COATUE INNOVATIVE STRATEGIES FUND

Class S Shares
Class D Shares
Class I Shares

Statement of Additional Information

May 1, 2026, as revised November 1, 2026

Coatue Innovative Strategies Fund (the "Fund") is a Delaware statutory trust registered under the Investment Company Act of 1940, as amended (the "Investment Company Act"), as a non-diversified, closed-end management investment company. This Statement of Additional Information ("SAI") relating to the Shares does not constitute a prospectus, but should be read in conjunction with the Prospectus relating thereto dated May 1, 2026, as revised November 1, 2026. This SAI does not include all information that a prospective investor should consider before purchasing Shares, and investors should obtain and read the Prospectus prior to purchasing such Shares. A copy of the Prospectus may be obtained without charge by calling State Street Bank and Trust Company at 617-662-7100, by writing to the Fund at 9 West 57th Street, 25th Floor, New York, NY 10019 or by visiting www.coatuectek.com. You may also obtain a copy of the Prospectus on the SEC's website at http://www.sec.gov. Capitalized terms used but not defined in this SAI have the meanings ascribed to them in the Prospectus.

References to the Investment Company Act, or other applicable law, will include any rules promulgated thereunder and any guidance, interpretations or modifications by the U.S. Securities and Exchange Commission ("SEC"), SEC staff or other authority with appropriate jurisdiction, including court interpretations, and exemptive, no-action or other relief or permission from the SEC, SEC staff or other authority.

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ADDITIONAL INVESTMENT POLICIES

The investment objective and the principal investment strategies of the Fund, as well as the principal risks associated with such investment strategies, are set forth in the Prospectus. The following disclosure supplements the disclosure set forth under the captions "Investment Objective and Strategy" and "Risks" in the Prospectus and does not, by itself, present a complete or accurate explanation of the matters discussed. Prospective investors also should refer to "Investment Objective and Strategy" and "Risks" in the Prospectus for a complete presentation of the matters disclosed below.

Fundamental Policies

The Fund has adopted restrictions and policies relating to the investment of the Fund's assets and its activities. Certain of the restrictions are fundamental policies of the Fund and may not be changed without the approval of a majority of the Fund's outstanding voting securities (as defined by the Investment Company Act). For this purpose, under the Investment Company Act, the vote of a "majority of the outstanding voting securities of the Fund" means the vote, at an annual or special meeting of the Shareholders duly called, (i) of 67% or more of the Shares represented at such meeting, if the holders of more than 50% of the outstanding Shares are present in person or represented by proxy or (ii) of more than 50% of the outstanding Shares, whichever is less. No other policy is a fundamental policy of the Fund, except as expressly stated.

The Fund's fundamental investment restrictions are as follows:

1. The Fund will not invest 25% or more of the value of its total assets in the securities (other than U.S. Government securities) of issuers engaged in any single industry or groups of industries, except that, under normal circumstances, the Fund will invest 25% or more of the value of its total assets in the industries within the information technology, communication services and industrials sectors in the aggregate. For the avoidance of doubt, this 25% limitation on investment in a single industry or groups of industries does not restrict or limit: (i) the Fund's authority to invest 25% or more of the value of its total assets in portfolio funds; or (ii) the Fund's ability to invest in U.S. Government securities or such other securities as may be excluded for this purpose under the Investment Company Act.

2. The Fund may not issue senior securities or borrow money except as permitted by (i) the Investment Company Act, or interpretations or modifications by the SEC, SEC staff or other authority with appropriate jurisdiction, or (ii) exemptive or other relief or permission from the SEC, SEC staff or other authority.

3. The Fund will not underwrite securities of other issuers, except insofar as the Fund may be deemed an underwriter under the Securities Act in selling its own securities or portfolio securities.

4. The Fund will not make loans of money or securities to other persons, except that (i) the Fund will not be deemed to be making a loan to the extent that the Fund makes investments in fixed-income securities or enters into repurchase agreements in a manner consistent with its stated investment policies; (ii) the Fund may take short positions in any security or financial instrument; and (iii) the Fund may lend its portfolio securities in an amount not in excess of 33-1⁄3% of its total assets, taken at market value, provided that such loans shall be made in accordance with applicable law.

5. The Fund will not purchase or sell physical commodities or commodity contracts, except to the extent permitted under the Investment Company Act, the rules and regulations thereunder and any applicable exemptive relief or unless otherwise acquired as a result of the ownership of securities or instruments, but this restriction shall not prohibit the Fund from purchasing and selling foreign currency, options, swaps, futures and forward contracts and other financial instruments and contracts, including those related to indexes, and options on indices, and may invest in commodity pools and other entities that purchase and sell commodities and commodity contracts. For purposes of the limitation on commodities, the Fund does not consider foreign currencies or forward contracts to be physical commodities.

6. The Fund will not purchase, hold or deal in real estate, except the Fund may purchase and hold securities or other instruments that are secured by, or linked to, real estate or interests therein, securities of real estate investment trusts, mortgage-related securities and securities of issuers engaged in the real estate business, and the Fund may purchase and hold real estate as a result of the ownership of securities or other instruments.

With respect to the fundamental policy relating to concentration set forth in (1) above, the Investment Company Act does not define what constitutes "concentration" in an industry or groups of industries. The SEC staff has taken the position that investment of 25% or more of a fund's total assets in one or more issuers conducting their principal activities in the same industry or group of industries constitutes concentration. It is possible that interpretations of concentration could change in the future. The policy in (1) above will be interpreted to refer to concentration as that term may be interpreted from time to time. The policy also will be interpreted to permit investment without limit in the following: securities of the U.S. Government and its agencies or instrumentalities; tax exempt securities of state, territory, possession or municipal governments and their authorities, agencies, instrumentalities or political subdivisions; and repurchase agreements collateralized by any such obligations. Accordingly, issuers of the foregoing securities will not be considered to be members of any industry. There also will be no limit on investment in issuers domiciled in a single jurisdiction or country. Finance companies will be considered to be in the industries of their parents if their activities are primarily related to financing the activities of the parents. Each foreign government will be considered to be a member of a separate industry. With respect to the Fund's industry classifications, the Fund currently utilizes any one or more of the sector classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by Coatue Management, L.L.C., the Fund's investment adviser ("Coatue" or the "Adviser"). The policy also will be interpreted to give broad authority to the Fund as to how to classify issuers within or among industries.

Unless otherwise indicated, all limitations under the Fund's investment restrictions apply only at the time that a transaction is undertaken. Any change in the percentage of the Fund's assets invested in certain securities or other instruments resulting from market fluctuations or other changes in the Fund's total assets, including changes resulting from the Fund having a smaller base of assets after a repurchase offer, will not require the Fund to dispose of an investment until the Adviser determines that such disposition is in the Fund's best interest.

The fundamental investment limitations set forth above restrict the ability of the Fund to engage in certain practices and purchase securities and other instruments other than as permitted by, or consistent with, applicable law, including the Investment Company Act. These limitations are based either on the Investment Company Act itself, the rules or regulations thereunder or applicable orders of the SEC. In addition, interpretations and guidance provided by the SEC staff may be taken into account to determine if a certain practice or the purchase of securities or other instruments is permitted by the Investment Company Act, the rules or regulations thereunder or applicable orders of the SEC. As a result, the foregoing fundamental investment policies may be interpreted differently over time as the statute, rules, regulations or orders (or, if applicable, interpretations) that relate to the meaning and effect of these policies change, and no vote of Shareholders, as applicable, will be required or sought.

INVESTMENT PRACTICES, TECHNIQUES AND RISKS

The following information supplements the discussion of the Fund's investment objective, policies, techniques and risks that are described in the Prospectus. The Fund may invest in the following instruments and use the following investment techniques, subject to any limitations set forth in the Prospectus. There is no guarantee the Fund will buy all of the types of securities or use any or all of the investment techniques described herein.

Public Asset Investments

The Fund may make investments in publicly listed companies whose primary business is managing investments in private markets and in publicly traded vehicles whose primary purpose is to invest in or lend capital to privately held companies. Publicly traded private markets investments generally involve publicly listed companies that pursue the business of private equity investing, including listed private equity companies, listed funds of funds, business development companies, special purpose acquisition companies ("SPACs"), alternative asset managers, holding companies, investment trusts, closed-end funds, financial institutions and other vehicles whose primary purpose is to invest in, lend capital to or provide services to privately held companies. Such vehicles also may focus on mezzanine, infrastructure, buyout or venture capital investments.

Publicly traded private markets investments are typically liquid and capable of being traded daily, in contrast to direct investments and private equity funds, in which capital is subject to lengthy holding periods. Accordingly, publicly traded private markets transactions are significantly easier to execute than other types of private markets investments, giving investors an opportunity to adjust the investment level of their portfolios more efficiently.

Special Purpose Acquisition Companies

The Fund may invest in stock, warrants or other securities of SPACs or similar special purpose entities that pool funds to seek potential acquisition opportunities. Unless and until an acquisition is completed, a SPAC or similar entity generally maintains assets (less a portion retained to cover expenses) in a trust account comprised of U.S. Government securities, money market securities, and cash. If an acquisition is not completed within a pre-established period of time, the invested funds are returned to the entity's shareholders.

Because SPACs and similar entities are essentially blank-check companies without an operating history or ongoing business other than seeking acquisitions, the value of their securities is particularly dependent on the ability of the entity's management to identify and complete a profitable acquisition. SPACs may allow shareholders to redeem their pro rata investment immediately after the SPAC announces a proposed acquisition, which may prevent the entity's management from completing the transaction. Some SPACs may pursue acquisitions only within certain industries or regions, which may increase the volatility of their prices. In addition, SPACs may trade in the over-the-counter market and, accordingly, may be considered illiquid and/or be subject to restrictions on resale.

Purchasing IPOs

The Fund may, from time to time, purchase securities of companies in initial public offerings or shortly after those offerings are complete. Special risks are associated with these securities, including lack of a trading history, lack of knowledge about the issuer and limited operating history. These factors may contribute to substantial price volatility for the shares of these companies, and this volatility can affect the value of the Fund's investment in those securities. The limited number of shares available for trading in some initial public offerings may make it more difficult for the Fund to buy or sell significant amounts of shares without an unfavorable effect on prevailing market prices. In addition, some companies in initial public offerings may be involved in relatively new industries or businesses, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or close to achieving revenues or operating income. In addition, an investment in an initial public offering may have a disproportionate impact on the performance of the Fund at times when it does not yet have a substantial amount of assets.

Private Investments in Public Equity

The Fund may invest in securities issued in private investments in public equity transactions, commonly referred to as "PIPEs." A PIPE investment involves the sale of equity securities, or securities convertible into equity securities, in a private placement transaction by an issuer that already has outstanding, publicly traded equity securities of the same class.

Shares acquired in PIPEs are commonly sold at a discount to the current market value per share of the issuer's publicly traded securities. Securities acquired in PIPEs generally are not registered with the SEC until after a certain period of time from the date the private sale is completed, which may be months and perhaps longer. PIPEs may contain provisions that require the issuer to pay penalties to the holder if the securities are not registered within a specified period. Until the public registration process is completed, securities acquired in PIPEs are restricted and, like investments in other types of restricted securities, may be illiquid. Any number of factors may prevent or delay a proposed registration. Prior to or in the absence of registration, it may be possible for securities acquired in PIPEs to be resold in transactions exempt from registration under the Securities Act. There is no guarantee, however, that an active trading market for such securities will exist at the time of disposition, and the lack of such a market could hurt the market value of the Fund's investments. Even if the securities acquired in PIPEs become registered, or the Fund is able to sell the securities through an exempt transaction, the Fund may not be able to sell all the securities it holds on short notice and the sale could impact the market price of the securities.

Leveraged Portfolio Companies

Certain of the Fund's investments may include businesses with high levels of debt or may be investments in leveraged buyouts. Leveraged buyouts by their nature require companies to undertake a high ratio of fixed charges to available income. The leveraged capital structure of such investments will increase the exposure of a portfolio company to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of such portfolio company or its industry. Leveraged investments are inherently more sensitive to declines in revenues and to increases in expenses and recessions, operating problems and other general business and economic risks may have a more pronounced effect on the profitability and survival of such investments. Leveraging the capital structure of a portfolio company will mean that third parties, such as banks, may be entitled to the cash flow generated by such investments prior to the Fund receiving a return. In addition, there can be no guarantee that debt facilities will be available at commercially attractive rates throughout the term of the Fund or when due for refinancing such that the Fund or the applicable portfolio company will be exposed to less favorable terms or rates upon a refinancing, or that any facilities negotiated will be fully utilized. If a portfolio company cannot generate adequate cash flow to meet its debt obligations, the Fund may suffer a total loss of capital invested in such company.

Controlled Investments

Subject to compliance with the Investment Company Act, the Fund may have controlling interests in certain of its portfolio companies. The exercise of control over a company may impose additional risks of liability for environmental damage, product defects, pension and other fringe benefits, failure to supervise management, violation of laws and governmental regulations (including securities laws) and other types of liability, for which the limited liability generally afforded to investors may be ignored. If any such liabilities were to arise, the Fund might suffer significant losses. The possibility of successful claims against the Fund and/or its affiliates cannot be precluded. In addition, members of the Coatue Group may serve as directors of certain of the portfolio companies, including public companies, and as such, may have duties to persons other than the Fund.

In certain cases, the success of the Fund's investments may depend, in part, on the ability of the Fund to assist in the restructuring of, and effecting improvements in, the operations of a portfolio company. The activity of identifying and implementing restructuring programs and operating improvements at portfolio companies entails a high degree of uncertainty. Certain features of a relevant business environment (e.g., a company's reluctance or inability to effect layoffs or close or divest of unprofitable business lines) may impede or prevent the implementation of necessary restructuring steps for such companies. There can be no assurance that the Fund will be able to successfully identify and cause or persuade a company to implement such restructuring programs and improvements. Further, to the extent that the Fund owns a controlling stake in, has representatives on a board of directors or creditors' committee or is deemed an affiliate of a particular company, it may be subject to certain additional bankruptcy or securities laws restrictions which could affect both the liquidity of the Fund's interest and the Fund's ability to liquidate its interest without adversely impacting the investment's price.

Exchange Traded Funds

Because exchange-traded funds ("ETFs") (which are registered investment companies) are effectively portfolios of securities, the Adviser believes that the unsystematic risk associated with investments in ETFs is generally very low relative to investments in ordinary securities of individual issuers. Although the Fund typically will invest in broad-based ETFs, there may be certain risks to the extent a particular ETF is concentrated in a particular sector, and is not as diversified as the market as a whole and at times, the Fund may invest in industry-specific ETFs. The Investment Company Act places certain restrictions on the percentage of ownership that the Fund may have in a registered investment company.

Investments in Private Investment Funds Managed by a Third Party

While the Adviser intends that the majority of the Fund's investments will be made directly in the applicable private company, from time to time, the Fund may make investments in one or more investment vehicles managed by an unaffiliated third party, including but not limited to some vehicles that may only invest in a single portfolio company or other vehicles that make multiple investments in various underlying portfolio companies. The value and liquidity of an investment in a third-party managed private investment fund will be affected by decisions made by such entity's management, and the Adviser may have no control over such decisions. As a result, there can be no assurance that every third-party manager engaged by the Fund will invest on the basis expected by the Adviser. To the extent the Fund invests in a private investment fund, the Fund may be subject to the fees and incentive allocation charged by such entity, which may be in addition to the fees and expenses to which the Shareholder is subject as an investor in the Fund. The Fund will not invest more than 15% of its net assets in such private investment funds.

