Harvest Edge Funds

STATEMENT OF ADDITIONAL INFORMATION

December 18, 2017

Fund	Investor Class Shares	Institutional Class Shares
Harvest Edge Absolute Fund	HEANX	HEAIX
Harvest Edge Equity Fund	HEENX	HEEIX
Harvest Edge Bond Fund	HEBNX	HEBIX

This Statement of Additional Information ("SAI") is not a prospectus and is intended to be read in conjunction with the Prospectus dated December 18, 2017, as may be supplemented from time to time, for the Harvest Edge Absolute Fund, Harvest Edge Equity Fund, and Harvest Edge Bond Fund. Unless the context indicates otherwise, references herein to "each Fund," "the Fund," "a Fund," "the Funds" or "Funds" refers to each Fund listed above.

This SAI is incorporated by reference into the Prospectus. Copies of the Prospectus and the Funds' annual and semi-annual reports to shareholders, when available, may be obtained without charge by calling 1-844-434-4838 or by visiting the Funds' website at www.hvmfunds.com.

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THE TRUST

The Harvest Volatility Edge Trust (the "Trust") is a Delaware statutory trust organized under the laws of the State of Delaware on August 28, 2017, and is registered with the Securities and Exchange Commission (the "SEC") as an open-end management investment company under the Investment Company Act of 1940, as amended (the "1940 Act"). Under the Trust's Agreement and Declaration of Trust (the "Declaration of Trust"), the Trust's Board of Trustees (the "Board") is authorized to issue an unlimited number of full and fractional shares of beneficial interest, with or without par value, which may be issued in any number of series of the Trust. The Board also is authorized to issue separate classes of shares of any series and reclassify the same without further action by shareholders. The Board may from time to time establish and designate other series (and multiple classes of such series), the assets and liabilities of which will be separate and distinct from any other series.

Currently, the Trust consists of three series each of which is a "diversified company" within the meaning of the 1940 Act and each of which has its own investment objective and policies. Each Fund currently offers two classes of shares: Investor Class Shares and Institutional Class Shares. Although there is no present intention to do so, the investment objective and policies of each Fund, unless otherwise noted, may be changed by the Board without the approval of shareholders. Each of the Funds is also required to operate within limitations imposed by its fundamental investment restrictions, which may not be changed without shareholder approval. These limitations are set forth under "Fundamental Investment Restrictions." Each Fund commenced operations on or about the date of this SAI.

Harvest Volatility Management, LLC (the "Adviser") serves as the investment adviser to each Fund.

As disclosed in the Prospectus, investors should note that each Fund reserves the right to discontinue offering shares at any time, to merge or reorganize itself or a class of shares, or to cease operations and liquidate at any time. In the event the Board determines to liquidate a Fund, shareholders may be subject to adverse tax consequences. A shareholder would not be entitled to any refund or reimbursement of expenses incurred, directly or indirectly, by the shareholder (such as sales charges, if any, or fees and expenses) as a result of its investment in the Fund. In addition, the shareholder may receive a liquidating amount that is less than the shareholder's original investment.

Subject to the distinctions permitted among classes of the Trust or any series as established by the Trustees consistent with the requirements of the 1940 Act, each share of the Trust or any series shall represent an equal beneficial interest in the net assets of the Trust or such series, and each shareholder of the Trust or any series shall be entitled to receive such shareholder's pro rata share of distributions of income and capital gains, if any, made with respect to the Trust or such series. Upon redemption of the shares of any series, the applicable shareholder shall be paid solely out of the funds and property of such series of the Trust. Except as otherwise provided by the Trustees, shareholders shall have no preemptive or other right to subscribe to any additional shares or other securities issued by the Trust.

The Trustees may require shareholders to redeem shares for any reason as determined by the Trustees. When issued, shares are fully paid and non-assessable. The Trustees may, however, cause shareholders, or shareholders of a particular series or class, to pay certain transfer agency, servicing or similar agent charges by setting off such charges due from such shareholder from declared but unpaid dividends owed such shareholder and/or by reducing the number of shares in the account of such shareholder by that number of full and/or fractional shares which represents the outstanding amount of such charges due from such shareholder.

Shareholders are entitled to one vote for each share held on matters on which they are entitled to vote (and a proportionate fractional vote for each fraction of a share) or as otherwise may be set forth in the Trust's By-Laws. The Trust is not required and has no current intention to hold annual meetings of shareholders, although the Trust will hold special meetings of Fund shareholders when in the judgment of the Trustees of the

Trust it is necessary or desirable to submit matters for a shareholder vote or as otherwise required by the 1940 Act or other applicable federal law. It is not anticipated that the Trust will hold shareholders' meetings unless required by law or its Agreement and Declaration of Trust or By-Laws. On any matters submitted to a vote of the shareholders, all shares of the Trust then entitled to vote shall be voted in aggregate, except: (i) when required by the 1940 Act, shares shall be voted by individual series or class; (ii) when the matter involves any action that the Trustees have determined will affect only the interests of one or more series, then only shareholders of such series shall be entitled to vote thereon; and (iii) when the matter involves any action that the Trustees have determined will affect only the interests of one or more classes, then only the shareholders of such class or classes shall be entitled to vote thereon. Accordingly, shareholders of each series generally vote separately, for example, to approve investment advisory contracts or changes in fundamental investment policies or restrictions, but shareholders of all series may vote together to the extent required under the 1940 Act, such as in the election or selection of Trustees, principal underwriters and accountants for the Trust. Under certain circumstances, the shareholders of one or more series could control the outcome of these votes.

Shares of each class of a series represent an equal pro rata interest in such series and, generally, have identical voting, dividend, liquidation, and other rights, preferences, powers, terms and conditions, except that: (i) each class shall have a different designation; (ii) each class of shares shall bear any class expenses; and (iii) each class shall have separate voting rights on any matter submitted to shareholders in which the interests of one class differ from the interests of any other class. Upon liquidation or dissolution of a Fund, shareholders of the Fund would generally be entitled to share pro rata in the net assets of the Fund available for distribution to shareholders.

The shareholders of the Funds have the power to vote only: (i) for the election or removal of Trustees as and to the extent provided in the Trust's Agreement and Declaration of Trust; (ii) with respect to such additional matters relating to the Trust as may be required by federal law, including the 1940 Act; and (iii) as the Trustees may otherwise consider necessary or desirable in their sole discretion.

