

Firm Brochure
(Part 2A of Form ADV)

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This Brochure provides information about the qualifications and business practices of Wolverine Asset Management, LLC (“WAM”). If you have any questions about the contents of this brochure, please contact us at (312) 884-4400. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Wolverine Asset Management, LLC, is available on the SEC’s website at www.adviserinfo.sec.gov.

Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

Item 2 – Material Changes

This Brochure was last updated in March 2021.

Since the last annual update, effective close of business October 15, 2021, David Cavicke succeeded Keri Kelly as WAM's Chief Compliance Officer.

Apart from the above, WAM's business has not materially changed since the last update; however, certain disclosures have been updated throughout the brochure and should be carefully reviewed in its entirety.

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Item 4 – Advisory Business

i) Firm Description

Wolverine Asset Management, LLC (“WAM” or “us” or “we”) was formed in 2001 to provide discretionary investment management services utilizing structural arbitrage and relative value strategies to institutional clients. The indirect principal owners of WAM are Christopher Gust and Robert Bellick.

ii) Types of Advisory Services

WAM offers investment advisory services to institutional clients, including pooled investment vehicles (e.g., hedge funds). WAM serves as the discretionary investment manager to the Wolverine Flagship Funds and may in the future serve as the discretionary investment manager to additional pooled investment vehicles, accounts and other arrangements with institutional clients (collectively, the “WAM Funds”). The WAM Funds are offered only to high-net-worth, sophisticated institutional and individual investors.

- The “Wolverine Flagship Funds” include:
 - Wolverine Flagship Fund, LLC (U.S.-domiciled feeder fund)
 - Wolverine Flagship Fund Limited (Cayman-domiciled feeder fund)
 - Wolverine Flagship Fund Trading Limited (a Cayman-domiciled master fund (“WFFTL”))

The objective of the WAM Funds is to seek returns on capital through the use of arbitrage and relative value strategies.

See Item 8 for a more detailed explanation of the specific strategies implemented by the WAM Funds. All investment and trading activity takes place at the WFFTL level for the Wolverine Flagship Funds. The general purpose of the U.S.-domiciled feeder fund is to accept investments from U.S. taxable investors and the general purpose of the Cayman-domiciled feeder fund is to accept investments from U.S. tax-exempt investors and non-U.S. investors. Transactions entered into by WAM on behalf of WFFTL are outlined in the confidential information memorandum or any other written agreement between WAM and the WAM Funds. Transactions entered into by WAM on behalf of the WAM Funds are not based on the individual needs of investors in the WAM Funds.

iii) Management of Client Assets

As of March 2021, WAM managed approximately \$3.5 billion in assets on a discretionary basis on behalf of the WAM Funds.

Item 5 - Fees and Compensation

Wolverine Flagship Funds

In its capacity as investment adviser to the WAM Funds, WAM receives a quarterly management fee of 1.75% per annum, but scales down for larger investments (see below) of the quarter-end net asset value of an investor's interest in the WAM Funds. WAM also is entitled to an annual performance allocation ranging from 20%-30% of any new profits over a "high-water mark" experienced by an investor's interest in the WAM Funds.

WAM, in its discretion, may reduce or waive in whole or in part its performance allocation and/or management fee with respect to one or more investors in the WAM Funds, including, without limitation, its affiliates, its partners, and their principals and employees and members of their respective families. In exercising its discretion, WAM has granted management fee reductions to investors for marginal investments in the Wolverine Flagship Funds above three different investment thresholds – \$50 million, \$100 million and \$200 million. At the current time, management fee reductions associated with marginal investments above these thresholds are 0.25%, 0.50% and 0.75%, respectively. The management fee is also further reduced if aggregate investments in the WAM Funds by third-party investors exceeds \$1.75 billion. The management fee is reduced by the product of 50 basis points and the ratio of the WAM Funds external AUM in excess of \$1.75 billion over the WAM Funds external AUM. Although the management fee may vary from month to month, it will never exceed 1.75%.

In addition, WAM offers investors in the Wolverine Flagship Funds two alternative fee structures: (i) for investments in excess of \$200 million, the management fee is 1.25% and the performance allocation is subject to a hurdle amount; and (ii) for investments in excess of \$250 million, the fee structure is based on the cumulative return and volatility of the investor's performance within the Wolverine Flagship Funds. The details of such fee structures are in the confidential information memorandum or are available directly from WAM upon request.

Expenses

The WAM Funds bear its *pro rata* portion of all expenses related to its investment activities, including brokerage commissions and other costs of executing transactions, "bid-ask" spreads, mark-ups, investment expenses and all other expenses (including, without limitation, all commissions, clearing fees, custody fees, foreign exchange fees, valuation and portfolio pricing, interest charges, financing charges and applicable withholding and other taxes) related to the acquisition, disposition and restructuring of WFFTL's investments, the costs of trading, research and/or data screens, as well as risk management and data services and systems (including, without limitation, the costs of utilizing and/or supporting risk-reporting technology required by consultants retained by or on behalf of institutional investors), investment-related legal expenses, investment research expenses (including, without limitation, conferences, research-related travel and due diligence expenses related to research-vendor selection, and the costs of research-related publications and periodicals), and due diligence expenses related to maintaining service-provider relationships with the WAM Funds (including any travel-related due diligence costs), including the cost and expense related to organizing any SPV operating as a subsidiary of WFFTL and its investment activities.

WAM shall pay for all direct overhead and administrative expenses, including employee salaries, employee benefits and expenses related to office space, utilities, computer equipment and software.

Item 6 - Performance-Based Fees and Side-By-Side Management

As described above, WAM is entitled to an annual performance allocation equal to the fee structures described above in Item 5 with respect to the WAM Funds. The performance allocations may give WAM an incentive to trade in a more risky or speculative manner than would otherwise be the case if WAM were only compensated based on a percentage of assets. In addition, WAM may receive increased compensation under the performance allocations based on unrealized appreciation as well as realized gains experienced by the WAM Funds. WAM, however, believes that the use of performance allocations on new profits (i.e., above a high-water mark), which is standard practice in the hedge fund industry, helps to align the interests of WAM, its partners and their principals with those of investors in the WAM Funds.

Item 7 - Types of Clients

WAM serves as the discretionary investment adviser to the WAM Funds. Investments in the WAM Funds are made available only to “accredited investors” (as defined in Regulation D under the Securities Act of 1933, as amended, or “1933 Act”) and “qualified purchasers” (or “knowledgeable employees”), as defined in the Investment Company Act of 1940 (the “Investment Company Act”). The minimum investment required by the WAM Funds is \$2 million, which may be reduced in WAM’s discretion.

Item 8- Methods of Analysis, Investment Strategies and Risk of Loss

i) Methods of Analysis

WAM attempts to capture returns on capital through the purchase of securities below their theoretical fair value and through the prudent reduction of related sources of risk. By using this approach, WAM believes that price variations will be minimized and returns will be captured as theoretically mispriced securities accrete to fair value.

Some of the strategies employed by WAM include: (i) Capital Structure Arbitrage, which is a derivatives-based, relative value strategy focused on capturing investment opportunities across corporate capital structures; (ii) Event-Driven, which is a strategy that seeks to capture excess risk premium in companies that are expected to experience a corporate transaction or other catalyst that affects the value of their securities; (iii) NAV Arbitrage, which consists of the Closed-end Fund Arbitrage strategy and the REIT Arbitrage strategy. The Closed-end Fund Arbitrage strategy seeks to generate returns by exploiting short-term and medium-term mean reversion in closed-end fund discounts. The REIT Arbitrage strategy seeks to capture relative differentials in price-to-book ratios of mortgage, property and commercial REITs; (iv) Volatility Arbitrage, which deploys a variety of proprietary volatility strategies including systematic, discretionary, and tail-risk strategies.

ii) Investment Strategies

Wolverine Flagship Funds

The Wolverine Flagship Funds' investment objective is to seek returns on capital primarily through the use of arbitrage, relative value, and various macro strategies. WAM currently offers the following investment strategies, some or all of which may be employed opportunistically for the Wolverine Flagship Funds:

Capital Structure Arbitrage. Capital Structure Arbitrage is a derivatives-based, relative value strategy focused on capturing investment opportunities across corporate capital structures. The Investment Manager looks for mispriced securities or assets and either buys a security if it is underpriced or sells short (sell without owning) a security if it is overpriced. WAM seeks out mispriced securities by determining the fair value of the securities using a combination of theoretical valuation and trading judgment based on WAM's experience in the marketplace. Proprietary data feeds, analytics, and execution software are used to detect and capture valuation differentials. This strategy primarily uses corporate bonds, preferred securities and warrants, as well as listed equities, options, credit default swaps, and futures.

Event-Driven. Event-Driven is a strategy that seeks to capture excess risk premium in companies that are expected to experience a corporate transaction or other catalyst that affects the value of their securities. These events may include mergers and acquisitions, tender offers, asset sales, spinoffs, debt refinancing, reorganizations, bankruptcies, litigation, and capital-markets transactions. Knowledge of event mechanics and trading judgment about how security prices will react allow WAM to identify investment targets. Risk factors that complicate the strategy include deal termination/adjustment, deal timing, election/proration uncertainty, deal financing, the existence of multiple acquirers, the actions of other security holders, market dynamics, and the outcome of court proceedings or litigation. Event-driven investing may include, but is not limited to, merger arbitrage (also known as risk arbitrage), catalyst-driven credit investing, special situation investing and distressed investing.

NAV Arbitrage. The NAV Arbitrage strategy consists of the Closed-end Fund Arbitrage strategy and the REIT Arbitrage strategy. The Closed-end Fund Arbitrage strategy seeks to generate returns by exploiting short-term and medium-term mean reversion in closed-end fund discounts. The strategy actively trades in closed-end funds. The strategy is intended to be market-neutral by hedging out NAV risk primarily with exchange-traded funds ("ETFs"). The REIT Arbitrage strategy seeks to capture relative differentials in price-to-book ratios of mortgage, property and commercial REITs. The strategy takes long and short positions in equities while hedging net exposures to the underlying assets with MBS and interest rate futures.

Volatility Arbitrage. The Volatility Arbitrage strategy deploys a variety of proprietary volatility strategies including systematic, discretionary, and tail-risk strategies. These strategies encompass a variety of trading disciplines including relative value, convexity and liquid indices. The strategy seeks to exploit both low- and high- frequency pricing dislocations across related derivative securities by using a proprietary technology platform to execute candidate trades and attempt to optimize trading costs. The main objective of the volatility strategy is to generate performance that is uncorrelated to the market.

WAM's investment strategies are under continuous development and evolution. WAM anticipates that it will continue to add and/or remove strategies to the WAM Funds in the future. The composition of WAM's portfolio can be expected to change, possibly materially, over time, as the arbitrage and relative value strategies implemented by WAM continue to evolve.

iii) Risks

WAM's trading strategies are speculative and involve significant risks. There can be no assurance that WAM will achieve its investment objective on behalf of its clients. In fact, many of the practices utilized by WAM such as short selling and leverage can, in certain circumstances, exacerbate the adverse impact of particular transactions and conditions on our investment program and consequently the performance of the WAM Funds. Investors in the WAM Funds must be prepared to lose all or substantially all of their investment. Some of the material risks of an investment in the WAM Funds and/or associated with WAM's investment strategies are as follows:

Inherent Limitations of Disclosure. The descriptions of WAM's strategies, the markets in which the WAM Funds trade, the risk factors and conflicts of interest involved in doing so and other aspects of the WAM Funds' operations are subject to material inherent limitations and do not purport to be complete. In investing in the WAM Funds, shareholders are entrusting their capital, on essentially a "blind pool" basis, to the subjective, discretionary market judgment of WAM trading in changing, volatile and uncertain markets pursuant to strategies which can only be described in broad and non-specific terms. No one should invest in the WAM Funds who is not — irrespective of the disclosures made — capable of understanding and evaluating the risks of such an investment.

