ITEM 1

COVER PAGE

PART 2A OF FORM ADV: FIRM BROCHURE

AHL Partners LLP

December 19, 2024

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This brochure (this "Brochure") provides information about the qualifications and business practices of AHL Partners LLP. If you have any questions about the contents of this Brochure, please contact us at +44 20 7144 1000 and/or ahlcompliance@man.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

AHL Partners LLP is registered as an investment adviser with the SEC. Registration with the SEC does not imply a certain level of skill or training and no inference to the contrary should be made.

Additional information about AHL Partners LLP also is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2

MATERIAL CHANGES

AHL Partners LLP's last update to its Brochure was on June 29, 2024. Since this update, the following amendments have been made to the Brochure:

- Item 17. has been updated to reflect changes to the Global Proxy Voting Policy. These updates reflect criteria changes for how AHL Partners LLP categorizes companies as well as changes to metrics used by AHL Partners LLP for determining how to vote proxies for a company in the key areas of Board Gender Diversity, Human Rights, Climate Change, and Executive Compensation. In addition, certain key proxy voting areas that were previously included in the policy relating to independent auditor tenure and reincorporation were removed as we no longer consider these to be key areas of focus.

Even though a concerted effort is made to keep clients/investors informed of notable changes to the AHL Partners LLP's business throughout the year, clients/investors are encouraged to review this update carefully, much like all of AHL Partners LLP's reports and communications, in its entirety.

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ITEM 4

ADVISORY BUSINESS

A. General Description of Advisory Firm

AHL Partners LLP (the "Investment Manager") is a limited liability partnership which was incorporated in England and Wales in 2012 with its principal place of business in London, England.[1] AHL Partners LLP is authorized and regulated by the Financial Conduct Authority in the United Kingdom, and primarily offers investment advisory or sub advisory services to pooled investment vehicles, commodity pools, registered investment companies, including mutual funds and exchange traded funds, registered under the Investment Company Act of 1940, as amended ("Investment Company Act") and institutional separately managed accounts on a discretionary basis. AHL Partners LLP provides discretionary investment advice and/or management services according to the stated investment objectives, restrictions and policies of each client. The managing member of AHL Partners LLP is Man Investments Limited which is ultimately owned by Man Group plc, which is listed on the London Stock Exchange and is a component of the FTSE 250 Index. Man Group plc, through its investment management subsidiaries (collectively, "Man"), is a global alternative investment management business and provides a range of fund products and investment management services for institutional and private investors globally. As of March 31, 2024, Man had approximately $175.7 billion of assets under management.[2]

AHL Partners LLP has full discretionary advisory investment management authority with respect to investment decisions for U.S. and non-U.S. pooled investment vehicles, including private funds and commodity pools and separately managed accounts. AHL Partners LLP also provides sub-advisory services to certain pooled investment vehicles including affiliated private funds (collectively with the private funds and commodity pools, (the "Funds"). AHL Partner LLP's advice with respect to the Funds is provided in accordance with the investment objectives and guidelines as set forth in the applicable Fund's offering memorandum or the managed account's investment management agreement. AHL Partners LLP may manage a Fund's assets through separately managed portfolios or through investments in other pooled investment vehicles, which may include pooled investment vehicles managed by AHL Partners LLP. An affiliate of AHL Partners LLP may act as general partner or managing member of such Funds. Proprietary assets of AHL Partners LLP or its affiliates may also be directly or indirectly invested in the Funds. "Funds" include one or more funds that AHL Partners LLP, its affiliates or employees[3] have seeded or invested over 25% of the capital of such Funds. Important information regarding each Fund and

[1] The business of AHL Partners LLP was founded in 1987.

[2] Man assets under management as stated in the Man Group plc Annual Report include advisory-only assets over which Man has no decision making or trading authority and dedicated managed account platform services for which Man provides platform and risk management services but does not provide investment management services.

[3] "Employee(s)" for purposes of this Brochure includes personnel, partners, officers, directors (other than non-executive directors of Man Group plc) and other persons with similar status or performing similar functions.

managed account, which includes investment objectives, risks, strategy, fees and other material information, including applicable conflicts of interest is contained in each Fund's offering documents and in each managed account's investment management agreement, as the case may be.

In addition, AHL Partners LLP provides model portfolio recommendation services through separately managed model portfolio arrangements in accordance with client investment guidelines and restrictions as detailed in such client's investment management agreement. AHL Partners LLP does not have decision making or trading authority for such model portfolio recommendation services.

As used herein, the term "client" generally refers to each Fund and each beneficial owner of a managed account.

Certain affiliated advisory firms may be considered to be "Participating Affiliates" of AHL Partners LLP (as that term is used in relief granted by the staff of the Securities and Exchange Commission ("SEC")) allowing investment advisers registered with the SEC to use portfolio management, research, operations, and trading resources of advisory affiliates and personnel subject to the supervision of an SEC-registered adviser. Professionals from such Participating Affiliates may render portfolio management, research, trading or other related services to AHL Partners LLP clients and/or AHL Partners LLP as affiliated "associated persons" of AHL Partners LLP and are subject to supervision by AHL Partners LLP. In addition, AHL Partners LLP may provide portfolio management, research, trading or other related services to the Participating Affiliates under separate services agreements. Fees may be paid by and received from the parties under these arrangements.

AHL Partners LLP complies with applicable U.S. securities regulations only with respect to its U.S. clients.

Man provides a number of centralized functions to AHL Partners LLP, which includes trading, cash management, risk management, operations, middle office accounting, financing, proxy voting, class actions, human resources, facilities, tax, legal, compliance, information technology, among other such services. AHL Partners LLP utilizes research, client servicing, trading, sales and marketing capabilities of its affiliates in providing services to its clients.

In addition, AHL's affiliates may utilize certain of AHL's investment management, research and trading services in providing services to their clients. In some cases, certain of AHL Partners LLP's investment personnel may provide investment management services to clients of AHL Partners LLP as well as clients of one or more of its affiliates.

B. <u>Description of Advisory Services</u>

Please see Item 8 herein.

This Brochure generally includes information about AHL Partners LLP and its relationships with its clients and affiliates. While much of this Brochure applies to all such clients and affiliates, certain information included herein applies to specific clients or affiliates only.

Important information regarding each fund and managed account, which includes investment objectives, risks, strategy, fees and other material information, including applicable conflicts of interest regarding relationships with affiliates, is contained in each fund's offering documents and in each managed account's investment management agreement, as the case may be.

C. Availability of Customized Services for Individual Clients

AHL Partners LLP's investment decisions and advice with respect to each Fund are subject to the relevant Fund's investment objectives and guidelines, as set forth in its offering documents. Similarly, AHL Partners LLP's investment decisions and advice with respect to each managed account are subject to each client's investment objectives and guidelines, as set forth in the client's investment management agreement/trading advisor agreement, as well as any written instructions provided by the client to AHL Partners LLP.

An existing Fund may issue multiple classes, sub-classes, tranches, sub-tranches and/or series (or sub-series) of shares or interests, as applicable, in the future (or enter into "side letter" agreements with certain investor(s) that alter, modify or change the terms of the shares or interests, as applicable, held by the investor(s)), which may differ and may be more favourable from the shares or interests, as applicable, currently offered by the Fund in terms of, among other things, performance compensation, management fee, redemption rights (including redemption dates and notice periods), currency denomination, minimum and additional subscription amounts, informational rights and other rights. New classes, sub-classes, tranches, sub-tranches and/or series (or sub-series) of shares or interests, as applicable, may be issued (or "side letter" agreements may be entered into) by a Fund's board of directors and/or managing member, in its sole discretion, on behalf of the Fund, in consultation with AHL Partners LLP, without providing prior notice to, or receiving consent from, existing investors. The terms of such classes, sub- classes, tranches, sub-tranches and/or series (or sub-series) or "side letter" agreements will be determined by the board of directors and/or managing members, in its sole discretion, in consultation with AHL Partners LLP. In general, a Fund will not be required to notify investors upon entering into "side letter" agreements, nor will a Fund be required to offer such additional and/or different rights and/or terms to any or all of the other investors.

D. Wrap Fee Programs

AHL Partners LLP does not participate in wrap fee programs

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E. Assets Under Management

AHL Partners LLP manages approximately $63.8 billion in regulatory assets under management on a discretionary basis as of March 31, 2024.

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FEES AND COMPENSATION

A fee schedule is omitted because this Brochure is being delivered only to qualified purchasers, as defined in section 2(a)(51)(A) of the Investment Company Act.

AHL Partners LLP does not maintain a basic fee schedule. The following is a general overview of the types of fees AHL Partners LLP charges its clients:

A. Advisory Fees and Compensation

AHL Partners LLP does not have a standardized fee schedule. For those private funds as disclosed herein AHL Partners LLP generally receives an annual management fee of up to 2% of a Fund's assets under management, payable monthly in arrears. AHL Partners LLP may receive incentive or performance-based compensation generally up to 20% of net profits, realized and unrealized and in some cases subject to a "high water mark", generally payable annually in arrears. As applicable, AHL Partners LLP performance-based compensation complies with SEC Rule 205-3 under the Investment Advisers Act of 1940 (the "Advisers Act").

Certain UCITS funds pay an administration fee to the non-US based manager of the UCITS funds which is an affiliate of AHL Partners LLP of up to 0.30% per annum of average net asset value payable monthly in arrears. The administration fee is used to pay the services of the administrator and administrative services of the manager as further described in the UCITS funds' prospectus.

Certain Funds also charge their investors a services management fee on a monthly basis which generally ranges from .06% to .15% per annum of the Fund's assets under management with a minimum charge of USD 20,000 per annum which is paid to an affiliate for their services with regards to the selection and appointment of service providers to the Funds.

The Funds have different share classes which may have different fee schedules. Certain non-US share classes of certain Funds may be subject to distribution fees of approximately .50% per annum of the net asset value. AHL Partners LLP reserves the right to charge a discounted management fee or performance-based fee in its sole discretion as well as provide rebates on part or all of its fees to some or all investors or to intermediaries.

AHL Partners LLP's compensation may be negotiable and AHL Partners LLP may, in its sole discretion, elect to waive or modify any compensation with respect to any investor, without entitling any other investor to a waiver or modification. AHL Partners LLP's fees and compensation will be shared from time to time with its affiliates.

AHL Partners LLP may also invest client or Fund assets in investments that charge additional fees or are subject to additional allocations (including other Funds advised by AHL Partners LLP or its affiliates ("Affiliated Funds")). Clients or investors may therefore indirectly bear (i) advisory fees or an allocation (including management, performance, administrative, or other fees or a performance allocation) to AHL Partners LLP or its affiliates and (ii) fees charged by the underlying investment. Investments that charge additional fees may include, but are not limited to, money market funds, short-term investment vehicles, exchange traded funds, pooled investment vehicles, special purpose investment vehicles and alternative investment vehicles. If a client or Fund invests in any Affiliated Fund, the performance compensation and management fee otherwise payable to AHL Partners LLP or its affiliate at the Affiliated Fund level will generally be waived by such Affiliated Fund. The administrative fee (if any) will generally not be waived.

Generally, the investment management agreements with clients may be terminated by either party in accordance with the terms and notice period described in each investment management agreement. AHL Partners LLP’s investment management agreements are generally terminable with prior written notice, without penalty, or upon a breach, and/or also may be automatically renewed.

B. Payment of Fees

Fees and compensation paid to AHL Partners LLP or its affiliates by the Funds are generally paid by the Fund from its assets. With regards to the Funds, the fees are calculated by the Fund’s administrator and are paid directly from the Fund’s assets. Management fees are generally paid on a monthly basis in arrears, services management fees are generally paid on a monthly basis in arrears, and the performance compensation is generally deducted on an annual basis, or at the time of a redemption or withdrawal, as applicable, further described in the Fund’s governing documents or managed account’s investment management agreement. With regards to managed accounts, fees are negotiated and agreed upon with the client directly and may include a management fee or a combination of management fee and performance compensation. Management fees and performance-based compensation may be pro-rated for partial periods.

AHL Partner LLP’s employees may invest in one or more Funds. AHL Partner LLP’s employees may or may not be subject to a management fee and performance-based compensation by these Funds. In addition, AHL Partner LLP’s employee investments may or may not be subject to the same liquidity terms or fees as those of other investors in such funds.

C. Additional Fees and Expenses

Not all of AHL Partners LLP’s Fund investors bear all of the expenses set forth below and, in some cases, will bear additional expenses not included herein. In addition to the asset-based and as applicable performance-based compensation described above, each AHL Partners LLP’s Fund investor generally bears the following expenses: operating and other expenses and its pro rata portion of the Fund’s expenses and as applicable master fund expenses, including, but not limited to

(a) all investment expenses; (b) all fees and expenses of transactional, risk, market data and trade-related services (e.g., brokerage commissions and transaction costs, all fees for investment research and/or trade ideas, currency hedging costs, listing and audit costs, clearing and settlement charges, custodial fees, prime broker fees, interest expense, fees and expenses incurred in any borrowing or lending securities, any cost of acquiring or maintaining financing, any cost implicit in any repurchase or reverse repurchase agreements, consulting costs, investment banking and any other professional fees or compensation relating to particular investments or contemplated investments and research-related expenses, including, transactional, risk, market, reference, consumer and industry data and information, alternative data, news and quotation equipment and services (including fees for data, data aggregation and software providers)); (c) the costs of service providers including, without limitation, external accounting, legal, custodial, audit, tax preparation, paying agent and secretarial fees and expenses (other than the costs of the administrator which are borne by the services manager); (d) directors fees, expenses and all of the costs of insurance for the benefit of the directors (if any) including, if applicable, a reasonably allocated portion of the premiums for any Fund directors' and officers', errors and omissions, cybersecurity or other coverage that would offset a portion of the Fund's indemnity obligations; (e) promotional and marketing expenses; (f) all entity-level taxes and corporate fees payable to governments or agencies; (g) all communication expenses with respect to investor services, of preparing, printing and distributing financial and other reports, proxy forms, prospectuses and similar documents to investors and all expenses of meetings of investors; (h) all interest on borrowings; (i) liquidation costs; (j) out-of- pocket costs and expenses suffered or incurred by the services manager; (k) costs for ERISA bonding, external legal and compliance expenses (which include, without limitation, responding to formal and informal inquiries, subpoenas, investigations and other regulatory matters, indemnification expenses and expenses associated with regulatory filings relating to AHL Partners LLP; and (l) all administrative expenses.

AHL Partners LLP may, in the absolute discretion of the directors, also bear expenses, the cost of which may vary, incurred with respect to addressing the legal, tax and/or regulatory requirements of a particular class or series of shares or individual shareholders.

Allocation of Expenses

A Fund or separately managed account may incur an expense which forms part of a larger aggregate expense relating to a number of investment entities for which AHL Partners LLP or its affiliates provide services.

Such Expense will generally be allocated between the relevant investment entities, including the Fund, pro rata basis, or in conjunction with a flat fee per entity for a portion of the expense, where appropriate or as otherwise determined by AHL Partners LLP and/or the Fund directors in a fair and reasonable manner. AHL Partners LLP may not allocate expense amounts that are deemed diminimus to its Funds. Clients may not receive the same benefits from the services that they pay for.

Costs may be amortised over time to ensure that large expenses are borne in an equitable manner. Each separately managed account will typically bear many of the fees and expenses described above. Certain expenses borne by the Funds may or may not be shared by separately managed accounts. The expenses borne by a separately managed account are set forth in the separately managed account's investment management agreement or as otherwise agreed with the separately managed account. Clients may not receive the same benefits from the services that they pay for.

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PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

AHL Partners LLP accepts performance-based fees for some, but not all clients to which it provides investment advisory services. AHL Partners LLP may face a conflict of interest by managing accounts that are subject to a performance-based fee or allocation and accounts that are not subject to a performance-based fee or allocation, including that AHL Partners LLP may have an incentive to favour accounts for which it receives performance-based fees or allocations. AHL Partners LLP may also have an incentive to favour accounts from which AHL Partners LLP will receive a performance fee calculated at a higher rate over accounts from which AHL Partners LLP will receive a performance fee or allocation calculated at a lower rate. This includes scenarios where a performance fee may be expected to be at a lower rate given the operation of a fee calculation mechanism such as a high-water mark. Furthermore, performance-based fee compensation may create an incentive for AHL Partners LLP to make riskier or more speculative investments than would be the case in the absence of such performance fees.

Generally, AHL Partners LLP addresses these conflicts of interest through the adoption of policies and procedures that are designed to mitigate such conflicts of interest and ensure our compliance with applicable law, by way of an investment allocation policy which is designed to ensure all accounts are treated fairly and equitably over time regardless of the types of fees or fee rates paid. Please see Items 11.B.2 and 11.D below.

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TYPES OF CLIENTS

AHL Partners LLP provides investment advisory services primarily to U.S. or non-U.S. pooled investment vehicles ("Funds"), UCITS funds, U.S. or non-U.S. institutional managed accounts which include pension plans and sovereign wealth funds, on a discretionary basis. The securities of these Funds are not registered under the Securities Act of 1933. In addition, the Funds are not registered under the Investment Company Act, and may or may not be continuously offered. In addition, AHL Partners LLP provides sub-advisory services to mutual funds and exchange trade fund registered under the Investment Company Act on a discretionary basis.

Redemption rights with respect to each Fund are set forth in the offering memorandum for each Fund. Termination rights with respect to each managed account are set forth in the investment management agreement for each managed account. Investments in the Funds may be subject to certain qualifications and a minimum investment requirement which under certain conditions may be waived as set forth in the Fund's offering memorandum. Currently, AHL Partners LLP does not have a pre-determined account minimum for managed accounts.

ITEM 8

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies

The descriptions set forth in this Brochure of specific advisory services that AHL Partners LLP offers to clients, and investment strategies pursued and investments made by AHL Partners LLP on behalf of its clients, should not be understood to limit in any way the Investment Manager's investment activities. AHL Partners LLP may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that AHL Partners LLP considers appropriate, subject to any applicable regulatory restrictions and each client's investment objectives and guidelines. The investment strategies AHL Partners LLP pursues are speculative and entail substantial risks. Clients/investors should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any client will be achieved.

AHL Partners LLP manages investment strategies (hereinafter, "AHL Programmes"), each of which employs sophisticated computerized processes to identify trading opportunities across a wide range of markets around the world. AHL Partners LLP clients invest in one or more AHL Programmes. These systematic trading opportunities generally fall into three broad categories: multi-strategy quantitative, momentum, and liquid strategies. AHL Partners LLP primarily uses proprietary quantitative models to implement the AHL Partners LLP Programmes and underlying investment strategies. It should be noted that certain AHL Programmes may have limited capacity.

Trading signals are generated and executed via a trading and implementation infrastructure. This process is quantitative, meaning that investment decisions are entirely driven by mathematical models based on quantitative analysis of historical relationships. It is underpinned by rigorous risk control, ongoing research, diversification and the constant quest for efficiency. Trading takes place around the clock and real-time price and non-price information is used to adjust positions across a diverse range of global markets. AHL Programmes may invest in a varied portfolio of financial instruments including, but not limited to, futures, options, forward contracts, swaps, CFDs, cash bonds, cash equities, securitized products and other financial derivatives both on and off exchange. AHL Partners LLP may, where possible, take short positions with respect to any or all investments. AHL Partners LLP may also systematically choose to hold derivative contracts (such as futures) through to cash or physical delivery. Sectors may be accessed directly or indirectly and include, without limitation, stocks, rates, bonds, debt, currencies, credit, energies, commodities, volatility and insurance risks. Sectors may also be accessed through direct or indirect investment in registered or unregistered collective investment schemes, funds or other pooled vehicle(s).

In line with the principle of diversification, AHL Partners LLP's approach to portfolio construction and asset allocation is premised on the importance of deploying investment capital across a full range of sectors and markets. Particular attention is paid to the correlation of markets and sectors, expected returns, market access costs and market liquidity. Portfolios are regularly reviewed and, when necessary, adjusted to reflect changes in these, and other, factors. A systematic process for adjusting market risk exposure in real time to reflect changes in the volatility of individual markets is also in place. Through AHL Partners LLP's ongoing investment in research and technology, the number and diversity of markets and strategies traded directly or indirectly by the AHL Programmes may change over the life of the investment, and may also be subject to specific legal, regulatory or investor specific restrictions. It should also be noted that the implementation of the AHL Programmes for certain AHL managed Funds may differ from the way in which similar AHL Programmes are implemented for other clients or investment products managed by AHL Partners LLP or its affiliates. These differences may include, among other things, differences in the types of financial instruments, markets and asset classes traded which arise out of legal structuring, applicable law and other restrictions and/or considerations with respect to such investment products.

AHL Partners LLP is committed to responsible investing, including a focus on understanding how ESG factors may influence performance, generate alpha, and/or mitigate risk in client portfolios, where such factors are consistent with its fiduciary duty to its clients. AHL Partners LLP aims to integrate ESG into its investment process, however, it also recognises that it may not always be possible or appropriate to integrate ESG for certain asset classes or investment strategies that it manages. AHL Partners LLP typically applies an exclusion list of controversial stocks or industries which may be related to arms and munitions, nuclear weapons, tobacco and coal production.

Important information regarding each Fund, including investment objectives, strategy, and other material information, are contained in such Fund's offering memorandum.

B. Material, Significant or Unusual Risks Relating to Investment Strategies

The investment strategies AHL Partners LLP pursues are speculative and entail investment and market-related risks. There can be no assurance the investment objectives of any client will be achieved. The client's activities could result in substantial losses under certain circumstances. Investing in securities involves risk of loss that clients should be prepared to bear. The following risk factors do not purport to be a complete list or explanation of all risks involved in an investment in a Fund or managed account managed by AHL Partners LLP. A Fund’s offering memorandum may include additional risks not included herein.

