and may perform in ways unanticipated by a Fund's Sub-Adviser or an Underlying Fund Manager. In addition to the risks of an adverse change in the value of the underlying reference asset, a Fund's use of derivatives involves the risk that the other party to the derivative contract will fail to make required payments or otherwise to comply with the terms of the contract. Derivatives transactions can create investment leverage and may be highly volatile, and a Fund could lose more than the amount it invests. Derivatives may be difficult to value and highly illiquid, and a Fund may not be able to close out or sell a derivative position at a particular time or at an anticipated price.

Warrants and Stock Purchase Rights. A Fund may participate in rights offerings and may purchase warrants, which are privileges issued by corporations enabling the owners to subscribe to and purchase a specified number of shares of the corporation at a specified price during a specified period of time. Subscription rights normally have a short life span to expiration. The purchase of rights or warrants involves the risk that a fund could lose the purchase value of a right or warrant if the right to subscribe to additional shares is not exercised prior to the rights' and warrants' expiration. Also, the purchase of rights and/or warrants involves the risk that the effective price paid for the right and/or warrant added to the subscription price of the related security may exceed the value of the subscribed security's market price such as when there is no movement in the level of the underlying security. Buying a warrant does not make the fund a shareholder of the underlying stock. The warrant holder has no voting or dividend rights with respect to the underlying stock. A warrant does not carry any right to assets of the issuer, and for this reason, investment in warrants may be more speculative than other equity-based investments. Transactions in off-exchange warrants may involve greater risk than dealing in exchange traded warrants because there is no exchange market through which to liquidate your position, or to assess the value of the warrant or the exposure to risk. Bid and offer prices need not be quoted when dealing with off-exchange warrants, and even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price.

Debt Securities Risks. The value of a debt security changes in response to various factors, including, for example, market-related factors, such as changes in interest rates or changes in the actual or perceived ability of an issuer to meet its obligations. A Fund may invest in debt securities without considering the maturity of the instrument. In general, the value of a debt security may fall in response to increases in interest rates. The value of a security with a longer duration will be more sensitive to changes in interest rates than a similar security with a shorter duration. As a result, changes in interest rates in the U.S. and outside the U.S. may affect a Fund's debt investments unfavorably.

Debt securities in which a Fund invests may be rated below investment grade, or unrated securities that are determined by its Sub-Adviser or the Underlying Fund Manager to be of comparable quality, are high yield, high risk bonds, commonly known as "junk bonds." These bonds are predominantly speculative. They are usually issued by companies without long track records of sales and earnings, or by companies with questionable credit strength. These bonds have a higher degree of default risk, may be less liquid and may be subject to greater price volatility than higher-rated bonds

High Yield Securities ("Junk Bond") Risk. Fixed income instruments rated below investment grade, or unrated securities that are determined by its Sub-Adviser to be of comparable quality, are high yield, high risk bonds, commonly known as "junk bonds." These bonds are predominantly speculative. They are usually issued by companies without long track records of sales and earnings, or by companies with questionable credit strength. These bonds have a higher degree