The Trust is an entity of the type commonly known as a "Delaware statutory trust." Under Delaware law and the Trust's Agreement and Declaration of Trust, shareholders are entitled to the same limitation of personal liability extended to shareholders of corporations organized under Delaware law. Therefore, shareholders generally will not be subject to personal liability for Fund obligations. The risk that a shareholder will incur personal liability for Fund obligations is limited to the circumstances in which a state court may not apply Delaware law or the terms of the Trust's Agreement and Declaration of Trust.

Investment Strategies, Policies, and Risks

Each Fund's investment objective(s), principal investment strategies and principal risks are discussed in the Prospectus, which identifies the types of securities or other instruments in which each Fund invests principally and summarizes the principal risks to each Fund's portfolio as a whole associated with such investments. The following discussion provides additional information about those principal investment strategies and principal risks. The following discussion also provides information about other investment strategies, methods and techniques that the Adviser may employ in managing a Fund as well as the related risks. To the extent that a security or other instrument or strategy, method or technique discussed below is not described in the Prospectus, the Adviser may invest in such instrument or employ such strategy, method or technique as a non-principal investment strategy. Each Fund may invest in these types of instruments or engage in these types of transactions, subject to its investment objective(s), principal investment strategies, fundamental investment restrictions and non-fundamental investment policies. A Fund is not required to invest in any or all of the types of securities or other instruments described below.

Each Fund implements a collateral yield enhancement overlay strategy that utilizes relatively short-dated (i.e., typically initiated one to three months prior to expiration) S&P 500 Index option call spreads and put spreads (the "Collateral Yield Enhancement Strategy"). These "iron condors" are comprised of a put option spread and a call option spread on the same index with generally the same expiration date and four different strike (exercise or expiration) prices. The Fund may also construct "modified iron condors," which include various adjustments with respect to the equity index options or other characteristics of the technique. Although the Funds will not be short a naked (or uncovered) option, a Fund may from time to time be long additional options for risk management purposes.

In connection with constructing "iron condors," as described in the Prospectus, the Adviser analyzes a variety of factors, including premium at risk (i.e., the amount of net option premiums paid in implementing the position), the time to expiration of options, the rate that options lose value as they near maturity (known as theta), the risk of gain or loss resulting from changes in volatility (known as vega), the potential rate of change in the price of the applicable options with respect to the price level of the corresponding equity index (known as delta), and the change in the delta as a result of incremental changes in the price level of the corresponding equity index (known as gamma) and overall exposures generated by the equity index options. As described in the Prospectus, the Funds generally intend to structure these options contracts to qualify for treatment as a "Section 1256 contract," in respect of which 60% of any gain is generally treated as long-term capital gain without regard to the holding period for such options.

In general, the Collateral Yield Enhancement Strategy is expected to benefit from a market that is relatively "range bound" (i.e., when the price level of the applicable index remains within the channels constructed through the equity index options). As disclosed in the Prospectus, the Adviser will manage each Fund's assets in a manner generally designed to contain and quantify a Fund's maximum loss exposure attributable to the Collateral Yield Enhancement Strategy. Each Fund's Core Investments present risks to the Fund that are separate from, and in addition to, the risks to the Fund associated with its Collateral Yield Enhancement Strategy.

A Fund may pursue a relative value strategy by taking long exposure in securities or instruments believed to be undervalued and short exposure in securities or instruments believed to be overvalued.

The Adviser may, in its discretion, utilize a "representative sampling" strategy whereby the Harvest Edge Equity Fund or the Harvest Edge Bond Fund would hold a significant number of the component securities of the S&P 500 Index or the Bloomberg Barclays U.S. Aggregate Bond Index, respectively, but may not track that index with the same degree of accuracy as would an investment vehicle replicating the entire index.

The strategy is discussed in more detail in the Funds' prospectus and in the section titled "Writing and Purchasing Call and Put Options," below.

Asset-Backed Securities. A Fund may invest in "asset-backed securities," which are securities that represent an interest in a pool of assets. These include secured debt instruments collateralized by automobile loans, credit card loans, home equity loans, manufactured housing loans, syndicated bank loans, and other types of debt providing the source of both principal and interest. The credit quality of an asset-backed security depends primarily on the quality of the underlying assets and the level of credit support, if any, provided by the issuer.

The Funds may invest in mortgage-backed securities ("MBS"), which are securities that represent an interest in a pool of underlying mortgage loans. MBS, including mortgage pass-through securities and Collateralized Mortgage Obligations ("CMOs"), include certain securities issued or guaranteed by the United States government or one of its agencies or instrumentalities, such as GNMA, FNMA, or FHLMC; securities issued by private issuers that represent an interest in or are collateralized by mortgage-backed securities issued or guaranteed by the U.S. government or one of its agencies or instrumentalities; and securities issued by private issuers that represent an interest in or are collateralized by mortgage loans.

Mortgage-backed securities are subject to scheduled and unscheduled principal payments as homeowners pay down or prepay their mortgages. As these payments are received, they must be reinvested when interest rates may be higher or lower than on the original mortgage security. Therefore, these securities are not an effective means of locking in long-term interest rates. In addition, when interest rates fall, the pace of mortgage prepayments picks up. These refinanced mortgages are paid off at face value (par), causing a loss for any investor who may have purchased the security at a price above par. In such an environment, this risk limits the potential price appreciation of these securities and can negatively affect a Fund's NAV. When rates rise, the prices of mortgage-backed securities can be expected to decline, although historically these securities have experienced smaller price declines than comparable quality bonds. In addition, when rates rise and prepayments slow, the effective duration of mortgage-backed securities extends, resulting in increased volatility.

MBS include commercial mortgage-backed securities ("CMBS") and residential mortgage-backed securities ("RMBS"). The value of both CMBS and RMBS, like all MBS, depends on national, state and local conditions. CMBS are subject to credit risks because they tend to involve relatively large underlying mortgage loans and the repayment of commercial mortgages depends on the successful operation of, and cash flows from, mortgaged properties. RMBS are subject to credit risks arising from delinquencies and defaults on underlying mortgage loans by borrowers and breaches of underlying loan documentation by loan originators and servicers.