The following risk factors may not be applicable to all clients. Investments in a Fund are speculative and involve a substantial degree of risk, including the risk that an investor could lose some or all of its investment in a Fund. Prospective investors should carefully consider the risks of investing, which include, without limitation, those set forth below which are more fully described in the applicable Fund's offering documents. These risk factors include only those risks AHL Partners LLP believes to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by AHL Partners LLP and do not purport to be a complete list or explanation of the risks involved in an investment in a Fund or to clients advised by AHL Partners LLP.

Limited Regulatory Oversight

AHL Partners LLP is registered with the SEC as an investment adviser under the Advisers Act. AHL Partners LLP is also registered with the CFTC as a CPO and CTA and is a member of NFA. AHL Partners LLP's SEC and CFTC registrations and NFA membership do not indicate any level of expertise or qualification, nor has the SEC, CFTC or NFA in any respect approved AHL Partners LLP.

Speculative investment

There can be no assurance that the Fund will achieve its investment objective. An investment in a Fund is not guaranteed or subject to principal or capital protection and investors could lose some or all of their investment. Both an investment in the Fund and the investments which the Fund proposes to make are speculative. Furthermore, the Fund's investments may be subject to sudden, unexpected and substantial price movements (which may be influenced by factors such as changes in interest rates, currency exchange rate and economic and political events which are beyond the control of, and not predictable by, the Investment Manager). Unexpected and substantial price movements may lead to substantial fluctuations in the Net Asset Value of the Fund within a short period of time. Accordingly, an investment in the Interests should be made only by those persons who could afford to sustain a loss in such an investment.

Regardless of the fact that the Investment Manager intends to manage the Fund diligently in pursuit of the Fund's investment objective, no guarantee or representation can be made that the Fund's investment program will be successful, that the various investment strategies and trading strategies utilized will have low correlation with each other or that the Fund's returns will exhibit low correlation with an investor's traditional investment portfolio. The Fund may utilize a variety of investment techniques, each of which can involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which the Fund's investment portfolio may be subject.

In order to meet its investment objective, the Fund may invest in financial instruments of all kinds including various, non-standard, complex, thinly-traded and/or novel financial instruments in relation to their structure, operation and underlying exposure. By their very nature, investment in such financial instruments carries a greater risk than that of more common investment products, which may result in a complete or partial loss of investor capital. Investors unable or unwilling to bear such risks should not invest.

Performance history

There can be no assurance that information on the Investment Manager or the investment strategies set out in a Fund’s offering memorandum or elsewhere, including information on past performance, will be indicative of how the Interests will perform (either in terms of profitability or low correlation with other investments) in the future.

Dependence on the Investment Manager

The success of the Funds is significantly dependent upon the ability of AHL Partners LLP to develop and implement effectively the Fund's investment objective. Except as otherwise discussed herein, investors will be relying entirely on AHL Partners LLP to conduct and manage the affairs of the Fund. Subjective decisions made by the Investment Manager may cause the Funds to incur losses or to miss profit opportunities on which it could otherwise have capitalized.

The performance of the Investment Manager is largely dependent on the talents and efforts of the personnel of AHL Partners LLP. The success of the Funds depends on AHL Partners LLP's ability to identify and willingness to provide acceptable compensation to attract, retain and motivate talented investment professionals and other personnel. There can be no assurance that AHL Partners LLP's investment professionals will continue to be associated with AHL Partners LLP throughout the life of one or more of the Funds and there is no guarantee that the talents of AHL's investment professionals could be replaced. The failure to attract or retain such investment professionals could have a material adverse effect on the Funds.

Operational risk

The Funds depend on the Investment Manager to develop appropriate systems and procedures to control operational risk. These systems and procedures may not account for every actual or potential disruption of their operations. The Investment Manager’s respective businesses are dynamic and complex. As a result, certain operational risks are intrinsic to their operations, especially given the volume, diversity and complexity of transactions that the Investment Manager is expected to undertake daily on behalf of its clients. Disruptions in the Investment Manager’s operations may cause the Fund to suffer, among other things, financial loss, the disruption of its businesses, liability to third parties, regulatory intervention or reputational damage.

Breaches in information technology security

The Investment Manager maintains global information technology systems, consisting of infrastructure, applications and communications networks to support the Fund's as well as its own business activities. These systems could be subject to security breaches such as 'cyber-crime' resulting in theft, a disruption in the Investment Manager's ability to close out positions and the disclosure or corruption of sensitive and confidential information. Security breaches may also result in misappropriation of assets and could create significant financial and/or legal exposure for the

Fund. The Investment Manager seeks to mitigate attacks on its own systems and those of the Fund but will not able to control directly the risks to third-party systems to which it may connect. Any breach in security of the Investment Manager's systems could disrupt the Fund's and the Investment Manager's business and may cause the Fund to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage.

Performance fees

Performance fees may create an incentive for the Investment Manager to make investments which are riskier than would be the case in the absence of a fee based on performance. In addition, performance fees may be calculated and paid based on unrealized gains which may subsequently not be realized.

Substantial expenses payable regardless of profit

The Funds will incur obligations to pay brokerage commissions, option premiums and other transactional costs to the brokers. The Funds will also incur obligations to pay a monthly management fee to the Investment Manager and pay the Fund's and its share of the operating, legal, accounting, auditing, Directors' and other fees and expenses including the costs of the offering of the Fund. These expenses will be payable regardless of whether the Fund makes a profit.

Transaction costs

The investment approach may involve a high level of trading and turnover of a Fund's investments which may generate substantial transaction costs which will be borne by the respective Fund and its investors.

Lack of secondary market

An investment in the Funds provides limited liquidity since a secondary market for shares is not usually expected to develop and shareholders have limited redemption rights.

Limited liquidity

An investment in one or more of the Funds, managed by the Investment Manager, provides limited liquidity since an active secondary market is not always expected to develop. The Interests are not freely transferable and are subject to limitations on withdrawals as provided herein. There is no public market for the Interests, and it is not expected that a public market will develop. A Fund may compulsorily withdraw all or any portion of a Member's Interest at any time in the interests of the Fund. A Fund also has broad powers to suspend the determination of Net Asset Value and/or withdrawals at the option of the Managing Member in a number of circumstances including any period during which the Managing Member so determines, all as more fully described elsewhere in the Fund’s offering memorandum.

Use of Estimates for Subscriptions and Redemptions

The Net Asset Value of the Fund holdings may be based in part on estimated valuations which may prove to be inaccurate or valuations which contain significant discretionary factors.

Where subscription and/or redemption prices are based on estimated Net Asset Values, it should be noted that such prices may not be revised if such estimates prove to be inaccurate. In the case that any subscriptions or redemptions are effected at prices based wholly or partly on estimates then, to the extent that these estimates are too high, net new subscriptions at this price will provide a benefit to continuing investors, to the detriment of new investors, and net new redemptions will cause continuing investors to suffer a dilution in the value of their shares, to the benefit of redeemers. If these estimates are too low, net new subscriptions at this price will cause continuing investors to suffer a dilution in the value of their shares, to the benefit of new investor and net new redemptions will provide a benefit to continuing investors, to the detriment of redeemers.

Effect of Substantial Redemptions

Several factors cause substantial redemptions to be a risk factor for investors. The Investment Manager will pursue a variety of Investment Strategies that will take time to develop and implement. Subject to the applicable investment objective and Investment Strategies, a portion of the Fund's portfolio may be comprised of financial instruments that are OTC and which may experience reduced liquidity. The Investment Manager may not be able to dispose of such financial instruments readily. Substantial redemptions could be triggered by a number of events, including, for example, unsatisfactory performance, significant change in personnel or management of the Investment Manager, a decision by the investors to liquidate the Fund's assets by redeeming shares, investor reaction to redemptions from the Investment Manager's Other Accounts, legal or regulatory issues that investors perceive to have a bearing on the Fund or the Investment Manager, or other factors. Actions taken to meet substantial redemption requests from the Fund (as well as similar actions taken simultaneously in the Investment Manager's Other Accounts) could result in prices of financial instruments held by the Fund decreasing and in Fund expenses increasing (e.g., transaction costs and the costs of terminating agreements). The overall value of the Fund also may decrease because the liquidation value of certain assets may be materially less than their mark-to-market value. The Fund may be forced to sell its more liquid positions which may cause an imbalance in the portfolio that could adversely affect the remaining Shareholders. Substantial redemptions could also significantly restrict the Fund's ability to obtain financing or derivatives counterparties needed for its investment and trading strategies, which would have a further material adverse effect on the Fund's performance.

Service Provider Risks

The Investment Manager and certain of the service providers will not be liable, or have limited their liability, to the Fund under certain circumstances.

Discretion to Employ New Strategies and Techniques

The Investment Manager has considerable discretion in the types of markets which AHL Programmes may trade, and may trade in any issuer or group of related issuers, country, region and sector that it believes will help AHL Programmes achieve their investment objectives and, subject to investment objective and policies of the AHL Programmes, has the right to modify the investment strategies and hedging techniques of AHL Programmes without the consent of investors. Both new and modified investment strategies as well as hedging techniques may not be thoroughly tested in production trading before being allocated to the Funds and may have operational or theoretical shortcomings which could result in unsuccessful trades and, ultimately, losses to the Funds. In addition, any new investment strategy and hedging technique deployed by an AHL Programme may be more speculative than earlier techniques and may increase the risk of an investment in the Funds.

Ramp-up periods

There may be a limited amount of suitable investment opportunities for the Funds, especially during a "ramp-up period," with regard to each investment strategy pursued by each of the Funds. This could cause a Fund to hold significant cash from Member subscriptions, which may be invested in a variety of financial instruments, including, without limitation, money market funds, US treasury securities or any other instruments deemed appropriate by the Investment Manager. Long "ramp-up periods" and/or holding excess cash and investments in cash equivalent financial instruments may reduce the overall performance of a Fund. It may, therefore, be some time, due to market conditions, bid/ask prices, execution opportunities or other factors affecting the availability or attractiveness of investment opportunities, before a Fund is able to locate suitable investment opportunities. Therefore, the overall performance of a Fund may be reduced.

Risk Relating to Investments

General Economic and Market Conditions

The success of the Investment Manager’s investment decisions on behalf of its investors will be impacted by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Investment Manager’s investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of a financial instruments price as well as the liquidity of the totality of a Fund’s investments. Volatility and/or illiquidity could impair the Funds profitability or result in losses. The Funds may maintain substantial positions that can be adversely impacted by the level of volatility in the financial markets — the larger the positions, the greater the potential for loss.

The economies of some countries may differ favourably or unfavourably from the US and Western European economies in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, certain economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of certain countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

Model and Data Risk

The Investment Manager relies heavily on proprietary mathematical quantitative models (each a "Model" and collectively, "Models") and data developed both by the Investment Manager and those supplied by third parties (collectively, "Data") rather than granting trade-by-trade discretion to the Investment Manager's investment professionals. In combination, Models and Data are used to construct investment decisions, to value both current and potential investments (including, without limitation, for trading purposes, and for the purposes of determining the Net Asset Value of the Funds), to provide risk management insights and to assist in hedging the Fund's positions and investments. Models, Data and the processes supporting these components are known to have errors, omissions, imperfections and malfunctions (collectively, "System Events").

The Investment Manager seeks to reduce the incidence and impact of System Events, to the extent feasible, through a combination of internal testing, simulation, real-time monitoring, use of independent safeguards in the overall portfolio management process and often in the software code itself. Despite such testing, monitoring and independent safeguards, System Events will result in, among other things, the execution of unanticipated trades, the failure to execute anticipated trades, delays in the execution of anticipated trades, the failure to properly allocate trades, the failure to properly gather and organise available data, the failure to take certain hedging or risk reducing actions and/or the taking of actions which increase certain risk(s)—all of which may have materially adverse effects on the Funds. System Events in third-party provided Data are generally entirely outside the control of the Investment Manager.

The research and modelling processes engaged in by the Investment Manager on behalf of the Funds are extremely complex and involve the use of financial, economic, econometric and statistical theories, research and modelling; the results of this investment approach must then be translated into computer code. Although the Investment Manager seeks to hire individuals skilled in each of these functions and to provide appropriate levels of oversight and employ other mitigating measures and processes, the complexity of the individual tasks, the difficulty of integrating such tasks, and the limited ability to perform "real world" testing of the end product, even with 12 simulations and similar methodologies, raise the chances that Model code may contain one or more coding errors, thus potentially resulting in a System Event and further, one or more of such coding errors could adversely affect the Fund's investment performance.

The Investment Strategies of the Investment Manager are highly reliant on the gathering, cleaning, culling and performing of analysis of large amounts of Data. Accordingly, Models rely heavily on appropriate Data inputs. However, it is impossible and impracticable to factor all relevant, available Data into forecasts, investment decisions and other parameters of the Models. The Investment Manager will use its discretion to determine what Data to gather with respect to each Investment Strategy and what subset of that Data the Models take into account to produce forecasts which may have an impact on ultimate investment decisions. In addition, due to the automated nature of Data gathering, the volume and depth of Data available, the complexity and often manual nature of Data cleaning, and the fact that the substantial majority of Data comes from third-party sources, it is inevitable that not all desired and/or relevant Data will be available to, or processed by, the Investment Manager at all times. Irrespective of the merit, value and/or strength of a particular Model, it will not perform as designed if incorrect Data is fed into it which may lead to a System Event potentially subjecting the Funds to a loss. Further, even if Data is input correctly, “model prices” anticipated by the Data through the Models may differ substantially from market prices, especially for financial instruments with complex characteristics, such as derivatives, in which the Funds may invest.

Where incorrect or incomplete Data is available, the Investment Manager may, and often will, continue to generate forecasts and make investment decisions based on the Data available to it. Additionally, the Investment Manager may determine that certain available Data, while potentially useful in generating forecasts and/or making investment decisions, is not cost effective to gather due to, among other factors, the technology costs or third -party vendor costs and, in such cases, the Investment Manager will not utilise such Data. The Investment Manager has full discretion to select the Data it utilises. The Investment Manager may elect to use or may refrain from using any specific Data or type of Data in generating forecasts or making trading decisions with respect to the Models. The Data utilised in generating forecasts or making trading decisions underlying the Models may not be (i) the most accurate data available or (ii) free of errors. The Data set used in connection with the Models is limited. The foregoing risks associated with gathering, cleaning, culling and analysis of large amounts of Data are an inherent part of investing with a quantitative, process-driven, systematic adviser such as the Investment Manager.

When Models and Data prove to be incorrect, misleading or incomplete, any decisions made in reliance thereon expose the Funds to potential losses and such losses may be compounded over time. For example, by relying on Models and Data, the Investment Manager may be induced to buy certain investments at prices that are too high, to sell certain other investments at prices that are too low, or to miss favourable opportunities altogether. Similarly, any hedging based on faulty Models and Data may prove to be unsuccessful and when determining the Net Asset Value of the Funds, any valuations of the Fund’s investments that are based on valuation Models may prove to be incorrect. In addition, Models may incorrectly forecast future behaviour, leading to potential losses on a cash flow and/or a mark-to-market basis. Furthermore, in unforeseen or certain low- probability scenarios (often involving a market event or disruption of some kind), Models may produce unexpected results which may or may not be System Events.

Errors in Models and Data are often extremely difficult to detect, and, in the case of Models, the difficulty of detecting System Events may be exacerbated by the lack of design documents or specifications. Regardless of how difficult their detection appears in retrospect, some System Events may go undetected for long periods of time and some may never be detected. When a System Event is detected, a review and analysis of the circumstances that may have caused a reported System Event will be completed and is overseen by an Escalation Committee made up of appropriate senior personnel. Following this review, the Investment Manager in its sole discretion may choose not to address or fix such System Event, and the third party software will lead to System Events known to the Investment Manager that it chooses, in its sole discretion, not to address or fix. The degradation or impact caused by these System Events can compound over time. When a System Event is detected, the Investment Manager generally will not, as part of the review of circumstances leading to the System Event, perform a materiality analysis on the potential impact of a System Event. The Investment Manager believes that the testing and monitoring performed on Models and the controls adopted to ensure processes are undertaken with care will enable the Investment Manager to identify and address those System Events that a prudent person managing a quantitative, systematic and computerised investment programme would identify and address by correcting the underlying issue(s) giving rise to the System Events, however there is no guarantee of the success of such processes. Shareholders should assume that System Events and their ensuing risks and impact are an inherent part of investing with a process- driven, systematic investment manager such as the Investment Manager.

Accordingly, the Investment Manager does not expect to disclose discovered System Events to the Funds or to Shareholders.

The Funds will bear the risks associated with the reliance on Models and Data including bearing all losses related to System Events other than in relation to losses arising from the Investment Manager's wilful default, fraud or Gross Negligence or breach of fiduciary duty under ERISA, if applicable.

Sustainability Data Risk

In evaluating a security based on sustainable characteristics, the Investment Manager may rely on data from external Environmental, Social, Governance (ESG) Data providers, which may be incomplete, inaccurate or unavailable and/or information and data sources provided by internal research teams. External ESG data providers are private undertakings providing ESG data for a variety of issuers. The ESG data providers may change the evaluation of issuers or instruments, at their discretion from time to time, due to methodology changes, company-specific events or other factors. As a result, there exists a risk of the Investment Manager incorrectly assessing a security or issuer, resulting in the incorrect inclusion or exclusion of a security. The Investment Manager shall make reasonable efforts to include companies in the investment universe that meet the sustainable investment objective. None of the Manager or the Investment Manager make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of such ESG assessment. To the extent that the assessment of a particular security changes, the Investment Manager will make efforts to dispose of such security as soon as reasonably practicable and the Manager and the Investment Manager will not be held liable for any direct or indirect losses based on the fact that such security was held based on a good faith assessment of the information available at the time of the assessment.

Obsolescence Risk

The Investment Manager is unlikely to be successful in the deployment of its quantitative, systematic, investment strategies unless the assumptions underlying the Models are realistic and either remain realistic and relevant in the future or are adjusted to account for changes in the overall market environment. If such assumptions are inaccurate or become inaccurate and are not promptly adjusted, it is likely that the Models will not generate profitable trading signals. If and to the extent that the Models do not reflect certain relevant factors, and the Investment Manager does not successfully address such omission through its testing and evaluation by modifying the Models accordingly, major losses may result—all of which will be borne by the Funds. The Investment Manager will continue to test, evaluate and add new Models which may also result in the modification of existing Models from time to time. Investors will not be informed of nor will investors approve the addition, modification or removal of Models and investment strategies. There can be no assurance as to the effects (positive or negative) of any changes including additions, modifications and/or removals of Models or investment strategies on a Fund's performance.

Crowding/Convergence

There is significant competition among quantitatively-focused managers and the ability of the Investment Manager to deliver returns that have a low correlation with global aggregate equity markets and other hedge funds is dependent on its ability to employ Models that are simultaneously profitable and differentiated from those employed by other managers. To the extent that the Investment Manager is not able to develop sufficiently differentiated Models, the Fund's investment objective may not be met, irrespective of whether the Models are profitable in an absolute sense. In addition, to the extent that the Models come to resemble those employed by other managers, there is an increased risk that a market disruption may negatively affect predictive Models such as those employed by the Investment Manager, as such a disruption could accelerate reductions in liquidity or rapid re-pricing due to simultaneous trading across a number of funds utilising Models (or similar quantitatively-focused investment strategies) in the marketplace.

Trading Systems and Execution of Orders

The Investment Manager relies extensively on computer programmes, systems, technology, Data and Models to implement its execution strategies and algorithms. The Investment Manager's investment strategies, trading strategies and algorithms depend on its ability to establish and maintain an overall market position in a combination of financial instruments selected by the Investment Manager. There is a risk that the Investment Manager's proprietary algorithmic trading system may not be able to adequately react to a market event without serious disruption. Further, trading strategies and algorithms may malfunction causing severe losses. While the Investment Manager has employed tools to allow for human intervention to respond to significant system malfunctions, it cannot be guaranteed that losses will not occur in such circumstances as unforeseen market events and disruptions and execution system issues.

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 the Investment Manager, the Investment Manager's counterparties, brokers, dealers, agents or other service providers. In such event, the Investment Manager 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 Investment Manager might not be able to make such adjustment. As a result, the Funds would not be able to achieve the market position selected by the Investment Manager, which may result in a loss.

Hedging Transactions

The Investment Manager may utilise financial instruments both for investment purposes and for risk management purposes in order to: (a) protect against possible changes in the market value of one or more of the positions of the Funds investment portfolio resulting from fluctuations in the markets and changes in interest rates; (b) protect the Funds unrealised gains in the value of its investment portfolio; (c) facilitate the sale of any such investments; (d) enhance or preserve returns, spreads or gains on any investment in the one or more of the Fund's portfolios; (e) hedge against a directional trade; (f) hedge the interest rate, credit or currency exchange rate on financial instruments; (g) protect against any increase in the price of any financial instruments the Investment Manager anticipates purchasing at a later date; or (h) act for any other reason that the Investment Manager deems appropriate. The Investment Manager will not be required to hedge any particular risk in connection with a particular transaction or its portfolios generally. Furthermore, the Investment Manager may not anticipate a particular risk so as to hedge against it. While the Investment Manager may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Funds than if the Investment Manager had not engaged in any such hedging transaction. Moreover, it should be noted that the Funds will always be exposed to certain risks that may not be fully hedged.

Limited Ability to Hedge

Hedging may not be possible for certain of the insurance-linked instruments because there may not be "negatively correlated" risks. The principal means of controlling overall risk exposure in the risk-linked market is by diversification.

