Liquidity Risk Management Plan Protocol
Additive Advisory and Capital, LLC

Please be advised that Additive Advisory and Capital, LLC, intends this document to provoke thought and motivation for those considering rule 22e-4. We do not intend this document to be considered as an instructive document. In other words, Additive assumes no responsibility for any organization's compliance with/ adherence to Rule 22e-4 (or any other applicable regulation). While we hope this writeup contributes to a broad understanding of Rule 22e-4, we suggest any party reviewing this document consult its legal, compliance, and regulatory advisors – and any other necessary internal or external resources – to consider its own situation/ circumstance vis-à-vis Rule 22e-4.

Protocol – unlimited free response boxes except where noted

1. Fund Motivation and Profile
   a. Discuss the pros and cons of each vehicle below relative to your investment strategy:
      i. open-ended funds/ non-exempt ETFs,
      ii. closed-ended funds,
      iii. private funds,
      iv. exempted ETFs
      v. separately managed accounts
   b. Discuss the qualitative liquidity requirements of your strategy to include the amount of time over which investment theses develop, the types of products used to accomplish the investment strategy and the complexity and liquidity of those products.
   c. What is the target audience of investors for your strategy, and, what is the approachability/ suitability of the investment strategy to that target audience of investors?
   d. Articulate why – across the available fund formats of (1) open-ended funds/ non-exempt ETFs, (2) closed-ended funds, (3) private funds, (4) exempted ETFs, or (5) separately managed accounts –the open-ended/ non-exempt ETF is appropriate for your investment strategy and in the best interest of subscribing shareholders.

2. Portfolio Approach to and Profile from a Liquidity Perspective
   a. Identify the typical security types utilized in the portfolio's strategy for portfolio construction purposes.
   b. Discuss the primary motivations for inclusion of security types/ asset classes into the portfolio.
   c. Discuss the primary motivations for inclusion of specific securities (i.e. within the asset class or security type) into the portfolio.
   d. Provide a historical assessment of the composition/ concentration of the portfolio from an asset class/ security type perspective, and, from a security specific perspective. Even if the portfolio is viewed on an asset-class (security-type) basis, assess the single-security historical concentration in the portfolio.
   e. (Toggle) The portfolio is constructed on the basis of holistic portfolio characteristics, <u>or</u>, the portfolio is constructed on a security-by-security basis.
   f. (Toggle) Securities are selected based on their specific characteristics <u>or</u> securities are selected based on their contribution to the profile of the aggregate portfolio.
   g. (Toggle) Liquidity is assessed at the asset class level, <u>or</u> liquidity is assessed on a security by security basis?
   h. (if f = asset class; Toggle) Does the manager use the same asset-class (security-type) profiles or selection criteria (and sorting) for portfolio construction purposes as for liquidity assessment purposes?
      i. (if no) why not?
      ii. (if no) Identify the typical security types utilized in the portfolio's strategy for liquidity management purposes.
      iii. (if no) Compare and contrast the differentials in asset class/ security types for portfolio construction purposes versus those for liquidity assessment purposes, and provide an overview of and examples for the allocation of securities to portfolio and liquidity-assessment classes.
   i. To what extent does the liquidity of the security type or a specific security enter into portfolio construction decisions?
      i. (Yes/ no) Are concentration limits in force with respect to risk-management procedures for the portfolio at the security type (asset class) level?
      ii. (Yes/ no) Are concentration limits in force with respect to risk-management procedures for the portfolio at the single security level?
      iii. Are liquidity assessments documented during the pre-trade/ candidate inclusion process?
         1. If yes, attach a representative liquidity assessment writeup or assessment.
   j. If the portfolio views portfolio construction and/ or liquidity-assessment from a security type (asset class) perspective, discuss how those classes differ from/ are more specific than generic industry classifications.
   k. To what extent do the typical securities utilized in your strategy fall within the generic security type liquidity assessment, and, to what extent are the liquidity profiles of the actual securities within your portfolio security specific?
   l. For instances driven by asset classes/ security types
      i. Discuss how the liquidity of each security type (asset class) is best assessed. If the same factors apply to multiple types, list the assessment methodology, and identify to which types those protocols apply.
      ii. Attach documentation of processes to assess the liquidity of security types (the approach may be general).