Borrowing and Other Forms of Leverage. Each Fund may borrow money to the extent permitted under the 1940 Act. The 1940 Act precludes a fund from borrowing if, as a result of such borrowing, the total amount of all money borrowed by a fund exceeds 33 1/3% of the value of its total assets (that is, total assets including borrowings, less liabilities exclusive of borrowings) at the time of such borrowings. This means that the 1940 Act requires a fund to maintain continuous asset coverage of 300% of the amount borrowed. If the 300% asset coverage should decline as a result of market fluctuations or other reasons, a Fund may be required to sell some of its portfolio holdings within three days to reduce the debt and restore the 300% asset coverage, even though it may be disadvantageous from an investment standpoint to sell securities at that time, and could cause the Fund to be unable to meet certain requirements for qualification as a regulated investment company under the Internal Revenue Code of 1986, as amended (the "Code"). In addition, certain types of borrowings by a Fund may result in the Fund being subject to covenants in credit agreements relating to asset coverage, portfolio composition requirements and other matters. It is anticipated that observance of such covenants would not impede the Adviser from managing a Fund's portfolio in accordance with the Fund's investment objectives and policies. However, a breach of any such covenants not cured within the specified cure period may result in acceleration of outstanding indebtedness and require the Fund to dispose of portfolio investments at a time when it may be disadvantageous to do so. These borrowings may be unsecured.

When a Fund borrows money or otherwise leverages its portfolio, the value of an investment in a Fund will be more volatile and other investment risks will tend to be compounded. Borrowing has a leveraging effect because it tends to exaggerate the effect on a Fund's net asset value ("NAV") per share of any changes in the market value of its portfolio securities and other assets. Money borrowed will be subject to interest costs and other fees, which may or may not be recovered by earnings on the securities purchased. A Fund also may be required to maintain minimum average balances in connection with a borrowing or to pay a commitment or other fee to maintain a line of credit. Either of these requirements would increase the cost of borrowing over the stated interest rate. Unless the appreciation and income, if any, on assets acquired with borrowed funds exceed the costs of borrowing, the use of leverage will diminish the investment performance of a Fund compared with what it would have been without leverage.

The SEC takes the position that other transactions that have a leveraging effect on the capital structure of a fund can be viewed as constituting a form of "senior security" of the fund for purposes of the 1940 Act. These transactions may include selling securities short, buying and selling certain derivatives, writing (or selling) put and call options, and other trading practices that have a leveraging effect on the capital structure of a fund or may be viewed as economically equivalent to borrowing. A borrowing transaction will not be considered to constitute the issuance of a "senior security" by a Fund if the Fund (1) maintains an offsetting financial position, (2) maintains liquid assets in a sufficient value to cover the Fund's potential obligation under the borrowing transaction not offset or covered as provided in (1) and (3), or (3) otherwise "covers" the transaction in accordance with applicable SEC guidance (collectively, "covers" the transaction). The value of a Fund's holdings in such instruments are marked-to-market daily to ensure proper coverage. A Fund may have to buy or sell a security at a disadvantageous time or price to cover such transaction. In addition, assets being maintained to cover such transactions may not be available to satisfy redemptions or for other purposes or obligations.

Cash Equivalent Investments. Each Fund may hold cash equivalent investments, which include short term, high quality, U.S. dollar denominated instruments such as commercial paper, certificates of deposit and bankers' acceptances issued by U.S. or foreign banks, and Treasury bills and other obligations with a maturity of one year or less, including those issued or guaranteed by U.S. Government agencies and instrumentalities. See "U.S. Government Securities" below. Certificates of deposit are certificates issued against funds deposited in a commercial bank, are for a definite period of time, earn a specified rate of return, and are normally negotiable. Bankers' acceptances are short-term credit instruments used to finance the import, export, transfer or storage of goods. They are termed "accepted" when a bank guarantees their payment at maturity.

The obligations of foreign branches of U.S. banks may be general obligations of the parent bank in addition to the issuing branch, or may be limited by the terms of a specific obligation and by governmental regulation. Payment of interest and principal upon these obligations may also be affected by governmental action in the country of domicile of the branch (generally referred to as sovereign risk). In addition, evidence of ownership of portfolio securities may be held outside of the U.S. and generally will be subject to the risks associated with the holding of such property overseas. Various provisions of U.S. law governing the establishment and operation of domestic branches do not apply to foreign branches of domestic banks. The obligations of U.S. branches of foreign banks may be general obligations of the parent bank in addition to the issuing branch, or may be limited by the terms of a specific obligation and by federal and state regulation as well as by governmental action in the country in which the foreign bank has its head office.

Cash equivalent investments are often acquired directly from the issuers thereof or otherwise are normally traded on a net basis (without commission) through broker-dealers and banks acting for their own account. Such firms attempt to profit from such transactions by buying at the bid price and selling at the higher asked price of the market, and the difference is customarily referred to as the spread. Cash equivalents may be adversely affected by market and economic events, such as: a sharp rise in prevailing short-term interest rates; adverse developments in the banking industry, which issues or guarantees many money market securities; adverse economic, political or other developments affecting domestic issuers of money market securities; changes in the credit quality of issuers; and default by a counterparty. These investments may be subject to federal income, state income and/or other taxes. Instead of investing in cash equivalent investments directly, the Fund may invest in a money market fund.

Cyber Security and Operational Risk. With the increased use of technologies in the course of business, the Funds and their service providers have become potentially more susceptible to operational, information security and related risks resulting from cyber-attacks. Cyber-attacks are intentional actions and unintentional events that may cause operational disruptions and failures, including the theft, destruction, or corruption of and denial of access to data maintained online or digitally, denial of service on websites, and the unauthorized release of confidential information. Successful cyber-attacks against, or cyber security breakdowns of, the Funds and/or third party service providers may adversely impact the Funds and their shareholders by, among other things, interfering with the processing of shareholder transactions, impacting the Funds' ability to calculate its NAV, causing the release of private shareholder information or confidential Fund information, impeding trading, causing reputational damage, and subjecting the Funds to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and additional compliance and cyber security risk management costs. Although the Funds and their service providers may have established business continuity plans and systems designed to reduce the risks or adverse effects associated with cyber attacks, there are inherent limitations in these plans and systems, including that certain risks may not have been identified, in large part because different or unknown threats may emerge in the future. In addition, it may not be possible to detect when a cyber breach has occurred. Similar types of cyber security risks also are present for issuers of securities in which the Funds invest, which could result in material adverse consequences for such issuers, and may cause the Funds' investment in such securities to lose value.

The Funds' investments or their service providers may be negatively impacted due to operational risks arising from factors such as processing errors and human errors, inadequate or failed internal or external processes, failures in systems and technology, changes in personnel, and errors caused by third-party service providers or trading counterparties. In particular, these errors or failures as well as other technological issues may adversely affect the Funds' ability to calculate their NAVs in a timely manner, including over a potentially extended period. Although the Funds attempt to minimize such failures through controls and oversight, it is not possible to identify all of the operational risks that may affect the Funds or to develop processes and controls that completely eliminate or mitigate the occurrence of such failures. The Funds and their shareholders could be negatively impacted as a result.

