invest in a Fund (each, a "**Plan Fiduciary**") could, under certain circumstances, be liable for prohibited transactions or other violations as a result of their investment in such Fund.

If the assets of a Fund are treated as "plan assets" for purposes of ERISA, each applicable Investment Adviser will obtain a fidelity bond to the extent required by Section 412 of ERISA with respect to the assets of such Fund managed by such Investment Adviser and allocable to Benefit Plan Investors subject to ERISA.

Considerations for ERISA Fiduciaries. ERISA imposes certain general and specific responsibilities on persons who are fiduciaries with respect to certain Benefit Plan Investors, including prudence, diversification, avoidance of prohibited transactions and compliance with other standards. In determining whether a particular investment is appropriate for a Benefit Plan Investor, DOL regulations provide that a fiduciary of certain Benefit Plan Investors must give appropriate consideration to, among other things, the role that the investment plays in such Benefit Plan Investor's portfolio, whether the investment is designed reasonably to further such Benefit Plan Investor's purposes, the risk and return factors of the potential investment, the portfolio's composition with regard to diversification, the liquidity and current return of the total portfolio relative to the anticipated cash flow needs of such Benefit Plan Investor, the projected return of the total portfolio relative to such Benefit Plan Investor's funding objectives, and the limitation on the rights of Fund Investors to withdraw all or a portion of their Units or to transfer their Units. Before investing the assets of a Benefit Plan Investor in a Fund, a Plan Fiduciary should determine whether such an investment is consistent with its fiduciary responsibilities and the foregoing regulations. For example, a Plan Fiduciary should consider whether an investment in a Fund may be too illiquid or too speculative for a particular Benefit Plan Investor and whether the assets of the Benefit Plan Investor would be sufficiently diversified. If a fiduciary with respect to any such Benefit Plan Investor breaches its responsibilities with regard to selecting an investment or an investment course of action for such Benefit Plan Investor, the Plan Fiduciary may be held personally liable for losses incurred by the Benefit Plan Investor as a result of such breach.

Benefit Plan Investors Having Prior Relationships with an Investment Adviser or its Affiliates. Certain prospective Benefit Plan Investors may currently maintain relationships with the Trustee and the Investment Advisers or other entities that are affiliated with the Trustee and the Investment Advisers. Each of such entities may be deemed to be a party in interest to, and/or a fiduciary of, any Benefit Plan Investor to which any of the Trustee, the Investment Advisers or their affiliates provides investment management, investment advisory or other services. ERISA prohibits Benefit Plan Investor assets to be used for the benefit of a party in interest and also prohibits a Benefit Plan Investor's fiduciary from using its position to cause the Benefit Plan Investor to make an investment from which it or certain third parties in which such fiduciary has an interest would receive a fee or other consideration. Plan Fiduciaries of Benefit Plan Investors should consult with counsel to determine if participation in any Fund is a transaction that is prohibited by ERISA or Section 4975 of the Code.

Representations by Plans. A Benefit Plan Investor proposing to invest in a Fund will be required to represent that it is, and any fiduciaries responsible for the Benefit Plan Investor's investments are, aware of and understand the Fund's investment objectives, policies and strategies, and that the decision to invest plan assets in the Fund was made with appropriate consideration of relevant investment factors with regard to the Benefit Plan Investor and is consistent with the duties and responsibilities imposed upon fiduciaries with regard to their investment decisions under ERISA.

Eligible Indirect Compensation and Disclosure Requirements Under Section 408(b)(2) of ERISA. The disclosures set forth in this Memorandum and any Section 408(b)(2) disclosure notice constitute each Investment Adviser's good faith efforts to comply with the disclosure requirements of Form 5500, Schedule C and, if applicable, allow for the treatment of its compensation as eligible indirect compensation.

In addition, the disclosures set forth in this Memorandum and any Section 408(b)(2) disclosure notice, in conjunction with disclosures made in each Investment Adviser's Form ADV and the audited financial statements of each Fund, constitute each Investment Adviser's good faith efforts to comply with the disclosure requirements under Section 408(b)(2) of ERISA and the regulations promulgated thereunder, if applicable.

Future Regulations and Rulings. The provisions of ERISA are subject to extensive and continuing administrative and judicial interpretation and review. The discussion of ERISA contained herein is, of necessity, general and may be affected by future publication of regulations and rulings. Prospective investors and Fund Investors should consult with their legal advisers regarding the consequences under ERISA of the acquisition and ownership of Units.

H. Certain Tax Considerations

The Trustee intends to use its commercially reasonable efforts to maintain each Fund as a separate "common trust fund" within the meaning of Section 584 of the Code, including compliance with the applicable rules and regulations of the OCC. The Trustee is not, however, subject to the supervision or oversight of the OCC. The Trustee may take or require any person or entity to take any action that it deems necessary or desirable to maintain such status.