            1. Attach documentation showing actual examples of these policies and procedures in action.
      iii. For each security type discuss the liquidity profile of that security type in normal markets. If the analysis is best completed with an attachment, please provide.
      iv. Discuss the liquidity variance within each asset class.
            1. To what extent do the typical securities utilized in your strategy fall within the generic security type assessment, and, to what extent are the profiles of the actual securities within your portfolio security specific?
            2. Attach documentation of policies and procedures in place to identify exception to this asset-class assessment, including exceptions on a security-by-security basis (i.e. if the characteristics of the security make it liquidity unique for classification purposes) and exceptions across time (i.e. if a security is initially qualified to be aggregated into an "asset class" but, at a point in time, has occurrences which make it too unique to remain in the class).
                  a. Attach documentation showing actual examples of these policies and procedures in action.
      v. For each security type discuss the factors/ conditions that might arise that would throw the market for this security into stressed market conditions.
      vi. For each security type discuss the expected liquidity profile of that security type in stressed markets.
      vii. For each security type, assess the probability of a stressed market condition arising in the foreseeable future.
      viii. Are there any market conditions which could develop – or have ever been observed to have developed – which could create a discontinuous negative shift in the liquidity of any security types utilized by your strategy?
      ix. Attach supporting documentation and analysis from a historical perspective.
   m. For instances driven by security-specific selection
      i. Discuss how the liquidity of each security is best assessed for each security. If the same factors apply to multiple specific securities, list the assessment methodology, and identify to which securities those protocols apply.
      ii. Attach documentation of processes to assess the liquidity of specific securities (the approach may be general).
            1. Attach documentation showing actual examples of these policies and procedures in action.
      iii. For each security, discuss the liquidity profile of that security type in normal markets. If the analysis is best completed with an attachment, please provide.
      iv. For each security, discuss the factors/ conditions that might arise that would throw the market for this security into stressed market conditions (if factors apply to multiple securities, identify the factor, and list those securities to which it is applicable).
      v. For each security, discuss the expected liquidity profile of that security in stressed markets (if profiles apply to multiple securities, identify the profile, and list those securities to which it is applicable).
      vi. For each security, assess the probability of a stressed market condition arising in the foreseeable future (if assessments apply to multiple securities, identify the assessment, and list those securities to which it is applicable).
      vii. Are there any market conditions which could develop – or have ever been observed to have developed – which could create a discontinuous negative shift in the liquidity of any security types utilized by your strategy?
      viii. Attach supporting documentation and analysis from a historical perspective.

3. Redemption-motivated Sales and Liquidity
   a. For context, outside of liquidity requirements, discuss how the manager determines when to reweight or exit a generic security or security type.
   b. (yes/ no) Does the liquidity of the portfolio allow for pro-rata liquidations of a slice of the entire portfolio when redemptions are received (whether or not employed, is a proata liquidation feasible)?
   c. (yes/ no) Does the manner in which each security or security type trades allow for pro-rata liquidations of a slice of the entire portfolio when redemptions are received (whether or not employed, is a proata liquidation feasible)?
   d. (yes/ no) Does the manager always employ a pro-rata liquidation approach to raise cash for redemptions?
      i. (if 3b and 3c both = no) If market trading convention would allow, would the manager always employ a pro-rata liquidation approach to raise cash for redemptions?
            1. When liquidity is demanded, is the manager/ strategy agnostic to which of its portfolio components are liquidated (i.e. can the most liquid securities be liquidated so long as the aggregate profile of the portfolio holistically remains unchanged)?
      ii. (if no) Discuss how securities or asset classes are selected/ prioritized for liquidation, if sales are not pro rata.
      iii. (if no) Discuss how the character of the strategy is assessed and maintained and how a non-pro-rata change in the portfolio composition, driven by redemption-motivated liquidity, is considered.
      iv. (if no) Does the manager maintain a redemption driven liquidation "playbook" or directive.
            1. (if yes) Provide or overview that directive, how often it is updated, and the process by which it is determined.
   e. (yes/no) Qualitatively speaking, does the archetypal portfolio have the ability to provide redemption liquidity, as it may arise, without affecting remaining shareholders, in light of comments on the liquidity of the portfolio's components – both in normal and foreseeably stressed markets – and its concentration and approaches to redemption-driven liquidations?
      i. (if yes and if liquidation sales are not pro rata) Marry the answer to this question with the fact that (1) redemption-driven sales are not pro rata, (2) if liquidity allows for pro rata redemption-driven sales, that the manager is making

a portfolio adjustment of sorts by not implementing pro-rata sales for redemptions, thus leaving remaining shareholders in a different portfolio profile than prior to redemptions, and (3) if liquidity does not allow for pro rata redemption-driven sales, that, even if the portfolio profile is maintained via the sales implemented, the liquidity of the remaining portfolio is worse (for remaining shareholder) than prior to redemptions.