Investments in Partnership Interests

The Fund may invest in partnership interests, which involve certain risks not typically associated with investments in corporations. Partnerships may have fewer regulatory and corporate governance protections compared to corporations, which could result in less transparency and weaker investor rights. Additionally, partnerships may allocate income, gains, losses, deductions, or credits differently than corporations, potentially leading to unexpected or unfavorable tax consequences for the Fund.

Partnership interests may also be less liquid than other types of investments, and there may be limited or no secondary market for such interests. The Fund could experience delays or restrictions when attempting to sell or transfer its partnership interests, which could negatively impact the Fund's ability to meet its liquidity needs. Furthermore, partnerships may have concentrated operations, dependence on key personnel, or exposure to industry-specific risks, which could increase the volatility of their value and the risk of loss for the Fund.

Risks Associated with Specific Sector, Industry and Geographic Investments

Regulation of the Automotive Industry

The Adviser may invest the Fund's assets in companies related to the automotive industry. The automotive industry is subject to a wide range of U.S. federal, state, local and non-U.S. laws and regulations, such as those relating to motor vehicle sales, retail installment sales, leasing, finance and insurance, advertising, licensing, consumer protection, consumer privacy, escheatment, anti-money laundering, the environment, vehicle emissions and fuel economy, health and safety, and employment practices. With respect to motor vehicle sales, retail installment sales, leasing, finance and insurance, and advertising, companies in the automotive industry are subject to various laws and regulations, the violation of which could subject them to consumer class action or other lawsuits or governmental investigations and adverse publicity, and, possibly, to administrative, civil, or criminal sanctions. With respect to employment practices, companies in the automotive industry are subject to various laws and regulations, including complex federal, state, and local wage and hour and anti-discrimination laws. The violation of other laws and regulations to which companies in the automotive industry may be subject also can result in administrative, civil, or criminal sanctions, which may include a cease and desist order against the subject operations or even revocation or suspension of licenses to operate the subject business, as well as significant fines and penalties. Failure to comply with applicable laws and regulations or the unfavorable resolution of one or more lawsuits or governmental investigations may have an adverse effect on an automotive company's business, results of operations, financial condition, cash flows, and prospects.

The automobile industry in particular experiences significant product liability claims and the companies in which the Fund invests face inherent risk of exposure to claims in the event such companies' vehicles do not perform or are claimed to not have performed as expected. Companies in which the Fund may invest face claims arising from or related to misuse or claimed failures of new technologies that such companies are developing. A successful product liability claim could cause a company in which the Fund invests to pay a substantial monetary award. Moreover, a product liability claim could generate substantial negative publicity about alternative fuel products and business, and could have a material adverse effect on a company's brand, business, prospects and operating results.

Alternative Fuel Vehicles. The growth of the companies in which the Fund may invest is highly dependent upon the worldwide adoption by consumers of alternative fuel vehicles in general and electric vehicles in particular. There is no guarantee of future demand, or that such companies' vehicles will not compete with one another in the market. If the market for electric vehicles does not develop as the Adviser expects, develops more slowly than the Adviser expects, or if demand for alternative fuel vehicles decreases, the business, prospects, financial condition and operating results of the companies in which the Fund invests could be harmed.

The market for alternative fuel vehicles is rapidly evolving. As a result, the market for alternative fuel vehicles could be affected by numerous factors, such as: perceptions about electric vehicle features, quality, safety, performance and cost; perceptions about the limited range over which electric vehicles may be driven on a single battery charge; competition, including from other types of alternative fuel vehicles, plug-in hybrid electric vehicles and high fuel-economy internal combustion engine vehicles; volatility in the cost of oil and gasoline; government regulations and economic incentives; access to charging facilities; and concerns about future viability of the companies in which the Fund invests.

Healthcare and Related Investments

The Fund may invest in the securities of biopharmaceutical, life sciences, biotechnology, diagnostic and other healthcare-related companies or in related assets involving a high degree of business, financial, technological and regulatory risk which can result in substantial losses. Some of these risks relate to the underlying biopharmaceutical assets themselves, and others to the companies that manufacture or market these products, their distribution, competitors and in some cases partners in manufacturing or distribution. These risks include but are not limited to:

- certain companies that manufacture and/or market the products may have limited operating histories, making it difficult to assess the potential effectiveness of a company's management, and thus the likelihood of the products' commercial success;
- certain companies may not have sufficient management or marketing personnel with appropriate scientific or medical training in order to adequately produce or market these products, which may slow or impede the revenue stream generated by the product;
- the prices at which these investments will be made by the Fund may be based, in part, on assumptions that a limited number of other products will compete with the relevant underlying products in the markets in which they are sold, or that the underlying products will otherwise command a pricing premium in these markets, which assumptions may prove to be inaccurate;
- some of the licensing agreements or other rights relating to the investments held by the Fund may be terminated;
- government policies and regulations applicable to certain of these companies or their products may change in ways that adversely affect the companies or their products' marketability and, thus, the revenue streams generated by the related assets held by the Fund; and
- investor sentiments and preferences with regard to life sciences sector investments (some of which are generally perceived as risky) may change, which may have an adverse effect on the values of the securities held by the Fund in such companies.

Certain of these companies may become involved in lawsuits with respect to these products, or with respect to intellectual property rights or other rights relating to them, which lawsuits may result in an inability to market these products or may otherwise impair the related revenue stream, additionally, issuers of foreign securities may not have similar protections with respect to intellectual property rights as are applied in the United States. In the case of any direct investments in biopharmaceutical assets, the Adviser may not be successful in structuring these investments in a way that shields the Fund from liability in the event of lawsuits relating to any products or rights in which the Fund has a direct or indirect interest, thereby potentially resulting in the Fund bearing such liabilities and, in such event, the Fund may suffer potentially significant losses beyond its investment.

Certain of the companies in which the Fund may invest also may experience adverse impact from: (i) unanticipated delays in research and development efforts; (ii) previous preclinical testing or clinical trial results that ultimately are not indicative of future clinical trial results; (iii) errors in the conduct of clinical trials; (iv) adverse safety findings regarding drugs; (v) clinical trial results that do not support submission of a marketing approval application for drug product candidates; (vi) reliance on third party manufacturers, collaborators, and clinical research organizations who may fail to perform according to agreed specifications; (vii) inability to control the development of out-licensed drug compounds or drug candidates; (viii) inability of collaborators to develop and commercialize product candidates; (ix) costs associated with prosecuting, maintaining, defending and enforcing patent claims and other intellectual property rights; (x) inability to maintain or obtain adequate product liability and other insurance coverage; (xi) adverse impact of technological advances and competition; (xii) inability to compete against third parties with greater resources; (xiii) changes in pricing and reimbursements in the markets in which they compete; (xiv) stronger than expected competition to develop and commercialize similar drug products; (xv) inability to obtain patent protection for discoveries; (xvi) inability to in-license potential drug compounds or drug candidates or other technology; (xvii) excessive leverage; limitations on their ability to incur additional indebtedness and incur liens on their assets restricting their ability to obtain additional capital when needed; (xviii) cost of goods sold remaining high enough that it is difficult to achieve profitability; (xix) third-party payors for drugs or diagnostics rescinding or modifying their contracts or reimbursement policies or delaying payments; (xx) inability to expand as expected outside the United States; (xxi) failure to receive reimbursement for a drug or diagnostic under changing Medicare rules; (xxii) failure of physicians to prescribe a drug or diagnostic to the extent anticipated; (xxiii) inability to obtain inputs necessary to the manufacture of a drug or diagnostic at the anticipated cost; (xxiv) failure of information technology and telecommunications systems that are critical to their business; (xxv) failure to appropriately handle or dispose of biological and hazardous materials; misplaced reliance on third-party distributors; (xxvi) difficulties in integrating legacy companies from a merger or acquisition; and (xxvii) inability to recruit talented personnel, including scientists.

In addition, to the extent that the Fund makes an investment in a company that is dependent on a product that has not yet received all applicable governmental approvals, there is a risk that the product will not obtain such approvals and that the product will not be able to be sold to consumers, as obtaining such approvals can often be a lengthy and expensive process the outcome of which can be uncertain. Even if all applicable governmental approvals are obtained with respect to such a product, previously unknown or undisclosed side-effects or complications relating to the product may be disclosed, resulting in a loss of market acceptance or a withdrawal of previously-granted approvals, thereby reducing or eliminating the revenue stream supporting the securities or other assets held by the Fund.

Biotechnology Industry Risk. Companies within the biotech industry invest heavily in research and development, which may not lead to commercially successful services or products or may become obsolete quickly. The biotech industry is also subject to significant governmental regulation and changes to governmental policies or the need for regulatory approvals, which may delay or inhibit the release of new products. Many biotech companies are dependent upon their ability to use and enforce intellectual property rights and patents. Any impairment or expiration of such rights may have adverse financial consequences for these companies. Biotech stocks, especially those of smaller, less-seasoned companies, tend to be more volatile than the overall market. Biotech companies can be significantly affected by technological change and obsolescence, product liability lawsuits and consequential high insurance costs.

Cryptocurrency and Digital Assets

At times, on a limited basis, a portion of the Fund's assets may be invested in cryptocurrencies, decentralized application tokens, protocol tokens and other cryptofinance coins, initial coin offerings, tokens and digital assets and instruments that are based on blockchain, distributed ledger or similar technologies (collectively, "cryptocurrency"). Investments in cryptocurrency assets are subject to many specialized risks and considerations, including risks relating to (i) technology, (ii) security, (iii) regulation, (iv) user/market acceptance, (v) volatility, (vi) timing, and (vii) custody to the extent such assets are custodied with a State-chartered trust company.

Investments in digital assets involve significant risks due to their unique characteristics, and these risks may negatively impact the Fund's performance. Digital assets are highly speculative and volatile investments, with prices often experiencing substantial fluctuations in short time frames. This volatility can arise from factors such as market sentiment, regulatory developments, technological advances, or general economic conditions.

Digital assets also present liquidity risk. As the digital asset market is relatively new and may lack the liquidity available in more established markets, it may be difficult for the Fund to sell its digital assets at favorable prices. In addition, the digital asset market operates through a network of exchanges and brokers that may be subject to operational or cybersecurity vulnerabilities, which could lead to losses. Exchanges may experience downtimes or breaches, impacting the Fund's ability to access or transact in digital assets.

Regulatory risk is another substantial factor affecting digital assets. The regulatory environment for cryptocurrencies and blockchain technology is evolving rapidly, with various jurisdictions proposing new rules or interpretations that may restrict or prohibit certain transactions or uses of digital assets. Regulatory actions, whether at the state, federal, or international level, could limit or even eliminate the Fund's ability to continue investing in certain digital assets, potentially leading to substantial losses. Furthermore, cryptocurrencies and digital assets are often maintained in digital wallets, which may be subject to cybersecurity risks, including hacking, phishing, and other malicious attacks. If the Fund's wallet or exchange is compromised, it could lose access to its digital assets permanently.

Custodial arrangements for digital assets with State-chartered trust companies also present risks for Funds that have such arrangements. Such risks include regulatory risks, as State-chartered trust companies are regulated by the States, not the federal government, and many States do not yet have fully robust cryptocurrency and digital asset supervisory frameworks. In addition, as the regulatory environment for cryptocurrencies is new and evolving, regulations applicable to custodial arrangements for digital assets with State-chartered trust companies may continue to change and affect the Fund's ability to continue to engage in such arrangements.

Finally, the future viability and market potential of cryptocurrencies and digital assets are uncertain. As the industry is still in an early stage of development, there is no assurance that any digital asset will prove to be a long-term investment. Consequently, the Fund's investments in these assets could result in substantial or total loss of value.

Investments Involving or in Issuers in Predictions Markets

The Fund may invest in prediction markets and trade in perpetual futures contracts, which involve significant risk and are not suitable for all participants. Prices in prediction markets and perpetual futures are highly volatile and may fluctuate rapidly due to market sentiment, liquidity conditions, macroeconomic factors, and unforeseen events. The Fund may incur substantial losses, including the loss of its entire investment. Perpetual futures often involve the use of leverage, which can amplify both gains and losses. Even small price movements may result in liquidation of positions, potentially leading to the total loss of margin and additional liabilities in extreme cases. Markets may experience periods of low liquidity, making it difficult to enter or exit positions at desired prices. This may result in slippage or the inability to close positions in a timely manner. Perpetual futures rely on funding rate mechanisms to maintain price alignment with underlying assets. Funding rates can be highly variable and may result in unexpected costs or gains over time. Prediction markets depend on the resolution of real-world events, which may be ambiguous, delayed, or disputed. Settlement outcomes may differ from the Fund's expectations due to interpretation of rules or unforeseen circumstances. Participation may expose the Fund to risks related to the platform, including technical failures, cybersecurity incidents, insolvency, or misconduct. There is no guarantee that funds or positions will be recoverable in such events.

Prediction markets and related derivatives trading are subject to evolving regulatory frameworks and an active and unsettled litigation landscape, with overlapping, and at times competing, oversight by various state and/or federal agencies, including the SEC, the U.S. Commodity Futures Trading Commission (the "CFTC"), state gaming regulators or tribal governments, any of which may seek to impose regulations, licensing requirements, or civil or monetary penalties on operators and participants. Changes in laws, judicial decisions or enforcement actions may impact market availability, user access, or the legality of operating or participating in prediction markets in certain jurisdictions, and could materially impact the value of the Fund's investments in these operators. System outages, network congestion, smart contract vulnerabilities, or software bugs may result in financial loss, delayed execution, or inability to access funds. Information provided in connection with these markets does not constitute financial, investment, or legal advice.

Latin American-Related Investments

The Fund may invest its assets in financial instruments that are primarily related to the countries and economies of Latin America and consequently, an investment in the Fund may be subject to greater volatility. The economies of certain Latin American countries have experienced high interest rates and inflation rates, economic volatility, currency devaluations, economic, political and social instability, government defaults and high unemployment rates. In addition, commodities (such as oil, gas and minerals) represent a significant percentage of the region's exports, and many economies in this region are particularly sensitive to fluctuations in commodity prices. The economies of Latin American countries are heavily dependent on trading relationships with key trading partners, including the United States, Europe, Asia and other Latin American countries. Adverse economic events in one country may have a significant adverse effect on other countries of this region. In addition, historically, certain Latin American economies have been influenced by changing supply and demand for a particular currency and monetary policies of governments (including exchange control programs, restrictions on local exchanges or markets and limitations on foreign investment in a country or on investment by residents of a country in other countries).

Risks of Investing in India

There are risks associated with investing in Indian companies. Specifically, there can be no assurance that Indian companies will achieve profitable operations. The performance of Indian companies and the value of the Fund's interests in Indian companies and the Fund's ability to invest in Indian companies may be adversely affected by numerous factors, including, for example, (i) business, economic, and political conditions throughout India and the world; (ii) the supply of and demand for the goods and services produced, provided, or sold by Indian companies; (iii) changes and advances in technology that may, among other things, render goods and services sold by Indian companies obsolete; (iv) actual and potential competition from other companies; and (v) the investor composition of the Fund. Certain Indian companies may need substantial additional capital to support growth or to achieve or maintain a competitive position. This capital may not be available on attractive terms or at all.