Debt Securities. A Fund may invest in a broad array of short-, medium-, and long-term debt securities issued by the U.S. or foreign governments, government or international agencies and instrumentalities, and corporate and private issuers of various types. Some debt securities represent uncollateralized obligations of their issuers; in other cases, the securities may be backed by specific assets (such as mortgages or other receivables) that have been set aside as collateral for the issuer's obligation. Debt securities generally involve an obligation of the issuer to pay interest or dividends on either a current basis or at the maturity of the security, as well as the obligation to repay the principal amount of the security at maturity. The rate of interest on debt securities may be fixed, floating, or variable. Some securities pay a higher interest rate than the current market rate. An investor may have to pay more than the security's principal to compensate the seller for the value of the higher interest rate. This additional payment is a premium.

Debt securities are subject to credit risk, market risk, and interest rate risk. Except to the extent values are affected by other factors such as developments relating to a specific issuer, generally the value of a debt security can be expected to rise when interest rates decline and, conversely, the value of such a security can be expected to fall when interest rates rise. Some debt securities may be subject to extension risk. This is the risk that if interest rates rise, repayments of principal on certain debt securities, including, but not limited to, floating rate loans and mortgage-related securities, may occur at a slower rate than expected and the expected maturity of those securities could lengthen as a result. Some debt securities also involve prepayment or call risk. This is the risk that the issuer will repay a Fund the principal on the security before it is due, thus depriving a Fund of a favorable stream of future interest or dividend payments. A Fund could buy another security, but that other security might pay a lower interest rate. In addition, many fixed-income securities contain call or buy-back features that permit their issuers to call or repurchase the securities from their holders. Such securities may present risks based on payment expectations. Although a Fund would typically receive a premium if an issuer were to redeem a security, if an issuer were to exercise a call option and redeem the security during times of declining interest rates, a Fund may realize a capital loss on its investment if the security was purchased at a premium and a Fund may be forced to replace the called security with a lower yielding security.

The market value of debt obligations is affected primarily by changes in prevailing interest rates and the issuer's perceived ability to repay the debt. The market value of a debt obligation generally reacts inversely to interest rate changes. When prevailing interest rates decline, the market value of the bond usually rises, and when prevailing interest rates rise, the market value of the bond usually declines.

In general, the longer the maturity of a debt obligation, the higher its yield and the greater the sensitivity to changes in interest rates. Conversely, the shorter the maturity, the lower the yield and the lower the sensitivity to changes in interest rates.

As noted, the values of debt obligations also may be affected by changes in the credit rating or financial condition of their issuers. Generally, the lower the quality rating of a security, the higher the degree of risk as to the payment of interest and return of principal. To compensate investors for taking on such increased risk, those issuers deemed to be less creditworthy generally must offer their investors higher interest rates than do issuers with better credit ratings.

Yields on short, intermediate, and long-term securities are dependent on a variety of factors, including the general conditions of the money and bond markets, the size of a particular offering, the maturity of the obligation, and the rating of the issue. Debt securities with longer maturities tend to produce higher yields and are generally subject to potentially greater capital appreciation and depreciation than obligations with shorter maturities and lower yields. The market prices of debt securities usually vary, depending upon available yields. An increase in interest rates will generally reduce the value of portfolio investments, and a decline in interest rates will generally increase the value of portfolio investments. The ability of a Fund to achieve its investment objectives is also dependent on the continuing ability of the issuers of the debt securities in which the Fund invests to meet their obligations for the payment of interest and principal when due.

Commercial paper is a short-term debt obligation, usually sold on a discount basis, with a maturity ranging from 2 to 270 days issued by banks, corporations and other borrowers. It is sold to investors with temporary idle cash as a way to increase returns on a short-term basis. These instruments are generally unsecured, which increases the credit risk associated with this type of investment.

Corporate debt securities are long and short term fixed income securities typically issued by businesses to finance their operations. Corporate debt securities are issued by public or private companies, as distinct from debt securities issued by a government or its agencies. The issuer of a corporate debt security often has a contractual obligation to pay interest at a stated rate on specific dates and to repay principal periodically or on a specified maturity date. Corporate debt securities typically have four distinguishing features: (1) they are taxable; (2) they have a par value of $1,000; (3) they have a term maturity, which means they come due at a specified time period; and (4) many are traded on major securities exchanges. Notes, bonds, debentures and commercial paper are the most common types of corporate debt securities, with the primary difference being their interest rates, maturity dates and secured or unsecured status. Commercial paper has the shortest term and usually is unsecured, as are debentures. The broad category of corporate debt securities includes debt issued by domestic or foreign companies of all kinds, including those with small-, mid- and large-capitalizations. The category also includes bank loans, as well as assignments, participations and other interests in bank loans. Corporate debt securities may be rated investment grade or below investment grade and may be structured as fixed-, variable or floating-rate obligations or as zero-coupon, pay-in-kind and step-coupon securities and may be privately placed or publicly offered. They may also be senior or subordinated obligations. See Appendix A for a discussion of securities ratings.

In general, a Fund's income may decline due to falling interest rates or other factors. Issuers of securities held by the Fund may call or redeem the securities during periods of falling interest rates, and the Fund would likely be required to reinvest in securities paying lower interest rates. If an obligation held by the Fund is prepaid, the Fund may have to reinvest the prepayment in other obligations paying income at lower rates

Derivatives. Generally, derivatives can be characterized as financial instruments whose performance is derived at least in part from the performance of an underlying reference instrument. Derivative instruments, such as swaps, futures, forwards and options, may be acquired in the United States or abroad and include the various types of exchange-traded and over-the-counter ("OTC") instruments. Derivative instruments may be based on securities, indices, currencies, commodities, economic indicators and events.

Derivatives may create leverage, and may enhance returns and be useful in hedging portfolios. The Adviser may use derivatives for a variety of reasons, including: (i) to enhance a Fund's returns; (ii) to attempt to protect against possible changes in the market value of securities held in or to be purchased for a Fund resulting from securities markets or currency exchange rate fluctuations (i.e., to hedge); (iii) to protect a Fund's unrealized gains reflected in the value of its portfolio securities; (iv) to facilitate the sale of such securities for investment purposes; (v) to reduce transaction costs; (vi) to equitize cash; and/or (vii) to manage the effective maturity or duration of a Fund. The Adviser may use derivatives as a substitute for taking a position in the underlying asset and/or as part of a strategy designed to reduce exposure to other risks, such as interest rate or currency risk. Derivatives may allow the Adviser to increase or decrease the level of risk to which a Fund is exposed more quickly and efficiently than transactions in other types of instruments. There can be no assurance that the use of derivative instruments will benefit the Funds.