Trade Error Risk

The complex execution modalities operated by the Investment Manager and the speed and volume of trading invariably result in occasional trades being executed which, with the benefit of hindsight, were not required or intended by the execution strategy or occasional trades not being executed when they should have been. To the extent a trade error is caused by a counterparty, such as a broker, the Investment Manager will generally, to the extent reasonable and practical, attempt to recover any loss associated with such trade error from the respective counterparty. To the extent a trade error is caused by the Investment Manager, a formalised process is in place for the documentation and resolution of such trade errors, provided that during any time that the underlying assets of the Fund are considered for purposes of ERISA or Section 4975 of the Code to be plan assets, the Investment Manager will be liable for trade errors caused by a breach of investment guidelines or of fiduciary duties under ERISA. Given the volume, diversity and complexity of transactions executed by the Investment Manager on behalf of each Fund, investors should assume that trade errors will occur on occasion. If such trade errors result in gains to the Fund(s), such gains will be retained by the Fund(s). However, if a trade error result in losses, they will be borne by the Investment Manager in accordance with its internal policies unless otherwise determined by the Directors.

Limited Resources of Issuers

The issuers of insurance-linked instruments often are thinly capitalised, special-purpose entities that do not have ready access to additional capital. In the event of unanticipated expenses or liabilities, such entities may not have the resources available to pay such expenses or liabilities or the required interest and/or principal on their issued securities.

Trade and Settlement Systems Risks

Each Fund depends on the Investment Manager and its other service providers to develop and implement adequate systems for processing of each Fund's trading and settlement activities.

Further, the Investment Manager relies on systems and technology (and may rely on new systems and technology in the future) for various purposes including, without limitation, to trade, clear and settle transactions, to evaluate certain financial instruments, to monitor its portfolio and net capital, and to generate risk management and other reports that are critical to oversight of a Fund's activities. Certain of the Investment Manager's operations processes will be dependent upon systems operated by third parties, including but not limited to executing brokers, prime brokers, the administrator of the market counterparties and their sub-custodians as well as other service providers. These third-party programmes, systems and/or technology may be subject to certain limitations, including, but not limited to, those caused by computer "worms", viruses, power failures and/or other technology-related impairments. The Investment Manager's operations are highly dependent on each of these systems and technology and the successful operation of such systems and technology is often out of the Investment Manager's control. The failure of one or more systems and technology or the inability of such systems to satisfy the Investment Manager's current and evolving requirements could have a material adverse effect on the Fund. For example, systems failures could cause settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades, and cause inaccurate reports, all or any of which may affect the ability of the Investment Manager to monitor and/or manage the investment portfolio and risks.

Unpredictability of Risk

The type, frequency and severity of catastrophic, pandemic and insurance-related events associated with insurance-linked instruments are difficult or impossible to predict. In some cases, the Investment Manager will rely on industry and other models that utilise, among other things, historical information, actuarial analysis and related models to apply a price associated with the corresponding risk of the instrument. Such models contain a material amount of uncertainty. In particular, any change in longevity and/or mortality risk profiles against those predicted by such models would materially adversely affect the performance of the Fund.

Cash Management

The Fund may enter into arrangements by which cash not required by the Fund for trading purposes will be managed by the Investment Manager. Such arrangements may include the entry by the Fund into repurchase or reverse repurchase transactions and other cash management arrangements, including holding cash in bank accounts or secured or unsecured deposits, or investing such cash in corporate or government bonds, or such other instruments as deemed appropriate by the Investment Manager.

A repurchase transaction involves the sale of securities by a seller to a buyer for a purchase price, and an agreement for the seller to repurchase such securities on a mutually agreed future date for the same purchase price, plus interest at a negotiated rate. From the perspective of the buyer, the transaction is referred to as a reverse repurchase transaction and involves buying securities against payment of a cash price, with the buyer agreeing to resell the securities at a future date, and the original seller agreeing to repurchase such securities at the same price, plus interest at a negotiated rate. Such transactions are economically equivalent to a cash loan collateralized by the securities.

The use of repurchase and reverse repurchase agreements by the Fund involves certain risks. For example, if the seller of securities to the Fund under a reverse repurchase transaction defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the Fund will seek to dispose of such securities, which action could involve costs or delays. The Fund may suffer a loss to the extent that the proceeds from the disposal of the underlying securities are less than the repurchase price due from the defaulting seller.

Borrowing for Operations

The Fund may borrow money for cash management purposes and to meet withdrawals that would otherwise result in the premature liquidation of its investments. The use of short-term borrowing creates several additional risks for the Fund. If the Fund is unable to service the debt, a secured lender could liquidate the Fund's position in some or all of the financial instruments that have been pledged as collateral and cause the Fund to incur significant losses. The occurrence of other material defaults and other financing agreements may trigger cross-defaults under the Fund's agreements with other brokers, lenders, clearing firms or other counterparties, multiplying the materially adverse impact to the Fund. The amount of debt which the Fund may have outstanding at any time may be large in relation to its assets. Consequently, the level of interest rates generally, and the rates at which the Fund can borrow particularly, will affect the operating results of the Fund.

Involuntary Disclosure Risk

The ability of the Investment Manager to achieve its investment goals for the Funds is dependent in large part on its ability to develop and protect its models and proprietary research. The models and proprietary research and the Models and Data are largely protected by the Investment Manager through the use of policies, procedures, agreements, and similar measures designed to create and enforce robust confidentiality, non-disclosure, and similar safeguards. However, aggressive position-level public disclosure obligations (or disclosure obligations to exchanges or regulators with insufficient privacy safeguards) could lead to opportunities for competitors to reverse-engineer the Investment Manager's models, and thereby impair the relative or absolute performance of the Funds.

Limited Diversification and Risk Management Failures

A Fund's portfolio could become significantly concentrated in a limited number of issues, types of financial instruments, industries, sectors, strategies, countries, or geographic regions, and any such concentration of risk may increase losses suffered by a Fund. This limited diversity could expose a Fund to losses disproportionate to market movements in general. Even when the Investment Manager attempts to control risks and diversify the portfolio, risks associated with different assets may be correlated in unexpected ways, with the result that a Fund faces concentrated exposure to certain risks. In addition, many pooled investment vehicles pursue similar strategies, which creates the risk that many funds would be forced to liquidate positions at the same time, reducing liquidity, increasing volatility and exacerbating losses. Although the Investment Manager attempts to identify, monitor and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Many risk management techniques are based on observed historical market behavior, but future market behaviour may be entirely different. Any inadequacy or failure in the Investment Manager's risk management efforts could result in material losses for a Fund.

Competition for Investments

Certain markets in which the Investment Manager, on behalf of the Funds, may invest are extremely competitive for attractive investment opportunities and, as a result, there may be reduced expected investment returns, or the liquidity of one or more of the Fund's positions may be reduced. There can be no assurance that the Investment Manager will be able to identify or successfully pursue attractive investment opportunities in such environments. Among other factors, competition for suitable investments from other pooled investment vehicles, the public equity markets and other investors may reduce the availability of investment opportunities. There has been significant growth in the number of firms organised to make such investments, which may result in increased competition to the Investment Manager, on behalf of the Funds, in obtaining suitable investments.

Market Risk

The Investment Manager, on behalf of the Funds, may make investments in markets that are volatile and/or which may become illiquid. Accordingly, the ability of the Investment Manager to respond to market movements may be impaired, which may result in significant losses to the Funds.

To the extent that the Investment Manager, on behalf of the Funds, invests on a public exchange, it bears the risk that the exchange may exercise a right to suspend or limit trading in all securities that it lists. Such a suspension could render it impossible for the Investment Manager to liquidate Fund positions and thereby exposes the Funds to potential losses. In addition, there is no guarantee that markets will remain liquid enough for the Investment Manager to close out positions on behalf of the Funds.

Catastrophes

Insurance-linked instruments are subject to incurring material losses as a result of natural, man-made or other catastrophes or pandemics. Any event which might result in an increase in the likelihood and/or severity of such events (for example, a pandemic virus leading to increased mortality) could materially adversely affect the performance of the Funds.

Systemic Risk

Credit risk may arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes 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, clearinghouses, banks, securities firms and exchanges, with which the Investment Manager interacts on a daily basis. Such risks may be exacerbated by the obligations for certain financial instruments to be centrally cleared by a third-party clearing house.

Further, world events and/or the activities of one or more large participants in the financial markets and/or other events or activities of others could result in a temporary systemic breakdown in the normal operation of financial markets. Such events could result in liquidity and counterparty issues which could result in substantial losses.

Counterparty Risk

The Investment Manager, and in turn the Funds, will have significant credit and operational risk exposure to its counterparties, which will require the Funds to post collateral to support its obligations in connection with transactions involving forwards, swaps, futures, options and other derivative instruments. Generally, counterparties will have the right to sell, pledge, re- hypothecate, assign, use or otherwise dispose of the collateral posted by the Funds in connection with such transactions. Additionally, for example, the Funds may lend securities, on a collateralised and an uncollateralised basis, from its portfolio.

Investments are normally entered into between the Funds and brokers as principal (and not as agent). Accordingly, the Fund is exposed to the risk that brokers may, in an insolvency or similar event, be unable to meet their contractual obligations to the Funds. Should any counterparty transacting with the Investment Manager (or other underlying vehicles through which the Funds directly or indirectly invests) become insolvent, any claim that the Funds (or underlying vehicles) may have against such counterparties would ordinarily be unsecured.

Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Funds has concentrated its transactions with a single or small group of counterparties. If there is a default by the counterparty to a transaction, the Fund will under most normal circumstances have contractual remedies and, in some cases, collateral pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs which could result in the Net Asset Value of the Funds being less than if the Funds had not entered into the transaction.

If one or more of the Investment Manager's counterparties that act as custodian, prime broker or broker-dealer for the Funds were to become insolvent or the subject of liquidation proceedings, there exists the risk that the recovery of the Funds securities and other assets from such custodian, prime broker or broker-dealer will be delayed or be of a value less than the value of the securities or assets originally entrusted to such custodian, prime broker or broker-dealer. In addition, the Funds cash held with the counterparties as collateral may not be segregated from the counterparty's own cash and may be used by the counterparty in the course of its investment business. The Funds will therefore rank as an unsecured creditor in relation thereto and in the event of insolvency of any such counterparties, the Funds may not be able to recover such equivalent assets in full.

Investors should assume that the insolvency of any counterparty would result in a loss to the Funds, which could be material.

Interest and Exchange Rate Risks

Fluctuations in exchange rates could cause the value of investments made by Members to increase or decrease. The Funds and the underlying vehicles through which the Funds directly or indirectly invests may have exposure to foreign exchange and/or interest rate risks. The Funds may seek to mitigate its risks through hedging transactions. To the extent these hedging transactions are imperfect or are only placed over a portion of the target investment exposure, the relevant Members will realize the resulting benefit or loss.

The Funds may invest in financial instruments denominated in non-US currencies, the prices of which are determined with reference to currencies other than the US Dollar. However, the Funds value its financial instruments in US Dollars. The Funds may or may not seek to hedge its non- US currency exposure by entering into currency hedging transactions, such as treasury locks, forward contracts, futures contracts and cross-currency swaps. There can be no guarantee that financial instruments suitable for hedging currency or market shifts will be available at the time when the Funds wishes to use them, or that hedging techniques employed by the Funds will be effective. Furthermore, certain currency market risks may not be fully hedged or hedged at all.

To the extent unhedged, the value of a Fund's direct or indirect positions in non-US investments will fluctuate with US Dollar exchange rates as well as with the price changes of the investments in the various local markets and currencies. In such cases, an increase in the value of the US Dollar compared to the other currencies in which a Fund makes investments will reduce the effect of any increases and magnify the effect of any decreases in the prices of a Fund's financial instruments in their local markets and may result in a loss to a Fund. Conversely, a decrease in the value of the US Dollar will have the opposite effect on a Fund's non-US Dollar investments.

Terrorism and Catastrophe Risks

A Fund's portfolio is subject to the risk of loss arising from exposure that it may incur, directly or indirectly, due to the occurrence of various events, including, without limitation, hurricanes, earthquakes and other natural disasters, pandemics and other health crises, terrorism and other catastrophic events. These risks of loss can be substantial and could adversely affect the return of a Fund.

Effects of Health Crises and Other Catastrophic Events

Health crises, such as pandemic and epidemic diseases, as well as other catastrophes such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, that result in disrupted markets and/or interrupt the expected course of events, and public response to or fear of such crises or events, may have an adverse effect on the operations of and, where applicable, investments made by Clients. For example, any preventative or protective actions taken by governments in response to such crises or events may result in periods of regional, national or international business disruption. Such actions may significantly disrupt the operations of Clients, AHL Partners LLP and service providers. Further, the occurrence and duration of such crises or events could adversely affect economies and financial markets either in specific countries or worldwide. The impact of such crises or events could lead to negative consequences for Clients, including, without limitation, significant reduction in the value of the Client’s assets, reduced liquidity of the Client’s investments, and restrictions on the ability to value investments. These risks of loss can be substantial, could greatly exceed all income or other gains, if any, received by Clients in assuming these risks and, depending on the size of the loss, could adversely affect the return.

Leverage and Financing Arrangements

The Funds may borrow and/or utilize various forms of leverage including leveraged or short positions under derivative instruments. While leverage presents opportunities for increasing total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment by a Fund would be magnified to the extent leverage is employed, and substantial losses may result from unwinding short positions.

The Funds may, in particular, generate leverage through the use of options, futures, options on futures, swaps and other synthetic or derivative financial instruments. Such financial instruments inherently contain much greater leverage than a non-margined purchase of the underlying security, commodity or instrument. This is due to the fact that generally only a small portion (and in some cases none) of the value of the underlying security, commodity or instrument is required to be paid in order to make such investments. As a result of leverage employed in relation to these instruments, small changes in the value of the instruments may cause a relatively large change in the value of a Fund. Many such financial instruments are subject to variation or other interim margin requirements, which may force premature liquidation of investment positions.

As a general matter, the banks and dealers that provide financing to the Funds can apply essentially discretionary margin, haircut financing as well as security and collateral valuation policies. For example, should the financial instruments pledged to brokers to secure a Fund's margin accounts decline in value, a Fund could be subject to a "margin call", pursuant to which a Fund must either deposit additional funds or financial instruments with the broker or suffer mandatory liquidation of the pledged financial instruments to compensate for the decline in value. In the event of a sudden drop in the value of a Fund's portfolio, the Fund might not be able to liquidate financial instruments quickly enough to satisfy its margin requirements. Increases in the amount of margin or similar payments could result in the need for trading activity at times and prices which could be disadvantageous to the Fund or the underlying vehicles through which the Fund directly or indirectly invests and could result in substantial losses.

As a consequence of leverage, interest expense may be material as a percentage of the assets of the Fund. Interest expense could force a reduction in the exposure of the Interests to the investment strategies. The use of such leverage means that even comparatively small losses, or insufficient profits to offset expenses, could rapidly deplete the capital available to the Fund and reduce or eliminate its profit potential. Further fees relating to any Financing Arrangements such as arrangement, commitment, minimum utilization and renewal fees may also be payable. Changes by banks and dealers in such policies, or the imposition of other credit limitations or restrictions, whether due to market circumstances or government, regulatory or judicial action, may result in large margin calls, loss of financing, forced liquidations of positions at disadvantageous prices, termination of swap and repurchase agreements and cross-defaults to agreements with other dealers. Any such adverse effects may be exacerbated in the event that such limitations or restrictions are imposed suddenly and/or by multiple market participants. The imposition of any such limitations or restrictions could compel the Fund to liquidate all or part of its portfolio at disadvantageous prices, which may lead to a complete loss of the Fund's equity.

There can be no assurance that the Fund will be able to maintain adequate Financing Arrangements or avoid having to close out positions at losses which if held would have been profitable. There is also no assurance that any Financing Arrangement will be renewed and, if any Financing Arrangement in respect of the Interests is renewed, it may be renewed on less favourable terms. In particular, third parties may not be available to act as Financing Providers. Additionally, any Financing Arrangement may be subject to early termination in accordance with its terms and may be terminated by a counterparty. A loss of, a termination of, or a reduction in, a Financing Arrangement may have the effect of causing the Fund to reduce its overall investment exposure in respect of the Interests with a corresponding reduction in investment return expectations. The renewal of a Financing Arrangement might be subject to a change in terms of that Financing Arrangement including but not limited to a change in applicable interest margins.

Equities

The Funds may invest in equity securities and equity derivatives. The value of these financial instruments generally will vary with the performance of the issuer and movements in the equity markets. As a result, the Funds may suffer losses if it invests in equity instruments of issuers whose performance diverges from the Investment Manager's expectations or if equity markets generally move in a single direction and the Investment Manager has not hedged against such a general move. The Investment Manager also may be exposed to risks that issuers will not fulfil contractual obligations such as, in the case of convertible securities, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

Fixed income securities

Fixed income securities are subject to the risk of the issuer being unable to meet its principal and interest payment obligations (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk). Fixed -income securities are sensitive to changes in interest rates. An increase in interest rates will generally reduce the value of fixed-income securities, while a decline in interest rates will generally increase the value of fixed -income securities. The Fund’s performance will therefore depend in part on the Investment Manager’s ability to anticipate and respond to such fluctuations in market interest rates, and to utilise appropriate strategies to maximise returns, while attempting to minimise the associated risks to investment capital.

Investments in Emerging Markets

The Funds may invest its assets in securities or currencies of emerging market countries. Investing in emerging markets involves additional risks and special considerations not typically associated with investing in other more established economies or markets. Such risks may include: (a) increased risk of nationalization or expropriation of assets or confiscatory taxation; (b) greater social, economic and political uncertainty, including war; greater risk of change of government policy, change of interpretation of law or level of enforcement of law; (c) higher dependence on exports and the corresponding importance of international trade; (d) greater volatility, less liquidity and smaller capitalization of markets; (e) greater volatility in currency exchange rates; (f) greater risk of inflation; (g) greater controls on foreign investment and limitations on realization of investments, repatriation of invested capital and on the ability to exchange local currencies for US Dollars; (h) increased likelihood of governmental involvement in and control over the economy; (i) governmental decisions to cease support of economic reform programs or to impose centrally planned economies; (j) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (k) less extensive regulation of the markets; (l) longer settlement periods for transactions and less reliable clearance and custody arrangements; (m) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; (n) certain considerations regarding the maintenance of the Fund's financial instruments with non-US brokers and securities depositories; (o) less publicly available information; and (p) less favourable tax provisions.

The economies of certain emerging market countries may be based predominantly on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

Emerging markets generally are not as efficient as those in developed countries. In some cases, a market for the security may not exist locally, and transactions will need to be made on a neighbouring exchange. Volume and liquidity levels in emerging markets may be lower than in developed countries. When seeking to sell emerging market securities, little or no market may exist for the securities. In addition, issuers based in emerging markets are not generally subject to uniform accounting and financial reporting standards, practices and requirements comparable to those applicable to issuers based in developed countries, thereby potentially increasing the risk of fraud or other deceptive practices. Furthermore, the quality and reliability of official data published by the government or securities exchanges in emerging markets may not accurately reflect the actual circumstances being reported.

Some securities may be subject to brokerage or stock transfer taxes levied by governments, which would have the effect of increasing the cost of investment and which may reduce the realized gain or increase the loss on such securities at the time of sale. The issuers of some of these securities, such as banks and other financial institutions, may be subject to less stringent regulations than would be the case for issuers in developed countries and therefore potentially carry greater risk. In addition, settlement of trades in some emerging markets is much slower and subject to greater risk of failure than in markets in developed countries.

Repatriation of investment income, assets and the proceeds of sales by foreign investors may require governmental registration and/or approval in some emerging countries. The Funds could be adversely affected by delays in or a refusal to grant any required governmental registration or approval for such repatriation or by withholding taxes imposed by emerging market countries on interest or dividends paid on financial instruments held by the Funds or gains from the disposition of such financial instruments.

In emerging markets, there is often less government supervision and regulation of business and industry practices, stock exchanges, over-the-counter markets, brokers, dealers, counterparties and issuers than in other more established markets. Any regulatory supervision which is in place may be subject to manipulation or control. Some emerging market countries do not have mature legal systems comparable to those of more developed countries. Moreover, the process of legal and regulatory reform may not be proceeding at the same pace as market developments, which could result in investment risk. Legislation to safeguard the rights of private ownership may not yet be in place in certain areas, and there may be the risk of conflict among local, regional and national requirements. In certain cases, the laws and regulations governing investments in securities may not exist or may be subject to inconsistent or arbitrary appreciation or interpretation. There may also be a lack of standard practices and confidentiality customs characteristic of developed markets. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences, together with the ability to enforce domestic or international judicial or arbitral awards against local counterparties, remain largely untested in many countries.

Where the Funds seeks exposure to emerging markets, including markets that limit or prevent direct access by non-local investors, the Funds may where permissible seek to obtain indirect access via derivative transactions with counterparties located in those emerging markets, which may lead to many of the risks, including those identified in this section, being significantly increased.

Risks associated with investments in the People's Republic of China

Investors should carefully consider, without limitation, the following risks in relation to investments in Funds which trade the AHL Hong Liang Investment Strategy, which will have significant exposure to the PRC.

General economic and market conditions, including in the PRC

The success of an Affiliated Portfolio Manager's decisions on behalf of the Funds trading the AHL Hong Liang Investment Strategy will be affected by general economic and market conditions, both in the PRC and generally, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Funds' investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of financial instruments' prices and the liquidity of the Funds' investments. Volatility or illiquidity could impair the Funds' profitability or result in losses. The Funds 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.