Accounting, financial and other reporting standards in India are not equivalent to those in more developed countries. Differences may arise in areas such as valuation of properties and other assets, accounting for depreciation, deferred taxation, inventory obsolescence, contingent liabilities and foreign exchange transactions. Accordingly, less information may be available to investors. The Securities and Exchange Board of India ("SEBI"), the principal regulator of the Indian securities market, received statutory authority in 1992 to oversee and supervise the Indian securities markets. Accordingly, the securities laws and regulations in India are continuously evolving, and the ability of SEBI to promulgate and enforce rules regulating market practices is uncertain.

India's political, social and economic stability is commensurate with its developing status. Certain developments beyond the control of the Fund and the Adviser, such as the possibility of political changes, government regulation, social instability, diplomatic disputes, or other similar developments, could adversely affect the Fund's investments. India also is a country comprised of diverse religious and ethnic groups. It is the world's most populous democracy and it has a well-developed and stable political system. Ethnic issues and border disputes have, however, given rise to ongoing tension in the relations between India and Pakistan, particularly over the region of Kashmir, and, more recently, between India and China. Such disputes have, in part, resulted in certain restrictions that can have a negating impact on the Fund's investments. Such restrictions have related to limiting investments in Indian companies by certain foreign investors and the use of certain technological products and/or applications within India. In addition, cross-border terrorism could weaken regional stability in South Asia, thereby hurting investor sentiment.

Any change in the applicable law that requires changes, including retrospective changes, in the structure or operations or investment policies of the Fund, may adversely impact the performance of the Fund. The Fund may have difficulty in successfully pursuing any claims in Indian courts due to the slow judicial system in India, as compared to other developed countries. Not only may it be difficult to obtain swift and equitable enforcement of laws, but it may also be difficult to obtain a swift enforcement of a judgment (including a foreign judgment) in Indian courts. Additionally, the Fund could also be subject to tax litigation in India and the risk of this litigation is high. Any expenses or liabilities due to any of these tax litigations are borne by the Fund.

Investments in Greater China

Currently, legal, regulatory, economic and other systems in territories administered by the People's Republic of China ("PRC" or "China") (including Hong Kong and Macau) and territories administered by the Republic of China (Taiwan and some neighboring islands) (collectively, "Greater China") are both changing rapidly and substantially lagging behind the United States in certain respects, including with regard to their ability to support efficient capital investing and portfolio company development. Problems include bureaucratic interference, impairment of currency conversion, lack of clear law on important topics, uncertain enforcement and interpretation of existing laws, significant new laws that lack sufficient detail to be interpreted without substantial uncertainty, widespread disregard of intellectual property rights and evolving accounting standards. It is possible, even likely, that many of these problems will not be corrected. Furthermore, new rules, regulations, practices and other circumstances may even generate new challenges that have not been anticipated by the Adviser. Based on the foregoing, it is possible that otherwise successful investments may yield lower returns (or fail to yield any returns at all) due to China-specific concerns.

International trade and related tensions between the United States and China also have risen significantly over the last several years. These developments have resulted in trade tariffs, embargoes, trade limitations, trade wars and other negative consequences. As a result, Chinese companies have been subject to constraints under U.S. law or regulations which could negatively affect the company's performance, including but not limited to, action by the Committee on Foreign Investment in the United States. In addition, the introduction of new policies or legislation or amendments to existing policies or legislation by governments of Greater China or the interpretation of those laws in jurisdictions under which companies operate could have an adverse impact on the assets, operations and ultimately the financial performance of companies in which the Fund invests.

Government policies and regulations in the PRC continue to impose certain restrictions on foreign investment in terms of market access to certain industries and business sectors. Such restrictions may take the form of additional or stricter governmental approval requirements for Foreign Investment Enterprises ("FIEs") to enter into certain industries and business sectors or heightened enforcement of existing rules prohibiting or restricting FIEs to conduct business or undertake projects in certain industries or business sectors, including technology-related businesses, that are open to Chinese domestic enterprises. In response to these restrictions on foreign ownership, a company may establish subsidiaries and other consolidated entities which then enter into contractual arrangements with entities formed in the PRC. While the Adviser believes such structures are consistent with longstanding industry practice, the PRC government may not agree that such arrangements comply with current regulatory requirements or requirements that may be adopted in the future. In the event that such structures were found to be in violation of PRC laws, rules and/or regulations, there could be a material adverse effect on a company's operations and financial condition and/or the Fund's ability to make such investments could be limited.

In order to address Chinese legal, regulatory, currency and other restrictions, it is likely that the Fund will make investments through a variety of indirect investment structures (including, without limitation, holding companies, special purpose vehicles, variable interest entities, nominees and/or agents). The Fund may not be able to exercise the same level of control over an investment made through an indirect investment structure as is typical in the case of a direct investment structure. In addition, indirect structures carry their own risks, including risks that counterparties and other participants in such structures may fail to perform their obligations, and risks that such structures may be questioned, attacked or even deemed illegal, invalid or unenforceable by regulators, courts, arbitration tribunals, tax authorities or others. Any such occurrence may impair the Fund's investment performance, divert Fund resources, or cause other damage.

Foreign exchange transactions in the PRC (including the repatriation of investment returns and capital) continue to be subject to foreign exchange controls of the Chinese State Administration of Foreign Exchange ("SAFE"). As a result of foreign exchange controls and foreign investment restrictions, it may be difficult or costly for the Fund to make, or exit from, investments. Historical investment structures that permitted investments or exits may no longer be available, and alternative structures could impose substantial additional costs and delays on the ability of the Fund to make investments or distribute investment proceeds. Prospective portfolio companies may prefer to receive investment from domestic PRC investors (including domestic PRC investment funds) instead of the Fund as a result of additional regulatory burdens applicable to foreign investors or portfolio companies that receive foreign investment.

Investments in Derivatives

Derivatives Generally

A derivative is generally a financial contract the value of which depends on, or is derived from, changes in the value of one or more "reference instruments," such as underlying assets (including securities), reference rates, indices or events. Derivatives may relate to stocks, bonds, credit, interest rates, commodities, currencies or currency exchange rates, or related indices. A derivative may also contain leverage to magnify the exposure to the reference instrument. Derivatives may be traded on organized exchanges and/or through clearing organizations, or in private transactions with other parties in the over-the-counter ("OTC") market with a single dealer or a prime broker acting as an intermediary with respect to an executing dealer. Derivatives may be used for hedging purposes and non-hedging (or speculative) purposes. Some derivatives require one or more parties to post "margin," which means that a party must deposit assets with, or for the benefit of, a third party, such as a futures commission merchant, in order to initiate and maintain the derivatives position.

Use of derivatives is a highly specialized activity that can involve investment techniques and risks different from, and in some respects greater than, those associated with investing in more traditional investments, such as stocks and bonds. Derivatives can be highly complex and highly volatile and may perform in unanticipated ways. Derivatives can create leverage, which can magnify the impact of a decline in the value of the reference instrument underlying the derivative, and the Fund could lose more than the amount it invests. Derivatives can have the potential for unlimited losses, for example, where the Fund may be called upon to deliver a security it does not own. Derivatives may at times be highly illiquid, and the Fund may not be able to close out or sell a derivative at a particular time or at an anticipated price. Derivatives can be difficult to value and valuation may be more difficult in times of market turmoil. Derivatives may involve risks different from, and possibly greater than, the risks associated with investing directly in the reference instrument. Suitable derivatives may not be available in all circumstances, and there can be no assurance that the Fund will use derivatives to reduce exposure to other risks when that might have been beneficial. Derivatives may involve fees, commissions, or other costs that may reduce the Fund's gains or exacerbate losses from the derivatives. Certain aspects of the regulatory treatment of derivative instruments, including federal income tax, are currently unclear and may be affected by changes in legislation, regulations, or other legally binding authority.

Derivatives involve counterparty risk, which is the risk that the other party to the derivative will fail to make required payments or otherwise comply with the terms of the derivative. Counterparty risk may arise because of market activities and developments, the counterparty's financial condition (including financial difficulties, bankruptcy, or insolvency), or other reasons. Not all derivative transactions require a counterparty to post collateral, which may expose the Fund to greater losses in the event of a default by a counterparty. Counterparty risk is generally thought to be greater with OTC derivatives than with derivatives that are exchange traded or centrally cleared. However, derivatives that are traded on organized exchanges and/or through clearing organizations involve the possibility that the futures commission merchant or clearing organization will default in the performance of its obligations.

The derivative instruments that may be purchased or sold by the Fund may include instruments not traded on an exchange. The risk of non-performance by the counterparty to an instrument may be greater than, and the ease with which the Fund can dispose of or enter into closing transactions with respect to an instrument may be less than, the risk associated with an exchange traded or cleared OTC instrument. In addition, significant disparities may exist between "bid" and "asked" prices for derivative instruments that are not traded on an exchange. The absence of liquidity may make it difficult or impossible for the Fund to sell such instruments promptly at an acceptable price. Derivative instruments not traded on exchanges also are not subject to the same type of government regulation as exchange traded or cleared OTC instruments, and many of the protections afforded to participants in a regulated environment may not be available in connection with the transactions. Because derivatives traded in OTC markets generally are not guaranteed by an exchange or clearing corporation and generally do not require payment of margin, to the extent that the Fund has unrealized gains in such instruments or has deposited collateral with its counterparties the Fund is at risk that its counterparties will become bankrupt or otherwise fail to honor its obligations.

When the Fund uses derivatives, it will likely be required to provide margin or collateral and/or segregate cash or other liquid assets; these practices are intended to satisfy contractual undertakings and regulatory requirements and will not prevent the Fund from incurring losses on derivatives. The need to provide margin or collateral and/or segregate assets could limit the Fund's ability to pursue other opportunities as they arise. Segregated assets are not available to meet redemptions. The amount of assets required to be segregated will depend on the type of derivative the Fund uses and the nature of the contractual arrangement. If the Fund is required to segregate assets equal to only the current market value of its obligation under a derivative, the Fund may be able to use derivatives to a greater extent, which would increase the degree of leverage the Fund could undertake through derivatives and otherwise, than if it were required to segregate assets equal to the full notional value of such derivative. Derivatives that have margin requirements involve the risk that if the Fund has insufficient cash or eligible margin securities to meet daily variation margin requirements, it may have to sell securities or other instruments from its portfolio at a time when it may be disadvantageous to do so. The Fund normally will remain obligated to meet margin requirements until a derivatives position is closed.

Rule 18f-4 under the Investment Company Act permits the Fund to enter into derivatives transactions and certain other transactions notwithstanding the restrictions on the issuance of "senior securities" under Section 18 of the Investment Company Act. Section 18 of the Investment Company Act, among other things, prohibits closed-end investment companies, including the Fund, from issuing or selling any "senior security" representing indebtedness (unless the company maintains 300% "asset coverage") or any senior security representing stock (unless the company maintains 200% "asset coverage"). Under Rule 18f-4, "derivatives transaction" includes (i) any swap, security-based swap, futures contract, forward contract, option, any combination of the foregoing, or any similar instrument, under which the Fund is or may be required to make any payment or delivery of cash or other assets during the life of the instrument or at maturity or early termination, whether as margin or settlement payment or otherwise; (ii) any short sale borrowing; and (iii) reverse repurchase agreements and similar financing transactions. Under Rule 18f-4, the Fund will execute derivatives and other transactions that potentially create senior securities subject to a value-at-risk ("VaR") limit, certain other testing and derivatives risk management program requirements and requirements related to Board reporting.

The Fund must comply with Rule 18f-4 with respect to its derivatives transactions. Rule 18f-4, among other things, requires the Fund to adopt and implement a comprehensive written derivatives risk management program ("DRMP") and to comply with a relative or absolute limit on fund leverage risk calculated based on VaR. The DRMP is administered by a "derivatives risk manager," who is appointed by the Board.

Options. The Fund may purchase put and call options on currencies or securities. A put option gives the purchaser the right to compel the writer of the option to purchase from the option holder an underlying currency or security or its equivalent at a specified price at any time during the option period. In contrast, a call option gives the purchaser the right to buy the underlying currency or security covered by the option or its equivalent from the writer of the option at the stated exercise price. As a holder of a put option, the Fund will have the right to sell the currencies or securities underlying the option and as the holder of a call option, the Fund will have the right to purchase the currencies or securities underlying the option, in each case at their exercise price at any time prior to the option's expiration date. The Fund may seek to terminate its option positions prior to their expiration by entering into closing transactions. The ability of the Fund to enter into a closing sale transaction depends on the existence of a liquid secondary market. There can be no assurance that a closing purchase or sale transaction can be effected when the Fund so desires.

The hours of trading for options may not conform to the hours during which the underlying securities are traded. To the extent that the options markets close before the markets for the underlying securities, significant price and rate movements can take place in the underlying markets that cannot be reflected in the options markets. The purchase of options is a highly specialized activity which involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. The purchase of options involves the risk that the premium and transaction costs paid by the Fund in purchasing an option will be lost as a result of unanticipated movements in prices of the securities on which the option is based. Imperfect correlation between the options and securities markets may detract from the effectiveness of attempted hedging. Options transactions may result in significantly higher transaction costs and portfolio turnover for the Fund.

Some, but not all, of the Fund's options may be traded and listed on an exchange. There is no assurance that a liquid secondary market on an options exchange will exist for any particular option at any particular time, and for some options no secondary market on an exchange or elsewhere may exist. If the Fund is unable to effect a closing sale transaction with respect to options on securities that it has purchased, it would have to exercise the option to realize any profit and would incur transaction costs upon the purchase and sale of the underlying securities.

Futures Contracts. The Fund may enter into securities-related futures contracts, including security futures contracts. The Fund will not enter into futures contracts that are prohibited under the Commodity Exchange Act, as amended (the "CEA"), and will, to the extent required by regulatory authorities, enter only into futures contracts that are traded on exchanges and are standardized as to maturity date and underlying financial instrument. A security futures contract is a legally binding agreement between two parties to purchase or sell in the future a specific quantity of a security or of the component securities of a narrow-based security index, at a certain price. A person who buys a security futures contract enters into a contract to purchase an underlying security and is said to be "long" the contract. A person who sells a security futures contract enters into a contract to sell the underlying security and is said to be "short" the contract. The price at which the contract trades (the "contract price") is determined by relative buying and selling interest on a regulated exchange.

An open position, either a long or short position, is typically closed or liquidated by entering into an offsetting transaction (i.e., an equal and opposite transaction to the one that opened the position) prior to the contract expiration. Traditionally, most futures contracts are liquidated prior to expiration through an offsetting transaction and, thus, holders do not incur a settlement obligation. If the offsetting purchase price is less than the original sale price, a gain will be realized; if it is more, a loss will be realized. Conversely, if the offsetting sale price is more than the original purchase price, a gain will be realized; if it is less, a loss will be realized. The transaction costs must also be included in these calculations. However, there can be no assurance that the Fund will be able to enter into an offsetting transaction with respect to a particular futures contract at a particular time. If the Fund is not able to enter into an offsetting transaction, the Fund will continue to be required to maintain the margin deposits on the futures contract and the Fund may not be able to realize a gain in the value of its futures position or prevent losses from mounting. This inability to liquidate could occur, for example, if trading is halted due to unusual trading activity in either the security futures contract or the underlying security; if trading is halted due to recent news events involving the issuer of the underlying security; if systems failures occur on an exchange or at the firm carrying the position; or, if the position is on an illiquid market. Even if the Fund can liquidate its position, it may be forced to do so at a price that involves a large loss. Because of the low margin deposits required, futures contracts trading involves an extremely high degree of leverage. As a result, a relatively small price movement in a futures contract may result in an immediate and substantial loss or gain to the investor.