f. Provide a top-level (portfolio) liquidity analysis table, building up from components, which illustrates how much of the portfolio (on a class-by-class or security-specific basis, as applicable) can be liquidated on a 1, 2, 3, 4, 5, 10, and 30 day basis assuming
   i. No market impact (5% participation of volume)
   ii. Minimal market impact (10% of participation with volume) – define minimal market impact in price terms
   iii. Noticeable market impact (20% of participation with volume) – define noticeable market impact in price terms
   iv. Substantial market impact (25% of more participation with volume) – define substantial market impact in price terms
   - For this analysis, participation levels should be taken as instructive rather than determinative. In other words, if the asset market does not allow participation levels, provide a comment/ direction which seeks to create similar market impact from a price perspective, trading in the market as convention would indicate.

4. Fund Shareholder Analysis, Review of Historical Redemption Patterns, Review of Comparable Funds' Histories, and Established Redemption History (including Leverage)
   a. Provide an overview of the fund's distribution channels and shareholder base.
      i. What are the main channels currently responsible for the fund's assets? How concentrated is the base? Have those channels consistently accounted for the majority of the fund's assets (i.e. has the sourcing of assets from these channels been consistent/ stable)? If not, provide a full history of the historic channels which have accounted for the fund's assets, and any analysis/ explanation of why volatility exists in the fund's sourcing of assets.
         1. What motivates these channels to push assets into the fund?
         2. What is the stability of these motivations and/ or the fund's potential to continue to be attractive in this way?
         3. Are there substitutes (other funds) for these channels, and, if so, what is the potential for these channels to redeem assets from the fund and send them elsewhere?
         4. Are there any discernable historical connections that can be drawn whereby certain distribution channels either ceased subscribing assets to the fund or began redemptions because of fund-specific conditions (e.g. performance or volatility), market-driven changes, more macro factors, or any other explanatory factor?
         5. What is the outlook or potential for those factors identified immediately above to develop in the foreseeable future?
         6. Are these channels able to have redemption requests satisfied via anything other cash fulfillment?
         7. How confident is the fund in its assessment of these channels?
      ii. What is the profile of the various types of shareholders which comprise the fund's investor base? How concentrated is the base? Have those shareholders consistently accounted for the majority of the fund's assets (i.e. has the sourcing of assets from these shareholders been consistent/ stable)? If not, provide a full history of the historic shareholders which have accounted for the fund's assets, and any analysis/ explanation of why volatility exists in the fund's sourcing of assets.
         1. What motivates these shareholders to push assets into the fund?
         2. What is the stability of these motivations and/ or the fund's potential to continue to be attractive in this way?
         3. Are there substitutes (other funds) for these shareholders, and, if so, what is the potential for these shareholders to redeem assets from the fund and send them elsewhere?
         4. Are there any discernable historical connections that can be drawn whereby certain distribution channels either ceased subscribing assets to the fund or began redemptions because of fund-specific conditions (e.g. performance or volatility), market-driven changes, more macro factors, or any other explanatory factor?
         5. What is the outlook or potential for those factors identified immediately above to develop in the foreseeable future?
         6. Are these shareholders able to have redemption requests satisfied via anything other cash fulfillment?
         7. How confident is the fund in its assessment of these shareholders?
   b. Provide an overview of the fund's attempt at market research from the perspective of understanding its distribution channels and its shareholder base.
      i. Identify the comparables to the fund from a competitive perspective (funds offering the same portfolio exposures/ value proposition as the fund).
      ii. Identify the comparables to the fund from a fund-family perspective.
      iii. Assess the comparables (in more summary form) from the perspective of part 4a
   c. In light of fund channel and shareholder analysis, in light of comparable review of redemptions, and, in light of the historic redemption history of the fund itself, comment on the foreseeable redemption potential of the fund under normal and

stressed market conditions. Discuss the potential for redemptions (under both normal and stressed market conditions) from the perspective of

   i. The absolute dollars at risk of redemption;
   ii. The percentage of fund assets at risk of redemption;
   iii. The potential for redemption in terms of client concentration;
   iv. The potential for redemptions in terms of channels.