The economies of some countries (including the PRC) may differ favourably or unfavourably from the US and Western European economies in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, certain economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of certain countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

Economic and trade sanctions

International sanctions and direct and indirect responses thereto are influenced by a number of factors that are beyond the control of, and very often are not able to be predicted by, the Affiliated Portfolio Managers. In recent years, there has been an escalation of economic, trade and related sanctions imposed by the PRC and against entities in the PRC. Compounding the implications of the imposition of sanctions is the potential for the implementation of statutes, laws and/or regulations which may be designed to promote and/or formalize, or have the effect of promoting and/or formalizing, requirements for anti-compliance or non-compliance with one or more other countries' sanctions programs. Both the sanctions themselves as well as one or more countries' responses thereto (such as imposing their own sanctions, anti-compliance statutes or other statutory, legal, regulatory or other measures) may have a material adverse effect on the Fund and the Funds.

International sanctions imposed by the PRC, the US and other jurisdictions may have a variety of material adverse effects on the Fund and the Funds and the implementation of their investment programme, including, without limitation, (a) prohibiting or otherwise directly or indirectly rendering uneconomic or impracticable the Affiliated Portfolio Managers' and the Funds' transactions in certain countries and/or in certain classes of assets and/or with certain persons and/or entities, including the PRC (and/or with PRC-related counterparties or related instruments), and/or (b) otherwise reducing or limiting (up to and including completely precluding) the ability of an Affiliated Portfolio Manager to obtain direct and/or indirect access to one or more markets, instruments, exposures or assets which are or may form part of a Fund's investment programme. Affected individuals and companies may include specially designated persons or entities and other parties subject to sanctions and embargo programs implemented by the US Treasury Department's Office of Foreign Assets Control ("OFAC") or by other international, provincial, federal, state or local authorities. In addition, certain programs administered by OFAC and by other authorities prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on any lists maintained by such authorities thereby creating ambiguity and additional potential risks of non-compliance, all of which may subject the Fund to losses.

While the Affiliated Portfolio Managers regularly review global sanctions and updates thereto to assess their implications, global economic and trade sanctions, among other things: (i) are inherently very complex, (ii) may require immediate implementation without any or sufficient opportunity for clarification and/or regulatory guidance regarding ambiguities and/or nuances implicit in the sanctions, and (iii) may require further implementing regulations, formal and informal regulatory guidance in the format of "FAQs", discussions with applicable regulators or other guidance in order to be appropriately implemented, some or all of which may change frequently (including intra-day) and/or be unavailable by the applicable deadline(s) for implementation. Each of these factors individually and taken in aggregate may have a material adverse effect on the Fund and the Funds.

Government intervention and restrictions risk

The liquidity and price volatility associated with certain financial markets in China to which the Funds may have investment exposure are subject to risks of government intervention (for example, to suspend trading in particular stocks or instruments) and imposition of trading restrictions for all or certain instruments from time to time. For example, trading band limits may be imposed by exchanges in the PRC, where trading in any instrument on the relevant stock exchange may be suspended if the trading price has increased or decreased to the extent beyond the trading band limit. This may mean that the prices of instruments may not necessarily reflect their underlying value.

Investing in the PRC

In addition to the usual investment risks, investing in the PRC is subject to certain other inherent risks and uncertainties.

Accounting and reporting standards: PRC companies are required to follow PRC accounting standards and practice which follow international accounting standards to a certain extent. However, the accounting, auditing and financial reporting standards and practices applicable to PRC companies might have less detailed requirements and there may be significant differences between financial statements prepared in accordance with the PRC accounting standards and practice and those prepared in accordance with international accounting standards. As the financial reporting standards in the PRC may be less stringent than in other markets, there may be substantially less publicly available information about issuers in the PRC on which the Affiliated Portfolio Managers can base investment decisions.

Developing legal and regulatory system: The PRC legal system is a codified legal system comprising written statutes, regulations, circulars, administrative directives, internal guidelines and their interpretation by the Supreme People's Court. Since 1979, the PRC government has been developing a comprehensive system of commercial laws, and laws and regulations have been introduced dealing with economic matters such as foreign investment, corporate organization and governance, commerce taxation and trade. However, experience in the implementation, interpretation and enforcement of the laws and regulations and of commercial contracts, undertakings and commitments entered into is comparatively limited.

Foreign Exchange Controls: The PRC government imposes exchange controls limiting the conversion of local currency into other currencies and vice-versa. Exchange controls may negatively impact performance and liquidity of the Fund and the Funds as capital may become difficult to transfer out of the PRC.

Since 2005, the exchange rate of the RMB has not been pegged to the US Dollar and has moved to a managed floating exchange rate based on market supply and demand with reference to a basket of foreign currencies. The daily trading price of RMB against other major currencies in the inter-bank foreign exchange market would be allowed to float within a narrow band around the central parity published by the PBOC. As the exchange rates are based primarily on market forces, the exchange rates for RMB against other currencies are susceptible to movements based on external factors. It should be noted that RMB is currently not a freely convertible currency as it is subject to the foreign exchange control policies of the PRC government. The possibility that the appreciation of RMB will be accelerated cannot be excluded. On the other hand, there can be no assurance that RMB will not be subject to devaluation. Any devaluation of RMB could adversely affect the value of investors' investments in the Fund. Further, the PRC government's imposition of restrictions on the repatriation of RMB out of the PRC may limit the depth of the RMB market in Hong Kong and reduce the liquidity of the Fund's investments. The PRC government's policies on exchange control and repatriation restrictions are subject to change and the impact of such change on Fund's or the investors' positions is uncertain.

Investors may be adversely affected by movements of exchange rates between the RMB and other currencies: Where a Fund invests in RMB-denominated assets, currency risk arises where (i) an investor subscribes to interests of the Fund (denominated in a non-RMB currency) and the subscription monies (denominated in a non-RMB currency) are converted into RMB in order to make RMB-denominated portfolio investments, and (ii) RMB-denominated portfolio investments are liquidated and RMB funds are converted back into the relevant currency to pay redemption proceeds. The calculation of the net asset value of the Funds not denominated in RMB will also be adversely impacted by movements in the exchange rate between the RMB and the base currency of the relevant Fund.

Economic considerations: Since 1978, the PRC has implemented economic reform measures emphasizing utilization of market forces in the development of the PRC's economy and a high level of management autonomy. The economy of the PRC has experienced significant growth in the past forty years, but there can be no assurance that the PRC government will continue to pursue the same economic policies or, if it does, that those policies will continue to be successful. Economic growth has been uneven both geographically and among various sectors of the economy. Economic growth has also been accompanied by periods of high inflation. The PRC government may from time to time adopt corrective measures to restrain the rate of economic growth and/or control inflation, which may have an adverse impact on the performance of the Fund. In respect of the AHL Hong Liang Investment Strategy, many of the Funds' investments are likely to be exposed to risks relating to the PRC economy generally and risks relating to the economic cycle. Numerous factors affecting the performance of the Funds' investments, such as market volatility, interest rates, commodity prices, equity prices, currency prices, credit spreads, availability and terms of financing, demand from market participants, and deflationary and inflationary pressures, may be affected by the economic cycle and long-term economic trends. Predictions about financial market conditions and economic factors are highly uncertain, and the presence, duration, and impact of any market or economic conditions could have a material adverse effect on the Fund. During the past few years, the heavy reliance of PRC enterprises on debt financing has resulted in relatively high credit ratios in comparison to global averages. To slow down the credit scale and control the credit risk, the PRC regulators may from time to time adopt "deleveraging measures" to restrain monetary supply to the market, which may adversely impact the performance of PRC capital assets in general and, therefore, the performance of the Fund. In addition, the PRC economy is dependent upon international trade and, accordingly, has been and may continue to be adversely affected by trade barriers, exchange controls, and other protectionist measures imposed or negotiated by the countries with which they trade. Geopolitical changes and adverse diplomatic developments in the PRC could result in the imposition of additional government restrictions including the expropriation of assets, confiscatory taxes or nationalization or other measures which could adversely affect the assets of the Funds.

Regulation: PRC regulations under which non-resident investors, such as the Funds, can invest directly into equity and debt securities of domestic companies, futures and other derivative products of the PRC market, are new, evolving and untested judicially. In addition, to date, the supporting regulatory framework, such as applicable tax codes and foreign exchange regulations, have not yet been specifically amended or clarified with regard to their application to foreign investors and investments held by foreign investors. Therefore, these regulations and the underlying legislation may be clarified, interpreted by judicial or administrative ruling, superseded, expanded, restricted, suspended or otherwise in the future and sometimes at short notice. Such alterations may relate to the markets in which the Funds trade and could impact adversely on the Fund's and the Funds' operation and performance.

Securities Markets: The stock exchanges and markets in the PRC have experienced significant fluctuations in the prices of securities, and no assurance can be given that such volatility will not continue in the future. The PRC's securities markets are undergoing a period of growth and change which may lead to difficulties in the settlement and recording of transactions and in interpreting and applying the relevant regulations. The PRC's regulatory authorities have only recently been given the power and duty to prohibit fraudulent and unfair trade practices relating to securities markets, including insider trading and market abuse, and to regulate substantial acquisitions of shares and takeovers of companies.

Futures Markets: The regulation of futures and options in the PRC is evolving. The PRC market has focused on more on commodity derivatives than financial derivatives, which has led to some deficiencies in terms of liquidity, market structure and basic infrastructure of the market. The CSRC has indicated that it expects to promulgate new regulations concerning futures investments and exchanges in the near future. The nature and extent of the impact on the Fund, the Funds, the Investment Manager and the Affiliated Portfolio Managers is uncertain.

Ability to enforce legal rights: The Funds may encounter difficulties or delays in successfully pursuing claims in the courts in the PRC as compared to other countries. Further, to the extent that the Funds may obtain a judgement or arbitration award but is required to seek its enforcement in the PRC courts, there can be no assurance that such judgement or arbitration award will or can be enforced.

The PRC is a contracting party to the UN Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (the "Convention"). Foreign arbitration awards can therefore be recognised and enforced in the PRC pursuant to the Convention. However, the PRC made both commercial and reciprocity reservations when ratifying the Convention, and therefore only awards that are made in the territory of another contracting state and result from contractual and non-contractual legal relationships that are considered commercial under PRC law can be enforced in the PRC. Further, the PRC court can refuse to recognise and enforce a foreign arbitration award if one or more of the grounds set out under Article V of the Convention applies. Arbitration awards made in Hong Kong, Macau and Taiwan are subject to their respective mutual arrangements with the PRC.

With respect to the enforcement of court judgements, the PRC signed the HCCH Convention on Choice of Court Agreements 2005 (the "Hague Choice of Court Convention") in 2017. However, the Hague Choice of Court Convention will not become binding upon the PRC until it is approved by the PRC Parliament. Accordingly, in practice, parties can apply for recognition and enforcement of a foreign judgment in the PRC on one of two grounds: (1) if there is a bilateral treaty in place between the PRC and the state in which judgment is made, or (2) if there is a basis of reciprocity between the PRC and the state in which judgment is made. The PRC court, however, has discretion to refuse recognition and enforcement of a foreign judgement if the court considers the judgement violates the basic principles of the laws of the PRC or the sovereignty, security or public interest of the PRC. The PRC has also concluded bilateral treaties with a number of jurisdictions on the provision of judicial assistance. Some of those treaties include provisions on the recognition and enforcement of judgments. Recognition and enforcement of Hong Kong, Macau and Taiwan judgments are subject to their respective mutual arrangements with the PRC.

QFII system

The Funds themselves are not QFIIs, but may invest in eligible instruments permitted from time to time under the QFII system (including but not limited to China A-shares) via AHL Partners LLP, which holds a QFII license and other third parties that have obtained a QFII license in the PRC (starting from 1 November 2020, the QFII and RQFII schemes have been consolidated into one and thus for the purposes of this section, QFII and RQFII are collectively referred to as the "QFII"). To the extent that a Fund invests through QFII in the PRC, the following additional risks, without limitation, may apply:

Evolving system: The application and interpretation of the regulations which govern investments by QFIIs in the PRC and the repatriation and currency conversion is relatively untested and there is no certainty as to how they will be applied. The China Securities Regulatory Commission (the "CSRC") and the State Administration of Foreign Exchange (the "SAFE") have been given wide discretions in the regulations and there is no certainty as to how these discretions might be exercised. It is not possible to predict the future development of the QFII system and there can be no assurance that changes to the regulations will not prejudice QFIIs, or that the QFII investment quotas that have been removed recently would not be reinstated in the future. Any such changes may adversely affect the Funds.

QFII status risk: There can be no assurance that the QFII status of AHL Partners LLP will not be suspended or revoked. Such an event may adversely affect the Fund's performance as it may not be possible to implement the investment strategy of the Funds in full or in part.

QFII tax risk: Pursuant to Caishui [2014] No.79 (the "Notice No. 79") issued by the Ministry of Finance, the CSRC and the State Administration of Taxation, QFIIs are temporarily exempted from corporate income tax on gains derived from the transfer of onshore PRC securities (including China A-shares) effective from 17 November 2014. In addition, Caishui [2016] No. 36 and Caishui [2016] No. 70 states that gains derived by QFIIs from the trading of onshore PRC securities (including China A-Shares) are exempt from value-added tax from 1 May 2016. Investors should note that any tax exemption granted is temporary in nature and there is no assurance that the QFII or the Funds will continue to enjoy the tax exemption over a long period of time. It should also be noted that the actual applicable tax imposed by PRC tax authorities may be different and may change from time to time. There is a possibility of the rules and practices being changed and taxes being applied retrospectively. Because only the QFII's interests in China A-shares and bond market are recognized under PRC law, any tax liability would, if it arises, be payable by the QFII. However, in such event any tax levied on and payable by the QFII in the PRC may be passed on to and borne by the Funds (and therefore the Fund).

QFII investment restrictions: Although the relevant Affiliated Portfolio Manager does not anticipate that QFII investment restrictions will impact the ability of a Fund to achieve its investment objective, investors should note that the relevant PRC laws and regulations may limit the ability of a QFII to acquire China A-shares in certain PRC issuers from time to time. This may occur in a number of circumstances, such as: (i) where the QFII holds in aggregate 10% of the total share capital of a listed PRC issuer (regardless of the fact that the QFII may hold its interest on behalf of a number of different ultimate clients); and (ii) where the aggregated holdings of all overseas investors (including the QFII, whether or not connected in any way to the Fund) already equal 30% of the total share capital of a listed PRC issuer. In the event that these limits are exceeded the QFII will be required to dispose of the China A-shares in order to comply with the relevant requirements and, in respect of (ii), each overseas investor (including the QFII) will dispose of the relevant China A-shares on a "last in first out" basis.

Repatriation: Repatriations by QFIIs in respect of an investment fund such as the Funds based on the net balance of subscriptions or redemptions are permitted and are not subject to any lock- up periods or prior approval. The realised cumulative profits generated from investments via the QFII for the account of the Funds may be repatriated out of the PRC, as and when the relevant Affiliated Portfolio Manager instructs the custodian bank of the QFII ("PRC Custodian") to do so after the Investment has issued an undertaking letter to fully pay taxes in accordance with the relevant tax laws and regulations in the PRC, for the PRC Custodian to handle the relevant fund remittance procedures. There is no assurance, however, that PRC rules and regulations will not change or that repatriation restrictions/requirements will not be cancelled or additionally imposed in the future. Any new restrictions on repatriation of the invested capital and net profits may impact on the Funds' and the Fund's ability to meet redemption requests.

QFII custodian and brokers: Any China A-shares or other permissible securities acquired for the Funds through the QFII will be maintained by the PRC Custodian, in electronic form via securities accounts in such name as may be permitted or required in accordance with PRC law with China Securities Depositary and Clearing Corporation Limited ("CSDCC") and other relevant clearing houses in the PRC. The Funds may incur losses due to the acts or omissions of the PRC Custodian and will be exposed to the risk involved in the execution or settlement of any transaction or in the transfer of any funds or securities in the PRC settlement system.

The relevant Affiliated Portfolio Manager selects PRC securities firms and/or futures firms ("PRC Broker(s)") to execute transactions for the Funds through the QFII system in PRC markets. If the relevant Affiliated Portfolio Manager considers appropriate, it is possible that a single PRC Broker will be appointed for both the SSE and the SZSE or for all of the relevant futures exchanges. Should, for any reason, the relevant Affiliated Portfolio Manager be unable to use the relevant PRC Broker, the operation of the Funds would be adversely affected.

The Fund and the Funds may also incur losses due to the acts or omissions of either the PRC Broker(s) or the PRC Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities.

Ownership of QFII assets: Although a QFII will maintain records of the assets attributable to the Funds, it is possible that in the event of any insolvency proceedings being brought against the QFII in the PRC, the courts in the PRC would not recognize the right of the Funds to the assets held by the QFII in respect of the Funds. In such circumstances, the Funds would be treated as an unsecured creditor of the QFII and accordingly may be unable to recover such assets in full.

Access Products

The Funds may obtain exposure to the PRC market by investing into derivative instruments (such as notes, warrants, options or participation certificates) linked to China A-shares, futures, bonds and/or other products which aim to synthetically replicate the economic benefit of the relevant financial products (each an “Access Product”).

An Access Product represents only an obligation of the counterparty issuing the Access Product to provide to the Funds the economic performance equivalent to holding the underlying China A-shares, bonds, futures, or other products. An Access Product does not provide any beneficial or equitable entitlement or interest in those PRC financial products to which the Access Product is linked. An Access Product constitutes an unsecured contractual obligation of the relevant issuer. Accordingly, the Funds will be subject to credit risk of the issuer of any Access Product invested in by the Funds. The Funds may suffer a loss, potentially equal to the full value of the Access Product, if the issuer becomes bankrupt or otherwise fails to perform its obligations under the Access Product due to financial difficulties. The regulations in respect of Access Products are relatively new and are evolving at a fast speed. These regulations may be clarified, interpreted by judicial or administrative ruling, superseded, expanded, restricted, suspended or otherwise in the future and sometimes at short notice. Such alterations could impact adversely on the Fund’s and the Funds’ ability to access the PRC market via Access Products.

To the extent a Fund gains exposure to the PRC market through the Access Product, the following risks may also apply. Please refer to “Counterparty risk” and “Swaps” for more details.

Illiquidity Risks: Any Access Product will be subject to the terms and conditions imposed by its issuer and such terms and conditions may lead to delays in implementing the investment strategy. Access Products typically have no active secondary market and so have limited liquidity. In order to liquidate investments, the Funds will rely upon the issuer quoting a price to unwind part of the Access Product. Accordingly, the ability to adjust positions may be restricted which may have an impact on the performance of the Fund.

Limitation on the underlying products: Under the relevant PRC laws and regulations, the ability of the counterparty to acquire China A-shares, futures, bonds and other products may be limited from time to time due to the imposition of certain investment restrictions. These restrictions may restrict the ability of an issuer to issue, and therefore the ability of the Funds to purchase, Access Products linked to certain Chinese financial products. In extreme circumstances, the relevant Affiliated Portfolio Manager may not be able to fully implement or pursue the Investment Strategies due to such restrictions.

Risks associated with position limits, trading restrictions and reporting obligations: Certain PRC governmental authorities, other regulators, and self-regulatory bodies have imposed (and may impose) limits, triggers, and/or other thresholds with respect to positions in certain types of securities, futures contracts, and other assets in which the Funds are expected to invest directly or indirectly through Access Products. Positions owned, held, or controlled by related entities (such as affiliates of the Fund, the Funds, the Investment Manager and Affiliated Portfolio Managers) may be aggregated for purposes of determining whether such thresholds have been reached or exceeded. With respect to positions managed by such entities, the relevant Affiliated Portfolio Manager may (a) limit trading in such positions in order to avoid reaching such thresholds or (b) if such thresholds are exceeded, (i) dispose of positions to the extent necessary to fall below those thresholds, (ii) be limited in purchasing or selling such positions for a certain period of time, or (iii) be subject to disclosure obligations, filings, fines, limits on short-term trading profits, or other consequences; in each case which could have a material adverse effect on the Fund. For example, certain exchanges may require aggregation of a Fund's positions in certain futures contracts, options on futures contracts, and/or contracts on any Access Products with economically equivalent positions held by other investment vehicles, which are managed by the relevant Affiliated Portfolio Manager and its affiliates, in applying limits on net long or net short positions in such contracts. In such cases, such other investment vehicles may utilize the full amount of available position limits for their own benefit, and, as a result, a Fund could be required to limit its use of futures or liquidate its positions on such exchanges.

The Funds may engage in transactions that, as a result of ownership of a security or other instrument by a Fund, could require filings with a governmental agency, public disclosure, and/or compliance with other regulatory requirements, such as beneficial ownership reporting or certain restrictions on trading. In addition, the relevant Affiliated Portfolio Manager may be restricted (by law or by internal policies of the Affiliated Portfolio Manager) in its ability to trade a particular investment or may determine to limit or prohibit the participation of a Fund in a particular investment or to cause the Fund to liquidate a particular investment at an inopportune time. Compliance with filing and other requirements (including additional reporting requirements imposed in the future on the Funds and/or the relevant Affiliated Portfolio Manager) may result in additional costs to the Funds and/or may delay their ability to trade, or to respond in a timely manner to changes in the markets with respect to, the applicable security or other instrument. The regulatory regimes outlined above may change over time, and any such changes may adversely affect the Fund.

Risks associated with investing in stocks listed on the STAR Market

The Funds are permitted to invest in the stocks of companies listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange (hereinafter referred to as the "STAR Market").

The industries where the STAR Market-listed companies in which a Fund invests operate and their businesses may have characteristics such as large R&D investment, long profitability cycle, quick technology iteration, high risk, and heavy reliance on core projects, core technical staff and a limited number of suppliers, among others. Substantial uncertainties exist in their on-going innovative capacity, sustainability of principal business development, revenue and profitability after they are listed, which will impact their share prices and lead to volatility in the Fund's net asset value.