There can be no assurance that a liquid market will exist at a time when the Fund seeks to close out a futures contract position. The Fund would continue to be required to meet margin requirements until the position is closed, possibly resulting in a decline in the Fund's net asset value. In addition, many of the contracts discussed above are relatively new instruments without a significant trading history. As a result, there can be no assurance that an active secondary market will develop or continue to exist.

Security futures contracts that are not liquidated prior to expiration must be settled in accordance with the terms of the contract. Depending on the terms of the contract, some security futures contracts are settled by physical delivery of the underlying security. Settlement with physical delivery may involve additional costs. Depending on the terms of the contract, other security futures contracts are settled through cash settlement. In this case, the underlying security is not delivered. Instead, any positions in such security futures contracts that are open at the end of the last trading day are settled through a final cash payment based on a final settlement price determined by the exchange or clearing organization. Once this payment is made, neither party has any further obligations on the contract.

In addition, the value of a position in security futures contracts could be affected if trading is halted in either the security futures contract or the underlying security. In certain circumstances, regulated exchanges are required by law to halt trading in security futures contracts. The regulated exchanges may also have discretion under their rules to halt trading in other circumstances, such as when the exchange determines that the halt would be advisable in maintaining a fair and orderly market. A trading halt, either by a regulated exchange that trades security futures or an exchange trading the underlying security or instrument, could prevent the Fund from liquidating a position in security futures contracts in a timely manner, which could expose the Fund to a loss.

Each regulated exchange trading a security futures contract may also open and close for trading at different times than other regulated exchanges trading security futures contracts or markets trading the underlying security or securities. Trading in security futures contracts prior to the opening or after the close of the primary market for the underlying security may be less liquid than trading during regular market hours.

Swap Agreements. The Fund may enter into swap agreements. In a standard "swap" transaction, two parties agree to exchange the returns, differentials in rates of return or some other amount earned or realized on the "notional amount" of predetermined investments or instruments, which may be adjusted for an interest factor. Some swaps are structured to include exposure to a variety of different types of investments or market factors, such as interest rates, commodity prices, non-U.S. currency rates, mortgage securities, corporate borrowing rates, security prices, indexes or inflation rates. Swap agreements may be negotiated bilaterally and traded OTC between two parties or, in some instances, must be transacted through a futures commission merchant and cleared through a clearinghouse that serves as a central counterparty. Certain risks are reduced (but not eliminated) if a fund invests in cleared swaps. Certain standardized swaps, including certain credit default swaps, are subject to mandatory clearing, and more are expected to be in the future. The counterparty risk for cleared derivatives is generally lower than for uncleared derivatives, but cleared contracts are not risk-free.

Swap agreements may increase or decrease the overall volatility of the Fund's investments and the price of its Shares. The performance of swap agreements may be affected by a change in the specific interest rate, currency or other factors that determine the amounts of payments due to and from the Fund. If a swap agreement calls for payments by the Fund, the Fund must be prepared to make such payments when due. In addition, if the counterparty's creditworthiness declines, the value of a swap agreement would likely decline, potentially resulting in losses.

Generally, swap agreements have fixed maturity dates that are agreed upon by the parties to the swap. The agreement can be terminated before the maturity date only under limited circumstances, such as default by or insolvency of one of the parties and can be transferred by a party only with the prior written consent of the other party. The Fund may be able to eliminate its exposure under a swap agreement either by assignment or other disposition, or by entering into an offsetting swap agreement with the same party or a similarly creditworthy party. If the counterparty is unable to meet its obligations under the contract, declares bankruptcy, defaults or becomes insolvent, it is possible that the Fund may not be able to recover the money it expected to receive under the contract.

A swap agreement can be a form of leverage, which can magnify the Fund's gains or losses. To reduce the risk associated with leveraging, the Fund will segregate assets equal to the full notional value of the swap agreements, unless future SEC staff guidance permits asset segregation to a lesser extent. The use of swaps can cause the Fund to be subject to additional regulatory requirements, which may generate additional Fund expenses. The Fund monitors any swaps with a view towards ensuring that the Fund remains in compliance with all applicable regulatory, investment and tax requirements.

Foreign Currency Forwards. Forward foreign currency exchange contracts do not eliminate fluctuations in the value of non-U.S. securities but rather allow the Fund to establish a fixed rate of exchange for a future point in time. This strategy can have the effect of reducing returns and minimizing opportunities for gain.

In connection with its trading in forward foreign currency contracts, the Fund will contract with a foreign or domestic bank, or foreign or domestic securities dealer, to make or take future delivery of a specified amount of a particular currency. There are no limitations on daily price moves in such forward contracts, and banks and dealers are not required to continue to make markets in such contracts. There have been periods during which certain banks or dealers have refused to quote prices for such forward contracts or have quoted prices with an unusually wide spread between the price at which the bank or dealer is prepared to buy and that at which it is prepared to sell. Governmental imposition of credit controls might limit any such forward contract trading. With respect to its trading of forward contracts, if any, the Fund will be subject to the risk of bank or dealer failure and the inability of, or refusal by, a bank or dealer to perform with respect to such contracts. Any such default would deprive the Fund of any profit potential or force the Fund to cover its commitments for resale, if any, at the then market price and could result in a loss to the Fund.

The Fund may also engage in proxy hedging transactions to reduce the effect of currency fluctuations on the value of existing or anticipated holdings of portfolio securities. Proxy hedging is often used when the currency to which the Fund is exposed is difficult to hedge or to hedge against the dollar. Proxy hedging entails entering into a forward contract to sell a currency whose changes in value are generally considered to be linked to a currency or currencies in which some or all of the Fund's securities are, or are expected to be, denominated, and to buy U.S. dollars. Proxy hedging involves some of the same risks and considerations as other transactions with similar instruments. Currency transactions can result in losses to the Fund if the currency being hedged fluctuates in value to a degree or in a direction that is not anticipated. In addition, there is the risk that the perceived linkage between various currencies may not be present or may not be present during the particular time that the Fund is engaging in proxy hedging. The Fund may also cross-hedge currencies by entering into forward contracts to sell one or more currencies that are expected to decline in value relative to other currencies to which the Fund has or in which the Fund expects to have portfolio exposure. For example, the Fund may hold both Canadian government bonds and Japanese government bonds, and the Adviser may believe that Canadian dollars will deteriorate against Japanese yen. The Fund would sell Canadian dollars to reduce its exposure to that currency and buy Japanese yen. This strategy would be a hedge against a decline in the value of Canadian dollars, although it would expose the Fund to declines in the value of the Japanese yen relative to the U.S. dollar.

Some of the forward non-U.S. currency contracts entered into by the Fund may be classified as non-deliverable forwards ("NDFs"). NDFs are cash-settled, short-term forward contracts that may be thinly traded or are denominated in non-convertible foreign currency, where the profit or loss at the time at the settlement date is calculated by taking the difference between the agreed upon exchange rate and the spot rate at the time of settlement, for an agreed upon notional amount of funds. All NDFs have a fixing date and a settlement date. The fixing date is the date at which the difference between the prevailing market exchange rate and the agreed upon exchange rate is calculated. The settlement date is the date by which the payment of the difference is due to the party receiving payment. NDFs are commonly quoted for time periods of one month up to two years, and are normally quoted and settled in U.S. dollars. They are often used to gain exposure to and/or hedge exposure to foreign currencies that are not internationally traded.

Currency Futures. The Fund may also seek to hedge against the decline in the value of a currency or to enhance returns through use of currency futures or options thereon. Currency futures are similar to forward foreign exchange transactions except that futures are standardized, exchange-traded contracts while forward foreign exchange transactions are traded in the OTC market. Currency futures involve substantial currency risk, and also involve leverage risk.

Currency Options. The Fund may also seek to hedge against the decline in the value of a currency or to enhance returns through the use of currency options. Currency options are similar to options on securities. For example, in consideration for an option premium, the writer of a currency option is obligated to sell (in the case of a call option) or purchase (in the case of a put option) a specified amount of a specified currency on or before the expiration date for a specified amount of another currency. The Fund may engage in transactions in options on currencies either on exchanges or OTC markets. Such transactions in options may include exotic options on currencies, which are typically traded in OTC markets and have additional features that result in different payment structures and/or expirations. Currency options involve substantial currency risk, and may also involve credit, leverage or illiquidity risk.

Currency Swaps. The Fund may enter into currency swaps. Currency swaps involve the exchange of the rights of the Fund and another party to make or receive payments in specified currencies. The Fund may also hedge portfolio positions through currency swaps, which are transactions in which one currency is simultaneously bought for a second currency on a spot basis and sold for the second currency on a forward basis. Currency swaps usually involve the delivery of the entire principal value of one designated currency in exchange for the other designated currency. Because currency swaps usually involve the delivery of the entire principal value of one designated currency in exchange for the other designated currency, the entire principal value of a currency swap is subject to the risk that the other party to the swap will default on its contractual delivery obligations.

General Limitations on Certain Futures, Options and Swap Transactions. The Adviser with respect to the Fund has filed a notice of eligibility for an exclusion from the definition of the term "commodity pool operator" with the CFTC and the National Futures Association (the "NFA"), which regulate trading in the futures markets. Pursuant to CFTC Regulation 4.5, the Adviser and the Fund are not subject to regulation as a commodity pool or commodity pool operator under the CEA. If the Adviser or the Fund becomes subject to these requirements, as well as related NFA rules, the Fund may incur additional compliance and other expenses.

The Fund will comply with the current regulatory requirements of the SEC and the CFTC with respect to coverage of options and futures positions by registered investment companies and, if the guidelines so require, will segregate cash, U.S. government securities, high-grade liquid debt securities and/or other liquid assets permitted by the SEC and CFTC on the Fund's records in the amount prescribed. Securities segregated on the Fund's records cannot be sold while the futures or options position is outstanding, unless replaced with other permissible assets, and will be marked-to-market daily.

Debt and other Credit Investments

Convertible Securities

Convertible securities are bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock or other equity security of the same or a different issuer within a particular period of time at a specified price or formula. A convertible security entitles its holder to receive interest that is generally paid or accrued on debt or a dividend that is paid on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Before conversion, convertible securities have characteristics similar to nonconvertible income securities in that they ordinarily provide a stable stream of income with generally higher yields than those of common stocks of the same or similar issuers, but lower yields than comparable nonconvertible securities. The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors also may have an effect on the convertible security's investment value. Convertible securities rank senior to common stock in a corporation's capital structure but are usually subordinated to comparable nonconvertible securities. Convertible securities may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument.

Many convertible securities have credit ratings that are below investment grade and are subject to the same risks as an investment in lower-rated debt securities (commonly known as "junk bonds"). Lower-rated debt securities involve greater risks than investment grade debt securities. Lower-rated debt securities may fluctuate more widely in price and yield and may fall in price during times when the economy is weak or is expected to become weak. The credit rating of a company's convertible securities is generally lower than that of its non-convertible debt securities. Convertible securities are normally considered "junior" securities-that is, the company usually must pay interest on its non-convertible debt securities before it can make payments on its convertible securities. If the issuer stops paying interest or principal, convertible securities may become worthless and the Fund could lose its entire investment.

Corporate Bonds

The Fund may invest in corporate bonds. The market value of a corporate bond generally may be expected to rise and fall inversely with interest rates. The market value of intermediate and longer term corporate bonds is generally more sensitive to changes in interest rates than is the market value of shorter term corporate bonds. The market value of a corporate bond also may be affected by factors directly related to the issuer, such as investors' perceptions of the creditworthiness of the issuer, the issuer's financial performance, perceptions of the issuer in the marketplace, performance of management of the issuer, the issuer's capital structure and use of financial leverage and demand for the issuer's goods and services. There is a risk that the issuers of corporate bonds may not be able to meet their obligations on interest or principal payments at the time called for by an instrument. Corporate bonds of below investment grade quality are often high risk and have speculative characteristics and may be particularly susceptible to adverse issuer-specific developments.

Mortgage Securities

The Fund may invest in mortgage securities, including residential and commercial mortgage-backed securities, which are subject to several risks. The value and performance of mortgage securities depend on the credit quality of the underlying borrowers, the structure of the securities, and overall market conditions. A downturn in the real estate market, higher interest rates, or an increase in borrower defaults may adversely affect the value of these securities.

Mortgage securities are also subject to prepayment and extension risks. Prepayment risk arises when borrowers repay their loans earlier than expected, forcing the Fund to reinvest the proceeds in potentially lower-yielding securities. Conversely, extension risk occurs when borrowers repay their loans slower than expected, lengthening the duration of the securities and exposing the Fund to interest rate risk.

Additionally, certain mortgage securities, particularly those not guaranteed by a government-sponsored entity, may carry significant credit risk, including the potential for total loss. The complexity and structural features of some mortgage securities, such as collateralized mortgage obligations (CMOs), can also make them more sensitive to changes in market conditions and harder to value.

Zero Coupon and Paid-In-Kind ("PIK") Bonds

The Fund may invest in zero coupon or PIK bonds. Because investors in zero coupon or PIK bonds receive no cash prior to the maturity or cash payment date applicable thereto, an investment in such securities generally has a greater potential for complete loss of principal and/or return than an investment in debt securities that make periodic interest payments. Such investments are more vulnerable to the creditworthiness of the issuer and any other parties upon which performance relies.

Below Investment Grade Securities

The Fund may have exposure to below investment grade securities indirectly through investment vehicles. The Fund may invest in securities that are rated, at the time of investment, below investment grade quality (rated Ba/BB or below, or judged to be of comparable quality by the Adviser), which are commonly referred to as "high yield" or "junk" bonds and are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal when due. The value of high yield, lower quality bonds is affected by the creditworthiness of the issuers of the securities and by general economic and specific industry conditions. Issuers of high yield bonds are not perceived to be as strong financially as those with higher credit ratings. These issuers are more vulnerable to financial setbacks and recession than more creditworthy issuers, which may impair their ability to make interest and principal payments. Lower grade securities may be particularly susceptible to economic downturns. It is likely that an economic recession could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

Lower grade securities, though often high yielding, are characterized by high risk. They may be subject to certain risks with respect to the issuing entity and to greater market fluctuations than certain lower yielding, higher rated securities. The secondary market for lower grade securities may be less liquid than that for higher rated securities. Adverse conditions could make it difficult at times for the Fund to sell certain securities or could result in lower prices than those used in calculating the Fund's NAV. Because of the substantial risks associated with investments in lower grade securities, you could lose money on your investment in the Fund, both in the short-term and the long-term.

The prices of fixed-income securities generally are inversely related to interest rate changes; however, below investment grade securities historically have been somewhat less sensitive to interest rate changes than higher quality securities of comparable maturity because credit quality is also a significant factor in the valuation of lower grade securities. On the other hand, an increased rate environment results in increased borrowing costs generally, which may impair the credit quality of low-grade issuers and thus have a more significant effect on the value of some lower grade securities. In addition, the current low rate environment has expanded the historic universe of buyers of lower grade securities as traditional investment grade oriented investors have been forced to accept more risk in order to maintain income. As rates rise, these recent entrants to the low-grade securities market may exit the market and reduce demand for lower grade securities, potentially resulting in greater price volatility.