The use of derivative instruments may involves risks different from, and possibly greater than, the risks associated with investing directly in the underlying reference asset of the derivative or other traditional securities. The use of derivatives can lead to losses because of adverse movements in the price or value of the underlying security, asset, index or reference rate, which may be magnified by certain features of the derivatives. These risks are heightened when a Fund uses derivatives to enhance its return or as a substitute for a position or security, rather than solely to hedge or offset the risk of a position or security held by a Fund. The use of derivatives to leverage risk also may exaggerate loss, potentially causing a Fund to lose more money than if it had invested in the underlying security, or limit a potential gain. Derivatives are subject to a number of risks described elsewhere in the Prospectuses and this SAI, such as price volatility risk, foreign investment risk, interest rate risk, credit risk, liquidity risk, market risk, and management risk. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate well with the security for which it is substituting. However, there can be no assurance that, at any specific time, either a liquid secondary market will exist for a derivative or the Fund will otherwise be able to sell such instrument at an acceptable price. It may therefore not be possible to close a position in a derivative without incurring substantial losses, if at all. Over-the-counter derivative instruments involve an additional risk in that the issuer or counterparty may fail to perform its contractual obligations. In addition, the use of derivative instruments may cause the realization of higher amounts of short-term capital gains (generally taxed at ordinary income tax rates when distributed to shareholders) than if such instruments had not been used.

The laws and regulations that apply to derivatives and persons who may use them (including the Funds) are rapidly changing in the United States and abroad. As a result, restrictions and additional regulations may be imposed on these parties, trading restrictions may be adopted and additional trading costs are possible. In particular, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") was signed into law in July 2010. Among other changes, the Dodd-Frank Act sets forth a new legislative framework for over-the-counter derivatives, including financial instruments, such as swaps, in which the Funds may invest. The impact of these changes on any of the Funds and their investment strategies is not yet fully ascertainable.

Equity Securities. The Funds may invest in equity securities. Equity securities are securities that represent an ownership interest (or the right to acquire such an interest) in a company and include common and preferred stock. Common stocks represent an equity or ownership interest in an issuer. Preferred stock represents an equity or ownership interest in an issuer that pays dividends at a specified rate and that has priority over common stock in the payment of dividends. In the event an issuer is liquidated or declares bankruptcy, the claims of owners of bonds take priority over holders of preferred stock, whose claims take priority over the claims of those who own common stock.

While offering greater potential for long-term growth, equity securities generally are more volatile and riskier than some other forms of investment, although under certain market conditions various fixed-income investments have comparable or greater price volatility. Therefore, the value of an investment in a Fund may at times decrease instead of increase. The Funds' investments may include securities traded over-the-counter as well as those traded on a securities exchange. Some securities, particularly over-the-counter securities, may be more difficult to sell under some market conditions.

Common stock represents an equity ownership interest in the issuing corporation. Holders of common stock generally have voting rights in the issuer and are entitled to receive common stock dividends when, as and if declared by the corporation's board of directors. Common stock normally occupies the most subordinated position in an issuer's capital structure. Returns on common stock investments consist of any dividends received plus the amount of appreciation or depreciation in the value of the stock.

Although common stocks have historically generated higher average returns than fixed-income securities over the long term and particularly during periods of high or rising concerns about inflation, common stocks also have experienced significantly more volatility in returns and may not maintain their real value during inflationary periods. An adverse event, such as an unfavorable earnings report, may depress the value of a particular common stock. Also, the prices of common stocks are sensitive to general movements in the stock market and a drop in the stock market may depress the price of common stocks. Common stock prices fluctuate for many reasons, including changes in investors' perceptions of the financial condition of an issuer or the general condition of the relevant stock market, or when political or economic events affecting the issuer occur. In addition, common stock prices may be sensitive to rising interest rates as the costs of capital rise and borrowing costs increase.

Preferred stock represents an equity interest in a corporation, company or trust that has a higher claim on the assets and earnings than common stock. Preferred stock usually has limited voting rights. Preferred stock involves credit risk, which is the risk that a preferred stock will decline in price, or fail to pay dividends when expected, because the issuer experiences a decline in its financial status. A company's preferred stock generally pays dividends after the company makes the required payments to holders of its bonds and other debt instruments but before dividend payments are made to common stockholders. However, preferred stock may not pay scheduled dividends or dividends payments may be in arrears. The value of preferred stock may react more strongly than bonds and other debt instruments to actual or perceived changes in the company's financial condition or prospects. Certain preferred stocks may be convertible to common stock. Preferred stock may be subject to redemption at the option of the issuer at a predetermined price. Because they may make regular income payments, preferred stocks may be considered fixed-income securities for purposes of a Fund's investment restrictions.

Convertible securities, which may be held by a Fund, share both equity and fixed income characteristics and are subject to risks which equity and fixed income instruments are subject.

Exchange-Traded Funds ("ETFs") and Other Investment Companies. A Fund may invest in shares of other investment companies (including mutual funds and ETFs) and other pooled investment vehicles. As the shareholder of another investment company, a Fund would bear, along with other shareholders, its pro rata portion of the other investment company's expenses, including advisory fees. Such expenses are in addition to the expenses the Fund pays in connection with its own operations. Despite the possibility of greater fees and expenses, investments in other investment companies may nonetheless be attractive for several reasons.

ETFs are pooled investment vehicles that may be designed to provide investment results corresponding to an index. These indexes may be either broad-based, sector or international. ETFs usually are units of beneficial interest in an investment trust or represent undivided ownership interests in a portfolio of securities (or commodities), in each case with respect to a portfolio of all or substantially all of the component securities of, and in substantially the same weighting as, the relevant benchmark index. ETFs may be designed to provide investment results that generally correspond to the price and yield performance of the component securities (or commodities) of the benchmark index. ETFs are listed on an exchange and trade in the secondary market on a per-share basis. The values of ETFs are subject to change as the values of their respective component securities (or commodities) fluctuate according to market volatility. Investments in ETFs may not exactly match the performance of a direct investment in the respective indices to which they are intended to correspond due to the temporary unavailability of certain index securities in the secondary market or other extraordinary circumstances, such as discrepancies with respect to the weighting of securities. Typically, the ETF bears its own operational expenses, which are deducted from its assets. To the extent that the Fund invests in ETFs, the Fund must bear these expenses in addition to the expenses of its own operation. Disruptions in the markets for the securities underlying ETFs purchased or sold by a Fund could result in losses on investments in ETFs. ETFs also carry the risk that the price a Fund pays or receives may be higher or lower than the ETF's NAV. ETFs are also subject to certain additional risks, including the risks of illiquidity and of possible trading halts due to market conditions or other reasons, based on the policies of the relevant exchange. ETFs and other investment companies in which a Fund may invest may be leveraged, which would increase the volatility of a Fund's NAV.