Under the listing rules of the STAR Market, the STAR Market-listed companies in which the Funds invest may fail to record continuous profits in the three most recent accounting years before IPO, fail to achieve profitability at the time of public offering and listing, and have cumulative uncompensated losses and may still fail to achieve profitability, continue to record losses and be unable to distribute profits after listing. This may lead to a decline in the price of shares held by a Fund or a decrease in profits available for distribution, which will lead to a drop in the Fund's net asset value.

The STAR Market adopts a stricter delisting system than the main board of the Shanghai Stock Exchange and the Shenzhen Stock Exchange (the "Main Board"): the delisting period is shorter; delisting could be triggered under more circumstances (compared with the relevant rules of the Main Board, it is newly added that delisting could be triggered when the market cap is below the prescribed threshold or when the listed company's information disclosure or operation contains serious flaws); delisting implementation standards are more rigorous (including an obvious loss of going concern abilities; listed companies that solely rely on trade unrelated to their principal businesses or rely on revenue from related party transactions that have no business substance may be required to delist). Therefore, the Funds are subject to the risk that they may suffer losses as a result of unexpected delisting of the STAR Market-listed companies in which they invest.

The STAR Market adopts a more relaxed daily limit on the rise and fall of share prices for auction trading. Specifically, there is no daily limit on the rise or fall of the share price in the first five trading days after the initial public offering of shares and the share price is allowed to rise or fall by as much as 20% thereafter. Therefore, the risk of share price volatility is bigger on the STAR Market, which may lead to fluctuation in the Funds' (and therefore the Fund's) net asset value.

Given that the policy for the STAR Market has been implemented for a relatively short period of time, the relevant rules and guidelines for the STAR Market are relatively limited, Moreover, the Market faces greater uncertainties and possibilities of policy changes as compared with the Main Board. In addition, since STAR Market investors may be less experienced than the more mature Main Board investors, the STAR Market could be more volatile, which may lead to fluctuation in the Funds' (and therefore the Fund's) net asset value.

Stock Connect

The Funds may make investments in China-A shares through the Shanghai-Hong Kong Stock Connect or the Shenzhen–Hong Kong Stock Connect mutual market access model ("Stock Connect"). This may be subject, without limitation, to the following risks:

Quota limitations: Stock Connect is subject to quota limitations. The investment quota does not belong to the Funds and is utilized on a first-come-first-serve basis. In particular, once the remaining balance of the northbound trading (which refers to the trading of certain PRC listed stocks (e.g., Shanghai and Shenzen Stock Exchanges) by Hong Kong and overseas investors) daily quota drops to zero or the northbound trading daily quota is exceeded during the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance). The Funds' ability to invest in China A-shares through the Stock Connect may be affected.

Suspension risk: The Stock Exchange of Hong Kong Limited (the "SEHK"), the Shanghai Stock Exchange (the "SSE") and the Shenzhen Stock Exchange (the "SZSE") reserve the right to suspend northbound and/or southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in northbound trading is effected, the Funds' ability to access the China-A shares market through Stock Connect will be adversely affected.

Operational risk: Stock Connect provides a channel for investors from Hong Kong and overseas to access the PRC stock market directly. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house. As the securities regimes and legal systems of the two markets differ significantly, market participants may need to address issues arising from such differences on an on-going basis in order for the program to operate.

Further, the "connectivity" in the Stock Connect requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the program could be disrupted.

Limited number of securities; recalling of eligible stocks: The list of eligible SSE and SZSE securities for trading (buying and/or selling) through Stock Connect covers only a limited number of securities traded on SSE and SZSE, respectively. The list of eligible securities and its admission criteria can be revised by SEHK from time to time. If a stock is recalled from the scope of eligible stocks for trading via the Stock Connect, the stock can only be sold and cannot be bought. This may affect the Funds' investment portfolio or strategy if, for example, the relevant Affiliated Portfolio Manager wishes to purchase a stock which is recalled from the scope of eligible stocks.

Clearing and settlement risk: Hong Kong Securities and Clearing Company Limited ("HKSCC") and CSDCC have established the clearing links and each has become a participant of the other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on the one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house. Should the remote event of CSDCC default occur and the CSDCC be declared as a defaulter, HKSCC's liabilities in northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against the CSDCC. HKSCC will in good faith seek recovery of the outstanding stocks and monies from the CSDCC through available legal channels or through the CSDCC's liquidation. In that event, the Funds may suffer delay in the recovery process or may not be able to fully recover its losses from the CSDCC.

Nominee arrangements: HKSCC is the nominee holder of the SSE securities and SZSE securities acquired by Hong Kong and overseas investors through Stock Connect.

The Chinese Stock Connect rules expressly provide that investors enjoy the rights and benefits of the securities acquired through Stock Connect in accordance with applicable laws. Such rules are departmental regulations having legal effect in China. However, the application of such rules is untested, and there is no assurance that Chinese courts will recognize such rules (for example, in liquidation proceedings of PRC companies).

It should be noted that, under the Central Clearing and Settlement System ("CCASS") rules, HKSCC as nominee holder shall have no obligation to take any legal action or court proceedings to enforce any rights on behalf of the investors in respect of the SSE securities and SZSE securities in the PRC or elsewhere. Therefore, although a Fund's ownership may be ultimately recognized, the Funds may suffer difficulties or delays in enforcing its rights in SSE securities or SZSE securities.

Participation in corporate actions and shareholders' meetings: HKSCC will keep CCASS participants informed of corporate actions of SSE securities and SZSE securities. Hong Kong and overseas investors (including the Funds) will need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS participants). The time for them to take actions for certain types of corporate actions of SSE securities and SZSE securities may be as short as one business day only. Therefore, the Funds may not be able to participate in certain corporate actions in a timely manner.

Overseas investors (including the Funds) hold SSE securities and SZSE Securities traded via Stock Connect program through their brokers or custodians. According to existing PRC practice, multiple proxies are not available. Therefore, the Funds may not be able to appoint proxies to attend or participate in shareholders' meetings in respect of the SSE securities and SZSE securities.

No Protection by Investor Compensation Fund: Investment through the Stock Connect program is conducted through broker(s), and is subject to the risks of default by such brokers on their obligations. The Funds' investment through northbound trading under Stock Connect is not covered by Hong Kong's Investor Compensation Fund or the PRC equivalent. Investors should note that the Funds are exposed to the risk of default of the broker(s) it engages for its northbound trading through the program.

Regulatory risk: The Stock Connect is evolving, and will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in China and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connect. The regulations are untested and there is no certainty as to how they will be applied, and are subject to change. There can be no assurance that the Stock Connect will not be abolished.

Taxation risk: Although the relevant authorities have announced that corporate income tax ("CIT") and value-added tax ("VAT") will be temporarily exempted on gains derived by Hong Kong and overseas investors (including the Funds) on the trading of China A-shares through the Stock Connect, dividends from China A-share investments via the Stock Connect paid to Hong Kong and overseas investors will continue to be subject to 10% Chinese withholding income tax ("WIT") and the listed company distributing the dividend has the withholding obligation. The PRC regulators have issued a circular concerning the tax treatment for the Shanghai-Hong Kong Stock Connect (Caishui [2014] No. 81 – The Circular Concerning the Tax Treatment for the Pilot Program of the Shanghai-Hong Kong Stock Connect) (the "Notice No. 81") and a circular concerning the tax treatment for the Shenzhen-Hong Kong Stock Connect (Caishui [2016] No. 127 – The Circular Concerning the Tax Treatment for the Pilot Program of the Shenzhen-Hong Kong Stock Connect) (the "Notice No. 127"), pursuant to which CIT will be temporarily exempted on gains derived from the trading of China A-shares via the Stock Connect.

Pursuant to Circular No.127 and a circular concerning the VAT treatment (Caishui [2016] No.36 – The Circular Concerning the Comprehensive Roll-out of the B2V Transformation Pilot Program) (the "Circular No.36"), the VAT will be temporarily exempted on capital gains derived by Hong Kong and overseas investors (including the Funds) on the trading of China A-shares through the Stock Connect. Dividends are not a VAT taxable income and therefore are not subject to China VAT.

Investors should note that the tax exemption under Notice No. 81, Notice No. 127 and Notice No. 36 was granted on a temporary basis and there is no assurance that the Funds will continue to enjoy the tax exemption over a long period of time. If the exemption under Notice No. 81, Notice No. 127 and Notice No. 36 is withdrawn, or if guidance is issued in relation to the tax position for China A-shares traded via the Stock Connect which differs from the current practice of the relevant Affiliated Portfolio Manager, any tax on capital gains derived from the trading of China A-shares via the Stock Connect may be directly borne by the Funds and may result in a substantial impact to the Funds' (and therefore the Fund's) net asset value.

The Chinese tax rules and practices in relation to the Stock Connect are relatively new and their implementation is untested and uncertain. It is possible that any future announcement by the Chinese tax authority may subject the Funds to unforeseen tax obligations, which may have retrospective effect.

Differences in trading days: Stock Connect only operates on days when the SEHK market and the mainland market (SSE and SZSE) are open for trading, and banking services are available in both markets on the corresponding settlement days. Accordingly, there may be occasions when it is a trading day for the PRC market but not a trading day for the Hong Kong market. On these occasions, the Funds may be subject to a risk of price fluctuations in China A-shares as the Funds will not be able to trade China A-shares through Stock Connect.

Shenzhen-Hong Kong Stock Connect Specific Risks: The Shenzhen-Hong Kong Stock Connect is more recently launched and does not have an operating history and the risks identified above are particularly relevant to the Shenzhen-Hong Kong Stock Connect due to the limited operating history. Investors should note that the performance of the Shenzhen-Hong Kong Stock Connect may not be the same as the performance of the Shanghai-Hong Kong Stock Connect to date.

Front-end monitoring risk: PRC regulations require that in order for an investor to sell any China A-shares on a certain trading day, there must be sufficient China A-shares in the investor's account before market opens on that day. If there are insufficient China A-shares in the investor's account, the sell order will be rejected by the SSE or the SZSE. The SEHK carries out pre-trade checking on SSE securities and SZSE securities sell orders of its participants (i.e. stock brokers) to ensure that this requirement is satisfied. If a Fund intends to sell certain China A-shares it holds, it must transfer such securities to the accounts of its brokers before the market opens on the trading day unless its brokers can otherwise confirm that the Fund has sufficient China A- shares in its accounts. If it fails to meet this deadline, it will not be able to sell China A-shares on the relevant trading day. Because of this requirement, the Funds may not be able to dispose of holdings of China A-shares in a timely manner.

Alternatively, if a Fund maintains its China A-shares with a custodian which is a custodian participant or general clearing participant participating in CCASS, the Fund may request such custodian to open a special segregated account ("SPSA") in CCASS to maintain its holdings in China A-Shares under the enhanced pre-trade checking model. Each SPSA will be assigned a unique "Investor ID" by CCASS for the purpose of facilitating the Stock Connect system to verify the holdings of an investor such as the Funds. Provided that there is sufficient holding in the SPSA when a broker inputs the Fund's sell order, the Fund will only need to transfer China A-shares from its SPSA to its broker's account after execution and not before placing the sell order and the Fund will not be subject to the risk of being unable to dispose of its holdings of China A-shares in a timely manner due to failure to transfer China A-shares to its brokers in a timely manner. If a Fund is unable to utilise this model, it would have to deliver China A-shares to brokers before the trading day and the above risks may still apply.

Risks associated with the Small and Medium Enterprise ("SME") Board and/or ChiNext Board: The Funds may from time to time invest in the SME Board and/or the ChiNext Board of the SZSE via the Shenzhen-Hong Kong Stock Connect. Investments in the SME Board and/or ChiNext Board may result in significant losses for the Funds and their investors (including the Fund). The following additional risks apply:

- Higher fluctuation on stock prices – Companies listed on the SME Board and/or ChiNext Board are usually of an emerging nature with smaller operating scale. Hence, they may be subject to higher price fluctuation and lower liquidity and have higher risks and turnover ratios than companies listed on the Main Board of the SZSE.

- Over-valuation risk – Stocks listed on the SME Board and/or ChiNext Board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

- Differences in regulations – The rules and regulations regarding companies listed on ChiNext Board are less stringent in terms of profitability and share capital than those in the Main Board and SME Board.

- Delisting risk – It may be more common and faster for companies listed on the SME Board and/or ChiNext Board to delist. This may have an adverse impact on the Funds if the companies that it invests in are delisted.

CSRC approved in February 2021 the merger of the SME Board and the Main Board of the SZSE for the purpose of optimising the trading structure of SZSE whilst maintaining their respective listing rules and investors eligibility requirements currently in existence. The nature and extent of the impact of such integration on the Fund, the Funds and the relevant Affiliated Portfolio Manager is uncertain.

CIBM Initiative and Bond Connect

The Funds may invest in the China Interbank Bond Market ("CIBM") via the CIBM Initiative and/or Bond Connect regimes.

Credit Rating Risks: The PRC domestic credit rating regime has yet to be reconciled with international standards. Other than certain bonds issued by the governmental entities, large banks and enterprises which are rated by international credit standards, most bond credit evaluations are still based on ratings given by domestic credit rating agencies. This may create difficulties for the Funds to correctly assess the credit quality and credit risk of its bond investment. In addition, domestic PRC bonds invested in by the Funds may be rated below investment grade or may not be rated by any rating agency of an international standard. Such securities are generally subject to a higher degree of credit risk and a lower degree of liquidity, which may result in greater fluctuations in value. The value of these securities may also be more difficult to ascertain and thus the net asset value of a Fund which invests in such securities may be more volatile. Investors should therefore be aware that the Funds may invest into bond products that may be subject to higher volatility, price fluctuations and risks than a comparable investment in bond products outside the PRC.

Regulatory Risks: An investment in the CIBM by the Funds is subject to regulatory risks. The relevant rules and regulations on investments in the CIBM are subject to changes which may have potential retrospective effect. In the event that the relevant PRC authorities suspend accounts opening or trading in CIBM, the Funds' ability to invest in CIBM will be limited and, after exhausting other trading alternatives, the Funds may suffer substantial losses as a result.

Moreover, although there is no quota restriction under the CIBM investment regulations, relevant information about a Fund's investments, such as the investment term, needs to be filed with the PBOC and an update filing will be required if there is any significant change to the filed information. It cannot be predicted whether the PBOC will make any comments on or require any changes with respect to such information for the purpose of filing. If so required, the Funds will need to follow PBOC instructions and make the relevant changes accordingly, which, may not be in the best interests of the Funds, the Fund and the Shareholders from a commercial perspective.

Liquidity and Volatility: Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the CIBM may result in prices of certain debt securities traded on such market fluctuating significantly. When investing in such market the Funds are therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the Funds may therefore incur significant trading and realisation costs and may even suffer losses when disposing of such investments. The debt securities traded in CIBM may be difficult or impossible to sell, and this would affect the Funds' ability to acquire or dispose of such securities at their intrinsic value.

Settlement Agent and Procedures: An onshore settlement agent shall be engaged by the relevant Affiliated Portfolio Manager to make the filing on behalf of the Funds and conduct trading and settlement agency services for the Funds. To the extent that a Fund transacts in the CIBM, the Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with a Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

Since the relevant filings and account opening for investment in the CIBM have to be carried out via the onshore settlement agent, the Funds are also subject to the risks of default or errors on the part of the onshore settlement agent.

Moreover, PBOC will exercise on-going supervision on the onshore settlement agent and the Funds' trading activities under the CIBM investment regulations. In the occurrence of any non-compliance of these regulations by either the onshore settlement agent or the Funds, the PBOC may take relevant administrative actions such as suspension of trading or business and mandatory exit against the onshore settlement agent, the Funds and/or the relevant Affiliated Portfolio Manager. The Funds, the Fund and the investors may suffer substantial losses due to such suspension or mandatory exit.

Remittance and Repatriation: The CIBM investment regulations allow foreign investors to remit investment amounts in CNH or foreign currency into China for investing in the CIBM. For repatriation of funds out of China by the Funds, the ratio of CNH to foreign currency should generally match the original currency ratio when the investment principal was remitted into China, with a maximum permissible deviation of 10%. Such requirements may change in the future, and the nature and extent of such changes, and their impact on the Funds' investment in the CIBM, are uncertain.

System failure risks for Bond Connect: Trading through Bond Connect is effected through newly developed trading platforms and operational systems. There can be no assurance that such systems will function as anticipated or will continue to be adapted to changes and developments in the market. In the event that the relevant systems fail to function properly, trading through Bond Connect may be disrupted. The Funds' ability to trade through Bond Connect (and hence to pursue their investment strategies) may therefore be adversely affected. In addition, where a Fund invests in CIBM through Bond Connect, it may be subject to risks of delays inherent in the order placing and/or settlement systems.

Transfer limits and settlement risks under Bond Connect: Under the Bond Connect, a trading order can only be executed through a trading system recognised by the PBOC with onshore market makers approved by the PRC regulators as the counterparty. As of April 2020, there are 56 approved market makers with more to be added to the list. The debt securities purchased through Bond Connect generally may not be sold, purchased or otherwise transferred other than through Bond Connect in accordance with applicable rules. This may expose a Fund to settlement risks if its counterparty defaults and may limit the Fund's ability to execute trades with different counterparties.

Risk of nominee structure under Bond Connect: Debt securities purchased via Bond Connect will be held in the name of the Central Moneymarkets Unit ("CMU"), an organization established by the Hong Kong Monetary Authority to provide CMU members with securities transfer services. A Fund's ownership in those debt securities may not be reflected directly in the records of the China Central Depository & Clearing Co., Ltd. or Shanghai Clearing House and will instead be reflected on the records of the CMU. The Funds may therefore depend on CMU's ability or willingness as the record holder of debt securities purchased under Bond Connect to enforce the Funds' ownership rights. If a Fund wishes to directly enforce its ownership rights or creditor rights against the bond issuers, there lack judicial precedents in China on whether such an action will be recognised and enforced by the Chinese courts.

Custodian risks for CIBM Initiative: The CIBM Initiative requires the appointment of an onshore custodian/agent bank. In the case where such custodian/agent bank refuses to act in accordance with the instructions of a Fund or in the rare case where the custodian/agent itself is insolvent, the enforcement of the trading documents and against the underlying assets may be subject to a certain level of delay. Under PRC law, in case of liquidation or bankruptcy, although the assets kept in the custody of the PRC custodian banks are ring-fenced from the bankruptcy assets of the custodian, the retrieval of such assets may be subject to various legal procedures that are time consuming.

Overseas participation in China's futures market

The Funds may purchase certain types of futures contracts available for foreign participants in the relevant futures exchanges in the PRC through the Overseas Participation Program. Subject to the requirements of each of the relevant exchanges, the Funds may be able to participate in the futures trading via different methods once satisfying certain conditions, such as trading directly as an overseas "non-broker participant", through an approved overseas special broker participant (OSBP), through a PRC securities firm which is a member of the relevant exchange, or through a non-PRC overseas intermediary which is not approved as an OBSP but recognised by the relevant futures exchange.

The futures products available under the Overseas Participation Program are evolving. As of January 2021, there are seven types of specific futures contracts made available under this program, which include Palm Oil, Copper Cathode, Low Sulphur Fuel Oil, TSR20, PTA, Iron Ore and Crude Oil. Albeit an indication from the relevant regulators to further widen the access of the Chinese futures market to foreign participants, there can be no assurance of which products to be added to the expanded list and whether the currently available futures contracts will continue to be offered in the future.

The Fund's and the Funds' operation and performance may be impacted by any alterations in the methods of trading and the availability of futures products under the Overseas Participation Program, and such impact is uncertain.

Whilst engaging in Chinese futures market through the Overseas Participation Program, the Funds shall be subject to the requirements imposed by the CSRC and relevant exchanges in respect of position limit, trading restrictions and reporting obligations etc, as well as certain aggregation requirements. Please refer to "Risks associated with Position Limits, Trading Restrictions and Reporting Obligations" for more details."

Execution of orders

The Funds' investment strategies and trading strategies depend on its ability to establish and maintain an overall market position in a combination of financial instruments selected by the Investment Manager. The Funds' 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 the Investment Manager, the Funds' counterparties, brokers, dealers, agents or other service providers. In such event, the 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 Funds might not be able to make such adjustment. As a result, the Funds would not be able to achieve the market position selected by the Investment Manager, which may result in a loss. Further, due to the nature of the products and markets in which the Funds may invest, the

Funds may be forced to execute trades via third parties in various jurisdictions that restrict non-local access, which may give rise to operational uncertainties, lack of clarity regarding the legal ownership of underlying assets and an increase in costs and expenses. Although the Funds will seek to mitigate such risks it may not always be practicable to do so.

Undervalued Securities

The identification of investment opportunities in undervalued securities is a difficult task and there can be no assurance that such opportunities will be successfully recognised. While investments in undervalued securities offer opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from a Funds' investments may not adequately compensate for the financial risks assumed. The Funds may make certain speculative investments in securities which the Investment Manager believes to be undervalued. However, there can be no assurance that the securities purchased will in fact be undervalued. In addition, the Funds may be required to hold such securities for a substantial period of time before realising their anticipated value. During this period, a portion of the Funds capital would be committed to the securities purchased, thus possibly preventing the Funds from investing in other opportunities.

Exchange-traded funds

The Fund may invest in exchange-traded funds ("ETFs"), which are shares of publicly-traded unit investment trusts, open-ended funds, or depository receipts that seek to track the performance and dividend yield of specific indexes or companies in related industries. These indexes may be either broad-based, sector, or international. However, ETF shareholders are generally subject to the same risk as holders of the underlying securities they are designed to track. ETFs are also subject to certain additional risks, including, without limitation, the risk that their prices may not correlate perfectly with changes in the prices of the underlying securities they are designed to track, and the risk of trading in an ETF halting due to market conditions or other reasons, based on the policies of the exchange upon which the ETF trades. In addition, the Fund may bear, along with other shareholders of an ETF, its pro rata portion of the ETF's expenses. Accordingly, in addition to bearing their proportionate share of the Fund's expenses (e.g., the Services Management Fee and operating expenses), Shareholders may also indirectly bear similar expenses of an ETF, which can have a material adverse effect on the return on capital of the Fund.