Risk of Loss or Low Returns. There can be no assurance the WAM Funds will achieve their objectives. Furthermore, WAM may expand the WAM Funds' portfolio into new market sectors, instruments and strategies. Consequently, the WAM Funds' investment record at any given time may not be representative of its current or future investment approach. Investors may lose all or substantially all of their investment in the WAM Funds, or may achieve financial returns that are below their expectations and below the returns achieved by other investment strategies. ***Past performance is not necessarily indicative of future results.***

General Market Conditions. While it is possible for the WAM Funds current and potential strategies to be profitable during both upward and downward market cycles, there are certain market conditions in which different strategies have a materially reduced likelihood of success. It is impossible to predict future market conditions, and certain market conditions could be materially adverse to the prospects for the WAM Funds. The particular or general types of market conditions in which the WAM Funds may incur losses or experience unexpected performance volatility cannot be predicted, and the WAM Funds may materially underperform other investment funds with substantially similar investment objectives and approaches. Moreover, a fundamental component of WAM's strategies will generally attempt to hedge market or other risks inherent in the WAM Funds' portfolio. WAM may determine that it is economically unattractive, or otherwise undesirable, to hedge certain risks (and instead may rely on diversification or other strategies in order to maximize portfolio value and control such risks).

Nature of Investments. WAM has broad discretion in making investments for the WAM Funds. Investments generally consist of equity and debt securities, derivatives and other assets that may be affected by business, financial market or legal uncertainties. There can be no assurance that

WAM will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as U.S. or non-U.S. economic and political developments, may significantly affect the results of the WAM Funds' activities and the value of its investments.

Market Risks in General. All of WAM's strategies are subject to some dimension of market risk, including directional price movements, deviations from historical pricing relationships, changes in the regulatory environment, changes in interest rates, changes in market volatility, changes in the liquidity of certain positions or categories thereof, flights to quality, credit squeezes and other market conditions. WAM's style of investing is risky, and potentially more risky than other investing strategies. Numerous examples exist of hedge fund strategies, particularly those that involve the use of leverage or illiquid securities, from time to time incurring sudden and dramatic losses arising from market risk and other factors. There can be no assurance that the Fund will not sustain a sudden, dramatic — and potentially total — loss.

The WAM Fund's positions and strategies may not be diversified at particular points in time. Regardless, diversification, even if significant, may not provide meaningful risk control. In fact, diversification may reduce the WAM Fund's profit potential as a result of certain strategies being unprofitable while others are profitable.

Convertible securities. Convertible securities are securities that may be exchanged or converted into a predetermined number of the issuer's underlying shares or the shares of another company, or securities that are indexed to a market index, at the option of the holder during a specified time period. Convertible securities exhibit characteristics of both equity and debt instruments, and while this complexity creates opportunities for the WAM Funds it also exposes risks particular to these securities.

Arbitrage strategies attempt to take advantage of perceived price discrepancies between correlated securities, typically applying leverage in an attempt to increase profits. Convertible-securities arbitrage generally involves acquiring convertible securities and selling short a corresponding amount of the underlying equity security, although this relationship may be reversed.

There are many associated risks that can affect the results of this strategy. To the extent the price relationships between arbitrated positions remain constant, no gain or loss on the positions will be recognized; to the extent that the requisite elements of an arbitrage trade are not properly analyzed, or the prices of the underlying securities are affected by unexpected or extraordinary events, the WAM Funds may incur losses, and those losses will be increased if the WAM Funds use leverage in connection with the trade. Other risks include the following: (i) interest-rate or market-volatility changes may adversely affect the relationship between securities; (ii) convertible securities tend to be significantly less liquid and have wider bid/offer spreads than equity securities, making it more difficult to enter and profitably exit such trades; (iii) convertible arbitrage trades involve an inherently imperfect and dynamic hedging relationship that must be adjusted from time to time (and the failure to make timely or appropriate adjustments may limit profitability or lead to losses); (iv) convertible arbitrage involves selling securities short, with the attendant risk of loss and the costs of locating shares available for borrowing; and (v) the prices of the securities involved may be materially adversely affected by changes in the dividend policy of the underlying equity, changes in the issuer's credit rating, or a major transaction or development affecting the issuer.

Convertible securities are hybrid instruments that have features of corporate debt and common stock. Convertible security holders sacrifice some of the interest obtainable on straight corporate debt in exchange for the right to convert the security into the common stock of the company. As the underlying common stock appreciates in value, the conversion right, and thus the convertible security, also appreciates in value. As the underlying common stock declines in value, the conversion right, and thus the convertible security, also declines in value. However, because the convertible security is senior to the underlying common stock in the capital structure of the company, the convertible security should not decline in value as rapidly as an equal amount of underlying common stock.

Convertible securities are issued at all tiers of capital structure from senior unsecured debt to preferred stock. As with other types of debt, a higher level of seniority commands a greater level of creditworthiness.

Synthetic Convertible Instruments Risk. The value of a synthetic convertible instrument will respond differently to market fluctuations than a convertible security because a synthetic convertible instrument is composed of two or more separate securities, each with its own market value. In addition, if the value of the underlying common stock or the level of the index involved in the convertible component falls below the exercise price of the warrant or option, the warrant or option may lose all value.

Hedging. The WAM Funds engage in a variety of techniques to hedge certain risks at a position, strategy or overall portfolio level. Hedging techniques involve one or more of the following risks: (i) imperfect correlation between the performance or value of the instrument and the value of the WAM Funds' instruments needing to be hedged; (ii) possible lack of a secondary market for closing out a position in such hedged instrument; (iii) losses resulting from interest rate, spread or other market movements not anticipated by WAM; (iv) the possible obligation to meet additional margin or other payment requirements, all of which could worsen the WAM Funds' position; and (v) default or refusal to perform on the part of the counterparty with which the WAM Funds trade.

Use of derivatives and other techniques for hedging purposes involves certain additional risks, including (i) dependence on the ability to predict movements in the price of the securities hedged; (ii) imperfect correlation between movements in the securities on which the derivative is based and movements in the assets of the underlying portfolio; and (iii) possible impediments to effective portfolio management or the ability to meet short term obligations because of the percentage of a portfolio's assets segregated to cover its obligations. In addition, by hedging a particular position, any potential gain from an increase in the value of such position may be limited.

The WAM Funds may choose to hedge all or certain risks in full, in part, or not at all, and in respect of particular positions or in respect of the WAM Funds' overall portfolio. Certain risks may not be able to be effectively hedged by the WAM Funds. The WAM Funds' portfolio composition will commonly result in various directional risks remaining unhedged.

The ability of the WAM Funds to hedge successfully will depend on the ability of the WAM Funds to predict pertinent market movements, which cannot be assured. Correlations between various instruments may become disrupted or change over time. To the extent that such correlations are used to implement hedging strategies, such hedging strategies may be ineffective or result in losses. The ongoing success of any hedging strategy is dependent on the ability to adjust hedges as

markets or correlations change, and there can be no assurance that the WAM Funds will be able to make such adjustments successfully.

The WAM Funds will not be required to hedge and there can be no assurance that hedging transactions will be available or, even if undertaken, will be effective and not result in losses. Any hedging activity could result in increased use of cash for margin requirements, especially when the WAM Funds' instruments and hedges are with different counterparties or clearing locations. In addition, it is not possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-U.S. currencies because the value of those securities is likely to fluctuate as a result of independent factors not related to currency fluctuations. Furthermore, by hedging a particular position, any potential gain from an increase in the value of such position may be limited.

Convertible Hedging Risk. If the market price of the underlying common stock increases above the conversion price on a convertible security, the price of the convertible security will increase. The WAM Funds' increased liability on any outstanding short position would, in whole or in part, reduce this gain.

Debt Securities. Debt securities are subject to credit risk. Credit risk relates to the ability of the issuer of a security to make interest and principal payments on the security as they become due. If the issuer fails to pay principal or interest, the WAM Funds' income and/or the value of that security can be expected to decline. To the extent that the WAM Funds are "long" such a security, they can be expected to incur losses in such a scenario. Debt securities issued by corporations are subject to risk of default. A downgrade in an issuer's credit rating or other adverse news regarding the issuer can reduce the value of that issuer's debt securities.

Derivatives. The WAM Funds may make extensive use of various derivative instruments, such as swaps, warrants, options and forward contracts. The use of derivative instruments involves a variety of material risks. These risks include the extremely high degree of leverage that can be embedded in such instruments, a risk which can be materially increased by the limited liquidity that often characterizes the derivatives markets. The pricing relationships between derivatives and the underlying instruments on which they are based also may not conform to anticipated or historical correlation patterns, resulting in unanticipated losses.

The WAM Funds' use of derivatives and other techniques (such as short sales) for hedging purposes will involve certain additional risks, including: (i) dependence on the ability to predict movements in the price of the asset being hedged; (ii) imperfect correlation between movements in the asset on which the derivative is based and movements in the asset being hedged; and (iii) possible impediments to effective portfolio management or the ability to meet short-term obligations because of the percentage of the WAM Funds' assets segregated to secure its obligations under derivatives contracts. In addition, by hedging a particular position, the WAM Funds may limit any potential gain from an increase in the value of such position.

Some of the derivatives traded by the WAM Funds may be OTC instruments (contracts) between the WAM Funds and third parties. The risk of counterparty nonperformance can be significantly greater in the case of these OTC instruments (contracts) as opposed to exchange-traded derivative instruments. Furthermore, "bid-ask" spreads may be unusually wide in the substantially unregulated OTC markets.

OTC Transactions. Dodd-Frank included provisions that comprehensively regulated the OTC derivatives markets, subject to rulemaking and oversight by the CFTC and SEC. Dodd-Frank mandated that a portion of OTC derivatives must be executed in regulated markets and be submitted for clearing to regulated clearinghouses. OTC trades submitted for clearing became subject to minimum initial and variation margin requirements set by the relevant clearinghouse, as well as margin requirements mandated by the CFTC, SEC and/or federal prudential regulators. OTC derivatives dealers also typically demand the unilateral ability to increase the WAM Funds' collateral requirements for cleared OTC trades beyond any regulatory and clearinghouse minimums. Although WAM will attempt to negotiate minimum notice periods before a dealer may increase the WAM Funds' margin requirements, there can be no assurance that such notice requirements will be in place for all dealers and the WAM Funds may need to post additional margin on short notice. The CFTC has also imposed margin requirements on non-cleared OTC derivatives and new requirements that apply to the holding of customer collateral by OTC derivatives dealers. These requirements may increase the amount of collateral the WAM Funds is required to provide and the costs associated with providing it. Although such amounts of collateral and the costs to the WAM Funds of providing such collateral are generally not expected to be material, the amount of required collateral and the cost of providing it could become material due to changes in market conditions or other events that are beyond the control of WAM. OTC derivative dealers also are required to post margin to the clearinghouses through which they clear their customers' trades instead of using such margin in their operations, as was widely permitted before Dodd-Frank. This has increased and will continue to increase the OTC derivative dealers' costs, and these increased costs are generally passed through to other market participants in the form of higher upfront and mark-to-market margin, less favorable trade pricing, and the imposition of new or increased fees, including clearing account maintenance fees and per trade administrative "ticket" fees.

With respect to cleared OTC derivatives, the WAM Funds do not face a clearinghouse directly but rather does so through an OTC derivatives dealer that is registered with the CFTC or SEC and that acts as a clearing member. The WAM Funds may face the indirect risk of another clearing member customer failing to meet its obligations to its clearing member. Although in the United States cleared OTC derivatives are not generally subject to the same "fellow customer risk" as cleared futures contracts due to the operation of the CFTC's "legally segregated, but operationally comingled" customer protection rules, if a clearinghouse through which the WAM Funds clear OTC derivatives fails for any reason, including due to a default caused by a cleared swaps customer of any OTC derivatives dealer, the WAM Funds will suffer losses to the extent that such failure causes the WAM Funds' OTC derivatives dealer to default or the WAM Funds' OTC derivatives dealer is no longer obligated to perform on the cleared OTC derivative following the failure of the clearinghouse.

