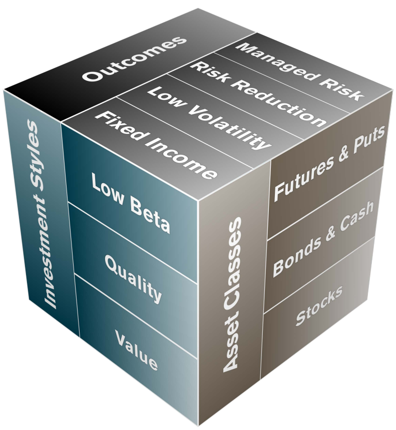
Dynamic Alternative Managed Risk Private Pool Class

DYNAMIC private INVESTMENT POOLS

The next generation multi-strategy alternative balanced fund

Combining competitive upside potential with the stability and income of a traditional balanced fund but with reduced interest rate risk, Dynamic Alternative Managed Risk Private Pool Class (the Pool) is the next generation multi-strategy alternative to the traditional balanced fund.



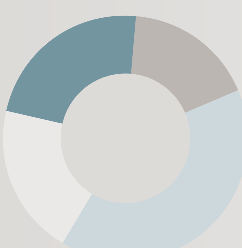
Competitive upside potential but with a systematic managed-risk approach

The Pool seeks to provide exposure to a multi-asset multi-strategy portfolio with the potential to deliver low volatility U.S. exposure with competitive participation in good markets, attractive income generation potential and a systematic pivot to risk-reduction in declining markets. The Pool's investment approach utilizes options, stocks, bonds, cash, and futures and several investment styles such as low beta and quality.

The Pool's strategies are managed within a conservative pre-defined risk budget to provide systematic downside protection. The risk budget aims to constrain the Pool's average volatility and potential loss to be in-line with traditional balanced funds but with less duration risk over time. In practical terms, that means optimizing exposure to blue chip stocks in good markets while maintaining a modest baseline of 23% in short duration bonds (which can increase to approximately 50% in declining markets).

Outcome-based Investing

Market volatility tends to increase towards the end of the market cycle. In a rising interest rate and a rising volatility environment, outcome-based strategies can help investors stay disciplined and not get sidelined because of market volatility. From that perspective, the Pool is built to deliver the following outcomes:



- **Fixed Income** (23%)
- **Low Volatility** (30%)
- **Managed Risk** (35%)
- **Risk Reduction** (12%)

47% of assets are managed with a predefined risk budget. Volatility & drawdown of the **Managed Risk and Risk Reduction** allocations should be in-line with traditional balanced funds but with less duration risk

Series FT/T Target Distribution	
4%	
Management Fees[1]	
Series F**/I	0.75%
Series A/T	1.75%
Management Fee Discounts	
$250K-$1M	0.075%
$1M-$5M	0.125%
$5M+	0.175%
Fixed Administration Fee	
0.15%	
Fund Codes	
Series F	3915
Series F DCAF[2]	3916
Series FH (US$)	3917
Series FT	3950
Series I	3969
Series A	3972
Series A DCAF[2]	3997
Series T	3973
Series A/T Compensation	
FE Commission	0-5%
FE Service Fee	1.00%

** Includes all corresponding fee-based series (FH, FT)

1 As of February 16, 2018, this Pool no longer pays a performance fee.

2 Switching from a Dynamic Corporate Class Fund into the DCAF version of a Corporate Class Fund will trigger a taxable event, as DCAF is composed of money market securities held in a mutual fund trust that are not within the Class structure. Once in DCAF, switches are then made into the target Corporate Class Fund.

Dynamic Alternative Managed Risk Private Pool Class

Fixed Income (23%)

Fixed Income (23% baseline allocation but can go up to ~50% allocation) is primarily allocated to short to medium term treasuries – generally with the weighted duration of less than five years. The exposure is gained through bonds, bond futures, and bond ETFs.

Low Volatility (30%)

Low Volatility (30% allocation) has minimal interest rate sensitivity which is an improvement over traditional low volatility funds/ETFs – the improvement is achieved through systematic diversification and not crowding into the typical rate sensitive bond proxy sectors.

Managed Risk (35%)

Managed Risk (35% allocation) allocates between a combination of options, stocks, bonds, and cash while targeting a low beta by systematically hedging the portfolio with S&P 500 puts or short equity futures.

Risk Reduction (12%)

Risk Reduction (12% allocation) is built to have competitive upside but with the downside systematically protected. It invests in S&P 500 stocks with attractive quality & value characteristics. To reduce the risk, we allocate a reasonable hedging budget for the strategy to purchase puts on the S&P 500 ETF for downside protection. The systematic downside protection would kick in once the market suffers high-single-digit losses or more.

Note that on top of the 23% baseline bond allocation, approximately 47% of the assets in the Pool are managed within a conservative pre-defined risk budget. The risk budget aims to constrain the Pool's average volatility and potential loss to be in-line with traditional balanced funds but with less duration risk over time.

By combining the four intended outcomes, the Pool aims to deliver an alternative to the traditional balanced (equities + fixed income) approach. This alternative should deliver competitive performance vs. equities over time but with systematic protection against market drawdowns.

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