Under Section 584(c) of the Code, each Fund Investor, as a participant in a Fund, in computing its taxable income, is required to include, whether or not distributed, its proportionate share of the ordinary taxable income or loss and the capital gains and losses of the Fund. UBTI, if any (applicable to U.S. tax-exempt investors), and ECI, if any (applicable to non-U.S. investors), also will be allocated to the Fund Investors on a proportionate share basis.

A Fund may utilize leverage in connection with its trading activities and may engage in certain other activities that could give rise to UBTI for U.S. tax-exempt investors. In addition, each Fund may engage in certain activities that could give rise to ECI for non-U.S. investors.

A Fund may acquire bonds at a discount to their redemption price at maturity. To the extent such discount does not represent original issue discount, the bonds will be considered to have "market discount," which generally is required to be accrued ratably between the date of acquisition and the maturity date of the bond. Such a Fund will recognize the market discount as ordinary income, to the extent of the accrual, upon the sale, redemption, or maturity of the bond. Although an election is available to recognize the market discount as taxable income currently as it accrues, it is not anticipated at this time that such an election will be made.

Any in-kind contribution of assets by a Fund Investor to a Fund generally will be treated for U.S. federal income tax purposes as a taxable sale by the Fund Investor of the assets that are contributed, and any in-kind distribution by a Fund generally will be treated for U.S. federal income tax purposes as a taxable sale by the Fund of such assets that are distributed, subject to all U.S. federal income tax rules applicable to the recognition of gain and loss with respect to such sales, including the suspension or disallowance of the recognition of losses under wash sale and related party rules.

A Fund may receive dividends, interest, or other income from sources outside of the United States, some of which could subject the Fund to withholding or other taxes. Although in some cases a tax treaty could provide for a reduced withholding rate for either the Fund or Fund Investors, non-U.S. authorities may require either the filing of tax reclaim forms or additional documentation and information regarding the Fund Investors in order for a Fund or the Fund Investors to receive the benefit of a reduced withholding rate. If the obligations imposed by a non-U.S. tax authority are not satisfied, the ability of a Fund or Fund Investor to receive a tax reclaim, or the amount of the tax reclaim that is paid to a Fund or Fund Investor, may be adversely affected.

A withdrawal in whole or in part from a Fund, including by way of exchange into another Fund as permitted by the Declaration of Trust, will be treated for U.S. federal income tax purposes as a taxable disposition of the Units relating to the interest that is withdrawn, and the Fund Investor will recognize gain or loss as measured by the difference between the cash and fair market value of any assets received (including Units in a different Fund) and the adjusted basis of the surrendered Units. The adjusted basis of a Unit will generally be equal to its original cost, increased by income and gain allocated to a Fund Investor in respect of such Unit (including tax-exempt income), and decreased by any loss or expense allocated to a Fund investor in respect of such Unit (including non-deductible expenses).

Solely to the extent provided in the Fund Investment Documents, the Trust Company, in its capacity as trustee for the revocable trust established pursuant to a Subscription Trust Agreement, will, if requested, use commercially reasonable efforts to cooperate with the related Fund Investor's efforts to obtain any available tax refunds, credits or exemptions from withholding tax arising out of the Fund Investor's investment in a Fund. Unless otherwise expressly provided in the applicable Fund Investment Documents, the Funds do not undertake any obligation to file tax reclaims or provide assistance to Fund Investors with respect to tax reclaims.

Each Fund is required to comply with the information reporting and nonresident alien withholding provisions of the Code, including the Foreign Account Tax Compliance Act ("**FATCA**"). Among other things, these rules require a Fund to maintain certifications from Fund Investors regarding their U.S. residency status and FATCA classification. The certifications are made by the Fund Investors on U.S. Internal Revenue Service Form W-9 or the appropriate Form W-8. Failure to provide a complete and accurate W-9 or W-8 may result in increased U.S. withholding taxes or, in the case of a Fund Investor who is a U.S. person, imposition of withholding tax where none would have been imposed had the form been properly provided.

The foregoing discussion of U.S. federal income tax considerations is based on current tax laws, regulations and rulings, which may be changed by legislative, judicial or administrative action. Prospective investors and Fund Investors should consult with their own tax advisors for advice relating to the U.S. federal, state and local tax consequences of any investment in a Fund. Nothing herein shall be construed as the giving of tax advice to a prospective investor or any Fund Investor or any other person or entity.

IV. REGULATION OF THE TRUST AND THE FUNDS

A. In General

The Trust Company is subject to the oversight and supervision of the Pennsylvania Department of Banking and Securities.

The Trust was established as a voluntary association with transferable shares under Chapter 182 of the Massachusetts General Laws (commonly referred to as a Massachusetts business trust).