The CFTC also requires, and the SEC in the future is expected to require, certain derivative transactions that were previously executed on a bi-lateral basis in the OTC markets to be executed through a regulated futures exchange, swap execution facility or other regulated market. Such requirements may make it more difficult and costly for investment funds, including the WAM Funds, to enter into highly tailored or customized transactions. They may also render certain strategies in which the WAM Funds might otherwise engage impossible or so costly that they will no longer be economical to implement. If the WAM Funds decide to execute derivatives transactions through such exchanges or execution facilities — and especially if it decides to become a direct member of one or more of these exchanges or execution facilities — the WAM Funds would be subject to the rules of the exchange or execution facility, which would bring additional risks and liabilities, and potential

requirements under applicable regulations and under rules of the relevant exchange or execution facility.

OTC derivative dealers are required to register with the CFTC and in the future may be required to register with the SEC. Registered swap dealers are subject to minimum capital and margin requirements, business conduct standards, disclosure requirements, reporting and recordkeeping requirements, transparency requirements, position limits, limitations on conflicts of interest, and other regulatory burdens. These requirements further increase the overall costs for OTC derivative dealers, which costs may be passed along to market participants as market changes continue to be implemented.

Additional regulation of the OTC derivatives markets, whether as a result of expanded CFTC and/or SEC mandated clearing and execution requirements, increased initial margin requirements or overlapping regulatory requirements imposed by non-U.S. regulators, may make OTC derivatives more costly, may limit the availability of certain derivatives transactions or may otherwise adversely affect the value or performance of certain derivatives.

Forward Contracts. The WAM Funds may trade deliverable forward contracts in the inter-bank currency market. Such deliverable forward contracts are not currently traded on exchanges; rather, banks and dealers act as principals in these markets. As a result of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”), the CFTC regulates certain types of forwards, specifically non-deliverable forwards and many so-called deliverable forwards where the parties do not take actual delivery. Changes in the forward markets may entail increased costs and result in burdensome reporting requirements. There is currently no limitation on the daily price movements of forward contracts. Principals in the forward markets have no obligation to continue to make markets in the forward contracts traded. The imposition of credit controls by governmental authorities or the implementation of regulations pursuant to Dodd-Frank might limit such forward trading to less than that which WAM would otherwise recommend, to the possible detriment of the WAM Funds.

Lower Grade Securities. Because the WAM Funds invest in lower rated debt and equity linked securities, credit risks are greater than those of an account that buys only investment grade securities. Lower grade securities may be subject to greater market fluctuations and greater risks of loss of income and principal than investment grade securities. Securities that are (or have fallen) below investment grade are exposed to a greater risk that the issuers of such securities may not meet their obligations. The markets for these securities may be less liquid, making it difficult for the WAM Funds to sell them quickly at an acceptable price.

Lower grade securities may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability, and a tribunal’s power to disallow, reduce, subordinate, or disenfranchise particular claims. In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (due to, for example, failure to obtain requisite approvals), will be delayed (e.g., until various liabilities, actual or contingent, have been satisfied) or will result in a distribution of cash or new securities the value of which will be less than the purchase price to the WAM Funds of the securities in respect to which such distribution was made. WAM expects that from time to time companies in which the WAM Funds has invested will default, which could cause the WAM Funds to lose all or substantially all of its investment. These

risks are often heightened by an inability to obtain reliable information about the companies and their true financial condition. These risks can reduce the WAM Funds' account value and the income that it earns.

Volatility. The prices of the instruments traded by the WAM Funds have been subject to periods of excessive volatility in the past, and such periods can be expected to recur. Price movements are influenced by many unpredictable factors, such as market sentiment, inflation rates, interest rate movements and general economic and political conditions. Governments from time to time intervene, directly and/or by regulation, in certain markets, particularly those in currencies and interest rate related futures and options. Intervention is often intended to influence prices and may, together with other factors, cause such markets to move rapidly.

While market volatility can create profit opportunities for the WAM Funds, it can also create the risk that historical or theoretical pricing relationships will be disrupted, causing what may otherwise have been considered to be comparatively low risk positions to incur significant losses.

Stagnant Markets. Although volatility is one indication of market risk, certain of the investment strategies employed by WAM depend on market volatility for their profitability. In periods of trendless, stagnant markets and/or deflation, many alternative investment strategies have materially diminished prospects for profitability.

Inflation. Global infusion of credit could eventually lead to material levels of inflation, particularly in the less developed nations in which WAM may invest a portion of its portfolio. Inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economies and securities markets of many countries. There can be no assurance that inflation will not become a serious problem in the future and have an adverse effect on the WAM Funds' returns.

Equity Market Risk. WAM attempts to minimize the WAM Funds exposure to the performance of the equity markets in general and the specific equities underlying its portfolio by buying or selling common stock against the portfolio. For example, each convertible security in the portfolio has an associated theoretical value (or delta), which represents the rate at which the convertible security's price is expected to change given a change in the price of the underlying common stock. The delta is then used to determine the number of shares of the underlying stock to be shorted against the convertible stock or bonds to protect against price movement in the underlying stock.

Market Volatility Risk. The WAM Funds trade securities that can carry substantial embedded volatility risk. For example, a long convertible security/short common stock trade carries long volatility exposure. If during the lifetime of the position the underlying common stock realizes a higher volatility than used in our model for the purpose of computing fair value of the convertible security, the position will have greater gains than what was theoretically predicted. Conversely, a lower realized volatility would result in a lower gain than what was theoretically predicted. Where appropriate, the WAM Funds will attempt to hedge our volatility exposure if such a hedge is reasonably available.

Interest Rate Risk. The WAM Funds expect to purchase investment instruments that tend to have long maturities and can have considerable exposure to movements in interest rates. Where appropriate, we expect to hedge interest rate exposure if such a hedge is reasonably available. Creating a hedge against interest rate exposure, however, is dependent on the relationship between the U.S. government bond yield curve and the yield curve for many of the investment instruments we expect to purchase. That relationship is difficult to ascertain and therefore any interest rate hedge is likely to be imperfect. Nevertheless, the WAM Funds expect to have low exposure to movements in the U.S. government bond yield curve.

Credit Risk. Where appropriate, the WAM Funds will attempt to hedge credit exposure if such a hedge is available and adds theoretical value. The WAM Funds intend to hedge default risk but may have exposure to short-term movements in the credit markets.

Liquidity Risk. A percentage of the WAM Funds' convertible or other securities positions may be comprised of securities referred to as "Rule 144A securities." Rule 144A securities have not been registered with the SEC for public sale, and can only be purchased by "qualified institutional buyers" as defined in the 1933 Act. The WAM Funds also may invest in convertible or other securities sold by public companies in the private capital markets. Private securities are generally subject to substantial restrictions on resale.

The WAM Funds may also may engage in OTC derivatives transactions to hedge its credit and volatility exposure or as a means of generating positive theoretical value. For example, the WAM Funds may enter into volatility and variance swaps. These swaps are illiquid and the WAM Funds might only be able to liquidate these positions at disadvantageous prices.

There can be no guarantee that a secondary market will develop in any of the investment instruments the WAM Funds trade.

Relative Value Strategy Risks. The WAM Funds generally seeks to employ investment strategies that have low correlation to the general equity and debt markets, including identifying and exploiting relative mis-pricings among interrelated instruments. Such "relative value" strategies seek to reduce exposure to the risk of overall market price movements, but in pursuing such strategies the WAM Funds remain exposed to the risks of disruptions in historical price relationships, the restricted availability of credit and the obsolescence of its valuation models. These second-order risks are different in nature, but not necessarily in magnitude, from directional market risks.

Relative value strategies include taking long positions in securities believed to be undervalued and short positions in securities believed to be overvalued. Although such relative value positions are sometimes considered to have lower risk than directional trades, they are by no means without risk. Mis-pricings, even if correctly identified, may not be corrected by the market within the time frame within which the WAM Funds maintains its positions. Even pure "riskless" arbitrage can result in significant losses if the arbitrage is not able to be sustained until expiration (due to securities borrowing recalls or margin calls, for example) and the WAM Funds rarely engage in true arbitrage as opposed to relative value trading, which is inherently a higher-risk strategy. In the event that the perceived mis-pricings underlying the WAM Funds' trading positions fail to converge toward, or diverge further from, WAM's expectations, the WAM Funds may incur losses.

A number of relative value strategies have incurred major losses from time to time during periods when historical pricing relationships have become disrupted, dealers have restricted credit and market liquidity has declined.

Event-Driven Strategy Risks. Event-Driven investment strategies seek to profit from anticipated events affecting specific companies or securities. If and when WAM determines that it is probable that a proposed merger, exchange offer, cash tender offer or other similar transaction will be consummated, the WAM Funds may purchase securities at prices that may be only slightly below the anticipated value to be paid or exchanged for the securities in the proposed transaction. The purchase price to the WAM Funds may be substantially above the prices at which such securities traded immediately prior to the announcement of such transaction. If the proposed transaction appears likely not to be consummated or in fact is not consummated or is delayed, or if the value of a transaction is reduced, the market price of the security to be tendered or exchanged may, and likely will, decline sharply by an amount greater than the difference between the WAM Funds' purchase price and the anticipated consideration to be paid. If WAM determines that the offer price for a security which is the subject of a tender offer is likely to be increased, either by the original bidder or by another party, the WAM Funds may purchase securities above the offer price, thereby exposing the WAM Funds to an increased risk of loss.

Where WAM determines that it is probable that a transaction will not be consummated, the WAM Funds may sell the securities of the target company short, at times significantly below the announced tender or offering prices for the securities in the transaction. If the transaction, or another transaction, such as a "defensive" merger or a "friendly" tender offer, is consummated at the announced price or a higher price, the WAM Funds may be forced to cover the short position in the market at a higher price than the short sale price, with a resulting, and perhaps significant, loss.

The consummation of mergers, exchange offers, cash tender offers or other similar transactions can be prevented or delayed by a variety of factors due to opposition from management or shareholders; the intervention of a government regulatory agency, the SEC, the Antitrust Division of the U.S. Department of Justice or the U.S. Federal Trade Commission; litigation brought by a shareholder; market conditions resulting in material changes in securities prices; or other circumstances.

Event driven investing is risky, and the returns tend to be unpredictable. This element of the WAM Funds portfolio therefore adds volatility to the WAM Funds performance. Because of the inherently speculative nature of event driven investing, the results of the WAM Funds operations should be expected to fluctuate from period to period.

Model Risk. WAM's strategies are based in part on proprietary models for valuing and analyzing investment opportunities. Competitors and other market participants commit substantial resources to updating and maintaining existing models as well as to the ongoing development of new models and algorithms. As market dynamics shift over time, a previously successful model may become outdated or inaccurate, perhaps without WAM recognizing that fact before substantial losses are incurred. There can be no assurance that WAM will be successful in developing and maintaining effective models.

Securities Lending and Borrowing. The WAM Funds may lend or borrow securities in the ordinary course of business. In the event that the WAM Funds were to engage in securities lending

the WAM Funds would be exposed to the risk that the third parties that borrow such securities might not be able to return these securities on demand (possibly causing the WAM Funds to default on its obligations to other parties or to be unable to exercise voting or other rights with respect to such securities), or may default on the payment obligations owed to the WAM Funds in connection with such securities loans, potentially resulting in substantial losses to the WAM Funds. In the case of securities borrowing, the WAM Funds are subject to the risk that the lender of such securities will recall them while the WAM Funds have an open short position, which could necessitate: (i) the location of securities available to borrow from another source (possibly at a materially higher cost); (ii) the unwinding of a short position earlier than anticipated (potentially affecting the WAM Funds' ability to hedge certain of its exposures); and/or (iii) the unwinding of related positions that WAM believes could be inadequately hedged if efforts to timely locate an alternative source of borrowed securities on appropriate terms prove unsuccessful.

Material Nonpublic Information. From time to time, WAM may come into possession of material nonpublic information. The receipt of such information may cause WAM to be restricted from transacting in certain securities on behalf of the WAM Funds for a period of time because of confidentiality and regulatory constraints. As a result, WAM may lose a trading opportunity in a restricted security in which WAM would have otherwise chosen to trade. To the extent that WAM comes into possession of material nonpublic information after the acquisition of a security by the WAM Funds, WAM may be unable to sell such security until after such information becomes publically available. Any such delay could lead to losses for the WAM Funds.