The main risk of investing in index-based investment companies is the same as investing in a portfolio of securities comprising the index. The market prices of index-based investments will fluctuate in accordance with both changes in the market value of their underlying portfolio securities and due to supply and demand for the instruments on the exchanges on which they are traded. Index-based investments may not replicate exactly the performance of their specified index because of transaction costs and because of the temporary unavailability of certain component securities of the index.

An investment in a money market fund is not a deposit of any bank and is not insured or guaranteed by the FDIC or any other government agency. Certain money market funds seek to preserve the value of their shares at $1.00 per share, although there can be no assurance that they will do so, and it is possible to lose money by investing in such a money market fund. A major or unexpected increase in interest rates or a decline in the credit quality of an issuer or entity providing credit support, an inactive trading market for money market instruments, or adverse market, economic, industry, political, regulatory, geopolitical, and other conditions could cause the share price of such a money market fund to fall below $1.00. Other money market funds price and transact at a "floating" NAV that will fluctuate along with changes in the market-based value of fund assets. Shares sold utilizing a floating NAV may be worth more or less than their original purchase price.

Exchange-Traded Notes ("ETNs"). A Fund may invest in ETNs. ETNs are senior, unsecured, unsubordinated debt securities issued by a sponsoring financial institution. The returns on an ETN are linked to the performance of particular securities, market indices, or strategies, minus applicable fees. ETNs are traded on an exchange (e.g., the New York Stock Exchange ("NYSE")) during normal trading hours; however, investors may also hold an ETN until maturity. At maturity, the issuer of an ETN pays to the investor a cash amount equal to the principal amount, subject to application of the relevant securities, index or strategy factor. Similar to other debt securities, ETNs have a maturity date and are backed only by the credit of the sponsoring institution. ETNs are subject to credit risk. The value of an ETN may be influenced by time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in underlying assets, changes in the applicable interest rates, changes in the issuer's credit rating, and economic, legal, political or geographic events that affect the underlying assets. When a Fund invests in ETNs, it will bear its proportionate share of any fees and expenses borne by the ETN. Although an ETN is a debt security, it is unlike a typical bond, in that there are no periodic interest payments and principal is not protected. The timing and character of income and gains from ETNs may be affected by future legislation.

Foreign Investments. A Fund may invest, either directly or via exposure through a derivative instrument, in securities and other investments (which may be denominated in U.S. dollars or non-U.S. currencies) issued or guaranteed by foreign corporations, certain supranational entities and foreign governments or their agencies or instrumentalities, and in securities issued by U.S. corporations denominated in non-U.S. currencies. All such investments are referred to as "foreign instruments."

Investing in foreign instruments offers potential benefits not available from investing solely in securities of domestic issuers, including the opportunity to invest in foreign issuers that appear to offer investment potential, or in foreign countries with economic policies or business cycles different from those of the United States, or to reduce fluctuations in portfolio value by taking advantage of foreign stock markets that do not move in a manner parallel to U.S. markets. Investments in foreign instruments present additional risks and considerations not typically associated with investments in domestic securities: reduction of income due to foreign taxes; fluctuation in value of foreign portfolio investments due to changes in currency rates and control regulations (e.g., currency blockage); transaction charges for currency exchange; lack of public information about foreign issuers; lack of uniform accounting, auditing and financial reporting standards comparable to those applicable to domestic issuers; less trading volume on foreign exchanges than on U.S. exchanges; greater volatility and less liquidity on foreign markets than in the United States; less regulation of foreign issuers, stock exchanges and brokers than in the United States; greater difficulties in commencing lawsuits and obtaining judgments in foreign courts; higher brokerage commission rates than in the United States; increased risks of delays in settlement of portfolio transactions or loss of certificates for portfolio securities; requirement of payment for investments prior to settlement possibilities in some countries of expropriation, confiscatory taxation, political, financial or social instability or adverse diplomatic developments; repercussions of, or retaliatory measures resulting from, sanctions imposed by other nations and/or supranational entities; and unfavorable differences between the United States economy and foreign economies. In the past, U.S. government policies have discouraged certain investments abroad by U.S. investors, through taxation or other restrictions, and it is possible that such restrictions could be re-imposed.

In addition, there is a risk that foreign (non-U.S.) currencies will change in value relative to the U.S. dollar and affect a Fund's investments in foreign (non-U.S.) currencies or securities that trade in, and receive revenues in, or derivatives that provide exposure to, foreign (non-U.S.) currencies.

Sovereign debt obligations are issued or guaranteed by foreign governments or their agencies. It may be in the form of conventional securities or other types of debt instruments such as loans or loan participations. A sovereign debtor's willingness or ability to repay principal and pay interest in a timely manner may be affected by a variety of factors, including its cash flow situation, the extent of its reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the sovereign debtor's policy toward international lenders, and the political constraints to which a sovereign debtor may be subject. In addition, there may be no legal recourse against a sovereign debtor in the event of a default.

Stocks, bonds and other securities or investments are deemed to be "foreign" based primarily on the issuer's place of organization/incorporation, but the Fund may also consider the issuer's domicile, its principal place of business, its primary stock exchange listing, the source of its revenue or other factors. A Fund's investments in foreign markets, may include issuers in emerging markets, as well as frontier markets, each of which carry heightened risks as compared with investments in other typical foreign markets.

Hedging. The Adviser may, from time to time, employ various hedging techniques in pursuing a Fund's investment objective. Hedging activities may not work as intended or be successful. The success of these hedging techniques will be subject to the Adviser's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio or other exposures being hedged. As the characteristics of many securities, indices or other reference instruments change regularly, the success of the hedging techniques will also be subject to the Adviser's ability to continually recalculate, readjust, and execute hedges in an efficient and timely manner. To the extent the Fund engages in hedging, the Fund's exposure to adverse market or issuer-specific events will likely not be eliminated but these activities are intended to reduce the possibility that the Fund will be adversely affected by such events. Such hedging transactions also limit the opportunity for gain if the value of the portfolio position should increase. For a variety of reasons, it is not possible to hedge fully or perfectly against any risk, and hedging entails its own costs (such as trading commissions and fees). The Adviser may determine, in its sole discretion, not to hedge against certain risks and certain risks may exist that cannot be hedged. Furthermore, the Adviser may not anticipate a particular risk so as to hedge against it effectively. Hedging transactions also limit the opportunity for gain if the value of a hedged portfolio position should increase.