The ratings of Moody's, S&P, Fitch and other rating agencies represent their opinions as to the quality of the obligations which they undertake to rate. Ratings are relative and subjective and, although ratings may be useful in evaluating the safety of interest and principal payments, they do not evaluate the market value risk of such obligations. Although these ratings may be an initial criterion for selection of portfolio investments, the Adviser also will independently evaluate these securities and the ability of the issuers of such securities to pay interest and principal. To the extent that the Fund invests in lower grade securities that have not been rated by a rating agency, the Fund's ability to achieve its investment objective will be more dependent on the Adviser's credit analysis than would be the case when the Fund invests in rated securities.

The Fund may invest in securities rated in the lower rating categories (rated as low as D, or unrated but judged to be of comparable quality by the Adviser). For these securities, the risks associated with below investment grade instruments are more pronounced.

Bank Loans

The Fund may trade in the primary and secondary markets for loans. These loans may be privately negotiated transactions, each of which has individualized terms. These positions may be illiquid and difficult to value. In addition, in the case of this trading, the Adviser may come into possession of material non-public information relating to the borrower. Loans are subject to price volatility due to various factors including, but not limited to, changes in interest rates, market perception of the creditworthiness of the borrower and general market liquidity. The Fund may experience delays in the settlement of certain loan and/or bank debt transactions, particularly in the case of investments that are or become distressed. Until these transactions are settled, the Fund is subject to counterparty insolvency risk. Pursuant to certain insolvency laws, a counterparty may have the ability to reject or terminate an unsettled loan transaction. If a counterparty rejects an unsettled transaction, the Fund might lose any increase in value with respect to the loan that accrued while the transaction was unsettled.

Assignments and Participations. The Fund may invest in syndicated loans and other types of loan products, which include interests in loans to companies or their affiliates undertaken to finance a capital restructuring or in connection with recapitalizations, acquisitions, leveraged buyouts, re-financings or other financially leveraged transactions and may include loans which are designed to provide temporary or bridge financing to a borrower pending the sale of identified assets, the arrangement of longer-term loans or the issuance and sale of debt obligations. The Fund may also invest in collateral on financial instruments, including interests on whole commercial, consumer and other loans and lease contracts. These loans, which may bear fixed or floating rates, have generally been arranged through private negotiations between a corporate borrower and one or more financial institutions ("Lenders"), including banks. The Fund's investment may be in the form of participations in loans ("Participations") or of assignments of all or a portion of loans from third parties ("Assignments"). In certain cases, the rights and obligations acquired by the Fund through the purchase of an assignment may differ from, and be more limited than, those held by the assigning selling institution. Assignments are sold strictly without recourse to the selling institutions, and the selling institutions will generally make no representations or warranties to the Fund about the underlying loan, the borrowers, the documentation of the loans or any collateral securing the loans.

The Fund has the right to receive payments of principal, interest and any fees to which it is entitled only from the Lender selling the Participation and only upon receipt by the Lender of the payments from the borrower. In connection with purchasing Participations, the Fund generally will have no right to enforce compliance by the borrower with the terms of the loan agreement relating to the loan, nor any rights of set-off against the borrower, and the Fund may not benefit directly from any collateral supporting the loan in which it has purchased the Participation. Thus, the Fund assumes the credit risk of both the borrower and the Lender that is selling the Participation. In addition, in connection with purchasing Participations, the Fund generally will have no role in terms of negotiating or effecting amendments, waivers and consents with respect to the loans underlying the Participations. In the event of the insolvency of the Lender, the Fund may be treated as a general creditor of the Lender and may not benefit from any set-off between the Lender and the borrower.

Investments in Participations and Assignments involve additional risks, including the risk of nonpayment of principal and interest by the borrower, the risk that any loan collateral may become impaired and that the Fund may obtain less than the full value for the loan interests sold because they may be illiquid. Purchasers of loans depend primarily upon the creditworthiness of the borrower for payment of interest and repayment of principal. If scheduled interest or principal payments are not made, the value of the instrument may be adversely affected.

Investments in loans through direct assignment of a financial institution's interests with respect to a loan may involve additional risks. For example, if a loan is foreclosed, the Fund could become part owner of any collateral, and would bear the costs and liabilities associated with owning and disposing of the collateral. In addition, it is conceivable that under emerging legal theories of lender liability, the Fund could be held liable as a co-lender.

A loan is often administered by a bank or other financial institution that acts as agent for all holders. The agent administers the terms of the loan, as specified in the loan agreement. Unless, under the terms of the loan or other indebtedness, the Fund has direct recourse against the borrower, the Fund may have to rely on the agent to apply appropriate credit remedies against a borrower. If assets held by the agent for the benefit of the Fund were determined to be subject to the claims of the agent's general creditors, the Fund might incur certain costs and delays in realizing payment on the loan or loan participation and could suffer a loss of principal or interest.

Lender Liability Considerations and Equitable Subordination. In recent years, a number of judicial decisions in the U.S. have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories (collectively termed "lender liability"). Generally, lender liability is founded upon the premise that an institutional lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. Because of the nature of certain of the Fund's investments, the Fund could be subject to allegations of lender liability. In addition, under common law principles that in some cases form the basis for lender liability claims, if a lending institution (a) intentionally takes an action that results in the undercapitalization of a borrower to the detriment of other creditors of such borrower, (b) engages in other inequitable conduct to the detriment of such other creditors, (c) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (d) uses its influence as a stockholder to dominate or control a borrower to the detriment of other creditors of such borrower, a court may elect to subordinate the claim of the offending lending institution to the claims of the disadvantaged creditor or creditors, a remedy called "equitable subordination." Because of the nature of certain of the Fund's investments, the Fund could be subject to claims from an obligor's creditors that investments issued by such obligor that are held by the Fund should be subject to equitable subordination. Certain of the Fund's investments may involve situations in which the Fund would not be the lead creditor. It is, accordingly, possible that lender liability or equitable subordination claims affecting the Fund's investments could arise without the direct involvement of the Fund.

Borrower Misrepresentations. As a lender, the Fund faces the possibility that its borrowers, guarantors or other counterparties will make material misrepresentations or omissions. Such inaccuracy or incompleteness may adversely affect the collateral underlying transactions or may adversely affect the Fund's ability to perfect or effectuate a lien on the collateral securing a transaction. The Adviser will rely upon the accuracy and completeness of representations made by counterparties to the extent reasonable, but cannot guarantee such accuracy or completeness. In addition, under certain circumstances, payments or distributions to the investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Loans; Assignments and Participations Risk

The Fund may trade in the secondary markets for loans. These loans may be privately negotiated transactions, each of which has individualized terms. These positions may be illiquid and difficult to value. In addition, in the case of this trading, the Adviser may come into possession of material non-public information relating to the borrower. Loans are subject to price volatility due to various factors including, but not limited to, changes in interest rates, market perception of the creditworthiness of the borrower and general market liquidity. The Fund may experience delays in the settlement of certain loan and/or bank debt transactions, particularly in the case of investments that are or become distressed. Until these transactions are settled, the Fund is subject to counterparty insolvency risk. Pursuant to certain insolvency laws, a counterparty may have the ability to reject or terminate an unsettled loan transaction. If a counterparty rejects an unsettled transaction, the Fund might lose any increase in value with respect to the loan that accrued while the transaction was unsettled.

Interests in loans are also subject to additional liquidity risks. Loans are generally subject to legal or contractual restrictions on resale. Loans are not currently listed on any securities exchange or automatic quotation system but are traded by banks and other institutional investors engaged in loan syndication. As a result, no active market may exist for some loans, and to the extent a secondary market exists for other loans, this market may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods. Consequently, the Fund may have difficulty disposing of Assignments or Participations in response to a specific economic event such as deterioration in the creditworthiness of the borrower, which can result in a loss. In these market situations, it may be more difficult for the Fund to assign a value to Assignments or Participations when valuing the Fund securities and calculating its assets.

Special Situations Investments

The Fund may invest in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Fund of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Fund may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Fund may invest, there is a potential risk of loss by the Fund of its entire investment in such companies. Such investments could, in certain circumstances, subject the Fund to certain additional potential liabilities that may exceed the value of the Fund's original investment therein. Under certain circumstances, payments to the Fund and distributions by the Fund to the Shareholders may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment, or similar transaction under applicable bankruptcy and insolvency laws. Furthermore, investments in restructurings may be adversely affected by local statutes relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims.

Structured Finance Securities

The Fund may invest in structured finance securities such as, for example, collateralized loan obligations, collateralized debt obligations, collateralized bond obligations or similar instruments. Structured finance securities may present risks similar to those of the other types of investments in which the Fund may invest and, in fact, these risks may be of greater significance in the case of structured finance securities. Moreover, investing in structured finance securities may entail a variety of unique risks. Among other risks, structured finance securities may be subject to prepayment risk. In addition, the performance of a structured finance security will be affected by a variety of factors, including its priority in the capital structure of the issuer thereof, the availability of any credit enhancement, the level and timing of payments and recoveries on and the characteristics of the underlying receivables, loans or other assets that are being securitized, remoteness of those assets from the originator or transferor, the adequacy of and ability to realize upon any related collateral and the capability of the servicer of the securitized assets. Moreover, a rapid change in the rate of defaults may have a material adverse effect on the yield to maturity.

Sovereign Debt Investments

The Fund may invest in sovereign debt. Sovereign debt is issued or guaranteed by non-U.S. government entities. Investments in sovereign debt are subject to the risk that a government entity may delay payment, restructure its debt, or refuse to pay interest or repay principal on its sovereign debt due to cash flow problems, insufficient foreign currency reserves, political considerations, social changes, the relative size of its debt position to its economy, or its failure to put in place economic reforms required by the International Monetary Fund or other multilateral agencies. If a government entity defaults, it may ask for more time in which to pay or for further loans. There is no legal process for collecting amounts owed on sovereign debt, such as bankruptcy proceedings, that a government does not pay.

Cash Equivalents and Short-Term Debt Securities

For temporary defensive purposes, which may be for extended periods of time, the Fund may invest up to 100% of its assets in cash equivalents and short-term debt securities. Short-term debt securities are defined to include, without limitation, the following:

- U.S. government securities, including bills, notes and bonds differing as to maturity and rates of interest that are either issued or guaranteed by the U.S. Treasury or by U.S. government agencies or instrumentalities. U.S. government securities include securities issued by: (a) the Federal Housing Administration, Farmers Home Administration, Export-Import Bank of the United States, Small Business Administration and Government National Mortgage Association, the securities of which are supported by the full faith and credit of the United States; (b) the Federal Home Loan Banks, Federal Intermediate Credit Banks and Tennessee Valley Authority, the securities of which are supported by the right of the agency to borrow from the U.S. Treasury; (c) the Federal National Mortgage Association, the securities of which are supported by the discretionary authority of the U.S. government to purchase certain obligations of the agency or instrumentality; and (d) the Student Loan Marketing Association, the securities of which are supported only by its credit. While the U.S. government provides financial support to such U.S. government-sponsored agencies or instrumentalities, no assurance can be given that it always will do so since it is not so obligated by law. The U.S. government, its agencies and instrumentalities do not guarantee the market value of their securities. Consequently, the value of such securities may fluctuate.

- Certificates of deposit issued against funds deposited in a bank or a savings and loan association. Such certificates are for a definite period of time, earn a specified rate of return and are normally negotiable. The issuer of a certificate of deposit agrees to pay the amount deposited plus interest to the bearer of the certificate on the date specified thereon. Certificates of deposit purchased by the Fund may not be fully insured by the Federal Deposit Insurance Corporation.

- Repurchase agreements, which involve purchases of debt securities.

- Commercial paper, which consists of short-term unsecured promissory notes, including variable rate master demand notes issued by corporations to finance their current operations. Master demand notes are direct lending arrangements between the Fund and a corporation. There is no secondary market for such notes. However, they are redeemable by the Fund at any time. The Adviser will consider the financial condition of the corporation (e.g., earning power, cash flow and other liquidity ratios) and will continuously monitor the corporation's ability to meet all of its financial obligations, because the Fund's liquidity might be impaired if the corporation were unable to pay principal and interest on demand. Investments in commercial paper will be limited to commercial paper rated in the highest categories by a major rating agency and which mature within one year of the date of purchase or carry a variable or floating rate of interest.

Repurchase Agreements

The Fund may invest in repurchase agreements. A repurchase agreement is a contractual agreement whereby the seller of securities agrees to repurchase the same security at a specified price on a future date agreed upon by the parties. The agreed-upon repurchase price determines the yield during the Fund's holding period. Repurchase agreements are considered to be loans collateralized by the underlying security that is the subject of the repurchase contract. The Fund will only enter into repurchase agreements with registered securities dealers or domestic banks that, in the opinion of the Adviser, present minimal credit risk. The risk to the Fund is limited to the ability of the issuer to pay the agreed-upon repurchase price on the delivery date; however, although the value of the underlying collateral at the time the transaction is entered into always equals or exceeds the agreed-upon repurchase price, if the value of the collateral declines, there is a risk of loss of both principal and interest. In the event of default, the collateral may be sold but the Fund might incur a loss if the value of the collateral declines, and might incur disposition costs or experience delays in connection with liquidating the collateral. In addition, if bankruptcy proceedings are commenced with respect to the seller of the security, realization upon the collateral by the Fund may be delayed or limited. The Adviser will monitor the value of the collateral at the time the transaction is entered into and at all times subsequent during the term of the repurchase agreement in an effort to determine that such value always equals or exceeds the agreed-upon repurchase price. In the event the value of the collateral declines below the repurchase price, the Adviser will demand additional collateral from the issuer to increase the value of the collateral to at least that of the repurchase price, including interest.

Reverse Repurchase Agreements

In a reverse repurchase agreement, the Fund sells portfolio securities to another party and agrees to repurchase the securities at an agreed-upon price and date, which reflects an interest payment. Reverse repurchase agreements involve the risk that the other party will fail to return the securities in a timely manner, or at all, which may result in losses to the Fund. The Fund could lose money if it is unable to recover the securities and the value of the collateral held by the Fund is less than the value of the securities. These events could also trigger adverse tax consequences to the Fund. Reverse repurchase agreements also involve the risk that the market value of the securities sold will decline below the price at which the Fund is obligated to repurchase them. When the Fund enters into a reverse repurchase agreement, any fluctuations in the market value of either the securities transferred to another party or the securities in which the proceeds may be invested would affect the market value of the Fund's assets. During the term of the agreement, the Fund may also be obligated to pledge additional cash and/or securities in the event of a decline in the fair value of the transferred security. The Adviser monitors the creditworthiness of counterparties to reverse repurchase agreements. With respect to reverse repurchase agreements or other similar financing transactions in particular, Rule 18f-4 under the Investment Company Act permits the Fund to enter into such transactions if the Fund either (i) complies with the asset coverage requirements of Section 18 of the Investment Company Act (that is, the value of the Fund's total assets less all liabilities and indebtedness not represented by senior securities (for these purposes, "total net assets") is at least 300% of the senior securities representing indebtedness) or (ii) treats all such transactions as derivatives transactions for all purposes under Rule 18f-4.