Special Situations. The WAM Funds invest in companies involved in or undergoing mergers, buy-outs, workouts, liquidations, spin-offs, reorganizations, bankruptcies or similar transactions. In any investment opportunity involving any such a "special situation," there exists the risk that the contemplated transaction will be unsuccessful, will take longer than expected or will result in lower returns than expected. If an anticipated transaction does not occur, the WAM Funds may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies, there is a potential risk of loss of the WAM Funds entire investment in such companies.

Distressed Securities. The WAM Funds may invest in "distressed" securities — i.e., securities of issuers in weak financial condition, experiencing poor operating results, needing substantial capital investment, having low or negative net worth, facing special competitive or product obsolescence problems or involved in bankruptcy or other reorganization proceedings. Investments of this type may involve substantial financial and business risks that can result in significant or even total losses. Among the risks inherent in investments in entities experiencing significant financial or business difficulties is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers.

Distressed investments may be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability, and a tribunal's power to disallow, reduce, subordinate, or disenfranchise particular claims. The market prices of such securities are also subject to abrupt and erratic market movements and above-average price volatility, and the spread between the bid and asked prices of such securities may be greater than those prevailing in other securities markets. It may take a number of years for the market price of such securities to reflect their intrinsic value. In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be

unsuccessful (due to, for example, failure to obtain requisite approvals), will be delayed (e.g., until various liabilities, actual or contingent, have been satisfied) or will result in a distribution of cash or new securities the value of which will be less than the purchase price of the securities in respect to which such distribution was made.

International Investing. WAM may invest, directly or indirectly, in international markets, including both developed and emerging markets. Although WAM primarily expect to gain exposure to international markets through investments in ETFs and futures, WAM also may invest in international markets directly by purchasing individual securities. Investing in securities of non-U.S. issuers, positions which generally are denominated in foreign currencies, involve both opportunities and risks not typically associated with investing in U.S. securities. These include: fluctuations in exchange rates of foreign currencies; possible imposition of exchange control regulation or currency restrictions that would prevent cash from being brought back to the United States; less public information with respect to issuers of securities; little or potentially biased government supervision and regulation of exchanges, securities brokers and issuers of securities; difficulties in obtaining and enforcing a judgment against a foreign issuer; different accounting, auditing and financial reporting standards; different settlement periods and trading practices; less liquidity and frequently greater price volatility in foreign markets than in the United States; possible imposition of foreign withholding and other taxes; economic and political risks, including expropriation, currency exchange control and potential restrictions on non-U.S. investment and repatriation of capital; and sometimes less advantageous legal, operational and financial protections applicable to foreign sub-custodial arrangements.

The cost of investing in securities of non-U.S. issuers can be higher than the cost of investing in U.S. securities. Investments in securities denominated in foreign currencies also involve the additional cost of converting currencies upon the purchase and sale of securities. In addition, the WAM Funds may engage in OTC derivatives transactions to hedge credit and volatility exposure or as a means of generating positive theoretical value. These transactions are illiquid and the WAM Funds might only be able to liquidate these positions at disadvantageous prices it becomes necessary, to do so.

Small to Medium Capitalization Companies. The WAM Funds invest in and trades the debt and equity securities of companies with small to medium-sized market capitalizations in the United States and abroad. Small and medium capitalization companies provide significant opportunities, but they also involve higher risks in some respects than do investments in securities of larger companies. For example, prices of these securities are often more volatile than prices of large capitalization companies, and the public information regarding the securities of small to medium-sized companies may be less complete, accurate and timely. In addition, due to thin trading in some of these securities, investments may be less liquid than investments in the securities of larger capitalization companies.

Use of Leverage. The WAM Funds investments generally are leveraged, at times, are highly levered. WAM uses leverage to enable it to make investments substantially in excess of its equity. Subject to the WAM Funds advisory agreement, WAM reserves the right to use as much borrowing and leverage as permitted under applicable law and under limits set forth by WAM's prime brokers. Although such techniques increase the opportunity for a higher return on investment, they also increase the risk of loss.

As a general matter, the institutions that provide financing to the WAM Funds may set and apply essentially discretionary policies and standards related to collateral and financing. Changes in such policies by banks and dealers to impose more restrictive credit limitations, 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 are imposed suddenly and/or by multiple market participants. The imposition of any such limitations could compel such WAM Funds to liquidate all or part of its portfolio at disadvantageous prices.

WAM may, from time to time, adjust the WAM Funds' leverage. Such adjustments may be in respect of certain markets or in respect of the WAM Funds' overall investment portfolio. Factors that may affect the decision to adjust leverage include: ongoing research, volatility of individual markets, risk considerations and WAM's subjective judgment and evaluation of general market conditions. Adjustments to leverage may result in greater profits or losses and increased brokerage costs. No assurance can be given that any leverage adjustment will be to the financial advantage of investors in the funds.

Short Sales. The WAM Funds will sell securities short. A short sale is effected by selling a security which the WAM Funds do not own. In order to make delivery to the buyer of a security sold short, the WAM Funds must borrow the security. In so doing, it incurs the obligation to replace that security, whatever its price may be, at the time it is required to deliver it to the lender. The WAM Funds must also pay to the lender of the security any dividends or interest payable on the security during the borrowing period and may have to pay a premium to borrow the security. This obligation must be collateralized by a deposit of cash or marketable securities with the lender. Short selling is subject to a theoretically unlimited risk of loss because there is no limit on how much the price of a security may appreciate before the short position is closed out. There can be no assurance that the securities necessary to cover the short position will be available for purchase by the WAM Funds. In addition, purchasing securities to close out the short position can itself cause the price of the relevant securities to rise further, thereby increasing the loss incurred by the WAM Funds. Furthermore, the WAM Funds may prematurely be forced to close out a short position if a counterparty from which the WAM Funds borrowed securities demands their return, resulting in a loss on what might otherwise have ultimately been a profitable position. If it is determined by the broader market that the WAM Funds (and others) are short a heavily shorted security, the WAM Fund that has shorted that security may be susceptible to the risk that groups of investors may coordinate, on social media or otherwise, to drive up the price of the short position for the purpose of causing the holders of such positions, including the WAM Funds, to close out of such positions. If the WAM Funds were required to buy the shorted security in the market to make delivery under conditions which cause a period of sudden and unexpected significant increase in the value of the investment, the WAM Funds could incur substantial losses. The U.S. government and certain non-U.S. jurisdictions have at times taken measures to impose restrictions on the ability of investors to enter into short sales, including a complete prohibition on taking short positions in respect of certain issuers. Such restrictions may negatively affect the ability of the WAM Funds to implement its strategies. It cannot be determined how future regulations may limit the WAM Funds ability to engage in short selling and how such limitations may impact the WAM Funds performance.

EU Short Selling Regulation. Regulation (EU) No 236/2012 on Short Selling and Certain Aspects of Credit Default Swaps (as supplemented by Commission Delegated Regulations 918/2012, 919/2012, 826/2012 and Commission Implementing Regulation 827/2012) (the “SSR”) applies directly (i.e., without national implementation) in all member states of the EU. The SSR imposes certain private and public disclosure obligations on all natural or legal persons, irrespective of regulatory status, located inside or outside the EU, who have net short positions (as calculated in accordance with the SSR) in EU listed shares and EU sovereign debt, which reach or fall below the specified thresholds.

The SSR also contains prohibitions on uncovered short sales of EU listed shares and EU sovereign debt (a short sale is “uncovered” unless the specified conditions under the SSR are met for such short sale). In addition, the SSR prohibits uncovered positions in credit default swaps referencing EU sovereign debt issuers.

National regulators, and in certain circumstances ESMA, are able to take certain additional emergency measures (including complete bans on short selling activities) if certain conditions are met.

The SSR may prevent the WAM Funds from fully expressing negative views in relation to EU listed shares and/or EU sovereign debt and may also restrict the ability of the WAM Funds to hedge certain risks through EU sovereign credit default swaps. Accordingly, the ability of WAM to implement the investment approach and to fulfill the investment objective of the WAM Funds may be constrained.

For the purposes of this disclosure, “EU-listed shares” means shares admitted to trading on a regulated market or multilateral-trading facility (as defined in MiFID II) in the EU, unless the principal trading venue (as determined by the relevant national regulator) for the relevant shares is located in a country outside the EU; and “EU sovereign debt” means debt instruments issued by an EU sovereign issuer (which includes EU institutions, governments of EU member states and certain international institutions established by two or more EU member states).

The UK has equivalent rules that apply to UK listed shares, UK sovereign debt and UK sovereign credit default swaps, *mutatis mutandis* (“UK SSR”), since the SSR has been retained as UK law by EUWA. Accordingly, the UK SSR may prevent the WAM Funds from fully expressing negative views in relation to UK listed shares and/or UK sovereign debt and may also restrict the ability of WAM to hedge certain risks through UK sovereign credit default swaps.

Options. The WAM Funds trade options. Investing in options can provide a greater potential for profit or loss than an equivalent investment in the underlying asset. The value of an option may decline because of a decline in the value of the underlying asset relative to the strike price, the passage of time, changes in the market’s perception as to the future price behavior of the underlying asset, or any combination thereof. In the case of the purchase of an option, the risk of loss of an investor’s entire investment in the option (*i.e.*, the premium paid plus transaction charges) reflects the nature of an option as a wasting asset that may become worthless when the option expires. Where an option is written or granted (sold) uncovered, the seller may be liable to pay substantial additional margin and the risk of loss is unlimited, as the seller will be obligated to deliver, or take delivery of, an asset at a predetermined price which may, upon exercise of the option, be significantly different from the then market value.

Stock Index Options. The WAM Funds purchase and sell call and put options on stock indices listed on securities exchanges or traded in the OTC market for the purpose of realizing its investment objectives or for the purpose of hedging its portfolio. A stock index fluctuates with changes in the market values of the stocks included in the index. The effectiveness of purchasing or writing stock index options for hedging purposes will depend upon the extent to which price movements in the WAM Funds' portfolio correlates with price movements of the stock indices selected. Because the value of an index option depends upon movements in the level of the index rather than the price of a particular stock, whether the WAM Funds realize gains or losses from the purchase or writing of options on indices depends upon movements in the level of prices in the stock market generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular stocks. Accordingly, successful use by the WAM Funds of options on stock indices will be subject to WAM's ability to correctly predict movements in the direction of the stock market generally or of particular industries or market segments.

Commodity Futures. The WAM Funds trade futures. Commodity futures prices can be highly volatile. Because of the low margin deposits normally required in futures trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the investor. Like other leveraged investments, a futures transaction may result in losses in excess of the amount invested. Commodity futures trading is speculative with price movements impacted by a variety of factor that are often difficult to predict. The WAM Funds may trade on non-U.S. exchanges and other markets located outside of the United States where the WAM Funds will be subject to exchange rate risk and a significantly greater amount of counterparty risk. Moreover, the CFTC has adopted regulations to regulate the sale of foreign futures contracts and foreign options within the United States. These regulations may restrict the WAM Funds' access to foreign markets by limiting the activities of certain participants in such markets with whom the WAM Funds could otherwise have traded.

Price Fluctuations. Prices of derivative instruments are highly volatile. Prices are affected by a wide variety of complex and difficult-to-predict factors, such as supply of money, inflation, weather and climatic conditions, changing supply and demand relationships, governmental activities and regulations, political and economic events and prevailing psychological characteristics of the marketplace. These same factors also can affect the securities markets adversely.

Illiquidity in Certain Markets. The WAM Funds may invest in illiquid or restricted securities for which there is no established resale market. The WAM Funds might only be able to liquidate these positions at disadvantageous prices, should WAM determine, or it become necessary, to do so. For example, substantial redemptions from the WAM Funds could require the WAM Funds to liquidate its positions more rapidly than otherwise desired in order to obtain the cash necessary to fund the redemptions. Illiquidity in certain markets could make it difficult for the WAM Funds to liquidate positions on favorable terms, thereby resulting in losses or a decrease in the Net Asset Value of the WAM Funds. In addition, although many of the securities acquired by the WAM Funds may be traded on public exchanges, each exchange typically has the right to suspend or limit trading in all securities that it lists. Such a suspension could render it difficult or impossible for the WAM Funds to liquidate its positions and would thereby expose the WAM Funds to losses. The WAM Funds therefore may be locked into an adverse price movement for several days or more that may result in immediate and substantial losses to the investor.