d. Comment on any correlations or domino-effect potentials in the immediately prior redemption demand scenarios.

e. What is the fund's stated redemption policy, and how has it implemented this policy over time?

   i. Provide the fund's redemption policy.
   ii. Provide an historical analysis of the turnaround time the fund has typically utilized to fulfill redemptions.
   iii. Provide an historical analysis of the manner (e.g. cash versus in kind) the fund has typically utilized to fulfill redemptions.
   iv. Under what conditions would the fund, and under what conditions has the fund, deviated from this traditional turnaround time and approach by employing leverage?
      1. Does the fund regularly employ leverage for non-redemption purposes? If so, briefly overview that use, providing an analysis of historic leverage bands.
      2. Does the fund have access to bridge facilities to fulfill redemption requests?
         a. If yes, overview the terms of those bridge facilities
         b. Assess asset class (security types) and/ or specific securities in the portfolio vis-à-vis expected cash-conversion cycles upon sale.
         c. (Toggle) The purpose of the bridge facility is to provide cash when a settlement cycle for a sale is longer that the redemption fulfillment cycle, <u>or</u>, the purpose of the bridge facility is to allow the fund to take on actual leverage (a levered portfolio) to fulfill redemptions, leaving remaining shareholders with a different risk-return (leverage) profile solely because of the redemption/ cash needs.
         d. If the fund utilizes financing to create leverage in the portfolio as a result of redemptions, comment on how the manager views this leverage vis-à-vis leaving remaining shareholders in the same (or better) position as before the redemption, and, why such leverage was not applied proactively before redemptions, if it is additive to the portfolio.
   v. Under what conditions would the fund, and under what conditions has the fund, deviated from this traditional turnaround time and approach by employing leverage?
      1. Does the fund have the right to undertake in-kind distributions?
      2. Under what circumstances will the fund satisfy redemption requests via in-kind transfers? Do these circumstances create the discretion of the manager to satisfy redemptions in kind or will in-kind transfers always occur under such circumstances?
      3. Has the fund notified investors of the potential that redemption requests might be satisfied via in-kind transfers, and, the conditions under which the fund might consider satisfying redemptions via in-kind transfers? If so, how has this information been communicated? If not, how will the fund ameliorate this lack of disclosure and on what timetable?
      4. What information does the fund and its manager have on the composition of its shareholder base and its distribution channels as a function of those which can receive in-kind redemption transfers and those which cannot? How stable is the relationship? Overall, what percentage of the archetypal shareholder base – as a percentage of assets under management – can receive in-kind transfers to satisfy redemption requests?
      5. If redemption requests will be satisfied on an in-kind basis, what are the processes and procedures for determination of which securities will be selected for transfer and/ or will the fund transfer on a pro-rata basis?
      6. For any transfers which result in odd lot or small lot transfers, are these transfers feasible, and, if not, how will the fund bridge any redemption gap generated by the inability to transfer these partial lots?
      7. Are illiquid securities candidates for in-kind redemptions, and, if not, how does the fund believe it is satisfying its fairness requirement to redeeming and remaining shareholders in increasing the weight of illiquid securities in the residual/ remaining portfolio?
      8. What safeguards are setup within the manager's in-kind processes and procedures to adequately assess the tax ramifications of in-kind transfers to assure fairness across redeeming and remaining shareholders, and is the manager confident that these assessments can be completed within the compressed timeline of a redemption cycle and/ or under the stressed circumstances that will most likely occur in scenarios allowing for in-kind redemptions?
      9. To what extent are the policies and procedures for in-kind transfers distributed across the operational groups of the manager, and, how confident is the manager that these groups will recognize the circumstances which allow or mandate in-kind redemptions and initiate these processes?
      10. The fund is advised to attach a copy of its processes and procedures for in-kind redemptions.

vi. Assess the degree to which fund shareholders and distribution channels are aware of the fund's traditional time to fulfillment of redemption requests and their manner of fulfillment (i.e. cash) and the fund's use of leverage or bridge financing, including being aware of exceptional cases where redemptions deviated from traditional timelines or manner.

vii. (yes/ no) Does the fund intend to continue fulfilling redemption requests – even under strained conditions – in the manner in which (under the timeline within which and in the manner in which) it has traditionally done?