Other Investment Risks

Reliance on Data

The Fund's investment program is highly reliant on analyzing large amounts of data from third-party data providers and other external sources. The Adviser will use its discretion to determine what data to gather and what subset of that data the strategies and techniques take into account to produce the forecasts on which the Adviser will base its ultimate trading decisions. In addition, due to the fact that much of this data comes from third-party sources, it is inevitable that not all desired and/or relevant data will be available to, or processed by, the Adviser, at all times. The Adviser may determine that certain available data, while potentially useful in generating forecasts and/or making investment and trading decisions, is not cost effective to gather due to third-party vendor costs and, in such cases, the Adviser will not utilize such data. Investors should be aware that, for all of the foregoing reasons and more, there is no guarantee that any specific data or type of data will be utilized in generating forecasts or making investment and trading decisions on behalf of the Fund. Further, the Adviser will rely heavily on the third-party data providers to gather data sets, and if information that it receives from a third-party data source is incorrect, the Fund may be negatively impacted, and may not achieve its desired results. Although the Adviser will use third-party data sources it believes to be generally reliable, the Adviser typically receives these services on an "as is" basis and cannot guarantee that the data received from these sources will be accurate. The Adviser is not responsible for errors by these sources. Lastly, the investment processes developed by the Adviser are highly tailored to the data providers on which it relies. If for any reason the Fund loses access to such data, including because a data provider fails or determines that it will for whatever reason no longer provide the Adviser with access to such data, the ability of the Fund to implement its investment program will be materially impacted. In such cases, the Adviser may or may not continue to generate forecasts and make investment and trading decisions based on the data available to it.

Systems Risks

The Fund depends on the Adviser to develop and implement appropriate systems for certain aspects of the Fund's activities. The Adviser relies extensively on computer programs and systems to evaluate certain investments, to monitor its portfolio and net capital, and to show risk management and other metrics that are critical to oversight of the Fund's activities. In addition, certain of the Fund's and the Adviser's operations interface with or depend on systems operated by third parties, including market counterparties and other service providers, and the Fund and the Adviser may not be in a position to verify the risks or reliability of such third-party systems. These programs or systems may be subject to certain defects, failures or interruptions, including, but not limited to, those caused by worms, viruses and power failures. Any such defect or failure could have a material adverse effect on the Fund. For example, such failures could cause settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades, and cause inaccurate reports, which may affect the Fund's ability to monitor its investment portfolio and its risks.

Litigation Risk

The Fund could be a party to lawsuits either initiated by it, or by a company in which the Fund invests or the company's shareholders, or state, federal and foreign governmental bodies. The Fund's investment activities subject it to the risk of becoming involved in litigation by third parties, especially in instances where the Fund exercises control of, or significant influence over, a portfolio company's operations. There can be no assurance that any such litigation, once begun, would be resolved in favor of the Fund. In addition, the Fund may acquire direct or indirect interests in portfolio company securities through secondary market transactions from existing holders. Such transactions typically are subject to relatively extensive contractual requirements involving multiple parties and, accordingly, entail contractual risks and risks of potential litigation.

MANAGEMENT OF THE FUND

Further Information Regarding Management of the Fund

Information regarding the Trustees and officers of the Fund, including brief biographical information, is set forth below.

Board of Trustees

The Trustees of the Fund, their ages, addresses, positions held, lengths of time served, their principal business occupations during the past five years, the number of portfolios in the Fund Complex overseen by each Trustees and other Trusteeships, if any, held by the Trustees, are shown below. The Trustees have been divided into two groups-Interested Trustees and Independent Trustees. As set forth in the Fund's Amended and Restated Declaration and Agreement of Trust, each Trustee's term of office shall continue until his or her death, resignation or removal. The address of each Trustee is care of the Secretary of the Fund at 9 West 57th Street, 25th Floor, New York, NY 10019.

Name, Position(s) Held with Registrant and Year of Birth*

Independent Trustees

Name, Position(s) Held with Registrant and Year of Birth*	Length of Time Served	Principal Occupation During Past 5 Years	Number of Funds in Fund Complex Overseen by Trustee**	Other Directorships Held by Trustee During Past 5 Years
Independent Trustees				
Annette Capretta Birth Year: 1961	Since inception	Chief Counsel, ICI Global Affairs at the Investment Company Institute (2022-2025); Associate General Counsel of Investment Company Institute (2020-2022)	1	None
Stephen Harvey Birth Year: 1954	Since inception	Emeritus Chief Financial Officer of Mount Sinai Health System (2024-2025); Executive Vice President and Chief Financial Officer of Mount Sinai Health System (2021-2024); Senior Vice President and Chief Financial Officer of Icahn School of Medicine at Mount Sinai Health System (1999-2021)	1	Mitral Foundation; Valentine Fuster Mount Sinai Foundation for Science, Health and Empowerment
Tommy Huie Birth Year: 1964	Since inception	Private investor (2017-present)	1	Rice University; Rice Management Company; Chicago Quantitative Alliance; Jones Graduate School of Business
Interested Trustee				
Nathan Urquhart*** Birth Year: 1978	Since inception	President and Head of Investor Relations of Coatue Management, L.L.C. (2022-present); Managing Director and Global Head of Investor Relations of The Carlyle Group (2019-2022)	1	None

* Each of the Independent Trustees serves on the Board's Audit and Nominating and Governance Committees.

** "Fund Complex" comprises registered investment companies for which the Adviser or an affiliate of the Adviser serves as investment adviser.

*** "Interested person," as defined in the Investment Company Act, of the Fund. Nathan Urquhart is an interested person of the Fund due to his affiliation with the Adviser.

Executive Officers

Certain biographical and other information relating to the officers of the Fund who are not Trustees, is set forth below, including their ages, addresses, positions held, lengths of time served and their principal business occupations during the past five years.

Name, Position(s) held with Registrant, Year of Birth and Address*	Length of Time Served	Principal Occupation During Past 5 Years
Philippe Laffont, Chief Executive Officer Birth Year: 1967	Since inception	Founder and Portfolio Manager of Coatue
Nathan Urquhart, President and Principal Executive Officer Birth Year: 1978	Since inception	President and Head of Investor Relations at Coatue (2022-present); Partner and Global Head of Investor Relations at Carlyle (2019-2022)
Eric Sacks, Chief Financial Officer Birth Year: 1977	Since inception	Chief Financial Officer and Co-Chief Operating Officer at Coatue (2024-present); Chief Financial Officer and Co-Chief Operating Officer at Davidson Kempner Capital Management (2016-2024)
Heather Shaffer, Chief Compliance Officer Birth Year: 1980	Since June 2026	Senior Regulatory Counsel at Coatue (2026-present); Staff Attorney in the Division of Enforcement of the U.S. Securities & Exchange Commission (2019-2026)
Claire Jen, Secretary Birth Year: 1987	Since inception	Deputy General Counsel at Coatue (2022-present); Assistant General Counsel at Rent the Runway (2018-2022)

* The address of each officer is care of the Secretary of the Fund at 9 West 57th Street, 25th Floor, New York, NY 10019.

Biographical Information and Discussion of Experience and Qualifications of Trustees

The following is a summary of the experience, qualifications, attributes and skills of each Trustee that support the conclusion, as of the date of this SAI, that each Trustee should serve as a Trustee of the Fund.

Independent Trustees

Annette Capretta was most recently Chief Counsel of ICI Global Affairs at the Investment Company Institute (ICI). In previous positions at ICI over 18 years, she served as Associate General Counsel, and as Deputy Managing Director of the Independent Directors Council. Prior to joining ICI, Ms. Capretta held leadership positions at the Securities and Exchange Commission and in the legal department of a large fund complex. Ms. Capretta began her legal career as a litigator, after a one-year clerkship with a federal judge. Ms. Capretta received her law degree from the University of Virginia and a Bachelor of Science in mathematics from the University of North Carolina.

Stephen Harvey is currently Emeritus Chief Financial Officer of Mount Sinai Health System. Mr. Harvey has been at Mt. Sinai in various roles for over 34 years, including previously as Chief Financial Officer of the Icahn School of Medicine at Mount Sinai from 1999-2021. During this time, he has been a Trustee for related Mount Sinai entities and affiliates and still is a Trustee for two affiliated foundations. Prior to joining Mount Sinai, Mr. Harvey was an audit manager at Coopers & Lybrand in Boston, with audit responsibilities principally in higher education, health care, and investment company industries. Mr. Harvey is a certified public accountant and received a Master of Business Administration degree from the University of Maine.

Tommy Huie is a Trustee Emeritus for Rice University's Board of Trustees and has been on the board of Rice Management Company since 2017. He is also a founding director of the Chicago Quantitative Alliance board (1994-present) and on the Jones Graduate School of Business Advisory Board (2016-present). Mr. Huie is an accomplished C-Suite financial professional and Qualified Financial Expert with three decades of experience in mutual fund trusts. From 2013-2017, Mr. Huie held multiple roles with affiliates of the GreatBanc Trust Company, including Chief Investment Officer, President, Senior Vice President. Prior to that, Mr. Huie was president & Chief Investment Officer of BMO Asset Management Corp. (fka M&I Investment Management Corp). Mr. Huie is a graduate of University of Chicago, Booth Graduate School of Business (MBA) and of Rice University (B.S., Electrical Engineering and B.A., Mathematical Sciences). He holds the Chartered Financial Analyst (CFA) designation and is certified in Private Company Governance.

Interested Trustee

Nathan Urquhart is President and Head of Investor Relations at Coatue. Prior to joining Coatue, Mr. Urquhart was at Carlyle, where he was Partner and Global Head of Investor Relations and a member of Carlyle's Leadership and Operating Committees. Prior to joining Carlyle, Mr. Urquhart was at Oz Management for 11 years, where he was most recently Executive Managing Director and Co-Head of Global Investor Relations. Prior to Oz, he spent four years at UBS in the Private Fund Group, raising capital for several buyouts, credit and infrastructure funds. Mr. Urquhart began his career at J.P. Morgan in corporate finance.

Trustee Share Ownership

For each Trustee, the dollar range of equity securities beneficially owned by the Trustee in the Fund and in the Family of Investment Companies Overseen by the Trustee as of December 31, 2025, is set forth in the table below.

Name of Trustee	Dollar Range of Equity Securities in the Fund	Aggregate Dollar Range of Equity Securities in All Registered Investment Companies Overseen by Trustee in Family of Investment Companies
Independent Trustees:		
Annette Capretta	None	None
Stephen Harvey	None	None
Tommy Huie	$50,001-$100,000	$50,001-$100,000
Interested Trustee:		
Nathan Urquhart	None	None

As to each Independent Trustee and his or her immediate family members, no person owned beneficially or of record securities of an investment adviser or principal underwriter of the Fund, or a person (other than a registered investment company) directly or indirectly controlling, controlled by or under common control with an investment adviser or principal underwriter of the Fund.

Trustee Compensation

The Independent Trustees are each paid an annual retainer of $95,000. In addition, the Fund pays an additional annual fee of $5,000 to the Chairperson of the Audit Committee and an additional annual fee of $5,000 for the Chairperson of the Nominating and Governance Committee. The Independent Trustees are also reimbursed for out-of-pocket expenses in connection with providing services to the Fund. The Trustees who are "interested persons", as defined in the Investment Company Act, of the Fund and the Fund's officers do not receive compensation from the Fund. The Fund does not have any retirement plan for the Fund's Trustees and none of the Independent Trustees serve on the boards of any other funds in the Fund Complex. The compensation information below is for the Fund's fiscal period ended December 31, 2025.

	Aggregate Compensation from the Fund	Total Compensation from the Fund Complex
Independent Trustees:		
Annette Capretta	$ 95,000	$ 95,000
Stephen Harvey	$ 100,000	$ 100,000
Tommy Huie	$ 100,000	$ 100,000
Interested Trustee:		
Nathan Urquhart	$ 0	$ 0

Compensation of the Primary Portfolio Manager

Mr. Laffont's compensation consists of periodic distributions and an allocation of the net earnings from Coatue Management Partners LP, the managing member of the Adviser, and affiliated entities in his role as the principal of each entity. The level of the Adviser's profitability in turn is dependent on the fees received from the Fund and its other advisory clients, which may include fees based on performance where applicable.

Other Accounts Managed by the Primary Portfolio Manager

The following table lists the number and types of accounts, other than the Fund, managed by the Fund's primary portfolio manager and assets under management in those accounts, as of December 31, 2025.

Type of Account	Number of Accounts Managed	Total Assets Managed (in thousands)	Number of Accounts Managed for which Advisory Fee is Performance-Based	Assets Managed for which Advisory Fee is Performance-Based* (in thousands)
Philippe Laffont				
Registered Investment Companies	0	$ 0	0	$ 0
Other Pooled Investment Vehicles	125	$ 88,633,610	72	$ 84,972,626
Other Accounts	2	$ 306,282	0	$ 306,282

* The figure for "Assets Managed for which Advisory Fee is Performance-Based" includes all assets in accounts in which any Performance-Based Fees are charged.

Codes of Ethics

The Fund and the Adviser have each adopted a code of ethics pursuant to Rule 17j-1 under the Investment Company Act that establishes procedures for personal investments and restricts certain personal securities transactions. Personnel subject to these codes may invest in securities for their personal investment accounts, including securities that may be purchased or held by the Fund, so long as such investments are made in accordance with the applicable code's requirements. The codes of ethics are included as exhibits to the registration statement of which this SAI forms a part. In addition, the codes of ethics are available on the EDGAR database on the SEC's website at http://www.sec.gov. Shareholders may also obtain copies of each code of ethics, after paying a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov.

Proxy Voting Policies

The Board has delegated to the Adviser proxy voting authority with respect to the Fund's portfolio securities. Under these policies, the Adviser will vote proxies, amendments, consents or resolutions related to Fund securities in the best interests of the Fund and its Shareholders. The Adviser's proxy voting procedures are included in Appendix B of this SAI. Information regarding how the Adviser voted proxies related to the Fund's portfolio holdings during the 12-month period ending June 30 is available, without charge, (i) upon request by calling 212-715-5100, (ii) on the Fund's website at www.coatuectek.com and (iii) on the SEC's website at www.sec.gov.

PORTFOLIO TRANSACTIONS

The Adviser is responsible for decisions to buy and sell securities for the Fund, the selection of brokers and dealers to effect the transactions and the negotiation of prices and any brokerage commissions. In effecting securities transactions, the Fund seeks to obtain the best price and execution of orders. The Adviser is responsible for arranging for the execution of the Fund's portfolio transactions and will do so in a manner deemed fair and reasonable to the Fund and in accordance with the Adviser's conflicts policy. The primary consideration in all portfolio transactions is prompt execution of orders in an effective manner at the most favorable price. In selecting broker-dealers and in negotiating prices and any brokerage commissions on such transactions, the Adviser will take into account a variety of factors including the rate of commissions and other execution-related costs, execution capability, financial stability and reputation of the brokerage firm, and the value of research, brokerage or other services provided by the broker, as well as other factors that Coatue deems relevant.

There may be instances when, in the judgment of the Adviser, more than one firm can offer comparable execution services. Coatue may, consistent with its obligation to seek best execution, effect securities transactions with a broker which causes the Fund to pay the broker commissions in excess of the commissions another broker would have charged. The Adviser does not necessarily solicit competitive bids or seek the lowest available commission cost. Although the Adviser will make a good faith determination that the amount of commissions paid is reasonable in light of the products or services provided by a broker, commission rates are generally negotiable and thus, selecting brokers on the basis of considerations that are not limited to the commission rates may result in higher transaction costs than would otherwise be obtainable. Coatue seeks to monitor the reasonableness of commissions by periodically assessing the overall performance of the brokers, including the research and other services provided as part of a full service arrangement, and allocation of commissions across brokers. The Advisory Fee that the Fund pays to the Adviser will not be reduced if the Adviser receives brokerage and research services.