Investors are further subject to the risk of limited liquidity arising because of the WAM Funds' potential investments in affiliated funds. Each of the affiliated funds imposes liquidity limitations on its investors, and the WAM Funds are typically subject to the same liquidity limitations as other investors in the affiliated funds.

Changes in Portfolio Holdings and Liquidity of Shares. The relative portfolio holdings of the WAM Funds may be altered from time to time due to certain events such as significant redemptions from the WAM Funds. As a result, the illiquid portion of the WAM Funds' portfolio may, at times, constitute a substantial portion of the WAM Funds' overall holdings, and therefore, make liquidation of the WAM Funds' holdings more difficult. Investors should note that WAM has been delegated the ability, in such situations, to defer redemption requests if, in its sole discretion, it determines that liquidating a portion of the WAM Funds' portfolio holdings to permit any such redemption may be detrimental to the WAM Funds or its other shareholders.

Investments in Equity Securities. The WAM Funds' investment portfolio includes equity and equity-related securities. Investments in equities may involve substantial risks and may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. There are no absolute restrictions in regard to the size or operating experience of the companies in which the WAM Funds may invest. Numerous economic factors, as well as market sentiment, political and market-related factors, among others, influence the value of equities. The WAM Funds' directional equity positions may be leveraged and even comparatively minor adverse market movements can result in substantial losses.

Common stock and similar equity securities generally represent the most junior position in an issuer's capital structure and, as such, generally only entitle holders to an interest in the assets of the issuer, if any, remaining after all more senior claims to such assets have been satisfied. Holders of common stock generally are entitled to dividends only if and to the extent declared by the governing body of the issuer out of income or other assets available after making interest, dividend and any other required payments on more senior securities of the issuer.

Currency Risk. WAM may invest a portion of assets in debt and equity securities denominated in currencies other than the U.S. dollar and in other financial instruments, including futures, the price of which is determined with reference to currencies other than the U.S. dollar. The WAM Funds, for example, value their securities and other assets in U.S. dollars. To the extent unhedged, the value of the WAM Funds' assets will fluctuate with U.S. dollar exchange rates as well as with price changes of the WAM Funds' investments in the various local markets and currencies. Thus, a change in the value of the U.S. dollar compared to the other currencies in which the WAM Funds make its investments will affect the prices of the WAM Funds' securities in their local markets. WAM also may utilize forward currency contracts, futures and options to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be effective.

No Formal Diversification Policies. Although diversification is an integral part of WAM's overall portfolio risk management process, WAM is not restricted as to the percentage of the WAM Funds' assets that may be invested in any particular instrument, market or asset class. The WAM Funds have not adopted fixed guidelines for diversification of its investments among issuers, industries, instruments or markets and may be heavily concentrated, at any time, in a limited

number of positions. In attempting to maximize the WAM Funds' returns, WAM may concentrate the holdings of the WAM Funds in those industries, companies, instruments or markets that, in the sole judgment of WAM, provide the best profit opportunity in view of the WAM Funds' investment objective.

FINRA New Issues. While it is not anticipated to be a significant part of the WAM Funds' investment strategy, the WAM Funds may invest in "New Issues" (in general, any initial public offering of an equity security). Profits and losses attributable to any New Issues acquired by the WAM Funds are required, pursuant to applicable rules of FINRA to be allocated generally to shareholders who are not deemed to be "restricted" (generally, the following are deemed to be "restricted": (i) financial industry professionals and services providers, and (ii) executive officers and directors of public companies and certain non-public companies that receive services from the FINRA member allocating the New Issues).

The WAM Funds generally will avail themselves of a *de minimis* exemption pursuant to which up to 10% of any profits and losses from New Issues will be allocated to members who are "restricted." Such 10% limit may result in certain "restricted" shareholders receiving a smaller allocation of New Issues profits and losses than permitted under FINRA rules. A shareholder may elect not to receive New Issues profits and losses in its subscription agreement.

Closed-End Funds. WAM invests in closed-end funds to gain exposure for the WAM Funds to various asset classes. Risks of investing in shares of a closed-end fund that invest in a particular asset class are similar to those risks associated with investing in the asset class directly. In addition to these risks, the shares of closed-end funds often trade at a discount to the underlying net asset value of the closed-end fund and this discount can increase significantly during various market conditions that do not otherwise impact the value of the fund's holdings. Further, closed-end funds incur investment advisory, transactional, administrative and other expenses that are in addition to the investment advisory, transactional, administrative and other expenses incurred by the WAM Funds.

Exchange-Traded Funds. WAM invests in ETFs. ETFs represent shares of ownership in either funds or unit investment trusts that hold portfolios of common stocks, bonds or other instruments, which are designed to generally correspond to the price and yield performance of an underlying index. A primary risk relating to ETFs is that the general level of stock or bond prices may decline, thus affecting the value of an equity or fixed income ETF, respectively. An ETF may also be adversely affected by the performance of the specific sector or group of industries on which it is based. Moreover, although ETFs are designed to provide investment results that generally correspond to the price and yield performance of their underlying indices, ETFs may not be able to exactly replicate the performance of the indices because of various sources of tracking error, including the expenses associated with ETFs and a number of other factors.

Virtual Currency Derivatives. WAM may trade virtual currency futures and other derivatives. The risks involved in trading virtual currency derivatives are substantially similar to those in trading other derivatives of the types traded by the WAM Funds and include the possibility of significant price volatility. In addition, margin requirements may be increased if the price of the virtual currency contract rises, and some futures commission merchants may pose restrictions on trading activity in virtual currency derivatives, such as requiring additional margin, imposing position limits, prohibiting naked shorting or prohibiting give-in transactions. The rules of certain commodity exchanges impose trading halts that may restrict a market participant's ability to exit a virtual currency derivative position during a period of high volatility.

Credit Default Swaps. WAM invests in and trade credit default swap agreements (“CDSs”), or use them in its hedging strategies. The “buyer” of a CDS is obligated to pay the “seller” a periodic stream of payments over the term of the contract in return for a contingent payment upon the occurrence of a credit event with respect to an underlying reference obligation. If a credit event occurs, the seller must pay the contingent payment to the buyer, which is typically the full notional value of the reference obligation, in exchange for either physical delivery of the underlying instrument or a cash-settled recovery amount. Investing in CDSs involves greater risks than investing in the reference obligation directly. In addition to general market risks, CDSs are subject to liquidity risk, credit risk and regulatory risk. If a credit event did occur, the value of the reference obligation received by the seller, coupled with the periodic payments previously received, may be less than the full notional value it pays to the buyer, resulting in a loss of value to the WAM Funds.

CDSs are a relatively new form of financial instrument, but the volume of trading in CDSs has grown rapidly in recent years. The size and relative immaturity of the CDS market may expose the WAM Funds to large and unexpected risks. During periods of economic stress the CDS may not function as expected and may experience disruption, illiquidity, counterparty default, extreme volatility or imperfect price discovery.

The regulation of CDS transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action. Events during 2008-2009 (including market volatility and disruptions and the bankruptcy, failure, improper practices and adverse financial results of certain financial institutions, trading firms and private investment funds) focused attention on the need for firms engaging in the trading of CDS to maintain adequate risk controls and compliance procedures, and caused heightened scrutiny of CDS transactions by the regulators and by the U.S. Congress. Dodd-Frank imposes substantial new regulation on all OTC derivatives markets in the United States, including the market for CDS, and parties, including the WAM Funds, that are active in these markets. Regulators and legislative bodies outside the United States have also brought increased scrutiny to these markets and have focused particular attention on CDS. Regulations adopted under Dodd-Frank seek to increase the transparency of these markets by requiring exchange-trading, clearing and reporting of many types of OTC derivative trades. The regulators will also have enhanced tools to monitor trading in these markets in real time. In addition, the EU Regulation on Short Selling and Certain Aspects of Credit Default Swaps imposes restrictions on an investor's ability to enter into a CDS transaction where the reference entity is an EU sovereign issuer, such as an EU member state, the EU itself and certain other supranational organizations within the EU.

Warrants. The WAM Funds generally will not recognize gain or loss upon the exercise of a particular warrant. If a warrant lapses unexercised, the WAM Funds generally will recognize a taxable loss in the amount of its adjusted tax basis in the warrant. Gain or loss recognized by the WAM Funds on a sale of a warrant (and loss upon lapse of a warrant) will be treated in the same manner as gain or loss from the sale of the underlying stock or securities to which the warrant relates.

Portfolio Turnover. The turnover rate of the WAM Funds' investment portfolio may be significant, and may involve substantial brokerage commissions, fees and other transaction costs. The bid-ask spreads within the credit markets can be unusually wide, materially increasing transaction costs.

Real Estate Investment Trusts. Investing in REITs involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. An Equity REIT may be affected by changes in the value of the underlying properties owned by the REIT. A Mortgage REIT may be affected by changes in interest rates and the ability of the issuers of its portfolio mortgages to repay their obligations. REITs are dependent upon the skills of their managers and are not diversified. REITs are generally dependent upon maintaining cash flows to repay borrowings and to make distributions to shareholders and are subject to the risk of default by lessees or borrowers. REITs whose underlying assets are concentrated in properties used by a particular industry, such as health care, are also subject to risks associated with such industry.

REITs (especially Mortgage REITs) are also subject to interest rate risks, may have limited financial resources, may trade less frequently and in a more limited volume and may be subject to more abrupt or erratic price movements than larger company securities. Historically REITs have been more volatile in price than the S&P 500 Index.

BDCs. Investing in BDCs carry a number of specific risks, including: (i) fluctuations in interest rates, business conditions, conditions in the credit markets, changes in the asset values of its investments, the risk that borrower's default, the risk an equity stake in a business declines in value; (ii) the risk that publicly traded BDCs stock price can decline below the underlying net asset value of its investments; and (iii) the risk that non-traded BDCs investors may not be able to redeem/sell their shares. BDCs may experience higher volatility than traditional investments.

Mortgage-Related and Other Asset-Backed Securities Risk. In addition to general fixed-income instrument risks, mortgage-related and asset-backed securities are subject to extension risk and prepayment risk.

Extension Risk. Rising interest rates tend to extend the duration of mortgage-related securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, if the Fund holds mortgage-related securities, it may exhibit additional volatility.

Prepayment Risk. When interest rates decline, the value of mortgage-related securities with prepayment features may not increase as much as other fixed-income securities because borrowers may pay off their mortgages sooner than expected. In addition, the potential impact of prepayment on the price of asset-backed and mortgage-backed securities may be difficult to predict and result in greater volatility.

Private Securities. Private securities can carry risk due to the restricted nature of the securities, significantly decreasing the investor's liquidity. While issuers in these transactions often agree to register the securities for resale after the transaction closes (thereby removing resale restrictions), there is no guarantee that the securities will in fact be registered. In addition, issuers of private securities may require a WAM Fund to agree to other resale restrictions as a condition to the sale of such securities. Thus, a WAM Fund's ability to resell securities acquired in private offering transactions may be limited, and even though a public market may exist for such securities, the securities held by the WAM Fund may be deemed illiquid. Additionally WAM might inadvertently restrict its ability to participate in future profitable transactions if, through participation in a private placement, WAM obtains material non-public information.

Precious Metals. WAM may invest, directly or indirectly through the use of ETFs and futures, in precious metals. Investments in precious metals (such as gold) are considered speculative and subject to special risk considerations, including substantial price fluctuations over short periods of time. On the other hand, investments in precious metals coins or bullion could help to moderate fluctuations in the value of the WAM Funds' holdings because the prices of precious metals have at times tended not to fluctuate as widely as shares of issuers engaged in the mining of precious metals. Because precious metals do not generate investment income, however, the return on such investments will be derived solely from the appreciation or depreciation on such investments.