The Declaration of Trust is governed by the laws of The Commonwealth of Pennsylvania, except (a) to the extent such laws are preempted by applicable federal laws of the United States of America, and (b) that the Trust and Funds are intended to be maintained pursuant to Section 404(f) of the Pennsylvania Banking Code of 1965, as amended, and are therefore not intended to be subject to the other restrictions of Section 404 of the Pennsylvania Banking Code of 1965, as amended, and the regulations promulgated thereunder.

The Trustee intends to use its commercially reasonable efforts to maintain each Fund as a separate "common trust fund" within the meaning of Section 584 of Code.

B. Securities Act Matters

The Units will not be registered under the 1933 Act, or any other securities laws, including state securities or blue sky laws. In the United States, the Units will be offered and sold in reliance upon the exemption from registration provided by Section 4(a)(2) of the 1933 Act and Rule 506 of Regulation D promulgated under the 1933 Act. If applicable, outside the United States, the offering and sale of Units may be made pursuant to Regulation S under the 1933 Act.

Each prospective investor will be required, among other things, to: (i) represent that Units are being acquired for investment purposes only and not for distribution or resale; and (ii) acknowledge that Units are not transferable except in accordance with the restrictions set forth in the Declaration of Trust and the applicable Subscription Trust Agreement. Unless waived by the Trustee in its sole discretion, each prospective investor (regardless of whether or not such investor is a "U.S. person" as defined in Regulation S under the 1933 Act) will also be required to represent that it is an "accredited investor" within the meaning of Rule 501 of Regulation D under the 1933 Act. With respect to Units offered and sold outside the United States, a prospective investor will also be required to represent, among other things, that: (i) it is not a "U.S. person" as defined in Regulation S under the 1933 Act; (ii) Units are not being acquired for the account or benefit of any "U.S. person"; and (iii) it is outside of the United States at the time it executes and delivers its Subscription Trust Agreement.

C. Investment Company Act Matters

The Trustee anticipates that each Fund will be exempt from the registration requirements of the 1940 Act by reason of the exemption specified in Section 3(c)(1) (for Funds whose securities are not beneficially owned by more than 100 persons) and/or Section 3(c)(7) (for

Funds whose securities are owned exclusively by "qualified purchasers" within the meaning of Section 2(a)(51) of the 1940 Act).

D. CFTC Matters

The Trustee is exempt from registration with the U.S. Commodity Futures Trading Commission ("**CFTC**") and the U.S. National Futures Association ("**NFA**") as a commodity pool operator in connection with the Trustee's operation of each Fund pursuant to an exemption with respect to operation of a "qualifying entity" by a trust company subject to regulation by a state, as set forth in Rule 4.5(a)(3) under the CEA. Unlike a registered commodity pool operator, the Trustee is not subject to regulation by the CFTC and NFA and is not required to deliver a disclosure document prepared in accordance with Rules 4.24 and 4.25 under the CEA or a certified annual report to Fund Investors, and the Fund Investors in a Fund are not entitled to the related protections of the CEA.

E. Distributor

Prudential Investment Management Services LLC ("**PIMS**"), an affiliate of the Trust Company, has been retained by the Trust Company to act as distributor of the Units of the Funds. PIMS is a broker-dealer registered under the Securities Exchange Act of 1934, as amended, and is a member of the Financial Industry Regulatory Authority with its principal place of business located in Newark, New Jersey. Any sales charges payable to PIMS as distributor of the Units will be paid by the Trust Company (and not by the Trust or any Fund).

F. Anti-Money Laundering Matters

Each prospective investor and Fund Investor will be required to represent that it is not a "prohibited person", as defined by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "**USA PATRIOT Act**"), U.S. Executive Order 13224, and other relevant legislation and regulations. In addition, each prospective investor and Fund Investor will be required to represent that it is not subject to sanctions under any law, regulation or order administered by the U.S. Office of Foreign Assets Control ("**OFAC**") of the U.S. Department of the Treasury, including without limitation Subtitle B, Chapter V of Title 31 of the U.S. Code of Federal Regulations. Should a prospective investor or Fund Investor not provide any information required in connection with the foregoing or for verification purposes, any related investment with respect to a Fund may be refused and the Fund Investor may be required to withdraw from each Fund in which it is invested. Prospective investors or Fund Investors may also be asked to provide additional information at any time as may be necessary to comply with the USA PATRIOT Act, U.S. Executive Order 13224, to the extent applicable, and other relevant U.S. or other anti-money laundering legislation and regulations as well as any law, regulation or order administered by OFAC.

V. ADDITIONAL INFORMATION

Copies of the applicable Fund Investment Documents are available upon request to representatives of approved prospective investors.