Coatue may receive research and brokerage services in connection with executing transactions for the Fund. Section 28(e) of the Securities Exchange Act of 1934, as amended, is a "safe harbor" that permits an investment manager to use commissions to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. Coatue currently seeks to limit the use of "soft dollar" benefits to obtain research and brokerage services to services which constitute research and brokerage within the meaning of Section 28(e). The research and brokerage services can be used by the Adviser in its other investment activities for all accounts it manages, and Coatue Management does not allocate soft dollar benefits to the Fund proportionally to the amount of soft dollar credits generated by the Fund. Accordingly, the Fund may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided, notwithstanding the fact that the Fund incurred costs in respect of such services.

Where more than one client, such as the Fund, participates in a transaction, the Adviser generally will aggregate client orders to achieve more efficient execution. Clients participating in an aggregated trade will be allocated securities based on the average price achieved for such trades. Generally, with respect to partially filled orders, the participating clients will receive the average share price for the transactions executed in the relevant security and share transaction costs pro rata based on the account's order size. Notwithstanding the foregoing, the Fund's order will not be aggregated to the extent that differences in the Fund's strategy or current status (including its exposure levels and/or risk tolerance levels) make it more appropriate for its orders to be handled on a separate basis or if Coatue otherwise determines that aggregation is not in the best interest of the Fund based on the relevant facts and circumstances. In addition, in such circumstances where it is believed that aggregation is not in the best interest of the Fund, the proprietary account will trade after the Fund, if appropriate under the circumstance and given the strategy for the proprietary account. As a result of the foregoing, certain trades in the same financial instrument for one account (including an account in which Coatue (or a member of the Coatue Group) and its personnel may have a direct or indirect interest) has in the past and will in the future receive more or less favorable prices or terms than the Fund, and orders placed later may not be filled entirely or at all, based upon the prevailing market prices at the time of the order or trade.

Furthermore, in certain circumstances in connection with managing the Fund's assets, Coatue evaluates the holdings of the Fund's portfolio independent of a review of the portfolios of other clients, which will lead to similar investment decisions being made at different times for one or more clients and accordingly, purchases and sales are not aggregated in those instances. With respect to instances where decisions are made at different times for certain clients, those clients will often invest at different prices and it may not be possible to aggregate trades that are made at different times of the day depending on when the trader's order is placed for the applicable client. Additionally, members of the Coatue Group may also trade at different times of the day compared to client accounts and those trades are often not aggregated depending on when the trade order is placed; provided, however, that such trades are subject to prior approval by Coatue's compliance department which evaluates those trades and places certain conditions on the trades as deemed appropriate under the circumstances at the time.

No brokerage commissions were paid to a broker that is an affiliated person of the Fund, is an affiliated person of an affiliated person of the Fund, or has an affiliated person that is an affiliated person of the Fund, the Adviser or the Distributor.

CERTAIN ERISA CONSIDERATIONS

Persons who are fiduciaries with respect to an employee benefit plan or other arrangements or entities subject to the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA") (an "ERISA Plan"), and persons who are fiduciaries with respect to an "individual retirement account" (an "IRA"), Keogh Plan or another arrangement or entity which is not subject to ERISA but is subject to the prohibited transaction rules of Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "Code") (together with ERISA Plans, "Benefit Plans") should consider, among other things, the matters described below before determining whether to invest in the Fund.

ERISA imposes certain general and specific responsibilities on persons who are fiduciaries with respect to an ERISA Plan, including prudence, diversification, an obligation not to engage in a prohibited transaction and other standards. In determining whether a particular investment is appropriate for an ERISA Plan, U.S. Department of Labor ("DOL") regulations provide that a fiduciary of an ERISA Plan must give appropriate consideration to, among other things, the role that the investment plays in the ERISA Plan's portfolio, taking into consideration whether the investment is designed reasonably to further the ERISA Plan's purposes, an examination of the risk and return factors, the portfolio's composition with regard to diversification, the liquidity and current return of the total portfolio relative to the anticipated cash flow needs of the ERISA Plan, the income tax consequences of the investment and the projected return of the total portfolio relative to the ERISA Plan's funding objectives. Before investing the assets of an ERISA Plan in the Fund, a fiduciary should determine whether such an investment is consistent with its fiduciary responsibilities and the foregoing regulations. For example, a fiduciary should consider whether an investment in the Fund may be too illiquid or too speculative for a particular ERISA Plan, and whether the assets of the ERISA Plan would be sufficiently diversified. Fiduciaries of such plans or arrangements also should confirm that investment in the Fund is consistent, and complies, with the governing provisions of the plan or arrangement, including any eligibility and non-discrimination requirements that may be applicable under law with respect to any "benefit, right or feature" affecting the qualified status of the plan or arrangement, which may be of particular importance for participant-directed plans given that the Fund sells Shares only to Eligible Investors, as described herein. If a fiduciary with respect to any such ERISA Plan breaches its responsibilities with regard to selecting an investment or an investment course of action for such ERISA Plan, the fiduciary itself may be held liable for losses incurred by the ERISA Plan as a result of such breach. Fiduciaries of Benefit Plans that are not subject to Title I of ERISA but that are subject to Section 4975 of the Code (such as IRAs and Keogh Plans) should consider carefully these same factors.

The DOL has adopted regulations, which, along with Section 3(42) of ERISA (collectively, the "Plan Assets Rules"), treat the assets of certain pooled investment vehicles as "plan assets" for purposes of, and subject to, Title I of ERISA and Section 4975 of the Code ("Plan Assets"). The Plan Assets Rules provide, however, that, in general, funds registered as investment companies under the Investment Company Act are not deemed to be subject to the fiduciary responsibility provisions of ERISA or Section 4975 of the Code merely because of investments made in the Fund by Benefit Plans. Accordingly, the underlying assets of the Fund should not be considered to be the Plan Assets of the Benefit Plans investing in the Fund for purposes of ERISA's (or the Code's) fiduciary responsibility and prohibited transaction rules. Thus, the Adviser should not be considered a fiduciary within the meaning of ERISA or the Code by reason of its authority with respect to the Fund.

The Fund will require a Benefit Plan (and each person causing such Benefit Plan to invest in the Fund) to represent that it, and any such fiduciaries responsible for such Benefit Plan's investments (including in its individual or corporate capacity, as may be applicable), are aware of and understand the Fund's investment objective, policies and strategies, that the decision to invest Plan Assets in the Fund was made with appropriate consideration of relevant investment factors with regard to the Benefit Plan and is consistent with the duties and responsibilities imposed upon fiduciaries with regard to their investment decisions under ERISA and/or the Code.

Benefit Plans may be required to report certain compensation paid by the Fund (or by third parties) to the Fund's service providers as "reportable indirect compensation" on Schedule C to IRS Form 5500 ("Form 5500"). To the extent that any compensation arrangements described herein constitute reportable indirect compensation, any such descriptions are intended to satisfy the disclosure requirements for the alternative reporting option for "eligible indirect compensation," as defined for purposes of Schedule C to Form 5500.

The provisions of ERISA and the Code are subject to extensive and continuing administrative and judicial interpretation and review. The discussion of ERISA and the Code contained in this SAI is general, does not purport to be a thorough analysis of ERISA or the Code, may be affected by future publication of regulations and rulings and should not be considered legal advice. Potential investors that are Benefit Plans and their fiduciaries should consult their legal advisers regarding the consequences under ERISA and the Code of the acquisition and ownership of Shares. Employee benefit plans that are not subject to the requirements of ERISA or Section 4975 of the Code (such as governmental plans, non-U.S. plans and certain church plans) may be subject to similar rules under other applicable laws or documents, and also should consult their own advisers as to the propriety of an investment in the Fund.

By acquiring Shares of the Fund, a Shareholder acknowledges and agrees that any information provided by the Fund, the Adviser or any of their respective affiliates (including information set forth in the Prospectus and this SAI) is not a recommendation to invest in the Fund and that none of the Fund, the Adviser or any of their respective affiliates is undertaking to provide any investment advice to the Shareholder (impartial or otherwise), or to give advice to the Shareholder in a fiduciary capacity in connection with an investment in the Fund and, accordingly, no part of any compensation received by the Adviser or any of its affiliates is for the provision of investment advice to the Shareholder.

CONTROL PERSONS AND PRINCIPAL SHAREHOLDERS

Shareholders who beneficially own 25% or more of the outstanding voting Shares of the Fund may be deemed to be a "control person" of the Fund for purposes of the Investment Company Act. A principal shareholder is any person who owns (either of record or beneficially) 5% or more of the outstanding shares of a fund.

As of March 31, 2026, the Trustees and officers of the Fund, as a group, owned 2.52% of the outstanding Shares of the Fund. As of March 31, 2026, the name, address and percentage of ownership of each entity or person that owned of record or beneficially 5% or more of the outstanding Shares of the Fund are as follows:

Name	Class	Percentage of Shares Held	Type of Ownership
Explore Investments LLC 9429 Harding Ave, Box 295, Surfside, FL 33154	I	12.70%	Beneficial
DFO Fund Investments, LP 550 Madison Avenue, 20th Floor, New York, NY 10022	I	12.69%	Beneficial
Coatue Innovative Strategies Fund iCapital Offshore Access Fund SPC 60 East 42nd Street, 28th Floor, New York, NY 10165	I	12.52%	Beneficial

FINANCIAL STATEMENTS

The Fund's audited financial statements and financial highlights for the period from May 2, 2025 through December 31, 2025 appearing in the Fund's Annual Report, filed with the SEC on March 6, 2026 on Form N-CSR, are incorporated by reference into this Statement of Additional Information. Those financial statements and financial highlights have been audited by KPMG LLP, independent registered public accounting firm, as indicated in its report thereon, and are incorporated herein. The unaudited financial statements and financial highlights for the six months ended June 30, 2026 appearing in the Fund's Semi-Annual Report, filed with the SEC on September 4, 2026 on Form N-CSR, are also incorporated into this Statement of Additional Information.

PRIVACY NOTICE

WHAT DOES COATUE MANAGEMENT, L.L.C. DO WITH PERSONAL INFORMATION PROVIDED BY INDIVIDUAL INVESTORS?

Financial companies choose how they share your personal information. Federal law gives you the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

We do not disclose nonpublic personal information about our individual investors or former investors to third parties other than as described below.

Personal information we collect. We collect personal information about you in connection with our providing investment management services to the Coatue funds and other Coatue clients and affiliates[1]. This information includes your:

- Social security number;
- Passport or other identification documents and information;
- Asset and net worth information;
- Investment experience;
- Transaction history;
- Income; and
- Account information and wire transfer instructions.

How we collect this information. We collect this information from you through various means. For example when you give us your contact information, subscribe for interests in a Coatue fund/client/affiliate, tell us where to send money, or make a wire transfer. We also may collect your personal information from other sources, such as our affiliates or other non-affiliated companies.

How we use this information. All financial companies need to share customers' personal information to run their everyday business, and we use the personal information we collect from you for our everyday business purposes. These purposes may include for example:

- To provide investment management services to the Coatue funds/clients/affiliates;
- To open an account for you;
- To process a transaction for or otherwise service your account;
- To issue reports to you;
- To market products and services to you;
- To respond to court orders and legal investigations.

Disclosure to others. We may provide your personal information in the process of our everyday business, as described above, to our affiliates and to other nonaffiliated firms that assist us in servicing or maintaining your account as well as any of their affiliates with a need for such information, such as brokers, fund administrators, or technology service providers that assist us in operating, maintaining, or improving our systems and services. We may also disclose such information to service providers and financial institutions with whom we have joint marketing arrangements (*i.e.*, a formal agreement between non-affiliated financial companies that together market financial products or services to you, such as placement agents). We require third-party service providers and financial institutions with which we have joint marketing arrangements to protect the confidentiality of your information and to use the information only for the purposes for which we disclose the information to them.

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1 Our affiliates are companies related to us by common ownership or control and can include both financial and nonfinancial companies. Non-affiliates are companies not related to us by common ownership or control and can include both financial and nonfinancial companies. These may include third-party consultants hired by investors or placement agents that distribute the Coatue Funds.

These sharing practices are consistent with Federal privacy and related laws, and in general, you may not limit our use of your personal information for these purposes under such laws. We note that the Federal privacy laws only give you the right to limit certain types of information sharing that we do not engage in (*e.g.*, sharing with our affiliates certain information relating to your transaction history or creditworthiness for their use in marketing to you, or sharing any personal information with non-affiliates for them to market to you).

How we protect your personal information. To protect your personal information from unauthorized access and use, we use security measures that comply with Federal law. These measures include computer safeguards and secured files and office access.

Who is providing this Privacy Notice. This Privacy Notice is being provided to all of Coatue Management's funds, clients as well as any of its affiliates.

Who to contact with questions. If you have any questions about this Privacy Notice, you can e-mail compliance@coatue.com.

APPENDIX A - SECURITIES RATING DESCRIPTIONS

Long-Term and Short-Term Debt Securities Rating Descriptions

S&P Global Ratings - Long-Term Issue Credit Ratings*:

The following descriptions have been published by Standard & Poor's Financial Services LLC.

AAA - An obligation rated 'AAA' has the highest rating assigned by S&P Global Ratings. The obligor's capacity to meet its financial commitments on the obligation is extremely strong.

AA - An obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial commitments on the obligation is very strong.

A - An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.

BBB - An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation.

BB, B, CCC, CC, and C - Obligations rated 'BB', 'B', 'CCC', 'CC', and 'C' are regarded as having significant speculative characteristics. 'BB' indicates the least degree of speculation and 'C' the highest. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposure to adverse conditions.

BB - An obligation rated 'BB' is less vulnerable to nonpayment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions that could lead to the obligor's inadequate capacity to meet its financial commitments on the obligation.

B - An obligation rated 'B' is more vulnerable to nonpayment than obligations rated 'BB', but the obligor currently has the capacity to meet its financial commitments on the obligation. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments on the obligation.

CCC - An obligation rated 'CCC' is currently vulnerable to nonpayment, and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitments on the obligation. In the event of adverse business, financial, or economic conditions, the obligor is not likely to have the capacity to meet its financial commitments on the obligation.

CC - An obligation rated 'CC' is currently highly vulnerable to nonpayment. The 'CC' rating is used when a default has not yet occurred, but S&P Global Ratings expects default to be a virtual certainty, regardless of the anticipated time to default.

C - An obligation rated 'C' is currently highly vulnerable to nonpayment, and the obligation is expected to have lower relative seniority or lower ultimate recovery compared with obligations that are rated higher.

D - An obligation rated 'D' is in default or in breach of an imputed promise. For non-hybrid capital instruments, the 'D' rating category is used when payments on an obligation are not made on the date due, unless S&P Global Ratings believes that such payments will be made within five business days, in the absence of a stated grace period or within the earlier of the stated grace period or 30 calendar days. The 'D' rating also will be used upon the filing of a bankruptcy petition or the taking of similar action and where default on an obligation is a virtual certainty, for example due to automatic stay provisions. A rating on an obligation is lowered to "D" if it is subject to a distressed debt restructuring.

NR - This indicates that no rating has been requested, or that there is insufficient information on which to base a rating, or that S&P Global Ratings does not rate a particular obligation as a matter of policy.

* The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

Moody's Investors Service, Inc. ("Moody's") - Global Long-Term Rating Scale:

The following descriptions have been published by Moody's Investors Service, Inc.