Oil and Natural Gas. Prices for oil and gas are subject to wide fluctuation in response to relatively minor changes in the supply of and demand for oil and gas, market uncertainty, and a variety of additional factors that are beyond WAM's control or the WAM Funds control. These factors include: the level of consumer product demand; the proximity, capacity, cost and availability of oil and gas pipelines and other transportation facilities; technological advances affecting energy consumption; the impact of energy conservation efforts; weather conditions; domestic and foreign governmental regulations and taxation; the price and availability of alternative fuels; political and economic conditions in the Middle East; the availability and price of imported oil and natural gas; actions of the OPEC and other state-controlled oil companies relating to oil price and production control; and overall domestic and global economic conditions.

Political Uncertainty. Some of the results of elections and referenda in recent years in the United States, Europe, Italy, India, Latin America and other developed and emerging markets have been unexpected and resulted in material market changes and increases in market uncertainty. The foregoing changes in political regimes have in some cases destabilized long-held treaties and customs between nations leading to further market instability in both developed and emerging countries. Given changes in administrations and applicable law following these votes, the future of current regulations, or the adoption of new regulations, is also uncertain. These uncertainties may have adverse impacts on, or alternatively create investment opportunities for, the WAM Funds.

Sanctions Risks. Like all investors, the WAM Funds are subject to laws that restrict it from dealing with entities, individuals, organizations and/or in investments which are subject to applicable sanctions regimes. Such sanctions regimes may be broad in their application and the interpretation of the application of such regimes may require a substantial degree of subjective judgment, forcing the WAM Funds to either cease certain trading activities or risk violating a sanctions regime. If an investment made by the WAM Funds subsequently becomes subject to applicable sanctions, the WAM Funds may be required, without notice to the members, to divest from such investment or

otherwise cease any further dealings in that investment until the applicable sanctions are lifted or a license is obtained under applicable law to continue such dealings. Any such sanctions could have an adverse effect on the value or liquidity of such investments. In certain cases, the imposition of sanctions may require the WAM Funds to liquidate investments at disadvantageous prices.

Risk of Natural Disasters, Epidemics, Pandemics and Terrorist Attacks. Countries and regions in which the WAM Funds invest, where WAM has offices or where the WAM Funds or WAM otherwise do business are susceptible to natural disasters (e.g., fire, flood, earthquake, storm and hurricane) and epidemics, pandemics or other outbreaks of serious contagious diseases. The occurrence of a natural disaster or epidemic could adversely affect and severely disrupt the business operations, economies and financial markets of many countries (even beyond the site of the natural disaster or epidemic) and could adversely affect the WAM Funds' investment program or WAM's ability to do business. In addition, terrorist attacks, or the fear of or the precautions taken in anticipation of such attacks, could, directly or indirectly, materially and adversely affect certain industries in which the WAM Funds invest or could affect the countries and regions in which the WAM Funds invests. Other acts of war (e.g., war, invasion, acts of foreign enemies, hostilities and insurrection, regardless of whether war is declared) could also have a material adverse impact on the financial condition of industries or countries in which the WAM Funds invests.

COVID-19. In the winter of 2020, the global outbreak of Coronavirus (or COVID-19) created enormous unprecedented economic and social uncertainty throughout the world. As of the date of this filing, that uncertainty continues. The ultimate impact of the Coronavirus outbreak (or of any future pandemic, epidemic or outbreak of a contagious disease) is difficult to predict, but as of the date of this filing, Coronavirus and the reactions to it have already had dramatic adverse effects on global, national and local economies and on financial markets, and there is a significant likelihood that the negative impact will persist for some time. In particular, disruptions to commercial activity across economies due to the imposition of quarantines, remote working policies, "social distancing" practices and travel restrictions, and/or failures to contain the outbreak despite these and other measures, could materially and adversely impact the WAM Fund's investments, both in the near- and long-term in a variety of industries and regions or globally. The impact of Coronavirus on the health of WAM's employees and the imposition of restrictions on the WAM's employees (including "shelter-in-place" or "lock-down" directives) could materially disrupt WAM's business activities and negatively affect WAM's ability to effectively monitor and manage the Wolverine Flagship Fund's portfolio and operate in general. Similar operational disruptions have occurred and may continue to occur in respect of service providers, counterparties (including providers of financing).

In addition, the outbreak of Coronavirus has contributed to, and may continue to contribute to, volatility in financial markets, which may disrupt historical pricing relationships or trends that the strategies and models are based on, resulting in substantial and sudden losses to the WAM Funds. This risk of loss can be compounded by the fact that in disrupted markets positions may become illiquid and financing might become unavailable. Volatility may also make it more difficult or costly to rebalance portfolios or keep them within investment guidelines or targets. Governmental responses to the Coronavirus outbreak may be inadequate to limit the outbreak's spread or to mitigate its impact on any nation's economy or the global economy. Further, the responses of governments, regulators and exchanges to the increased volatility could have adverse effects on WAM's ability to implement its strategies or cause to incur losses. Such responses may, if unclear in scope and application, result in further confusion and uncertainty, resulting in further market volatility or even potentially suddenly and substantially eliminate WAM's ability to continue to implement certain strategies or manage the

risk of outstanding positions. For example, regulators have permitted the delay in the public reporting of financial information and numerous exchanges in the recent environment have implemented trading suspensions or restrictions on short selling. Such actions or any additional actions could have a negative impact on Wolverine Flagship Fund's portfolio. The extent to which Coronavirus affects WAM and the WAM Funds will depend on developments, which can occur extremely rapidly but cannot be predicted—including emerging new information about the severity of Coronavirus, the actions taken to contain Coronavirus, and actions proposed or taken to mitigate its impact.

Market Disruptions; Governmental Intervention. The global financial markets have recently gone through disruptions that have led to extensive governmental intervention. Such intervention was in certain cases implemented on an “emergency” basis, suddenly and substantially eliminating market participants’ ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition—as one would expect given the complexities of the financial markets and the speed with which governments have felt compelled to act—these interventions have been unclear in scope and application, and have resulted in confusion and uncertainty which in itself has been detrimental to some markets as well as previously successful investment strategies.

The WAM Funds may incur major losses in the event of disrupted markets and other extraordinary events in which pricing relationships become materially distorted. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets positions may become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to the WAM Funds from its banks, dealers and other counterparties may be reduced (potentially to zero) in disrupted markets, and such a reduction may result in substantial losses to the WAM Funds. Market disruptions may from time to time cause dramatic losses for the WAM Funds, and such events can result in investment strategies performing with unprecedented volatility and risk.

Effect of Speculative Position Limits. The CFTC and U.S. futures exchanges as well as certain non-U.S. exchanges (the “Futures 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 Futures Exchanges. The WAM Funds 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.

Possible Positive Correlation with Stocks and Bonds. Although the WAM Funds have a relative value orientation and seeks to be profitable regardless of whether broader market indices rise or fall, certain of the WAM Funds’ investments are correlated with the general equity and bond markets. Even investments that are intended to be uncorrelated to the equity and/or bond markets may, in hindsight, be more correlated than expected.

Institutional and Counterparty Risk. Institutions, such as brokerage firms, banks and broker-dealers, have custody of the assets of the WAM Funds and may hold such assets in “street name.” Bankruptcy, financial strain, fraud, negligence or error at one of these institutions could impair the operational capabilities or the capital position of the WAM Funds.

The markets in which the WAM Funds effect some of its transactions are OTC or “interdealer” markets. Unlike members of “exchange-based” markets, the participants in such markets are typically not subject to credit evaluation and regulatory oversight. This exposes the WAM Funds to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because

of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the WAM Funds to suffer a loss. This counterparty risk is accentuated for contracts with longer maturities or that have greater volatility if, as is typically the case, there is no requirement on the counterparty to make mark-to-market payments, exposing the WAM Funds to large counterparty obligations.

The events of the financial crisis of 2008 surrounding bankruptcies or similar proceedings with respect to various parties have demonstrated the risk that assets which an investor believed were custodial under statutory and regulatory protections, may not be clearly identified as being assets of the investor, causing the investor to be exposed to a credit risk with regard to such parties. The WAM Funds will be exposed to similar risks.

WAM is not restricted from dealing with any particular counterparty or from concentrating any or all of the WAM Funds' transactions with one counterparty. The ability of WAM to transact business with any one or number of counterparties, uncertainty regarding such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the WAM Funds. Further, such financial contracts and other bilateral contracts could lose value, be terminated or the WAM Funds could be treated as an unsecured creditor in claims of bankruptcy. The WAM Funds may not be able to ascertain its position in these contracts, making it difficult to either replace such contracts (in a strategy) or hedge them.

Suspensions of Trading. Financial exchanges may from time to time suspend or limit trading. Such a suspension could render it difficult or impossible for the WAM Funds to liquidate affected positions and thereby expose it to losses. There is also no assurance that off-exchange markets will remain liquid enough for the WAM Funds to close out positions. When there is aberrational trading or pricing activity in the markets, financial exchanges and government regulators may impose ad hoc or after-the-fact measures such as cancelling trades or orders. The imposition and effects of such measures are unpredictable and may cause material losses to market participants such as the WAM Funds. It is impossible to predict what additional interim or permanent governmental restrictions may be imposed on the markets in the future and/or the effect of such restrictions on the strategies of the WAM Funds.

Concerns Regarding the European Union and "Brexit". The United Kingdom the ("UK") ceased to be a member of the European Union (the "EU") on January 31, 2020 ("Brexit"). During a prescribed period (the "Transition Period"), which ended on December 31, 2020, certain transitional arrangements were in effect, such that the UK continued to be treated, in most respects, as if it were still a member of the EU, and generally remained subject to EU law. On December 24, 2020, the EU and the UK reached an agreement in principle on the terms of certain agreements and declarations governing the ongoing relationship between the EU and the UK, including the UE-UK Trade and Cooperation Agreement (the "TCA"). The TCA is limited in its scope primarily to the trade of goods, transport, energy links and fishing; in particular, the TCA does not make any meaningful provision for the financial services sector. Uncertainties remain relating to certain aspects of the UK's future economic, trading and legal relationships with the EU and with other countries.

The impact of such events on the WAM Funds is difficult to predict but they may adversely affect the return and its investments. There may be detrimental implications for the value of certain of the WAM Fund's investments, its ability to enter into transactions or to value or realize such investments or otherwise to implement its investment program. It is possible that certain investments

may need to be restructured to enable the WAM Fund's objectives to be pursued fully. This may increase costs or make it more difficult for the WAM Funds to pursue its investment objectives.

Uncertainty in European Markets. There is often a high degree of government regulation in European economies, including in the securities markets. Action by such governments may directly affect foreign investment in securities in those countries and may also have a significant indirect effect on the market prices of securities and of the payment of dividends and interest. Changes in policy with regard to taxation, fiscal and monetary policies, repatriation of profits, and other economic regulations are possible, any of which could have an adverse effect on private investments.

The UK and other European countries have undergone a substantial political and social transformation and there can be no assurance that the economic, educational and political reforms necessary to complete political and economic transformation will continue.

In addition, global markets and economic conditions have been negatively impacted by the ability of certain EU member states to service their sovereign debt obligations. The continued uncertainty over the outcome of the EU governments' financial support programs and the possibility that other EU member states may experience similar financial troubles could further disrupt global markets. In particular, it has and could in the future disrupt equity markets and result in volatile bond yields on the sovereign debt of EU members. These factors could have an adverse effect on the WAM Funds.

The uncertainty and market stress resulting from "Brexit," coupled with the sovereign debt crisis, could also cause, among other things, severe disruption to equity markets, significant increases in bond yields generally, potential failure or default of financial institutions, including those of systemic importance, a significant decrease in global liquidity, a freeze-up of global credit markets and worldwide recession. Many of these effects have already been felt in connection with Brexit, but they could be magnified in the event of further departures from, or a complete breakup of, the EU.

