obligation to timely pay the Fund the amount owed under the certificate.

Cash Position Risk. A Fund may hold any portion of its assets in cash or cash equivalents at any time or for an extended time. The applicable Underlying Fund Manager or Sub-Adviser will determine the amount of such Fund's assets to be held in cash or cash equivalents at its sole discretion, based on such factors as it may consider appropriate from time to time. To the extent that a Fund holds assets in cash or cash equivalents and is otherwise uninvested, the ability of the Fund to meet its investment objective may be limited.

Leverage. A Fund may utilize leverage in pursuing its investment strategy. Leveraging a Fund creates an opportunity for increased net income or capital appreciation but, at the same time, creates special risk considerations. Leveraging will generally exaggerate the effect on the value of a Fund's assets of any increase or decrease in the market value of the Fund's investments. Although the principal of borrowings underlying any leverage will be fixed, a Fund's assets may change in value during the time the borrowing is outstanding. Because any decline in value of a Fund's investments will be borne entirely by the Fund (and thus by investors in the Fund) and not by those persons providing the leverage to the Fund, the effect of leverage in a declining market would be a greater decrease in the value of the Fund's portfolio investments than if the Fund were not so leveraged. Leveraging will create interest expenses for a Fund, which can exceed the investment return from the borrowed funds. To the extent the investment return derived from securities purchased with borrowed funds exceeds the interest a Fund will have to pay, the Fund's investment return will be greater than if leverage were not used. Conversely, if the investment return from the assets acquired with borrowed funds is not sufficient to cover the cost of leverage, the investment return of a Fund will be less than if leverage were not used. Additionally, a Fund must maintain sufficient liquid assets, marked-to-market daily, to cover its leveraged transactions. This will limit a Fund's investment flexibility, as well as its ability to meet current obligations.

Leverage may include borrowing and also the use of margin. Other borrowings take the form of, or are embedded in, margined option premiums, repurchase agreements, bank or dealer credit lines or the notional principal amounts of swap transactions. There can be no assurance that a Fund will be able to maintain adequate financing arrangements under all market circumstances.

As a general matter, the banks and dealers that provide financing to a Fund can apply discretionary margin, haircut, financing and valuation policies, or impose other credit limitations or restrictions, whether due to market circumstances or government regulation or judicial action. Such application or losses may result in large margin calls, loss of financing, forced liquidations of positions at disadvantageous prices, termination of swap and repurchase agreements and cross-defaults to agreements with other dealers. Any such adverse effects may be exacerbated in the event that such limitations or restrictions are imposed suddenly and/or by multiple market participants simultaneously. The imposition of any such limitations or restrictions could compel a Fund to liquidate all or part of its portfolio at disadvantageous prices, perhaps leading to a loss of the Fund's equity.

Derivatives Risk. A derivative is a financial contract whose value depends on changes in the value of one or more underlying assets, reference rates or indexes. These instruments include, among others, participation certificates, credit default swaps, currency forward contracts, currency swap contracts and other swap agreements and similar instruments. A Fund's use of derivatives may involve risks different from, or greater than, the risks associated with investing in more traditional investments, such as stocks and bonds. Derivatives can be highly complex