Aaa - Obligations rated Aaa are judged to be of the highest quality, with minimal risk.

Aa - Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.

A - Obligations rated A are considered upper-medium grade and are subject to low credit risk.

Baa - Obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess speculative characteristics.

Ba - Obligations rated Ba are judged to have speculative elements and are subject to substantial credit risk.

B - Obligations rated B are considered speculative and are subject to high credit risk.

Caa - Obligations rated Caa are judged to be of poor standing and are subject to very high credit risk.

Ca - Obligations rated Ca are highly speculative and are likely in, or very near, default, with some prospect of recovery in principal and interest.

C - Obligations rated C are the lowest rated class of bonds and are typically in default, with little prospect for recovery of principal and interest.

Note: Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category. Additionally, a "(hyb)" indicator is appended to all ratings of hybrid securities issued by banks, insurers, finance companies, and securities firms.**

Fitch Ratings ("Fitch") - Corporate Finance Obligations - Long-Term Rating Scale:

The following descriptions have been published by Fitch, Inc. and Fitch Ratings Ltd. and its subsidiaries.

AAA - Highest credit quality. '**AAA**' ratings denote the lowest expectation of credit risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

AA - Very high credit quality. '**AA**' ratings denote expectations of very low credit risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

A - High credit quality. '**A**' ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

BBB - Good credit quality. '**BBB**' ratings indicate that expectations of credit risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity.

BB - Speculative. '**BB**' ratings indicate an elevated vulnerability to credit risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial alternatives may be available to allow financial commitments to be met.

B - Highly speculative. '**B**' ratings indicate that material credit risk is present. For performing obligations, default risk is commensurate with an Issuer Default Risk ("IDR") in the ranges 'BB' to 'C'. For issuers with an IDR below 'B', the overall credit risk of this obligation is moderated by the expected level of recoveries should a default occur. For issuers with an IDR above 'B', the overall credit risk of this obligation is exacerbated by the expected low level of recoveries should a default occur. For non-performing obligations, the obligation or issuer is in default, or has deferred payment, but the rated obligation is expected to have extremely high recovery rates consistent with a Recovery Rating of 'RR1'.

** By their terms, hybrid securities allow for the omission of scheduled dividends, interest, or principal payments, which can potentially result in impairment if such an omission occurs. Hybrid securities may also be subject to contractually allowable write-downs of principal that could result in impairment. Together with the hybrid indicator, the long-term obligation rating assigned to a hybrid security is an expression of the relative credit risk associated with that security.

CCC - Substantial credit risk. '**CCC**' ratings indicate that substantial credit risk is present. For performing obligations, default risk is commensurate with an IDR in the ranges 'B' to 'C'. For issuers with an IDR below 'CCC', the overall credit risk of this obligation is moderated by the expected level of recoveries should a default occur. For issuers with an IDR above 'CCC', the overall credit risk of this obligation is exacerbated by the expected low level of recoveries should a default occur. For non-performing obligations, the obligation or issuer is in default, or has deferred payment, but the rated obligation is expected to have a superior recovery rate consistent with a Recovery Rating of 'RR2'.

CC - Very high levels of credit risk. '**CC**' ratings indicate very high levels of credit risk. For performing obligations, default risk is commensurate with an IDR in the ranges 'B' to 'C'. For issuers with an IDR below 'CC', the overall credit risk of this obligation is moderated by the expected level of recoveries should a default occur. For issuers with an IDR above 'CC', the overall credit risk of this obligation is exacerbated by the expected low level of recoveries should a default occur. For non-performing obligations, the obligation or issuer is in default, or has deferred payment, but the rated obligation is expected to have a good recovery rate consistent with a Recovery Rating of 'RR3'.

C - Exceptionally high levels of credit risk. '**C**' indicates exceptionally high levels of credit risk. For performing obligations, default risk is commensurate with an IDR in the ranges 'B' to 'C'. The overall credit risk of this obligation is exacerbated by the expected low level of recoveries should a default occur. For non-performing obligations, the obligation or issuer is in default, or has deferred payment, and the rated obligation is expected to have an average, below-average or poor recovery rate consistent with a Recovery Rating of 'RR4', 'RR5' or 'RR6'.

Defaulted obligations typically are not assigned 'RD' or 'D' ratings, but are instead rated in the 'B' to 'C' rating categories, depending upon their recovery prospects and other relevant characteristics. This approach better aligns obligations that have comparable overall expected loss but varying vulnerability to default and loss.

Note: The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories. Such suffixes are not added to the 'AAA' obligation rating category, or to corporate finance obligation ratings in the categories below 'CCC'.

The subscript 'emr' is appended to a rating to denote embedded market risk which is beyond the scope of the rating. The designation is intended to make clear that the rating solely addresses the counterparty risk of the issuing bank. It is not meant to indicate any limitation in the analysis of the counterparty risk, which in all other respects follows published Fitch criteria for analyzing the issuing financial institution. Fitch does not rate these instruments where the principal is to any degree subject to market risk.

DBRS - Long Term Obligations Rating Scale:

The following descriptions have been published by Dominion Bond Rating Service.

AAA - Highest credit quality. The capacity for the payment of financial obligations is exceptionally high and unlikely to be adversely affected by future events.

AA - Superior credit quality. The capacity for the payment of financial obligations is considered high. Credit quality differs from AAA only to a small degree. Unlikely to be significantly vulnerable to future events.

A - Good credit quality. The capacity for the payment of financial obligations is substantial, but of lesser credit quality than AA. May be vulnerable to future events, but qualifying negative factors are considered manageable.

BBB - Adequate credit quality. The capacity for the payment of financial obligations is considered acceptable. May be vulnerable to future events.

BB - Speculative, non investment-grade credit quality. The capacity for the payment of financial obligations is uncertain. Vulnerable to future events.

B - Highly speculative credit quality. There is a high level of uncertainty as to the capacity to meet financial obligations.

CCC, CC, C - Very highly speculative credit quality. In danger of defaulting on financial obligations. There is little difference between these three categories, although CC and C ratings are normally applied to obligations that are seen as highly likely to default, or subordinated to obligations rated in the CCC to B range. Obligations in respect of which default has not technically taken place but is considered inevitable may be rated in the C category.

D - When the issuer has filed under any applicable bankruptcy, insolvency or winding up statute or there is a failure to satisfy an obligation after the exhaustion of grace periods, a downgrade to D may occur. DBRS may also use SD (Selective Default) in cases where only some securities are impacted, such as the case of a "distressed exchange."

All rating categories other than AAA and D also contain subcategories "(high)" and "(low)". The absence of either a "(high)" or "(low)" designation indicates the rating is in the middle of the category.

S&P Global Ratings - Short-Term Issue Credit Ratings:

The following descriptions have been published by Standard & Poor's Financial Services LLC.

A-1 - A short-term obligation rated 'A-1' is rated in the highest category by S&P Global Ratings. The obligor's capacity to meet its financial commitment on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitment on these obligations is extremely strong.

A-2 - A short-term obligation rated 'A-2' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor's capacity to meet its financial commitment on the obligation is satisfactory.

A-3 - A short-term obligation rated 'A-3' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

B - A short-term obligation rated 'B' is regarded as vulnerable and has significant speculative characteristics. The obligor currently has the capacity to meet its financial commitments; however, it faces major ongoing uncertainties which could lead to the obligor's inadequate capacity to meet its financial commitments.

C - A short-term obligation rated 'C' is currently vulnerable to nonpayment and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitment on the obligation.

D - A short-term obligation rated 'D' is in default or in breach of an imputed promise. For non- hybrid capital instruments, the 'D' rating category is used when payments on an obligation are not made on the date due, unless S&P Global Ratings believes that such payments will be made within any stated grace period. However, any stated grace period longer than five business days will be treated as five business days. The 'D' rating also will be used upon the filing of a bankruptcy petition or the taking of a similar action and where default on an obligation is a virtual certainty, for example due to automatic stay provisions. An obligation's rating is lowered to 'D' if it is subject to a distressed exchange offer.

Dual ratings may be assigned to debt issues that have a put option or demand feature. The first component of the rating addresses the likelihood of repayment of principal and interest as due, and the second component of the rating addresses only the demand feature. The first component of the rating can relate to either a short-term or long-term transaction and accordingly use either short-term or long-term rating symbols. The second component of the rating relates to the put option and is assigned a short-term rating symbol (for example, 'AAA/A-1+' or 'A-1+/A-1'). With U.S. municipal short-term demand debt, the U.S. municipal short-term note rating symbols are used for the first component of the rating (for example, 'SP-1+/A-1+').

Moody's - Global Short-Term Rating Scale:

The following descriptions have been published by Moody's Investors Service, Inc.

P-1 - Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short-term debt obligations.

P-2 - Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.

P-3 - Issuers (or supporting institutions) rated Prime-3 have an acceptable ability to repay short-term obligations.

NP - Issuers (or supporting institutions) rated Not Prime do not fall within any of the Prime rating categories.

Fitch - Short-Term Ratings Assigned to Issuers or Obligations in Corporate, Public and Structured Finance:

The following descriptions have been published by Fitch Inc. and Fitch Ratings Ltd. and its subsidiaries.

F1 - Highest short-term credit quality. Indicates the strongest intrinsic capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature.

F2 - Good short-term credit quality. Good intrinsic capacity for timely payment of financial commitments.

F3 - Fair short-term credit quality. The intrinsic capacity for timely payment of financial commitments is adequate.

B - Speculative short-term credit quality. Minimal capacity for timely payment of financial commitments, plus heightened vulnerability to near term adverse changes in financial and economic conditions.

C - High short-term default risk. Default is a real possibility.

RD - Restricted default. Indicates an entity that has defaulted on one or more of its financial commitments, although it continues to meet other financial obligations. Typically applicable to entity ratings only.

D - Default. Indicates a broad-based default event for an entity, or the default of a short-term obligation.

DBRS-Commercial Paper and Short-Term Debt Rating Scale:

The following descriptions have been published by Dominion Bond Rating Service.

R-1 (high) - Highest credit quality. The capacity for the payment of short-term financial obligations as they fall due is exceptionally high. Unlikely to be adversely affected by future events.

R-1 (middle) - Superior credit quality. The capacity for the payment of short-term financial obligations as they fall due is very high. Differs from R-1 (high) by a relatively modest degree. Unlikely to be significantly vulnerable to future events.

R-1 (low) - Good credit quality. The capacity for the payment of short-term financial obligations as they fall due is substantial. Overall strength is not as favorable as higher rating categories. May be vulnerable to future events, but qualifying negative factors are considered manageable.

R-2 (high) - Upper end of adequate credit quality. The capacity for the payment of short-term financial obligations as they fall due is acceptable. May be vulnerable to future events.

R-2 (middle) - Adequate credit quality. The capacity for the payment of short-term financial obligations as they fall due is acceptable. May be vulnerable to future events or may be exposed to other factors that could reduce credit quality.

R-2 (low) - Lower end of adequate credit quality. The capacity for the payment of short-term financial obligations as they fall due is acceptable. May be vulnerable to future events. A number of challenges are present that could affect the issuer's ability to meet such obligations.

R-3 - Lowest end of adequate credit quality. There is a capacity for the payment of short-term financial obligations as they fall due. May be vulnerable to future events and the certainty of meeting such obligations could be impacted by a variety of developments.

R-4 - Speculative credit quality. The capacity for the payment of short-term financial obligations as they fall due is uncertain.

R-5 - Highly speculative credit quality. There is a high level of uncertainty as to the capacity to meet short-term financial obligations as they fall due.

D - When the issuer has filed under any applicable bankruptcy, insolvency or winding up statute or there is a failure to satisfy an obligation after the exhaustion of grace periods, a downgrade to D may occur. DBRS may also use SD (Selective Default) in cases where only some securities are impacted, such as the case of a "distressed exchange."

APPENDIX B - PROXY VOTING POLICIES AND PROCEDURES

Statement of Policy

Proxy voting is an important right of shareholders and reasonable care and diligence must be undertaken to ensure that such rights are properly and timely exercised. Coatue generally retains proxy-voting authority with respect to securities purchased for its Clients. With respect to Registered Funds, Coatue has been granted discretion by the Board to exercise the proxy voting rights of securities beneficially owned by such Client, and Coatue will exercise all voting rights delegated to it with respect to Client's securities. Coatue votes proxies in the best interest of its Clients, as determined in Coatue's sole discretion, and in accordance with these policies and procedures.

Use of Third-Party Proxy Voting Service

The SEC has expressed the view that although the voting of proxies remains the duty of a registered advisor, an advisor may contract with service providers to perform certain research and recommendation functions with respect to proxy voting so long as Coatue is comfortable that (i) the proxy voting service is independent from the issuer companies on which it completes its proxy research; (ii) Coatue maintains ongoing oversight of the delegated proxy voting functions; and (iii) Coatue conducts due diligence on how the proxy voting service conducts its delegated functions.[2]

Following appropriate due diligence, Coatue has entered into an agreement with Institutional Shareholder Services (the "Proxy Voting Service"), an independent third party, for the Proxy Voting Service to provide Coatue with its research on proxies and to facilitate the electronic voting of proxies.

Coatue shall review periodically the proxy voting policies, procedures and methodologies, conflicts of interest and competency of the Proxy Voting Service. Coatue will also periodically review the continued retention of the Proxy Voting Service, including whether any relevant credible potential factual errors, incompleteness or methodological weaknesses in the Proxy Voting Service's analysis that Coatue is aware of materially affected the research and recommendations used by Coatue.

Proxy Voting Procedures

Coatue follows the Proxy Voting Service's Sustainability Policy, which Coatue believes is generally in the Clients' best interests, including Clients' sustainability objectives.

Proxies relating to securities held in Client accounts will be sent directly to the Proxy Voting Service. If a proxy is received by Coatue and not sent directly to the Proxy Voting Service, the Chief Compliance Officer or an appropriate designee will promptly forward it to the Proxy Voting Service.

Coatue will generally vote proxies in accordance with the recommendations provided by the Proxy Voting Service under the Sustainability Policy (the "Proxy Voting Recommendations"), unless it determines that the Proxy Voting Recommendation presents a conflict of interest or is otherwise not in the best interest of the relevant Client(s). A Compliance department designee shall monitor proxies to assess when a potential conflict of interest or other circumstance warranting deviation from the Proxy Voting Recommendation may exist. In the event Coatue determines that it is in the best interests of a Client to deviate from a Proxy Voting Recommendation, Coatue will document the rationale for the deviation. All possible deviations must be reviewed by the Compliance department and the Trading department, and approved by the Chief Compliance Officer or an appropriate designee. A concise summary of these Proxy Voting Policies and Procedures, as well as any updates to the policy, will be included in Coatue's Form ADV Part 2.

Coatue will inform each Client of these Proxy Voting Policies and any material changes made to this Proxy Voting Policy. Upon request Coatue will promptly provide to a Client a copy of the current Proxy Voting Policy. Clients may obtain information about how Coatue voted proxies on behalf of such Client upon request.

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2 See Commission Guidance Regarding Proxy Voting Responsibilities of Investment Advisers, Release Nos. IA-5325; IC-33605 (Aug. 21, 2019) and SEC Staff Legal Bulletin No. 20, Proxy Voting: Proxy Voting Responsibilities of Investment Advisers and Availability of Exemptions from the Proxy Rules for Proxy Advisory Firms (June 30, 2014).