1. If not, what efforts are being taken to manage current shareholders' redemption expectations?
2. If not, what efforts are being taken to manage current distribution channels' redemption expectations?
3. If not, what efforts are being taken to manage future/ prospective shareholders' redemption expectations?

5. Determination of the Highly Liquid Investment Minimum
   a. (Toggle: Yes/ no) Confirm whether the firm primarily holds highly liquid assets and is therefore not required to determine a highly liquid investment minimum or define accompanying policies and procedures.
      i. If the firm is employing this exception, the fund is hereby required to define "primarily." Define.
      ii. If the fund is employing this exception, the fund is hereby required to discuss the safeguards it has implemented to prevent style drift specifically in the (liquidity) characteristics of its assets. Discuss.
   b. Document the frequency with which the fund will consider the appropriate level of the highly liquid investment minimum.
   c. Document the fund's arrived at minimum of highly liquid investments.
   d. Document the process/ analysis by which the fund came to this minimum/ determination.
   e. Discuss the fund's liquidity profile, the volatility of its portfolio's returns, the stability of its shareholder base, the fund's use of borrowings, leverage, and derivatives, and the fund's outlook (ability to foresee) stressed market conditions as a means to justify the frequency with which this minimum is assessed and the minimum itself.
   f. Document the fund's policies and procedures by which it will monitor the level of its highly liquid investments, specifically including
      i. <u>Reporting</u> to the board at each regular meeting any broach of the highly liquid investment minimum;
      ii. <u>Reporting</u> to the board and the Commission (via a non-public filing) within one business day if any shortfall of highly liquid assets (relative to the minimum) lasts beyond seven calendar days;
      iii. While the highly liquid investment minimum is normally determined by the fund and its manager without Board direction, if the fund is in non-compliance with its minimum, <u>changing</u> the minimum level when such an act requires Board approval.
      iv. <u>Including</u> in the annual report to the Board a discussion of the minimum and the efficacy of the liquidity risk-management program.
      v. <u>Citing</u> circumstances under which the fund would review the highly liquid investment minimum more frequently than the annual requirement;
      vi. <u>Discussing</u> various scenarios whereby the fund might find itself out of compliance with the minimum and the steps it might take or prohibitions it might temporarily implement in such cases.
   g. (Toggle: Yes/No) Confirm that the fund only considers its assets in determining compliance with the highly liquid investment minimum.

6. Portfolio Investment Characteristics and Liquidity Categorizations
   a. Based upon the documentation completed to date, state the maximum redemption scenario that is being provisioned for under this liquidity risk management plan.
      i. What is the dollar amount?
      ii. What is the percentage of the fund's assets under management?
      iii. From how many investors and channels are the redemptions supposed to come?
      iv. Under these maximum redemption scenarios, why are remaining assets considered secure/ unlikely to demand redemption?
      v. What turnaround redemption cycle (i.e. receipt of cash) do investors expect?
   b. Outline the fund and its manager's response to the maximum redemption scenario discussed.
      i. Will the fund utilize the cash on-hand from the reserved highly-liquid investment minimum?
         1. Will such utilization be a first response or a last ditch response, when other liquidity is exhausted (i.e. further sales of assets cannot occur)?
         2. What is the fund's plan to replenish the highly liquid minimum?
            a. When will sales to replenish begin?
            b. Over what time period will the fund look to complete those sales?
            c. Will consideration be given to a domino effect/ run on the fund to inform consideration of the speed with which to replenish the minimum?
            d. To what extent is the fund concerned – under the redemption scenario – that replenishment will be challenged by the liquidity composition of what will be sold to replenish the minimum?
            e. Does this analysis alter any commentary by the manager that remaining shareholders are as well off after redemption as before?

ii. Mathematically connect the fund's use of the highly liquid investment minimum to the required trading requirements of the fund after the redemption discussed.
    1. What absolute dollar amount of cash would the fund project to be required to be raised?
    2. What percentage of the fund's assets base would the fund project to be required to be raised?

iii. Can the fund utilize pro-rata trimming to provision for the remaining funds to be realized for the redemption, after any netting of the highly liquid investment minimum?

iv. Will the fund utilize pro-rata trimming to provision for the remaining funds to be realized for the redemption, after any netting of the highly liquid investment minimum?
    1. If not, what approach will the fund use to satisfy those redemptions?