EU Alternative Investment Fund Managers Directive. The EU Alternative Investment Fund Managers Directive (the "AIFMD"), where implemented in a member state of the European Economic Area (an "EEA Member State"), applies to alternative investment fund managers ("AIFMs") which manage and/or market alternative investment funds ("AIFs") in the EEA. For an AIFM established in a jurisdiction other than an EEA Member State which implemented the AIFMD (a "non-EEA AIFM") marketing an AIF established in a jurisdiction other than an EEA Member State which implemented the AIFMD (a "non-EEA AIF"), the AIFMD requires that, at a minimum, the non-EEA AIFM must provide certain disclosures to EEA investors in the non-EEA AIF, as well as provide reports on a regular basis to the regulator in each EEA Member State where the non-EEA AIF is marketed. In addition, the AIFMD includes a requirement that there must be cooperation arrangements in place between the regulator in each of: (i) the jurisdiction where the non-EEA AIFM is established; (ii) the jurisdiction where the non-EEA AIF is established (if different from (i)); and (iii) each EEA Member State into which the non-EEA AIF is being marketed. Individual EEA Member State regulators may also impose additional marketing restrictions on a national basis. As such, the provisions of the AIFMD may limit WAM's ability to market the WAM Funds in the EEA. Compliance with those requirements may increase the operating costs of the WAM Funds if WAM expands its marketing into the EEA.

MiFID II. The EU Markets in Financial Instruments Directive (Directive 2014/65/EU) and Markets in Financial Instruments Regulation (Regulation (EU) No 600/2014) (together, “MiFID II”) governs the provision of investment services and activities in relation to, as well as the organized trading of, financial instruments such as shares, bonds, units in collective investment schemes and derivatives. MiFID II was required to be implemented in EU member states from January 3, 2018. Although the WAM Funds are not organized in the EU, and are not authorized or regulated by any EU member state financial services regulator, certain aspects of MiFID II may have an impact on the WAM Funds.

MiFID II imposes certain restrictions as to the trading of shares and derivatives, which could apply to transactions made by or with the WAM Funds. Subject to certain conditions and exceptions, the WAM Funds may be unable to trade shares or derivatives with or through affected EU regulated firms (*e.g.*, EU broker-dealers) other than in accordance with MiFID II. MiFID II also applies position limits to the size of a net position that a person can hold at all times in commodity derivatives traded on EU trading venues and in “economically equivalent” OTC derivatives.

More generally, EU regulated firms that have trading relationships with the WAM Funds may be obliged by MiFID II to impose certain requirements on the WAM Funds, or they may seek to do so contractually, with a view to satisfying their own compliance obligations, which may increase the operating costs of the WAM Funds (whether direct or indirect) of compliance with MiFID II.

The UK has equivalent rules to those in MiFID II. Accordingly, although neither WAM nor the WAM Funds are not organized in the UK, and is not authorized or regulated by the UK Financial Conduct Authority (the “FCA”), similar consequences to those discussed above would arise when trading with UK-regulated firms and/or holding positions in shares or commodity derivatives traded on UK trading venues and in economically equivalent OTC derivatives.

European Market Infrastructure Regulation. In addition to MiFID II, the European Market Infrastructure Regulation (Regulation (EU) No 648/2012) (“EMIR”), which entered into force on August 16, 2012, introduced certain requirements in respect of derivative contracts, which apply primarily to “financial counterparties” such as EU authorized investment firms, credit institutions, insurance companies, Undertakings for Collective Investment in Transferable Securities (UCITS) and alternative investment funds managed by EU authorized alternative investment fund managers (“FCs”), and “non-financial counterparties” (being an EU entity which is not a financial counterparty) (“NFCs”). NFCs whose transactions in OTC derivative contracts exceed EMIR’s prescribed clearing threshold (“NFC+s”) are generally subject to more stringent requirements under EMIR than NFCs whose transactions in OTC derivative contracts do not exceed such clearing threshold (including because such contracts are excluded from the threshold calculation on the basis that they are concluded in order to reduce risks directly relating to the NFC’s commercial activity or treasury financing activity) (“NFC-s”). Additionally, amendments made to EMIR in 2019 introduced relief from central clearing requirements for those FCs which do not exceed prescribed clearing thresholds (“FC-s”).

Broadly, EMIR’s requirements in respect of derivative contracts include: (i) mandatory clearing of OTC derivative contracts declared subject to the clearing obligation; (ii) risk mitigation techniques in respect of uncleared OTC derivative contracts, including the bilateral exchange of collateral; and (iii) reporting and record-keeping requirements in respect of all derivative contracts.

As the WAM Funds are established outside the EU and the UK and are not managed by an AIFM authorized under AIFMD, the WAM Funds are not directly subject to the requirements of EMIR; however, where the WAM Funds transact with in-scope EU counterparties, such counterparties may require the WAM Funds to comply with certain provisions of EMIR so that the EU counterparty can fulfill its regulatory obligations and ensure that the transaction is EMIR-compliant. As a result, the WAM Funds may become subject to additional contractual obligations and/or costs that may not otherwise have applied.

The EU regulatory framework and legal regime relating to derivatives is set out not only by EMIR but also by MiFID II. In particular, MiFID II requires transactions between FCs and NFC+s in certain sufficiently liquid OTC derivatives to be executed on a trading venue which meets the requirements of the MiFID II regime, although relief from this requirement may be available for FCs following recommendations made by the European Securities and Markets Authority (“ESMA”) (the “Derivatives Trading Obligation” or “DTO”). This trading obligation will also extend to FCs and NFC+s which trade with third country counterparties that would be classed as FCs or NFC+s if they were established in the EU.

The UK has equivalent rules to those in EMIR (“UK EMIR”), since EMIR has been retained as UK law by the European Union (Withdrawal) act 2018 (“EUWA”), and also UK rules equivalent to that of the DTO under MiFID II (“UK DTO”). As the WAM Funds are established outside the UK and is not managed by a UK AIFM (as defined in the FCA Handbook), the WAM Funds are not directly subject to the requirements of UK EMIR or the UK DTO; however, where the WAM Funds transact with in-scope UK counterparties, such counterparties may be required to apply certain provisions of UK EMIR so that the UK counterparty can fulfill its regulatory obligations under UK EMIR and the UK DTO. As a result, the WAM Funds may be subject to additional contractual obligations and/or costs that may not otherwise have applied.

Cybersecurity Risk. WAM, the WAM Funds, and their service providers, counterparties and electronic communication networks are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from cyber-attacks and hacking by other computer users, and to avoid the resulting damage and disruption of hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. Hardware and software systems are subject to threats from hackers and others, such as a malicious attack, malware or other event that leads to unanticipated interruption or malfunction of such systems. Any interruption of WAM’s hardware or software functionality could lead to material or even complete losses to the WAM Funds. Hackers could also theoretically access and steal WAM’s research or trading programs or other software or data and implement such programs or software on their own behalf. This theft could lead to increased competition for, or elimination of, the investment opportunities sought by the WAM Funds or otherwise render the research or trading program obsolete, possibly resulting in material or complete losses to the WAM Funds. The WAM Funds may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage. Any such breach could expose WAM and the WAM Funds to civil liability as well as regulatory inquiry and/or action. In addition, members could be exposed to additional losses as a result of unauthorized use of their personal information.

WAM and the WAM Funds have purchased cybersecurity insurance coverage to protect WAM and the WAM Funds against losses from unauthorized penetration of information technology systems, employee theft of investor and/or private information or liability for third-party vendors who mishandle information. However, there can be no guarantee that every potential loss due to cyber-attack or theft of information could be insured against, nor that the limits of any insurance policy that have been acquired are sufficient to cover all such losses.

Item 9 - Disciplinary Information

On October 8, 2015, WAM and its affiliate Wolverine Trading, LLC, without admitting or denying the findings, reached a settlement with the SEC. The SEC found that WAM violated Section 204A of the Investment Advisers Act of 1940 by failing to establish, maintain or enforce written policies and procedures reasonably designed to prevent the misuse of material, nonpublic information in connection with the sharing of information regarding a particular exchange-traded note among affiliated entities. WAM agreed to relief in the form of a censure and a cease and desist order, and payment of \$364,145.80 in disgorgement, \$39,158.47 in prejudgment interest, and a \$375,000 penalty. In response to the SEC's inquiry, WAM took prompt steps to enhance its policies and procedures relating to information barriers.

Item 10 - Other Financial Industry Activities and Affiliations

i) Financial Industry Activities

WAM is registered with the SEC as an investment adviser and the United States Commodity Futures Trading Commission ("CFTC") as a commodity pool operator and commodity trading advisor and is a member of the National Futures Association ("NFA") in such capacities.

ii) Management Persons Registration

Christopher Gust, Chief Investment Officer, Chief Executive Officer and Managing Director of WAM, is registered with the NFA as an Associated Person and Principal of WAM. Mr. Gust is registered with the NFA as a Principal of Wolverine Execution Services, LLC ("WEX"), a broker-dealer affiliated with WAM.

Robert Bellick is registered with the NFA as Principal of WAM.

Kenneth Nadel, Chief Operating Officer of WAM, is registered with the NFA as a Principal of WAM.

Andrew Sujdak, Chief Research Officer and Managing Director of WAM, is registered with the NFA as an Associated Person and Principal of WAM.

Judith Kula, Chief Financial Officer of WAM, is registered with the NFA as a Principal of both WAM and WEX.

David Cavicke, Chief Compliance Officer of WAM is registered with the NFA as a Principal of WAM and WEX.

iii) Relationship with Related Persons and Conflicts of Interest

Christopher Gust, Robert Bellick, David Cavicke, and Judith Kula are management persons of WAM and also have relationships with the following affiliated entities: Wolverine Trading, LLC (“Wolverine Trading”), Wolverine Execution Services, LLC (“WEX”), Wolverine Trading UK Limited, Wolverine Holdings, L.P. (“Wolverine Holdings”), Wolverine Trading Partners, Inc. (“WTP”) and Wolverine Securities, LLC (“WS”).

Mr. Gust and Mr. Bellick founded Wolverine Trading in 1994 and they founded WAM in 2001 and may be deemed to control WTP, the general partner of Wolverine Holdings. Wolverine Holdings may be deemed to control, directly or indirectly, each of WAM, Wolverine Trading, WEX, WS, and Wolverine Trading UK Limited. As a result, each of Mr. Gust and Mr. Bellick maintains significant indirect ownership interests in each of WAM, Wolverine Trading, WEX, WS, and Wolverine Trading UK Limited. Ms. Kula is the chief financial officer for WAM, Wolverine Trading, WEX, Wolverine Holdings, WS and WTP.

Wolverine Trading is an active market participant and market-maker and, in some instances, may compete with the WAM Funds for investment opportunities. To eliminate this and other conflicts of interest, procedures have been put in place to ensure that the trading operations of Wolverine Trading do not have access to WAM’s trading orders and vice versa. In addition, in particular as a market-maker, Wolverine Trading may take positions that are opposite of those taken by WAM on behalf of the WAM Funds. The markets generally used by WAM require that all trades be routed on an anonymous basis. Nevertheless, WAM will not knowingly direct the WAM Funds to be a counterparty in a transaction with Wolverine Trading.

In general, any conflicts of interest that arise between the WAM Funds, on the one hand, and a management person or affiliate of WAM on the other hand, will be discussed and resolved on a case-by-case basis by representatives of WAM and senior management of such other affiliates. Any such discussion will take into consideration the interests of the relevant parties, the circumstances giving rise to the conflict and WAM’s fiduciary obligation to its clients. Any potential investor in the WAM Funds should be aware that conflicts would not necessarily be resolved in favor of the WAM Funds’ interests.

WAM presently uses its affiliate, WEX, among other broker-dealers, to execute transactions on behalf of the WAM Funds. This creates a conflict of interest in that WAM may have an incentive to trade more frequently on behalf of the WAM Funds in order to generate commissions for its affiliate, WEX. This practice is commonly known as churning.

In no case will WAM cause the WAM Funds to pay fees to WEX in excess of what it believes to be reasonable in light of the services provided. The fees the WAM Funds pay to WEX are commensurate with, and in many cases lower than the rates charged by other broker-dealers for the execution of similar transactions. For a more detailed discussion on WAM’s brokerage practices, please refer to Item 12.

iv) Recommend or Selected Investment Advisers

Not applicable

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

WAM maintains a policy of strict compliance with the highest standards of ethical business conduct and the provisions of applicable rules and federal securities laws, including rules and regulations promulgated by the SEC. WAM's Code of Ethics has been adopted pursuant to SEC Rule 204A-1 and is designed to ensure compliance with WAM's standards of business conduct, to ensure at all times that the interests of clients are placed first and that any conflicts of interests are avoided or mitigated. Neither WAM, nor any employee should ever benefit at the expense of the WAM Funds. WAM's Code of Ethics provides for, among other things, safeguarding of investor information, a prohibition against insider trading, procedures dealing with gifts and political contributions, procedures regarding outside business activities and reporting of personal securities holdings and transactions. Upon request, WAM will furnish a copy of its Code of Ethics to investors and prospective investors in the WAM Funds.