Short Selling

Short selling involves selling securities which are not owned by the short seller, and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the seller to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which the Funds engages in short sales will depend upon the Funds investment strategy and opportunities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Funds of buying those securities to cover the short position. There can be no assurance that the Funds will be able to maintain the ability to borrow securities sold short. In such cases, the Funds can be "bought in" (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Debt Securities

The Funds may invest directly or indirectly in corporate and government debt securities and instruments, and may take short positions in these securities. The Funds may invest in these securities when they offer opportunities for capital appreciation (or capital depreciation in the case of short positions) and may also invest in these securities for temporary defensive purposes and to maintain liquidity. Debt securities include, among others: bonds, notes and debentures issued by corporations; debt securities issued or guaranteed by a sovereign government; municipal securities; and mortgage-backed securities ("MBS") and asset backed securities ("ABS"), including securities backed by collateralised debt obligations ("CDO"). The Funds may also be exposed to the underlying creditworthiness of corporations, municipalities and sovereign states (among others) by the use of credit default swaps ("CDS"). These securities may pay fixed, variable or floating rates of interest, and may include zero coupon obligations.

Debt securities are subject to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations (i.e., credit risk) and are subject to price volatility resulting from, among other things, interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk). An economic recession could severely disrupt the market for most of these securities and may have an adverse impact on the value of such instruments. It is likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

The Funds may invest in both investment grade debt securities and non-investment grade debt securities (commonly referred to as junk bonds), as well as unrated debt securities. Non-investment grade debt securities in the lowest rating categories and unrated debt securities may involve a substantial risk of default or may be in default. Adverse changes in economic conditions or developments regarding the individual issuer are more likely to cause price volatility and weaken the capacity of the issuers of non-investment grade debt securities to make principal and interest payments than issuers of higher-grade debt securities. Moreover, the market for lower grade debt securities may be thinner and less active than for higher grade debt securities.

The financial crisis demonstrated that even securities backed by very large pools of assets may be subject to volatility where markets may be subject to volatility levels which are higher than might ordinarily be expected. Pre-crisis, debt securities backed by CDOs were considered to be low-risk instruments, as historical statistics appeared to demonstrate that cash flows from a sufficiently large pool of assets, such as credit card debts or mortgage debts, should be highly stable. Accordingly, ratings agencies frequently assigned investment grade ratings to these securities and, in many cases, "AAA" or equivalent ratings. In spite of such high ratings, during the financial crisis, the holders of many of these debt securities suffered significant losses due, among other factors, to statistically unprecedented levels of defaults by underlying debtors. There can be no assurance that, in comparable markets, MBS or ABS held by the Funds would not be subject to similar losses.

Where the Funds invests in MBS and other debt securities secured by real estate, it will be exposed to the fluctuations and cycles in value which are characteristic of real estate markets, as well as specific risks including, among others: adverse changes in national or international economic conditions; changes in supply of or demand for properties; the financial condition of tenants, buyers and sellers of properties; changes in the availability of debt financing; changes in interest rates, exchange rates, real estate tax rates and other operating expenses; and government actions including potential regulations on rent control, environmental laws and regulations, real estate laws and regulations, zoning and planning laws, regulations and other rules and fiscal policies. Notwithstanding the above, during any time that the assets of the Funds are treated as plan assets for purposes of ERISA or Section 4975 of the Code, certain issuers of MBS, ABS or CDOs may restrict or prohibit the Funds from acquiring certain tranches of MBS, ABS or CDOs.

Derivative Instruments

The Investment Manager, on behalf of the Funds, may enter into derivative instruments, such as credit derivatives. It may take advantage of opportunities with respect to certain derivative instruments that are not presently contemplated for use or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with the investment objective of the Funds and legally permissible. Special risks may apply to instruments that are invested in by the Funds in the future that cannot be determined at this time or until such instruments are developed or invested in by the Funds. For example, risks with respect to credit derivatives may include determining whether an event will trigger payment under the contract and whether such payment will offset the loss or payment due under another instrument. In the past, buyers and sellers of credit derivatives have found that a trigger event in one contract may not match the trigger event in another contract, exposing the buyer or the seller to further risk. Other swaps, options, and other derivative instruments may be subject to various types of risks, including market risk, regulatory risk, tax risk, liquidity risk, the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty, legal risk, and operations risk. Where the Funds invest in derivatives such as futures or forwards that are linked to commodities, there is a risk that, were there to be an error in closing out the relevant position in time, the Funds might be required to take physical delivery of such commodities, or arrange for another party to take delivery on short notice, with resulting additional costs. In addition, as new derivative instruments are developed, documentation may not be standardised, leading to potential disputes or misunderstanding with counterparties. The regulatory and tax environment for derivative instruments in which the Funds may participate is evolving, and changes in the regulation or taxation of such financial instruments may have a material adverse effect on the Funds.

Further general risks of dealing in derivatives include (i) leverage; (ii) inability to close out a position on favourable terms or at all; (iii) the price of the underlying securities; (iv) over-the counter contracts; and (v) contractual asymmetries and inefficiencies.

Leverage Risk

Investing in derivatives generally involves paying an initial deposit or "initial margin" with a broker, who in the case of exchange-traded derivatives will handle subsequent payments such as margin calls. A relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of the funds actually placed as initial margin and could result in significant margin calls on the Funds. The Funds may be required to liquidate investments prematurely or incur borrowings to meet margin calls potentially resulting in losses to the Fund, which could have a material adverse effect on the Fund's performance and returns to shareholders.

Inability to close out a position on favourable terms or at all

Daily limits on price fluctuations and speculative position limits on exchange-traded derivatives may prevent prompt liquidation of positions which could have a material adverse effect on the performance of the Funds and returns to shareholders.

Risk on the price of underlying securities

Investing in derivatives involving underlying securities or indices, such as options, exposes the Funds to the risk of change in the market price in the underlying securities.

Over-the-Counter Contracts

Off-exchange or "over-the-counter" contracts, such as forward financial exchange contracts, are subject to greater price volatility and greater illiquidity than those traded on an exchange: (i) as they are traded through an informal network of banks and other dealers which have no obligation to make markets in these instruments; (ii) as there are fewer market makers, likely resulting in wider spreads between their bid and asked prices and lower trading volumes; and (iii) as positions are not marked-to-market on a daily basis. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Counterparties to a transaction may be unable or unwilling to perform their side of such a contract and as such contracts are not guaranteed by an exchange or clearing house any such default would eliminate any profit potential and compel the Funds to cover its commitments for resale or repurchase, if any, at the then-prevailing price, which may be difficult to determine. Any of these events could have a material adverse effect on the performance of the Funds and returns to Shareholders.

Contractual Asymmetries and Inefficiencies

The Investment Manager, on behalf of the Funds, may enter into certain contracts that contain provisions that place it in an "asymmetrical" position relative to its counterparty, such as break clauses, whereby a counterparty may unilaterally terminate a transaction on the basis of a specified reduction in net asset value, incorrect collateral calls or delays in collateral recovery. Where the Investment Manager does not have similar rights against the counterparty, the exposure of the Funds to such counterparty is increased, which could have a material adverse effect on the performance of the Funds and returns to Shareholders.

Futures

The value of futures depends upon the price of the financial instruments, such as commodities, underlying them. The prices of futures are highly volatile, and price movements of futures contracts can be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, and national and international political and economic events and policies. In addition, investments in futures are also subject to the risk of the failure of any of the exchanges on which the Investment Manager trade or of its clearinghouses or counterparties.

Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent the Investment Manager from promptly liquidating unfavourable positions and subject the Fund’s to substantial losses or prevent it from entering into desired trades. In extraordinary circumstances, a futures exchange or other regulator could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such contract.

The price of stock index futures contracts may not correlate perfectly with the movement in the underlying stock index because of certain market distortions. First, all participants in the futures market are subject to margin deposit and maintenance requirements. Rather than meeting additional margin deposit requirements, shareholders may close futures contracts through offsetting transactions that would distort the normal relationship between the index and futures markets. Second, from the point of view of speculators, the deposit requirements in the futures market are less onerous than margin requirements in the securities market. Therefore, increased participation by speculators in the futures market also may cause price distortions. Successful use of stock index futures contracts by the Investment Manager is also subject to the Investment Manager's ability to correctly predict movements in the direction of the market.

Regulators and futures exchanges (the "Exchanges") impose limits referred to as "speculative position limits" on the maximum net long or net short speculative positions that any person may hold or control in any particular futures or options contract traded on the Exchanges. The CFTC also recently adopted position limits on certain physical commodities swaps which come into effect in 2023. The manager could be required to liquidate futures or swap positions or may not be able to fully implement its trading strategies, in order to comply with position limits.

Options

Funds may incur risks associated with the sale and purchase of call options and/or put options.

The seller (writer) of a call option, which is covered (i.e., the writer holds the underlying security), assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The securities necessary to satisfy the exercise of an uncovered call option may be unavailable for purchase, except at much higher prices, thereby reducing or eliminating the value of the premium. Purchasing securities to cover the exercise of an uncovered call option can cause the price of the securities to increase, thereby exacerbating the loss. The buyer of a call option assumes the risk of losing its entire premium investment in the call option.

The seller (writer) of a put option which is covered (i.e., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security if the market price falls below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

Swaps

The Fund may enter into swap transactions. Swaps are entered into in an attempt to obtain a particular return without the need to purchase the underlying reference asset. The use of total return swaps, price return swaps, volatility swaps, variance swaps, performance swaps, rate swaps, basis swaps, forward rate transactions, swaptions, basket swaps, index swaps, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions or any other similar transactions, whether referencing fixed income, equity or hybrid securities, credit, rates, commodities, currencies, baskets or indices (including any option with respect to any of these transactions) is a highly specialised activity that involves investment techniques and risks different from those associated with ordinary securities transactions. Swaps are individually negotiated transactions where each party agrees to make a one-time payment or periodic payments to the other party. Certain swap agreements require one party's payments to be "up-front" and timed differently than the other party's payments (such as is often the case with currency swaps), in which case the entire principal value of the swap may be subject to the risk that the other party to the swap will default on its contractual delivery obligations. Other swap agreements, such as interest rate swaps, typically do not obligate the parties to make "principal" payments, but only to pay the agreed rates or amounts as applied to an agreed "notional" amount. Accordingly, the Fund's risk of credit loss may be the amount of interest payments it is entitled to receive on a net basis. As swap transactions are not typically fully funded, a payment of margin is often required by the counterparty. Where a trade is 'in the money', the Investment Manager is further exposed to the creditworthiness of the counterparty until any excess margin is returned.

Certain swap agreements are principal-to-principal transactions in which performance is the responsibility of the individual counterparty and not an organised exchange or clearinghouse. As such, the Investment Manager is exposed to the risk of counterparty default and counterparty credit risk. In addition, the margin rate associated with the transaction is often at the discretion of the Investment Manager's counterparty, which may result, in certain circumstances, in an unexpectedly large margin call and an associated liquidity drain for the Investment Manager. However, global regulators have recently moved to more closely regulate the over-the-counter market, and accordingly currently require that certain swaps be executed in regulated markets and be submitted for clearing through regulated clearinghouses, and will require that a substantial portion of over-the-counter swaps be so executed and cleared and subject to mandated margin requirements. In addition, a swap transaction is a contract whose value is derived from another underlying asset. As such, a move in the price of the underlying asset can, due to the embedded leverage in the swap, magnify any gains or losses resulting from the transaction. As is the case with any derivative transaction, the counterparty hedge-based pricing and funding costs on entry and exit may be more costly than buying the underlying reference asset directly. Moreover, the Investment Manager's forecasts of market values, interest rates, and currency exchange rates may be inaccurate and may result in overall investment performance results that are worse than the results that would have been achieved if the Fund did not engage in swap transactions.

Forward Contracts

The Investment Manager may make use of forward contracts. Forward contracts are transactions involving an obligation to purchase or sell a specific instrument or entitlement at a future date at a specified price. Forward contracts may be used by the Investment Manager for hedging purposes, such as to protect against uncertainty in the level of future foreign currency exchange rates. Forward contracts may also be used to attempt to protect the value of one or more Fund's existing holdings of securities held in currencies other than the base currency of a Fund. As is the case for any attempt at hedging downside risk, there is a risk that there is an imperfect correlation between the value of the securities and the forward contracts entered into with respect to those holdings resulting in an unprotected loss. Forward contracts may also be used for investment, non-hedging purposes to pursue a client’s investment objective, for example where it is anticipated that a particular currency will appreciate or depreciate in value.

Forward contracts and options thereon, unlike futures contracts, are generally not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. However, certain forward currency exchange contracts are regulated as swaps by the CFTC and have begun being voluntarily traded on swap execution facilities. To the extent a Fund is treated as a US Person or if the Investment Manager’s swap counterparty is a US person (for the purposes of the CFTC's swap regulations), some of these contracts may be required to be centrally cleared by a regulated US clearinghouse, and may be required to be traded on regulated exchanges in the future. Interbank forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. As in the case of a futures contract, a forward usually only requires a much smaller amount of margin to be provided relative to the economic exposure which the forward contract provides to the relevant investment; it creates a 'gearing' or 'leverage' effect. This means that a small margin payment can lead to enhanced losses as well as enhanced gains. It also means that a relatively small movement in the underlying instrument can lead to a much greater proportional movement in the value of the forward contract. The principals who deal in the interbank forward markets are not required to continue to make markets in the currencies or commodities they trade, and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in forward markets, particularly the currency markets, due to unusually high trading volume, political intervention, market dislocations, unanticipated third country events affecting the underlying asset, unscheduled holidays and market closures or other factors. The imposition of controls by governmental authorities might also limit such forward trading to less than that which the Investment Manager would otherwise recommend, to the possible detriment of a Fund. Market illiquidity or disruption could result in major losses to a Fund.

Contract For Difference (“CFD”)

A contract for difference (a “CFD”) is a contract between two parties, buyer and seller, stipulating that the seller will pay the buyer the difference between the current value of an asset (a security, instrument, basket or index) and its value at contract time. If the difference is negative then, instead, the buyer pays the seller. CFDs allow investors to take synthetic long or synthetic short positions with a variable margin, which, unlike futures contracts, have no fixed expiry date or contract size. Unlike shares, with CFDs the buyer is potentially liable for far more than the amount they paid on margin.

Cryptocurrency

The Investment Manager may invest in cryptocurrencies including but not limited to Bitcoin and Ethereum on behalf of certain Funds. In such instances, the Funds may gain exposure to cryptocurrencies indirectly, for example, through investments in exchange-traded and OTC- traded securities, futures and other instruments which are linked to an underlying cryptocurrency ("Cryptocurrency-linked Investments"), or purchase cryptocurrencies directly.

Investments in cryptocurrencies carry significant risk. The Funds may lose the value of its entire investment or part of its investment in Cryptocurrency-linked Investments and/or cryptocurrencies.

Cryptocurrencies, and consequently Cryptocurrency-linked Investments, may be subject to significant price volatility. Prices may be affected by a wide range of factors, including:

- level of world-wide growth in the adoption and use of cryptocurrencies – cryptocurrencies are not backed by a central bank, a national or international organization, assets or other credit, and the price of cryptocurrencies is entirely dependent on the value that market participants place on them, meaning that any increase or loss of confidence in cryptocurrencies may affect their value;

- level of supply of cryptocurrencies versus level of demand;

- investment and trading activities of market participants - use of cryptocurrencies in the retail and commercial marketplace is limited and the significantly speculative trading activity may lead to price distortion and volatility;

- inflation and interest rates; and governmental monetary policies, trade restrictions, currency devaluations and revaluations; and global or regional, political, economic or financial events and situations;

- ability to convert cryptocurrencies into fiat currencies, and associated currency exchange rates; and

- regulation of cryptocurrencies, regulatory litigation and action within the industry, cryptocurrency networks, platforms and exchanges and restrictions on the right to acquire, own, hold, sell, use or exchange cryptocurrencies.

There is no assurance that cryptocurrencies will maintain their long-term value or become more widely adopted as a form of currency. On the contrary, they may cease to be used altogether.

In the event that the prices of cryptocurrencies decline, the value of the cryptocurrency and the Cryptocurrency-linked Investments held by the Funds may also decline, which, in turn, may impact the value of the Interests.

Cryptocurrencies are stored in a digital wallet and are controllable only by the holder of two unique keys, one public and one private, specific to the digital wallet in which such cryptocurrencies are held. The currency holder publishes the public key to the digital wallet used to receive the currency as part of any currency transfer, and the public key then forms part of the public blockchain (the public transaction ledger of the relevant cryptocurrency network, the "Blockchain") of the cryptocurrency network or platform. The private key is used by the currency holder to verify each currency transaction and is not public information. The currency holder, or a custodian or other third party on behalf of the currency holder, must safeguard the private keys using an appropriately secure storage system. If the private keys relating to the cryptocurrencies are lost, destroyed or otherwise compromised, the currency holder will be unable to access the cryptocurrencies stored in the digital wallets to which those private keys relate. Moreover, private keys are not recoverable or restorable by the cryptocurrency network or platform. Any loss of private keys relating to digital wallets used to store either (i) cryptocurrencies held by the issuer of any Cryptocurrency-linked Investments in which the Fund has invested, or (ii) cryptocurrencies held directly by the Fund, could adversely affect an investment in the Interests.

The Funds are reliant on the Investment Manager's and/or a third-party custody provider's security systems and processes to ensure the safe storage of any Funds' cryptocurrency investments. Likewise, where the Funds invest in Cryptocurrency-linked Investments, the Funds will be depending on the adequacy of the custody arrangements in place in respect of the cryptocurrencies attributable to the Cryptocurrency-linked Investment. The safety of the relevant security measures could be affected by a number of factors, including (but not limited to):

- existing or new technological threats;
- undetected errors, software flaws or vulnerabilities;
- security breaches arising from cyber-attacks, computer malware, computer hacking or sabotage;
- fraud, willful default or negligence or other failures on the part of the relevant custody provider.

To the extent that the relevant custody provider is unable to identify and mitigate or stop new security threats, the Funds' cryptocurrencies may be subject to theft, loss, destruction or other attack, which could have a negative impact on the performance of the Cryptocurrency-linked Investments or the Interests, or result in loss of the Funds' assets.

Cryptocurrency networks are based on cryptographic, algorithmic protocols that govern the peer- to-peer interactions between users of the relevant network. The source code that sets forth the protocol is typically open-source, managed by a decentralized development team. The development team can propose amendments to the source code through one or more software upgrades that alter the protocols and software that govern the network and the properties of the cryptocurrency. Such upgrades could relate to, for example, the irreversibility of transactions and limitations on the generation of new currency.

The majority of cryptocurrencies are open-source projects, meaning they do not have official development teams that are responsible for overseeing upgrades and modifications to the network. Instead, cryptocurrencies are reliant on individual developers to generate software updates, which are proposed to users through software downloads and upgrades. However, users must consent to those software modifications by downloading the altered software or upgrade implementing the changes; otherwise, the changes do not become a part of the network. If a substantial number of users disagree that a proposed modification to the network should be implemented, a "fork" in the Blockchain could develop, resulting in two different networks. This type of "fork" could materially and adversely affect the price of the relevant cryptocurrency, and therefore any related Cryptocurrency-linked Investments, and may harm the sustainability of the cryptocurrency economy.

Cryptocurrency networks, platforms and exchanges may be subject to attack by malicious persons, entities or malware. A malicious actor or group of actors could obtain a majority of the processing power on a particular cryptocurrency network and could implement modifications to the network in a way that is detrimental to the liquidity or value of the cryptocurrency. To the extent that such malicious person (or persons) does not yield its majority control of the processing power on the network, reversing any changes made to the source code or Blockchain may not be possible. Such changes could adversely affect an investment in the Interests.

Cryptocurrency exchanges, which are largely unregulated and provide only limited transparency with respect to their operations, are similarly open to hostile interventions. In the past, many exchanges have been closed due to fraud, failure or security breaches. In many of these instances, the customers of such exchanges were not compensated or made whole for the partial or complete losses of their account balances in such exchanges. While smaller exchanges are less likely to have the infrastructure and capitalization that make larger exchanges more stable, larger exchanges are more likely to be appealing targets for hackers and malware. Malicious activities such as these may reduce confidence in cryptocurrencies and result in greater price volatility.

Cryptocurrency transactions and transfers are generally irreversible. To the extent that any of the Fund's directly held cryptocurrencies, or the cryptocurrencies underlying the Fund's Cryptocurrency-linked Investments, are incorrectly or fraudulently transferred, they are likely to be irretrievable.

Furthermore, where the cryptocurrencies have been lost, stolen or destroyed under circumstances rendering a party liable to the Funds, the Funds may have limited recourse against the responsible party. For example, as to a particular event of loss, the only source of recovery for the Funds might be limited to the relevant custody provider or, to the extent identifiable, other responsible third parties (e.g. a thief or terrorist), any of which may not have the financial resources (including liability insurance coverage) to satisfy a valid claim of the Funds.

<u>Sustainability risks</u>

Environmental

Environmental risks are associated with environmental events or conditions and their effect on the value of assets to which the Fund may have exposure. Such risks may arise in respect of a company itself, its affiliates or in its supply chain and/or apply to a particular economic sector, geographical or political region. Environmental risks include:

Climate change: risks arising from climate change, including the occurrence of extreme weather events (for example major droughts, floods, or storms) may adversely impact the operations, revenue and expenses of certain industries and may result in physical loss or damage of, or otherwise loss in value of, assets, and in particular physical assets such as real estate and infrastructure. Global warming may result in extreme heat waves, increased localised or widespread flooding and rising sea levels, compromising infrastructure, agriculture and ecosystems, increasing operational risk and the cost of insurance, which may affect the utility and value of investments. To the extent that companies in which the Fund invests have historically contributed to climate change, they could face enforcement action by regulators and/or be subject to fines or other sanctions. The likelihood and extent of any such action might be unknown at the time of investment.