v. Provide an illustrative sell program mathematically connecting the net funds required to be raised with the fund's plan to raise such assets.
    1. Illustrate the required sales in terms of dollars to be raised and security units of sale (i.e. shares or face value of bonds).
    2. For sell programs which do not employ a pro-rata approach, complete the analysis both in the manner in which the fund plans to react and via a pro-rata analysis.
    3. Highlight those positions which are being analyzed as an asset class/ security type, and, those which are being reviewed as specific securities.
    4. Analyze the sell program (and pro rata program) from the perspective of units to sell as a function of trailing average daily volume (or an estimate of daily traded volume).
        a. Analyze the sell program from any other perspective and with respect to any other factor that the fund considers germane to determining the amount (units) of the security or security class in question and the resulting market impact of such a sale. Factors suggest by the Commission include
            i. The existence of an active market for the asset and whether it is a listed market;
            ii. The number, diversity, and quality of participants in the market for the asset;
            iii. The frequency of trades or quotes (markets) for the asset and its average daily trading volume;
            iv. The asset's volatility profile;
            v. The typical bid-ask spread to quotes/ markets for the asset;
            vi. The degree of complexity resident in the asset;
            vii. The maturity date and date of issue of fixed-income assets;
            viii. Restrictions of trade and transfer for the asset;
            ix. The correlation of the asset to other positions in the portfolio.
    5. Document the normal settlement cycle of each asset/ security type in the portfolio.
    6. Discuss the potential for the fund's specific trading desk to affect trades to outsized degrees (of large amounts) without the requisite (normally expected) market impact.
        a. For funds which have their liquidity risk management plan rely on their trading desk's acumen, provide historical justification to support such reliance, especially including citation of extraordinary liquidity realizations even under stressed market conditions.
        b. If available, provide a historical record of the fund's transaction cost analyses which support this reliance.
        c. Comment on the fund's view of the stability of its trading team.
        d. If possible, cite explanations as to why the fund is able to trade without that market impact which the rest of the industry would expect.
    7. Comment on the expected market impact of that percentage volume of sales over the following periods (which is to say comment on the expected market impact of completing the stated sell order – and the pro rata order – over the following periods):
        a. (Highly Liquid) Trading for as many days as applicable such that, under normal settlement cycles, the trade would settle on T+3;
        b. (Moderately Liquid): Trading for as many days as applicable such that, under normal settlement cycles, the trade would settle on or before seven calendar days from first sale;
        c. (Less Liquid): Trading for seven calendar days;
    8. Classify each security or security type based upon the sell program contemplated, the potential for a significant market impact from the fund's trading, and the delineated liquidity definitions of rule 22e-4.
        a. Where the fund's classifications break with industry analysis due to special/ fund-specific considerations (e.g. trading desk acumen), classify the asset as the market/ general industry would and then proceed with the fund-specific classification.

vi. Comment on the extent to which the fund's liquidity risk-management hypothetical sell program is in line with the historical approach to sales (especially in cases of liquidity demands/ redemption-motivated selling). Of specific interest, insure that the fund has a history managing (trimming) positions which is in line with its proposed program. If that is not the case, comment on the degree to which remaining investors will be disadvantaged by the fund's hypothetical sales strategy (in other words, if the approach is equal to the fund's alternate approach to sales, why has the fund chosen to consistently employ one approach relative to the other?).

vii. Provide a summary conclusion as to the fund's liquidity profile in terms of percent of assets which fall into the highly liquid, moderately liquid, less liquid, and illiquid categorizations, based on the above analysis.

7. Reconsideration of the Highly Liquid Investment Minimum
   a. (Toggle: Yes/ no) Confirm that the fund reconsidered its highly liquid investment minimum in light of its analysis of the liquidity characteristics and classification of its portfolio and the redemption scenarios possible vis-à-vis the market impact of the sales it may need to make in the market.
   b. (No response) Funds are advised to reconsider and revise the minimum at this time.