High Yield Securities. High yield, or low and below investment grade securities (below investment grade securities are also known as "junk bonds") are debt securities with the lowest investment grade rating (e.g., BBB by S&P and Fitch or Baa by Moody's), that are below investment grade (e.g., lower than BBB by S&P and Fitch or Baa by Moody's) or that are unrated but determined by the Adviser to be of comparable quality. These types of securities, which may be purchased by a Fund, may be issued to fund corporate transactions or restructurings, such as leveraged buyouts, mergers, acquisitions, debt reclassifications or similar events, are more speculative in nature than securities with higher ratings and tend to be more sensitive to credit risk, particularly during a downturn in the economy. These types of securities generally are issued by unseasoned companies without long track records of sales and earnings, or by companies or municipalities that have questionable credit strength. High-yield securities and comparable unrated securities: (i) likely will have some quality and protective characteristics that, in the judgment of one or more NRSROs, are outweighed by large uncertainties or major risk exposures to adverse conditions; (ii) are speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligation; and (iii) may have a less liquid secondary market, potentially making it difficult to value or sell such securities. Credit ratings issued by credit rating agencies are designed to evaluate the safety of principal and interest payments of rated securities. They do not, however, evaluate the market value risk of lower-quality securities and, therefore, may not fully reflect the true risks of an investment. In addition, credit rating agencies may or may not make timely changes in a rating to reflect changes in the economy or in the condition of the issuer that affect the market value of the securities. Consequently, credit ratings are used only as a preliminary indicator of investment quality. High-yield securities may be structured as fixed-, variable- or floating-rate obligations or as zero-coupon, pay-in-kind and step-coupon securities and may be privately placed or publicly offered.

The rates of return on these types of securities generally are higher than the rates of return available on more highly rated securities, but generally involve greater volatility of price and risk of loss of principal and income, including the possibility of default by or insolvency of the issuers of such securities. Accordingly, a Fund may be more dependent on the Adviser's credit analysis with respect to these types of securities than is the case for more highly rated securities.

The market values of certain high-yield securities and comparable unrated securities tend to be more sensitive to individual corporate developments and changes in economic conditions than are the market values of more highly rated securities. In addition, issuers of high-yield and comparable unrated securities often are highly leveraged and may not have more traditional methods of financing available to them, so that their ability to service their debt obligations during an economic downturn or during sustained periods of rising interest rates may be impaired.

The risk of loss due to default is greater for high-yield and comparable unrated securities than it is for higher rated securities because high-yield securities and comparable unrated securities generally are unsecured and frequently are subordinated to more senior indebtedness. A Fund may incur additional expenses to the extent that it is required to seek recovery upon a default in the payment of principal or interest on its holdings of such securities. The existence of limited markets for lower-rated debt securities may diminish a Fund's ability to: (i) obtain accurate market quotations for purposes of valuing such securities and calculating portfolio net asset value; and (ii) sell the securities at fair market value either to meet redemption requests or to respond to changes in the economy or in financial markets.

Many lower-rated securities are not registered for offer and sale to the public under the 1933 Act. Investments in these restricted securities may be determined to be liquid (able to be sold within seven days at approximately the price at which they are valued by a Fund) pursuant to policies approved by the Board. Investments in illiquid securities, including restricted securities that have not been determined to be liquid, may not exceed 15% of a Fund's net assets. A Fund is not otherwise subject to any limitation on its ability to invest in restricted securities. Restricted securities may be less liquid than other lower-rated securities, potentially making it difficult to value or sell such securities.

Liquidity and Valuation. Many factors may influence the price at which a Fund could sell an investment at a given time. Investments are subject to liquidity risk when they are difficult to purchase or sell under favorable conditions. Investments in certain securities or other assets, such as high-yield bonds, loans or those traded in over-the-counter markets, may be particularly subject to liquidity risk. A Fund's ability to sell an instrument may be negatively impacted as a result of various market events or circumstances or characteristics of the particular instrument. In addition, market participants attempting to sell the same or similar instruments at the same time as a Fund may increase the Fund's exposure to liquidity risk. Investments in less liquid or illiquid securities may reduce the returns of a Fund because it may be unable to sell the securities at an advantageous time or price. Thus, a Fund may be forced to accept a lower sale price for the security, sell other investments or forego another more attractive investment opportunity. Liquid securities purchased by a Fund may subsequently become less liquid or illiquid, and harder to value.

Illiquid securities are defined by a Fund consistent with the SEC staff's current guidance and interpretations which provide that an illiquid security is an asset which may not be sold or disposed of in the ordinary course of business within seven days at approximately the value at which a Fund has valued the investment on its books. Some securities, such as those not registered under U.S. securities laws, cannot be sold in public transactions. Some securities are deemed to be illiquid because they are subject to contractual or legal restrictions on resale. Subject to its investment policies, a Fund may invest in illiquid investments and may invest in certain restricted securities that are deemed to be illiquid securities at the time of purchase. Applicable regulatory guidance and interpretations provide examples of factors that may be taken into account in determining whether a particular instrument should be treated as illiquid. Under the Funds' liquidity determination procedures, the Adviser may consider factors deemed relevant. A Fund may not invest more than 15% of its net assets in securities or assets that are determined to be illiquid pursuant to the Trust's applicable procedures.

In 2016, the SEC adopted a new rule that regulates the management of liquidity risk by investment companies registered under the 1940 Act, such as the Funds. The rule may impact the Funds' ability to achieve their respective investment objectives. The Adviser continues to evaluate the potential impact of the new governmental regulation on the Funds and may have to make changes to a Fund's strategies in the future.

At times, market quotations may not be readily available and the Funds may be unable to obtain prices or other reliable information from third-parties to support valuation. In these circumstances, it may be difficult for a Fund to accurately value certain investments and the Fund may need to value investments using fair value methodologies. There are multiple methods to establish fair value and different methods or other factors may lead to different fair values. As a result, the price a Fund could receive for a security may differ from the Fund's valuation of the security, particularly during periods of market turmoil or volatility or for securities that are thinly traded or valued using a fair value methodology or information provided by third-party pricing services. Thus, a Fund may realize a loss or gain that is greater than expected upon the sale of the security. Fair valued securities may be subject to greater fluctuations than securities valued based on readily available market quotations. Some securities, while not technically fair valued, may nevertheless be difficult to value and rely on limited and difficult to assess inputs and market data.