Although unlikely, it is possible that WAM may purchase securities for the WAM Funds in which WAM's affiliates have a material financial interest. Informational barriers are maintained between WAM and its affiliates so that WAM's investment personnel are not contemporaneously aware of the positions held by its affiliates. In the unlikely event that this situation were to arise, WAM would not be aware of the fact that it holds positions in which an affiliate has a material interest until meaningful time has passed. Therefore, the existence of this fact would not be a factor in WAM's investment decision process.

WAM's supervised persons are permitted to maintain their own individual personal brokerage accounts and WAM's supervised persons or affiliates may invest in the same securities in which WAM invests on behalf of the WAM Funds. This presents a potential conflict of interest whereby WAM's supervised persons or affiliates could potentially "front run" (*i.e.*, trading ahead of WAM's client accounts) the WAM Funds for their own personal benefit. In order to avoid or mitigate such conflicts while still permitting its employees to invest their personal assets, WAM has developed robust procedures surrounding employee personal trading.

The overarching principle governing the Code of Ethics' procedures regarding personal trading is that knowledge of the WAM Funds' trading activity or investment positions must not be used in any way for the benefit of WAM's employees or affiliates. WAM's Code of Ethics strictly prohibits the practice of front running and likewise the practice of "piggybacking" (*i.e.*, following a client's order) is also strictly prohibited. WAM also maintains a restricted list including certain securities (*e.g.*, securities for which WAM may have received material non-public information) in which employees are restricted from trading. WAM requires all personal trades to be pre-cleared by compliance except for mutual fund purchases, and any request to trade an issuer below a certain market cap threshold will be automatically rejected. Furthermore, WAM's Code of Ethics prohibits employees from engaging in short-swing transactions in their personal accounts. As defined in the Code of Ethics, a short-swing transaction occurs when a purchase and sale in the same security occurs within 30 calendar days. In effect, this prohibition acts as a 30 calendar day holding period requirement. Given the active trading feature of WAM's investment strategies, the short-swing trading prohibition represents a substantial deterrent for employees to trade on the basis of their knowledge of the investment activity in the WAM Funds. As a backstop, WAM closely monitors employees' personal trading activity for the following characteristics to detect patterns and prevent abusive behavior or violations of the Code:

- Frequent and/or short-term trades in any security,
- Trading opposite of client trades;
- Trading ahead of clients; and
- Trading that appears to be based on Material Non-Public Information.

Upon review, any personal trading that appears abusive may result in further inquiry by the CCO and/or sanctions, up to and including dismissal. While WAM does not expressly prohibit employees from trading in securities for their personal accounts on or around the same time as a the WAM Funds, WAM believes that the pre-clearance requirement, WAM's prohibition on short-swing transactions and the robust monitoring procedures to mitigate any potential conflict of interest with respect to personal trading are all inclusive, detailed and provide adequate reviews of the Code.

As described above, WAM and its supervised persons serve as the discretionary investment manager for the WAM Funds. In addition to the potential competition for investment opportunities among the advisory clients as described in Item 10, WAM and its supervised persons may provide advice and enter into transactions that vary materially among the WAM Funds, and other clients.

WAM and its supervised persons may, in the future, manage such other funds and accounts and are not obligated to devote any specific amount of their business time to client affairs. WAM is not required to accord exclusivity or priority to its clients, including the WAM Funds, in relation to any investment opportunities. WAM's clients do not have a right of first refusal, co-investment or other right with respect to any investment opportunity.

In the event that WAM provides advice to other private funds or clients, they will adopt certain policies and procedures to allocate investment opportunities and execute and/or aggregate orders on an equitable basis over time. However, there can be no assurance that the WAM Funds will participate in any particular investment opportunity on an equal or *pro rata* basis with these other investment funds and accounts.

Item 12 - Brokerage Practices

When we purchase or sell securities, WAM seeks to obtain the best execution available. When routing orders on behalf of client accounts, WAM takes into consideration the price of the securities, commission rates, the size and difficulty of orders, the reliability, integrity, financial condition, general execution and operational capabilities of competing broker-dealers and the brokerage and research services they provide.

WAM presently uses its affiliate, WEX, among other non-affiliated brokers-dealers, to execute transactions on behalf of its clients. In no case will WAM cause its clients to pay fees to WEX in excess of what it believes are reasonable when considering the factors described above. WAM further anticipates that brokerage fees paid to WEX will be commensurate with the rates charged by other broker-dealers for the execution of similar transactions.

WAM currently does not have any formal “soft dollar” arrangements with any brokers. However, from time to time, WAM may cause the WAM Funds to pay commissions for executing transactions that are higher than the amount of commissions that another broker-dealer would charge for such brokerage services. As a result, the WAM Funds may be deemed to be paying for research and other services with “soft” dollars. These services may include advice, either directly or through publications or writings, as to the value of securities, the advisability of investing in, purchasing or selling securities, and the availability of securities or purchasers and sellers of securities; furnishing of analysis and reports concerning issuers, securities or industries; and providing information on economic factors and trends. WAM may use such services in connection with its investment decision-making process with respect to one or more other accounts managed by WAM and may not be used exclusively with respect to the client who incurred such charges. Such arrangements, however, will not fall outside of the safe harbor for fiduciaries’ use of soft dollar payments established by Section 28(e) of the Securities Exchange Act of 1934, as amended.

Trade Errors

In the course of carrying out activities on behalf of the WAM Funds, errors in executing specific trading instructions will occur. Some of the examples of trading errors include (i) buying or selling an investment instrument at a price or quantity inconsistent with specific trading instructions generated by a particular strategy; or (ii) buying rather than selling a particular investment instrument (and vice versa). WAM will only be obligated to reimburse the WAM Funds for any trade error resulting from WAM’s fraud, gross negligence, willful misconduct or bad faith.

Brokerage for Client Referrals

WAM will maintain substantially all the assets of the WAM Funds with one or more prime brokers and other financial institutions selected by WAM. WAM is not committed to continuing its relationship with any particular prime broker for any minimum period and at WAM’s discretion, the WAM Funds may employ additional or different custodians and/or prime brokers. Prime brokers routinely provide capital introduction services to their private investment fund clients such as the WAM Funds. As an ancillary benefit (*i.e.*, no additional cost) to using a particular prime broker, WAM may, from time to time, receive an investor referral with respect to the WAM Funds, however, WAM does not consider the provision of capital introduction services as a material factor when selecting a prime broker and WAM does not believe that the receipt of capital introduction services creates a material conflict of interest.

Aggregation of Trades

WAM’s principals are also the principals of Wolverine Trading. Wolverine Trading is an active market participant and, in some instances, may compete with the WAM Funds for positions. In addition, Wolverine Trading, may take positions that are opposite of those taken by the WAM Funds. To eliminate certain conflicts of interest, WAM will not knowingly direct the WAM Funds to be a counterparty in a transaction with Wolverine Trading.

WAM may provide advice and enter into transactions that vary materially among the WAM Funds and the other investment funds and accounts they may manage. WAM is not required to accord exclusivity or priority to the WAM Funds in relation to any investment opportunities. The WAM

Funds will not have a right of first refusal, co-investment or other right with respect to any investment opportunity. In the event that WAM provide advice to other investment funds, they will adopt certain policies and procedures to allocate investment opportunities and execute and/or aggregate orders on an equitable basis over time. However, there can be no assurance that the WAM Funds will participate in any particular investment opportunity on an equal or *pro rata* basis with these other investment funds and accounts.

Item 13 - Review of Accounts

Although diversification and risk control is an integral part and fundamental component of the overall risk management of the WAM Funds portfolio WAM's risk management processes should not be considered as any assurance that substantial or total losses will not be incurred.

There are numerous risks that are not monitored or controlled by WAM, and those risks which WAM does monitor may be greater than forecasted by WAM, especially in unusual market conditions resulting in such risk management processes being inadequate to prevent major losses. There are also numerous risks which WAM has no ability to control. Significant or complete losses may result from these risks or other reasons despite WAM's risk management processes.

Risk management for the WAM Funds is overseen by the Risk Committee that consists of the Chief Investment Officer, Chief Research Officer and a Portfolio Manager that has previous risk experience in risk management. WAM monitors its clients' holdings on a continuous basis. Execution and trade processing data is fed through a single account such that monitoring of trades is centralized and the risks related to unauthorized trading are reduced. Additionally, all positions are reconciled between WAM and the clients' custodians and administrators on a daily basis.

The following written reports are delivered to investors in the WAM Funds on a periodic basis:

- Monthly Risk Report – provides a portfolio recap, NAV return figures, summary risk metrics, and portfolio and exposure summary by strategy
- Quarterly Investor Reports – provides a detailed analysis of each strategy in the portfolio with allocation, return attribution, and narrative
- Annual Audited Financial Statements
- Monthly Investor Statements sent by the WAM Funds' Administrator

Item 14 - Client Referrals and Other Compensation

Not applicable

Item 15 - Custody

To the extent that WAM deducts fees directly from client accounts and because WAM acts as the managing member of the U.S.-domiciled feeder fund, WAM is deemed to have custody of the assets of those clients. WAM maintains substantially all of its clients' assets with one or more prime brokers and other financial institutions. Under prime brokerage agreements between WAM and each prime broker, each prime broker will clear and settle securities transactions that are effected through

various brokerage firms. The prime brokers will generally maintain custody of certain of the WAM Funds securities. In certain instances, other brokers that execute transactions for the WAM Funds may maintain custody of the WAM Fund's assets. Furthermore, a portion of the WAM Funds portfolio may be invested in derivative instruments, where the counterparty may not necessarily be prime broker. With respect to securities traded in certain markets, the prime brokers may transfer the funds to its sub-custodians and/or agents, including its affiliates, located in the countries in which the securities are traded. Such sub-custodians and agents will maintain custody of the securities until such time as they are sold, at which point uninvested proceeds will be transferred back to the prime broker.

WAM may employ additional or different prime brokers and/or custodians, as relevant in its discretion. As noted above in "Review of Accounts – Item 13," investors in the WAM Funds receive written reports from WAM regarding their accounts on a periodic basis, and annual audited financial statements.

Item 16 - Investment Discretion

WAM has full discretion and authority, without obtaining the prior approval of any officer or other agent, to invest all or a portion of the WAM Funds' assets. Pursuant to the investment management agreement entered into with each WAM Fund, WAM has been designated as the WAM Funds' agent and attorney-in-fact, with full power and authority and without the need for further approval of the WAM Funds to take any and all actions that WAM, in its discretion, shall deem advisable to carry out its discretion with respect to the WAM Funds.

Nevertheless, WAM's discretion is subject to the investment restrictions as outlined in the relevant confidential information memorandum or any other written agreement between WAM and the WAM Funds.

Item 17 - Voting Client Securities

WAM's investment management agreement with each WAM Fund expressly authorizes WAM to vote proxies. WAM's investment strategies, however, are generally not dependent on the outcome of such proxies. Proxies are considered assets of the WAM Funds and must be voted with diligence, care and loyalty in a way that maximizes value for the WAM Funds' assets. WAM will vote on certain matters such as corporate strategic direction, support an ownership structure that enhances shareholder value without diluting management's accountability to shareholders and/or present compensation plans that are commensurate with enhanced manager performance and market practices.

WAM's clients may not direct the votes described above. In the event such voting causes a conflict of interest, WAM endeavors to resolve all conflicts in manner deemed equitable to all shareholders to the extent possible under the prevailing facts and circumstances. Shareholders of the WAM Funds may obtain the results of voting by requesting the results from WAM.

Item 18 - Financial Information

Item 18 of Form ADV Part 2 requires investment advisers to disclose any financial condition reasonably likely to impair their ability to meet contractual commitments to clients. At the present time, WAM has no information relevant to this Item.

Item 19 – Requirements for State-Registered Advisers

Not applicable