Natural resources: the relationship between businesses and natural resources is becoming increasingly important due to the scarcity of fresh water, loss of biodiversity and risks arising from land use. Water is critical to agricultural, industrial, domestic, energy generation, recreational and environmental activities. Reduced supply or allocation of water and/or increased cost in supply and controls over its use may adversely impact the operations, revenue and expenses of certain industries in which the Fund may invest. Biodiversity underpins ecosystem services such as food, clean water, genetic resources, flood protection, nutrient cycling and climate regulation. A continued loss of biodiversity may adversely affect the operations, revenue and expenses of certain industries in which the Fund may invest, such as land users and marine industries, agriculture, the extractives industries (cement and aggregates, oil, gas and mining) forestry and tourism. Land use and land use management practices have a major impact on natural resources. In particular, industries dependant on commodities linked to deforestation such as soy, palm oil, cattle and timber may suffer an adverse impact on their operations, revenue and expenses as a result of measures taken to manage land use.

Pollution and waste: pollution adversely affects the environment and may for example, result in negative impact on human health, damage to ecosystems and biodiversity and reduced crop harvests. Measures introduced by governments or regulators to transition to a low-carbon economy and more broadly reduce pollution and control and reduce waste may adversely impact the operations, revenue and expenses of industries in which the Fund may invest. Technologies linked to environmentally harmful materials or practices may become obsolete, resulting in a decrease in value of investments.

Social

Social risks may be internal or external to a business and are associated with employees, local communities and customers of companies in which the Fund may invest or otherwise have exposure. Social risks also relate to the vulnerability of a business to, and its ability to take advantage of, broader social "megatrends". Such risks may arise in respect of the company itself, its affiliates or in its supply chain. Social risks include:

Internal social factors: human capital considerations such as human rights violations, lack of access to clean water, food and sanitary living environment, human trafficking, modern slavery / forced labour, inadequate health and safety, discrimination, breaches of employee rights and use of child labour, may, give rise to negative consumer sentiment, fines and other regulatory sanctions and/or investigations and litigation. The profitability of a business reliant on adverse treatment of human capital may appear materially higher than if appropriate practices were followed.

External social factors: restrictions on or abuse of the rights of consumers including with respect to consumer personal data, management of product safety, quality and liability and relationships with and infringements of rights of local communities and indigenous populations, may give rise to negative consumer sentiment, fines and other regulatory sanctions and/or investigations and litigation.

Social "megatrends": trends such as globalisation, automation and the use of artificial intelligence in manufacturing and service sectors, inequality and wealth creation, digital disruption and social media, changes to work, leisure time and education, changes to family structures and individual rights and responsibilities of family members, changing demographics including though health and longevity and urbanisation are all examples of social trends that can have a material impact on businesses, sectors, geographical regions and the vulnerability and inability to adapt or take advantage of such trends may result in a material negative impact on the Fund's investments.

Governance

Governance risks are associated with the quality, effectiveness and process for the oversight of day to day management of companies in which the Fund may invest or otherwise have exposure. Such risks may arise in respect of the company itself, its affiliates or in its supply chain. These risks include:

Lack of diversity at board or governing body level: the absence of a diverse and relevant skillset within a board or governing body may result in less well informed decisions being made without appropriate debate and an increased risk of "group think". Further, the absence of an independent chairperson of the board, particularly where such role is combined with the role of chief executive officer, may lead to a concentration of powers and hamper the board's 30 ability to exercise its oversight responsibilities, challenge and discuss strategic planning and performance, input on issues such as succession planning and executive remuneration and otherwise set the board's agenda.

Inadequate external or internal audit: ineffective or otherwise inadequate internal and external audit functions may increase the likelihood that fraud and other issues within a company are not detected and/or that material information used as part of a company's valuation and/or the Investment Manager's investment decision making is inaccurate.

Infringement or curtailment of rights of (minority) shareholders: the extent to which rights of shareholders, and in particular minority shareholders (which may include the Fund) are appropriately respected within a company's formal decision making process may have an impact on the extent to which the company is managed in the best interest of its shareholders as a whole (rather than, for example, a small number of dominant shareholders) and therefore the value of an investment in it.

Bribery and corruption: the effectiveness of a company's controls to detect and prevent bribery and corruption both within the company and its governing body and also its suppliers, contractors and sub-contractors may have an impact on the extent to which a company is operated in furtherance of its business objectives.

Lack of scrutiny of executive pay: failure to align levels of executive pay with performance and long-term corporate strategy in order to protect and create value may result in executives failing to act in the long-term interest of the company.

Poor safeguards on personal data / IT security (of employees and/or customers): the effectiveness of measures taken to protect personal data of employees and customers and, more broadly, IT and cyber security will affect a company's susceptibility to inadvertent data breaches and its resilience to "hacking".

The absence of appropriate and effective safeguards for employment related risks: discriminatory employment practices, workplace harassment, discrimination and bullying, respect for rights of collective bargaining or trade unions, the health and safety of the workforce, protection for whistleblowers and non-compliance with minimum wage or (where appropriate) living wage requirements may ultimately reduce the talent pool available to the company, the wellbeing, productivity and overall quality of its workforce and may lead to increased employment and other business costs.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risk involved in an investment in a Fund managed by the Investment Manager. A full list of risk factors is included in a respective Fund's offering memorandum.

IT IS CRITICAL THAT INVESTORS REFER TO THE APPLICABLE GOVERNING DOCUMENTS FOR A COMPLETE UNDERSTANDING OF THE MATERIAL RISKS INVOLVED IN AN INVESTMENT IN THE FUNDS, INCLUDING THE RISK OF FINANCIAL LOSS. THE INFORMATION CONTAINED HEREIN IS A SUMMARY ONLY AND IS QUALIFIED IN ITS ENTIRETY BY SUCH DOCUMENT.

ITEM 9

DISCIPLINARY INFORMATION

A. CNMV: Administrative Proceedings Before Regulatory Authorities

On April 7, 2021, Man Group plc, an advisory affiliate of AHL Partners LLP based in London, England, agreed to pay a fine of €240,000 to the Comision Nacional Del Mercado de Valores (the "CNMV"), pursuant to a settled resolution, in connection with the CNMV's findings that Man had not complied with European Union ("EU") regulations requiring the disclosure of an investor's short positions in the securities of any issuer based in an EU member country, such as Spain. Specifically, the European Securities and Markets Authority ("ESMA") has issued regulations on short selling and credit default swaps ("SSR") that require investors to file reports disclosing any short positions above a threshold of 0.2% of an issuer's outstanding shares, with additional disclosure thresholds at increasing intervals of 0.1%. Thus, an investor must file disclosures calculating its net short position whenever it crosses thresholds (up or down) of 0.2%, 0.3%, 0.4%, 0.5% etc. In the case of Man Group plc, the CNMV determined that, between December 2017 and November 2018, three of Man Group plc's affiliated managers, including AHL Partners LLP had on five occasions incorrectly disclosed their net short position in four Spanish issuers amounting to between 0.2% and 0.7% of the issuers' outstanding shares. The SSR regulations impose rules for calculating net short positions at the fund level among affiliated entities, which Man Group plc attempted to apply in good faith. See ESMA 70-145-408, question 8.5, available at https://www.esma.europa.eu/sites/default/files/library/esma70-145-408_qa_on_ssr.pdf. In four cases, the irregularities arose from the incorrect identification of the position holding entity within Man Group plc; (for example, a position held by one Man manager was incorrectly notified as a position held by another Man manager). This misreporting resulted in delayed correcting notifications to the CNMV. In one instance, a position was inadvertently not reported. The order related to Man is set forth in dispatch record no. 2021025805 of the CNMV. The CNMV did not determine that Man Group plc engaged in any misleading or deceptive conduct, nor that it committed any violation in connection with providing investment advisory services to any clients.

ITEM 10

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker-Dealer Registration Status

Neither AHL Partners LLP nor any of its management persons is registered as a broker-dealer and AHL Partners LLP does not have any application pending to register with the SEC as a broker-dealer. AHL Partners LLP utilizes the sales team of its affiliate, Man Investments Inc. ("MII") to assist in the marketing of its investment services in the U.S. MII is a limited purpose broker-dealer registered with the SEC and a member of Financial Industry Regulatory Authority, Inc. ("FINRA"). MII acts as solicitor, selling agent and/or investor servicing agent for certain AHL Partners LLP clients and Funds for which it may be compensated as agreed between AHL Partners LLP and MII.

B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status

AHL Partners LLP is a commodity pool operator ("CPO") and commodity trading advisor ("CTA") registered with the Commodity Futures Trading Commission ("CFTC") and a member of the National Futures Association ("NFA").

C. Material Relationships or Arrangements with Industry Participants

AHL Partners LLP through its managing member Man Investments Limited is affiliated and under common control with the following London based entities that are authorized and regulated by the Financial Conduct Authority: Man Fund Management UK Limited; Man Solutions Limited, an investment adviser registered with the SEC and a commodity pool operator registered with the CFTC and a member of the NFA; GLG Partners LP, an investment adviser registered with the SEC and a commodity pool operator registered with the CFTC and a member of the NFA; and Man Global Private Markets (UK) Ltd., an investment adviser registered with the SEC. AHL Partners LLP is also affiliated and under common control with Man Investments (CH) AG, registered with Swiss Financial Market Supervisory Authority (FINMA).

Furthermore, AHL Partners LLP is affiliated and under common control with the following New York based entities: Man Investments Inc., a limited purpose broker dealer registered with the SEC and member of FINRA which provides placement agent services to certain of AHL Partners LLP Funds as well as marketing and sales services to AHL Partners LLP; Man Solutions LLC ("Man Solutions"), an investment adviser registered with the SEC and a commodity pool operator and commodity trading adviser registered with the CFTC and a member of the NFA; Silvermine Capital Management LLC, an investment adviser registered with the SEC and GLG LLC, an investment adviser registered with the SEC and a commodity pool operator registered with the CFTC and a member of the NFA. In addition, AHL Partners LLP is affiliated and under common control with Numeric Investors LLC, based in Boston, MA with an office in New York, NY which is an investment adviser registered with the SEC, a commodity pool operator registered with the CFTC and a member of the NFA; Man Global Private Markets (USA) Inc., based in Charlotte, NC with an office in New York, NY which is an investment adviser registered with the SEC. Man Investments (USA) Corp., a corporation incorporated in the State of Delaware, United States, is the managing member of the AHL Partners LLP Delaware Funds and has responsibility for providing management services to the Delaware Funds; and Varagon Capital Partners, L.P. and VCC Advisors, LLC, based in New York, NY with offices in Chicago, IL, and Wellesley, MA which are investment advisers registered with the SEC.

AHL Partners LLP is also affiliated and under common control with Man Asset Management (Ireland) Limited, a firm that is registered with the Central Bank of Ireland, Man Asset Management (Cayman) Limited a manager regulated by the Cayman Islands Monetary Authority, and Man Investment Management (Shanghai) Co. Ltd registered with the Asset Management Association of China (AMAC). AHL Partners LLP is also affiliated with Man Investments Australia Limited an investment adviser registered with the SEC and licensed by the Australian Securities and Investments Commission based in Australia. Man Solutions LLC may, on behalf of their clients and/or funds, invest in the Funds advised or sub-advised by AHL Partners LLP or its affiliates. Nevertheless, Man Solutions LLC undergoes the same due diligence process for investments it considers in Funds advised by AHL Partners LLP as it would for unaffiliated funds. In addition, from time to time AHL Partners LLP provides sub-advisory or other investment management services to clients of Man Solutions Limited. Man Solutions Limited is an affiliated investment adviser which provides customized portfolios to its clients across strategies managed by its affiliates, including AHL Partners LLP.

AHL Partners LLP, its affiliates and its personnel serve as investment advisers and investment managers to multiple pooled investment vehicles and managed accounts. AHL Partners LLP may manage accounts on behalf of its affiliates alongside its clients. AHL Partners LLP, its affiliates and its personnel may take action or give advice with respect to certain clients and accounts that differs from the advice given to other clients and accounts. Specifically, there may be times whereby the advice given to clients and accounts is opposite of the advice given to other clients and accounts due to differences in investment strategy, redemptions/subscriptions or other factors. AHL Partners LLP manages each client in accordance with its respective investment objectives and guidelines.

AHL Partners LLP, its affiliates and its personnel will devote as much time to the activities of each client and account as deemed necessary and appropriate and the amount of time devoted to different clients and accounts may vary.

D. Material Conflicts of Interest Relating to Other Investment Advisers

AHL Partners LLP does not recommend or select other third-party investment advisers for its clients. AHL Partners LLP's Funds may invest in other AHL Partners LLP Funds.

From time to time, certain affiliates seed funds to which AHL Partners LLP provides investment management services.

AHL Partners LLP may provide investment management services to certain funds in which the invested capital is exclusively or predominantly seed capital received from AHL Partners LLP's affiliates; such arrangements may persist over a long period of time.

Certain personnel, including those who are part of certain Man centralized functions and those with specific investment management responsibilities, perform roles for AHL Partners LLP and one or more affiliates of AHL Partners LLP.

AHL Partners LLP may provide aspects of its systems, know-how, analyses and certain models to its affiliates. Potential and actual conflicts of interest may arise from the activities described herein.

AHL Partners LLP has established policies and procedures to monitor and to the extent possible resolve conflicts of interest and will endeavour to resolve conflicts with respect to investment opportunities in a manner it deems appropriate and equitable to the extent possible under the prevailing facts and circumstances.

AHL Partners LLP may be subject to conflicts of interest from time to time in performing its respective duties to Funds and managed accounts. Any such conflict of interest could have a material adverse effect on clients.

When a conflict of interest arises AHL Partners LLP will endeavour to ensure that the conflict is resolved or managed appropriately and fairly. Furthermore, AHL Partners LLP has substantial incentives to see the assets of clients appreciate in value and merely because an actual or potential conflict of interest exists does not mean that it will be acted upon to the detriment of clients.

AHL Partners LLP is permitted to manage and/or advise other managed accounts and funds, some of which may have objectives similar to those of its existing clients, including without limitation other funds or accounts in which AHL Partners LLP or its affiliates may have an interest.

ITEM 11

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. Code of Ethics

AHL Partners LLP strives to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust. Accordingly, AHL Partners LLP has adopted a Global Code of Ethics (the "Code") that is supplemented by additional policies and procedures that are designed to reinforce its institutional integrity, and to set forth procedures and limitations which govern, amongst other matters, the personal securities transactions of its employees. The Code was developed to promote the highest standards of behaviour and to ensure compliance with all applicable regulations.

The Code applies to all AHL Partners LLP employees. The Code contains policies and procedures that, among other things:

- Require employees to observe fiduciary duties owed to clients;
- Prohibit employees from taking personal advantage of opportunities belonging to clients;
- Prohibit trading on the basis of material non-public information;
- Require employees to comply with anti-money laundering requirements;
- Place limitations on personal trading by employees and impose pre-clearance and reporting obligations with respect to such with the exception of certain security types;
- Impose limitations on the giving or receiving of gifts and entertainment;
- Restrict employee outside business activities;
- Require employees to disclose family members' business activities that may present a conflict;
- Require pre-clearance on political contributions; and
- Prohibit disclosure by employees of confidential information of AHL Partners LLP and its clients.

Employee personal trades in securities covered by the Code are monitored by the Chief Compliance Officer or designee and governed by the procedures set forth in the Code. Employees may from time to time have proprietary investments in which clients advised or sub-advised by AHL Partners LLP also take a position, may trade and invest simultaneously with such clients, and may take investment positions that are different from or opposite to the positions taken by such clients. In general, all personal securities transactions (except for unaffiliated US open- ended mutual funds, US Treasury securities, or other permitted investments listed in the Code) are subject to pre-clearance by the Chief Compliance Officer, or designee. A copy of AHL Partners LLP's Code is available to clients and prospective clients upon request by contacting AHLCompliance@man.com.

Furthermore, AHL Partners LLP has adopted procedures to prevent and detect misuse of material non-public information. Specifically, AHL Partners LLP's procedures prohibit any employee from trading securities, either personally or on behalf of others (such as client accounts advised or sub-advised by AHL Partners LLP), while in possession of material, non-public information, and prohibit employees from communicating material, non-public information to others in violation of the law.

From time to time, as part of its business activities or otherwise, AHL Partners LLP or its affiliates may come into possession of material non-public information concerning specific issuers. Under applicable laws and AHL Partners LLP's policies and procedures, this may limit AHL Partners LLP's flexibility to buy or sell securities of such issuers, or other financial instruments linked to such issuers.

AHL Partners LLP clients are subject to Man's Global Banned Weapons Policy, which is designed to ensure compliance with a number of conventions and relevant laws that have been implemented globally to ban the manufacture, supply and distribution of anti-personnel landmines, cluster munitions, biological weapons, chemical weapons, blinding laser weapons and non-detectable fragments. This may limit AHL Partners LLP's flexibility to buy or sell securities of issuers that, among a range of other activities, are involved in banned weapons for its clients.

In addition, certain of AHL Partners LLP clients may be subject to the Man Responsible Investment framework which considers responsible investment criteria when making investment decisions.

AHL Partners LLP and its affiliates are subject to certain position limits, including commodities. Under applicable laws and internal procedures, this may limit AHL Partners LLP's flexibility to buy certain futures contracts or derivatives thereon.

Related persons and personnel of AHL Partners LLP and its affiliates (the "Advisory Affiliates") may invest in or have a financial interest in the Funds and may not invest in all such Funds. It is expected that the size of these investments or the financial interest will change over time. Potential conflicts may arise due to the fact that the Advisory Affiliates may have investments or financial interests in some Funds but not in others or may have different levels of investments or financial interests in various Funds, and because the Funds may pay different levels of fees.

In addition, certain Advisory Affiliates may from time to time make personal investments in securities or financial instruments which may be appropriate for, may be held by, or may fall within client investment guidelines. Such Advisory Affiliates may buy, sell, or hold securities or other financial instruments for their own accounts while entering into different investment decisions for one or more clients. These activities may adversely affect the prices and availability of securities or financial instruments held by or potentially considered for one or more clients.

From time to time, AHL Partners LLP or the Advisory Affiliates may form and manage additional pooled investment vehicles and advise other client accounts with similar or different investment strategies as the Funds or managed accounts currently advised or sub-advised by AHL Partners LLP. It may be appropriate for more than one Fund or managed account advised by AHL Partners LLP to trade in the same securities at the same time. AHL Partners LLP has policies and procedures to manage the conflicts of interest in connection with such trades.

B. Securities in which the Investment Adviser or a Related Person Has a Material Financial Interest.

1. Cross Transactions and Principal Transactions

AHL Partners LLP generally does not engage in cross trades for its U.S. clients. However, should AHL Partners LLP engage in a cross transaction on behalf of the Funds, each cross transaction will be performed in conjunction with AHL Partners LLP's policies and procedures.

To the extent that AHL Partners LLP engages in cross trades and a cross trade is considered a principal transaction, AHL Partners LLP will comply with the requirements of Section 206(3) of the Advisers Act with respect to any U.S. client or fund, including that AHL Partners LLP will notify the applicable client (or an independent representative of the client) in writing of the transaction and obtain the client's consent (or the consent of an independent representative of the client).

AHL Partners LLP does not consider transactions between clients that inadvertently match on an exchange or venue as a result of investment decisions taken by AHL Partners LLP Fund(s) and, where applicable, its affiliates as cross transactions or principal transactions.

2. Allocation of Investment Opportunities

AHL Partners LLP provides discretionary investment advice and/or management services to multiple client accounts that may seek to invest in the same or similar investment opportunities. This may create potential conflicts particularly where there is limited availability or liquidity for certain investments. AHL Partners LLP has developed policies and procedures that provide that both investment opportunities and trades will be allocated among these client accounts in a manner that is considered to be reasonable and equitable and in a manner that is consistent with each client's investment objectives and guidelines. AHL Partners LLP utilizes proprietary computer-based algorithms to determine allocations of orders and subsequent fills to its client accounts with the goal of allocating trades fairly and equitably across its managed funds.

Due to various market conditions, including but not limited to price volatility, variations in liquidity, and differences in order execution, it is impossible for AHL Partners LLP to obtain identical trade execution for all its Funds. In general, orders for any proprietary or testing accounts will be subject to the same allocation procedures as those applicable to client accounts.

AHL Partners LLP may determine that an investment opportunity or particular transaction is appropriate for one or more client accounts, but not for other clients, or are appropriate for or available to certain clients but in different sizes, terms, or timing than is appropriate for others. AHL Partners LLP will make allocations for client accounts of such investments with reference to numerous factors including, without limitation, AHL Partners LLP's perception of the appropriate risks and rewards for each client account, investment objectives and guidelines of each client account, leverage of each client account, the liquidity of the account at the time of the investment and on a going-forward basis, risk parameters for each client account, regulatory restrictions affecting the client, and such other factors as are relevant in the judgment of AHL Partners LLP. Although allocating orders among client accounts may create potential conflicts of interest because of the interests of AHL Partners LLP or its employees or because AHL Partners LLP may receive greater fees or compensation from one client account over another, AHL Partners LLP will not make allocation decisions based on such interests or greater fees or compensation. Allocation among accounts in any particular circumstance may be more or less advantageous to any one account. In addition, transactions in investments by multiple client accounts may have the effect of diluting or otherwise impairing the values, prices or investment strategies of an individual client, particularly, but not limited to, in small capitalization, or less liquid strategies. Therefore, the amount, timing, structuring, or terms of an investment by some clients may differ from, and performance may be lower than, investments and performance of other clients.