8. Use of Derivatives
   a. (Toggle: Yes/ no) Does the fund make use of derivatives? If not, no further action on this section is required in this section.
   b. (Toggle: Yes/ no) Has the fund classified its derivatives in the liquidity categorization exercise? If not, revert back to that section and categorize.
   c. (Toggle: Yes/ no) Does the firm <u>only</u> buy premium/ optionality? If so, the fund is only required to classify its derivatives in the traditional liquidity categorizations above. Provided that classification has occurred, no further action is required in this section.
   d. (Toggle: Yes/ no) Has the firm identified any otherwise highly liquid securities which serve as collateral for derivatives where the derivative's liquidity does not place it into the highly liquid category?
      i. Notate the percentage of highly liquid assets in aggregate that collateralize derivative instruments with lessor liquidity profiles.
   e. (Toggle: Yes/ no) For the purposes of this liquidity analysis– even though at a practical level a counterparty might accept securities as collateral which are outside of the highly liquid category – confirm that the fund in this analysis has first used highly liquid securities as collateral instruments.
   f. Provide a discussion of the frequency and manner with which margin requirements on the derivatives portfolio are determined and reassessed.
   g. Provide a discussion of how the fund considers future collateral demands which the derivatives in the portfolio might require vis-à-vis foreseeably stressed market conditions (and any knock-on potential liquidity drains on the market for derivatives).
   h. Discuss how the frequency with which the highly liquid investment minimum is assessed is appropriate for the frequency with which collateral requirements on the derivatives portfolio are reconsidered.
   i. (Toggle: Yes/ no) Confirm that the fund has reconsidered its determination of the highly liquid investment minimum in light of future collateral requirements from its derivatives portfolio.

9. Illiquidity ceiling
   a. (Toggle: Yes/ no) Confirm the fund understands that it may not acquire assets if those assets would be deemed illiquid, and, upon acquiring, if the 15% illiquidity ceiling would be breached.
   b. (Toggle: Yes/ no) Confirm the fund understands that an asset may be considered in another liquidity category (besides the illiquid one) when acquired but, by virtue of the fund's assessment of the market for the asset changing while the fund is in position, that asset may fall into the illiquid category.
   c. (Toggle: Yes/ no) Confirm that the fund understands that there is no grandfathering provision for the illiquidity ceiling and that assets and their weightings must be reassessed in real time for their compliance with illiquidity provisions.
   d. Discuss the fund's policies and procedures for situations in which the illiquidity ceiling is broached, specifically
      i. Reporting to the board of directors within one business day, explaining the reason for the breach, the extent of it, and the fund's plan for corrective action within a reasonable timeframe;
      ii. Reporting such a breach to the Commission;
      iii. Should the same breach still be in effect 30 days after its initial occurrence, having the board of directors – including a majority of independent directors –reconsider whether the liquidity risk-management plan currently in force is appropriate and in shareholders' best interests;
      iv. Including reference to any breaches to the 15% ceiling in the fund's annual report to the board of directors assessing the efficacy of the liquidity risk-management plan.
      v. Discussing any proactive measures the fund employs to prohibit broaching the illiquidity ceiling.
   e. (Toggle: Yes/ no) Confirm that the fund is aware that the broaching of the illiquidity ceiling does not require immediate disposition of assets to quickly move below the illiquidity ceiling, as such a knee-jerk reaction could ultimately disadvantage fund shareholders.

10. Summary Findings (all toggles yes/ no except as noted)
   a. That the manager undertook its responsibility under 22e4 with a cross-departmental team reflecting all of the expertise of the manager;
   b. That the manager believes its investment strategy is appropriately distributed and suitable for a mutual-fund audience, especially in light of rule 22e4 liquidity obligations;

c. That the manager expects to be able to accommodate redemption requests – in normal and stressed markets – while preserving the value delivered from its efforts to remaining shareholders;
d. That, should the manager elect to satisfy redemptions via in-kind redemptions, those processes and circumstances are appreciated internally and externally (by fund shareholders);
e. That the manager has assessed the liquidity characteristics of its portfolio and assigned each investment – by security or asset class – into one of the four categories directed under the rule, given the fund and its manager's expectation of liquidity which can foreseeably be expected to be needed, with the following distribution:
    i. Highly liquid: ____%
    ii. Moderately liquid: ____%
    iii. Less liquid: ____%
    iv. Illiquid: ____%
f. That, in light of liquidity requirements and the considerations outlined in this working document and set forth by rule 22e4, the fund and its manager have established a highly liquid investment minimum of ____%.
    i. Input the current percentage of highly liquid securities in the portfolio.
g. That the manager has considered its derivative efforts in drawing its liquidity conclusions; and
h. That the fund and its manager understand that a maximum of 15% of the fund can be categorized within the illiquid category without following the notification and corrective protocols as outlined in the rule 22e4.