3. Valuation

The Funds have established valuation policies and procedures that seek to establish a consistent framework and methodology for the determination, validation, approval, regular monitoring and review of pricing all positions of each Fund. The Fund's directors have appointed an Independent Pricing Committee (the "IPC") to undertake certain services concerning the valuation policies and procedures relating to each Fund. The IPC is an independent body set up to: (1) establish a pricing matrix (a table which lays out a pricing source for certain assets and liabilities) which the directors will decide whether to adopt for the Fund and if so will thereafter be used by the administrator to calculate the value of the assets and liabilities held by the Fund; and (2) establish the prices of any positions held in the Fund that do not have an independently ascertainable value as per the pricing matrix. In addition, the IPC provides general governance and oversight of the valuation process.

C. Investing in Securities that the Investment Adviser or a Related Person Recommends to Clients

The Code places restrictions on personal trades by employees, including that they disclose their personal securities holdings and transactions to AHL Partners LLP on a periodic basis, and requires that employees pre-clear certain types of personal securities transactions. Subject to certain exceptions, AHL Partners LLP's employees may not engage in personal securities trading without pre-clearance. Accordingly, under certain circumstances, AHL Partners LLP, its affiliates and its employees may invest on behalf of themselves in securities and other instruments that would be appropriate for, held by, or may fall within the investment guidelines of clients.

AHL Partners LLP, its affiliates and its employees may give advice or take action for their own accounts that may differ from, conflict with or be adverse to advice given or action taken for clients. These activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more clients. Potential conflicts also may arise due to the fact that AHL Partners LLP and its personnel may have investments in some Funds but not in others or may have different levels of investments in the various Funds.

AHL Partners LLP has established policies and procedures to monitor and resolve conflicts with respect to investment opportunities in a manner it deems fair and equitable, including the restrictions placed on personal trading in the Code of Ethics, as described above, and controls regarding employee transactions for actual or perceived conflicts of interest, including those conflicts that may arise as a result of personal trades in the same or similar securities made at or about the same time as client trades.

D. Conflicts of Interest Created by Order Aggregation and Contemporaneous Trading

AHL Partners LLP manages investments on behalf of a number of client accounts. Certain client accounts have investment strategies that are similar to or, in part, overlap and may, therefore, participate in one or more orders with each other. It is the policy of AHL Partners LLP to allocate trades among all clients fairly, to the extent practical and in accordance with each client's applicable investment strategies, over a period of time. AHL Partners LLP may aggregate orders with similar orders that are generated on or around the same time for other client accounts if, in their reasonable judgment, such aggregation is reasonably likely to result in an overall economic benefit to the participating client accounts. When there is trading on behalf of one client managed Fund on or around the same time as trading on behalf of another client managed Fund such trades may be made at slightly different prices.

AHL Partners LLP employs a two-part allocation algorithm which (i) determines the percentage of each aggregated order will be allocated to each participating client managed Fund at the time of order creation ("Pre-Allocation Percentage") and (ii) handles fill allocation in accordance with the Pre-Allocation Percentage. The allocation algorithm is subject to change over time. AHL Partners

LLP will have no obligation to purchase or sell a financial instrument for, enter into a transaction on behalf of, or provide an investment opportunity to any client managed Fund solely because AHL Partners LLP purchases or sells the same instrument for, enters into a transaction on behalf of, or provides an opportunity to any client managed Fund if, in its reasonable opinion, such financial instrument, transaction or investment opportunity does not appear to be suitable, practical or desirable for the client managed Fund. Further, there can be no assurance that on a trade-by-trade or overall basis that any particular client managed Fund will not be treated more or less favourably than another client managed Fund.

AHL Partners LLP or its affiliates may take inconsistent positions in the same security or trade in opposite directions as a result of rebalancing or different investment strategies. This will result in potential conflicts of interest. AHL Partners LLP strives to ensure that all clients are treated fairly and equitably.

From time to time, AHL Partners LLP may maintain one or more test trading accounts which may be willing to accept more risk than it believes is acceptable for the Funds and positions in the test trading accounts may be inconsistent or opposite to those of the Funds. In general, the test trading accounts are used to test new trading methodologies, Models, strategies, technology and markets and seek to identify any (i) divergence in expectation of implementation when operating in production, (ii) cost or (iii) illiquidity issues prior to considering the implementation of such strategy or processes to the Funds. Orders for any proprietary or testing accounts will be subject to the same allocation procedures as those applicable to client accounts.

In certain regions and jurisdictions AHL Partners LLP may choose to leverage certain trading modalities and/or trading desk expertise of one or more of its affiliates and, by doing so, direct certain of its client orders to an affiliates trading desk for order handling and execution. In such circumstances the client orders of AHL Partners LLP will be subject to the same order aggregation and trade allocation processes as described herein but AHL Partners LLP client orders may not be aggregated in the same manner with client orders of the respective affiliate.

ITEM 12

BROKERAGE PRACTICES

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions

The Investment Manager will place client orders for the execution of transactions via a centralized trading desk with various brokers, dealers and/or trading venues (as defined by the Markets Financial Instruments Directive) on the basis of best execution (in accordance with the rules of the FCA, SEC and MiFID II) in accordance with its Best Execution Policy based on a number of factors, including, among other things, execution costs inclusive of commission rates, speed and likelihood of execution, impact on market price, availability of price improvement, liquidity of the instrument, the broker's financial strength, ability to commit capital, stability and responsibility, reputation, reliability, overall past performance of services, responsiveness to the Investment Manager as well as means of communication, ability to execute trades based on the characteristics of a particular trade, technology and trading systems, trading activity in a particular security, block trading and block positioning capabilities, net price, depth of available services, bond capability and options operations, the availability of stocks to borrow for short trades, willingness to execute related or unrelated difficult transactions, back office, settlement processing and special execution capabilities and error resolution. The centralized trading desk will take all sufficient steps to execute orders in a manner designed to obtain the best possible results on a consistent basis. However Investment Manager does not need to, nor will it, seek the best result on each and every client order but rather ensures that methodologies employed achieve overall best execution on behalf its Clients. The Investment Manager has established a best execution committee to review execution performance and other execution related decisions taken by Investment Manager on behalf of its Clients.

The Investment Manager does not adhere to any rigid formulas in selecting brokers, but weighs a combination of the factors, some of which are referenced above. There is, however, no direct correlation between these factors and the allocations of brokerage for client accounts advised or sub-advised by the Investment Manager. Because of the range of factors considered by the Investment Manager, it is possible that the Investment Manager’s clients may pay brokerage commissions in excess of that which another broker might have charged for effecting the same transaction. The Investment Manager will make a good faith determination that the amount of commission is reasonable in relation to the value of the products and services received, the broker's execution ability, and other factors.

Centralized Trading and Financing Desk

The Investment Manager has delegated certain of its order handling and execution responsibilities to a centralized trading desk and cash management and related responsibilities to a centralized financing desk. In doing so the Investment Manager ensures that the delegates comply with any client restrictions as well as the Investment Manager's policies and procedures relating to order handling and execution responsibilities. The Investment Manager believes that such delegation is consistent with its obligations and is in the best interest of its clients.

1. Research and Other Soft Dollar Benefits

The Investment Manager pays for all investment research as defined by Markets in Financial Instruments Directive II on behalf of the Funds. Data costs are charged separately as expenses to the Funds as further described in Item 5.C.

2. Brokerage for Client Referrals

The Investment Manager does not consider capital introduction and marketing assistance with respect to investors in the Funds in selecting or recommending broker-dealers for the Funds. However, the Investment Manager or its affiliates may be invited to capital introduction events as a result of the relationship the Investment Manager and its affiliates have with certain broker dealers.

3. Directed Brokerage

AHL Partners LLP does not generally allow for directed brokerage arrangements.

B. Trade Error Policy

In the event that AHL Partners LLP experiences a trade error with respect to order handling and execution on behalf of clients, a formalized process is in place for the resolution of such trade errors. The Investment Manager will correct such trade error in accordance with its policies and procedures. If the Investment Manager, in its sole discretion determines that a client should be reimbursed as a result of a trade error caused by the Investment Manager interest will generally not be paid on such losses. Please refer to Item 8.B under "Trade Error Risk" for additional information and risk disclosures pertaining to trade errors.

C. System Event Policy

The systematic approach to the development and deployment of investment strategies utilised by the Investment Manager harnesses complex econometric and statistical theories, research and modelling which may result in a "System Event" (e.g., errors or omissions regarding trading systems, coding/programing/modelling, etc.). The Investment Manager, to the extent feasible and reasonable, will correct a System Event in accordance with its policies and procedures. The Fund will benefit from any gains and bear any losses unless it otherwise determined by the Investment Manager. Please refer to Item 8.B under "Model and Data Risk" for additional information and risk disclosures pertaining to system events.

ITEM 13

REVIEW OF ACCOUNTS

A. Frequency and Nature of Review of Client Accounts or Financial Plans

The Investment Manager's portfolio managers are primarily responsible for reviewing accounts of the clients and do so individually or in a group, depending upon account needs and market conditions. The portfolio managers, individually or in various groups, perform daily, weekly, or monthly reviews of all accounts as they deem appropriate or as otherwise required. Reviews may be undertaken because of changes in market conditions; change of security positions; changes in investment objectives or policies; capital inflows/outflows; and other reasons. Various matters may be discussed during such reviews, (e.g., performance of accounts in connection with investment objectives, portfolio construction, risk/reward, security positions, and investment opportunities). In addition to the reviews performed by the portfolio management teams, the Portfolio Risk team reviews portfolios for adherence with client guidelines on a daily basis.

B. Factors Prompting Review of Client Accounts Other than a Periodic Review

A review of a client account may be triggered by changes in market conditions; change of security positions; changes in investment objectives or policies; capital inflows/outflows; and other reasons, including for reasons not yet identified by the portfolio management team.

C. Content and Frequency of Account Reports to Clients

The requirements for frequency and content of reports will be set forth in the documents for each client account.

Investors in the Funds generally receive estimated and final monthly statements, as applicable, generally showing account values, changes in account values, account activity, asset allocation, currency exposure and performance. Depending on specific requirements, investors in private funds also generally receive audited financial statements prepared within either 90 or 120 days, depending on regulatory requirements, of the applicable fund's fiscal year end.

While all investors generally receive similar information, to the extent an investor receives additional information (that other investors have not received) which is in addition to information provided in a Fund's regular reports to investors, such information may provide such investor with greater insight into the Fund's activities. This may enhance such investor's ability to make investment decisions with respect to a Fund and possibly affect such investor's decision to request a redemption from such Fund.

Affiliated investment advisers that invest in AHL Partners LLP Funds will receive information with greater transparency on such Fund that may not otherwise be made available to other investors.

ITEM 14

CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefits for Providing Services to Clients

AHL Partners LLP does not receive economic benefits from non-clients for providing investment advice and other advisory services.

B. Compensation to Non-Supervised Persons for Client Referrals

From time to time, AHL Partners LLP and/or its affiliates may from time to time utilize third party placement agents or solicitors that receive compensation, which may be borne either by AHL Partners LLP or its affiliates or by the investor or client, for referring the client to AHL Partners LLP or investors to the Funds. Compensation may be in the form of a percentage of management fees or performance fees, a flat fee or as otherwise agreed. AHL Partners LLP or its affiliates may benefit from the arrangements where clients are referred directly to it and/or investors are referred directly to a Fund, since the management fees are generally based upon a percentage of such client's assets under management. Thus, the more assets the Investment Manager or its affiliates has under management, the higher the management fee income. If applicable, any such arrangement with a third-party solicitor will comply with the Advisers Act.

MII, a US based affiliate of the Investment Manager, acts as the selling agent and/or investor servicing agent for certain Funds in the US. MII may receive a percentage of a Fund’s management fee to act as selling agent and or investor servicing agent. In addition, MII has entered into agreements with other broker-dealers and certain financial advisers to solicit interests in Funds and/or to provide ongoing investor services and account maintenance services to investors. Each such broker-dealer and financial adviser generally receives compensation based on the aggregate value of outstanding interests held by investors that receive services from such persons, fixed amounts or other agreed upon compensation. Such compensation generally will be paid by MII from the fees that it receives from a Fund or the Investment Manager.

In addition, AHL Partners LLP has entered into an agreement with its affiliate, Man Investments AG (“MIAG”), an entity based in Switzerland that is registered with the Swiss Financial Market Supervisory Authority to market AHL Partners LLP services in jurisdictions outside of the U.S. and Canada. These affiliated entities act as solicitors for managed accounts and the selling agent and/or investor servicing agent for certain Funds outside of the U.S. AHL Partners LLP Funds may also enter into a distribution agreement directly with MIAG to sell Fund interests to non-U.S. persons. MIAG may contract with other affiliates to market AHL Partners LLP services and sell Fund interests in jurisdictions outside of the U.S and Canada.

ITEM 15

CUSTODY

With regards to its U.S. private funds, the Investment Manager is subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). In accordance with the Custody Rule each U.S. private fund complies with the provisions of the "Pooled Vehicle Annual Audit Exception" and is subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and distributes its audited financial statements to all investors within 120 days of the end of its fiscal year.

With respect to certain U.S. managed accounts and, as agreed, AHL Partners LLP may directly debit fees from such clients' accounts and may be deemed to have custody as a result of such authority. In these cases in order to comply with the Custody Rule, managed accounts will receive statements directly from the managed account's qualified custodian(s) (as defined in the Custody Rule) on at least a quarterly basis. Managed account clients should carefully review those statements regarding the investment activities and fees for the account.

ITEM 16

INVESTMENT DISCRETION

In general, AHL Partners LLP provides discretionary investment advice and/or management services to its clients. As such, AHL Partners LLP has discretion regarding all investment decisions and is authorized to determine and direct execution of transactions within each client's specified investment objectives, restrictions and policies. However, AHL Partners LLP's discretion is subject to regulatory constraints as well as limits imposed on the investment manager as described in the applicable offering document in the case of the Funds, as applicable, and investment management agreements or other relevant documents with each client advised or sub-advised by AHL Partners LLP. AHL Partners LLP utilizes centralized trading and finance desks to execute orders on behalf of its clients.

In recognition of the fact that that certain investors may be prevented or constrained from having direct or indirect exposure to certain stocks by virtue of law, statute, rule, regulation or policy, AHL Partners LLP will consider submissions for the exclusion of certain stocks from a relevant AHL Programme where such investor meets a certain threshold of investment. AHL Partners LLP will only exclude such stocks from an AHL Programme in circumstances where it considers, in its absolute discretion, that the exclusion would allow AHL Partners LLP to continue to discharge its duties and obligations as investment manager and that the exclusion will have no material effect on the performance and operation of that AHL Programme.

ITEM 17

VOTING CLIENT SECURITIES

A. Proxy Voting

AHL Partners LLP has adopted policies and procedures to ensure that any proxy voted on behalf of clients is voted in a manner which is in the best interests of such clients.

Proxy votes that may be voted at AHL Partners LLP's discretion, or where AHL Partners LLP has been specifically instructed by a client to vote proxies, will be evaluated and AHL Partners LLP will seek to vote in the best interest of the relevant Proxy Client(s). It should be noted that there may be times whereby AHL Partners LLP invests in the same securities/assets while managing different investment strategies and/or clients. Accordingly, it may be appropriate in certain cases that such securities/assets are voted differently across different investment strategies and/or clients, based on their respective investment thesis and other portfolio considerations.

It should be noted that AHL Partners LLP will only vote proxies on securities and other portfolio assets currently held by clients or in which clients have an economic interest. Proxies received for securities that are loaned out or are on contract for difference/swap will generally not be voted.[4] In addition, from time to time clients may hold equity positions purely for financing purposes. The net result of these holdings is that the client has no economic interest in the issuer and as such AHL Partners LLP will refrain from voting. Furthermore, AHL Partners LLP may refrain from voting a proxy when it is determined that the cost of voting the proxy exceeds the expected benefit to the client.

In addition, on an on-going basis AHL Partners LLP will endeavour to identify material conflicts of interest, if any, which may arise between AHL Partners LLP and one or more issuers of clients' portfolio securities, with respect to votes proposed by and/or affecting such issuer(s), in order to ensure that all votes are voted in the overall best interest of clients.

AHL Partners LLP has established Stewardship and Proxy Voting Committees that are responsible for resolving proxy voting issues when deemed necessary; making proxy voting decisions where a material conflict of interest may exist; monitoring compliance with The Global Proxy Voting Policy (the "Policy"); and setting new and/or modifying existing policies. Compliance will undertake monitoring of the Stewardship team's conflict resolution process (such as the proxy watch list) where potential conflicts of interest may exist.

AHL Partners LLP has appointed, and will appoint from time to time, one or more proxy voting service companies, to provide it with proxy voting services for certain Proxy Clients. Where

[4] On a case by case basis, stock may be recalled in order to vote.

applicable, AHL Partners LLP will generally vote proxies for the relevant Proxy Clients in accordance with AHL Partners LLP's Proxy Voting Policy guidelines, unless otherwise specifically instructed to vote otherwise by the Portfolio Manager or such Proxy Client.

AHL Partners LLP maintains documentation memorializing the decision to vote a proxy in a manner different from what is stated in the relevant proxy voting guidelines. Documentation is also maintained for all proxies that are not voted for Proxy Clients and the reasons therefore where AHL Partners LLP has been instructed by the Proxy Client to vote.

AHL Partners LLP's Global Proxy Voting Policy uses the Glass Lewis standard policy as the base but applies a number of additional guidelines that target specific areas where we believe higher standards should be promoted.

The Glass Lewis standard proxy voting guidelines can be found on Glass Lewis' website at: https://www.glasslewis.com/voting-policies-current/

AHL Partners LLP's Global Proxy Voting Policy guidelines are summarised in the table below:

Key Areas	AHL Partners LLP's Global Proxy Voting Policy Guidelines
Board Gender Diversity	**US, Canada, UK, Australia, Europe:** - At companies included in standard market indices, we will generally vote against the nomination committee chair and/or members when the board of directors is not at least one-third gender diverse. - At all other companies listed in other market indices in the above countries, we will generally vote against the nomination committee chair and/or members when there is not at least one woman on the board of directors. **Japan:** At companies included in standard market indices, we will generally vote against the nomination committee chair and/or members when the board of directors is not at least 10% gender diverse.
Human Rights	We will generally vote against the ESG committee or equivalent when the Human Rights Policy does not align with the Universal Declaration of Human Rights (UDHR).
Climate Change	For transition laggards operating in energy intensive sectors,[5,6] we will generally vote against the ESG committee or equivalent if: - the company lacks board oversight of climate - the company has not set a net zero target

	- the company does not report their disclosures in line with the Task Force on Climate-Related Financial Disclosures (TCFD) or the Sustainability Accounting Standards Board (SASB)
Executive Compensation	We will generally vote against executive compensation policies if there is insufficient disclosure, significant disconnect between pay and performance, lack of sufficiently stretching targets, excessive discretion, ex gratia, non-contractual payments or guaranteed bonuses, excessive quantum, excessive and unjustified increases in base salary, or lack of structural safeguarding mechanisms such as clawback and malus policies. For transition laggards operating in energy intensive sectors[5,6], we will generally vote against executive compensation policies if remuneration awards are not linked to climate indicators.
Board Tenure and Refreshment	We will generally vote against members of the nomination and/or governance committees wherein the board has an average tenure of greater than 10 years and there have been no new nominees in the last 5 years.
Shareholder Proposals	We will generally support shareholder initiatives that request additional disclosure on behalf of a company or are otherwise environmentally or socially positive, and not conversely aimed at limiting disclosure or consideration of key issues.

[5] As defined by a proprietary transition score.

[6] The climate guidelines mainly apply to executive compensation and director elections; they take into account a company's size and sector to ensure that shareholders execute votes that make sense from a financial perspective in the context of a company's operations. Using our internal data capabilities, we have developed a proprietary transition score to identify a list of transition laggards operating in energy intensive sectors that receive the highest degree of focus.

Upon request, clients may receive a copy of AHL Partners LLP's Global Proxy Voting Policy and/or information regarding the manner in which securities held in their account were voted by contacting their AHL Partners LLP representative at globalproxyvotingclientservices@man.com.

B. Class Actions

AHL Partners LLP will only participate in class actions on behalf of clients (as authorized) to the extent possible and practical and where it believes it is in the best interests of clients to do so. There may exist circumstances where a recovery is possible, but AHL Partners LLP does not believe it is in the client's best interest to so participate. It is currently expected that in substantially all situations where AHL Partners LLP is authorized to file class actions on behalf of clients, AHL Partners LLP will utilize the services of a third-party class actions service provider. Only current clients or Fund investors will receive any proceeds received from class action recoveries. Investors that have fully redeemed will not receive any class action proceeds. AHL Partners LLP may consider a de minimis amount with regards to distributing any proceeds received.

AHL Partners LLP may from time to time receive notification of and/or determine (as authorized) to engage and/or participate in litigation or other legal proceedings regarding investments held by clients. AHL Partners LLP may participate and/or engage in in those lawsuits where AHL Partners LLP has made the determination that the potential benefit to its client(s) outweighs the costs of participation in the litigation. Any monies recovered as a result of any such litigation will be allocated on a pro rata or other appropriate basis to the client(s) which hold/held the investment at issue. AHL Partners LLP will not be responsible for reimbursing any client(s) or investor(s) who may have been invested during the period that is the subject of any litigation but had redeemed or withdrawn such investment prior to such a recovery. AHL Partners LLP may consider a de minimis amount with regards to distributing any proceeds received.

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FINANCIAL INFORMATION

AHL Partners LLP is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.