Short Sales. A Fund may engage in short sales, including short sales against the box. Short sales (other than against the box) are transactions in which a Fund sells an instrument it does not own in anticipation of a decline in the market value of that instrument. A short sale against the box is a short sale where at the time of the sale, the Fund owns or has the right to obtain instruments equivalent in kind and amounts. To complete a short sale transaction, the Fund must borrow the instrument to make delivery to the buyer. The Fund then is obligated to replace the instrument borrowed by purchasing it at the market price at the time of replacement. The price at such time may be more or less than the price at which the instrument was sold by the Fund. Until the instrument is replaced, the Fund is required to pay to the lender amounts equal to any interest or dividends which accrue during the period of the loan. To borrow the instrument, the Fund also may be required to pay a premium, which would increase the cost of the instrument sold. There will also be other costs associated with short sales.

The Fund will incur a loss as a result of the short sale if the price of the instrument increases between the date of the short sale and the date on which the Fund replaces the borrowed instrument. Unlike taking a long position in an instrument by purchasing the instrument, where potential losses are limited to the purchase price, short sales have no cap on maximum loss. The Fund will realize a gain if the instrument declines in price between those dates. This result is the opposite of what one would expect from a cash purchase of a long position in an instrument.

Until the Fund replaces a borrowed instrument in connection with a short sale, the Fund will (a) designate on its records as collateral cash or liquid assets at such a level that the designated assets plus any amount deposited with the broker as collateral will equal the current value of the instrument sold short or (b) otherwise cover its short position in accordance with applicable law. The amount designated on the Fund's records will be marked to market daily. This may limit the Fund's investment flexibility, as well as its ability to meet redemption requests or other current obligations.

There is no guarantee that a Fund will be able to close out a short position at any particular time or at an acceptable price. During the time that the Fund is short an instrument, it is subject to the risk that the lender of the instrument will terminate the loan at a time when the Fund is unable to borrow the same instrument from another lender. If that occurs, the Fund may be "bought in" at the price required to purchase the instrument needed to close out the short position, which may be a disadvantageous price. Thus, there is a risk that a Fund may be unable to fully implement its investment strategy due to a lack of available instruments or for some other reason. It is possible that the market value of the instruments a Fund holds in long positions will decline at the same time that the market value of the instruments a Fund has sold short increases, thereby increasing a Fund potential volatility. Short sales also involve other costs. The Fund must normally repay to the lender an amount equal to any dividends or interest that accrues while the loan is outstanding. In addition, to borrow the instrument, the Fund may be required to pay a premium. The Fund also will incur transaction costs in effecting short sales. The amount of any ultimate gain for the Fund resulting from a short sale will be decreased, and the amount of any ultimate loss will be increased, by the amount of premiums, dividends, interest or expenses the Fund may be required to pay in connection with the short sale.

A Fund may enter into short sales on derivative instruments with a counterparty, which will subject the Fund to counterparty risk.

In addition to the general risks related to short sales discussed above, the Fund will be subject to additional risks if it makes short sales "against the box," a transaction in which the Fund enters into a short sale of an instrument that the Fund owns or has the right to obtain at no additional cost. In a short sale "against the box" transaction, the Fund does not immediately deliver the instruments sold and is said to have a short position in those instruments until delivery occurs. If the Fund effects a short sale of instruments against the box at a time when it has an unrealized gain on the instruments, it may be required to recognize that gain as if it had actually sold the instruments (as a "constructive sale") on the date it effects the short sale. However, such constructive sale treatment may not apply if the Fund closes out the short sale with instruments other than the appreciated instruments held at the time of the short sale and if certain other conditions are satisfied.

U.S. Government Securities. A Fund may invest in government securities, which are obligations issued or guaranteed by the U.S. Government, its agencies, instrumentalities or sponsored enterprises ("U.S. Government

Securities"). Some U.S. Government Securities (such as Treasury bills, notes and bonds, which differ only in their interest rates, maturities and times of issuance) are supported by the full faith and credit of the United States. Others, such as obligations issued or guaranteed by U.S. Government agencies, instrumentalities or sponsored enterprises, are supported either by (i) the right of the issuer to borrow from the U.S. Treasury Department (the "Treasury"), (ii) the discretionary authority of the U.S. Government to purchase certain obligations of the issuer or (iii) only the credit of the issuer. U.S. Treasury obligations may differ from other securities in their interest rates, maturities, times of issuance and other characteristics and may provide relatively lower returns than those of other securities. Similar to other issuers, changes to the financial condition or credit rating of the U.S. government may cause the value of a Fund's U.S. Treasury Obligations to decline.

The U.S. Government is under no legal obligation, in general, to purchase the obligations of its agencies, instrumentalities or sponsored enterprises. No assurance can be given that the U.S. Government will provide financial support to the U.S. Government agencies, instrumentalities or sponsored enterprises in the future, and the U.S. Government may be unable to pay debts when due.

U.S. Government Securities are deemed to include (to the extent consistent with the Act): (i) securities for which the payment of principal and interest is backed by an irrevocable letter of credit issued by the U.S. Government, its agencies, instrumentalities or sponsored enterprises; and (ii) participations in loans made to foreign governments or their agencies that are guaranteed as to principal and interest by the U.S. Government or its agencies, instrumentalities or sponsored enterprises. The secondary market for certain of these participations is extremely limited. In the absence of a suitable secondary market, such participations are regarded as illiquid.

The Fund may invest in separately traded principal and interest components ("STRIPS") of securities issued or guaranteed by the U.S. Treasury. The principal and interest components of selected securities are traded independently under the STRIPS program. Under the STRIPS program, the principal and interest components are individually numbered and separately issued by the U.S. Treasury at the request of depository financial institutions, which then trade the component parts independently.

The volatility and disruption that impacted the capital and credit markets during late 2008 and into 2009 have led to increased market concerns about the ability of the Federal Home Loan Mortgage Corporation ("Freddie Mac") and the Federal National Mortgage Association ("Fannie Mae") to withstand future credit losses associated with securities held in their investment portfolios, and on which they provide guarantees, without the direct support of the federal government. On September 6, 2008, both Freddie Mac and Fannie Mae were placed under the conservatorship of the Federal Housing Finance Agency ("FHFA"). Under the plan of conservatorship, the FHFA has assumed control of, and generally has the power to direct, the operations of Freddie Mac and Fannie Mae, and is empowered to exercise all powers collectively held by their respective shareholders, directors and officers, including the power to (1) take over the assets of and operate Freddie Mac and Fannie Mae with all the powers of the shareholders, the directors, and the officers of Freddie Mac and Fannie Mae and conduct all business of Freddie Mac and Fannie Mae; (2) collect all obligations and money due to Freddie Mac and Fannie Mae; (3) perform all functions of Freddie Mac and Fannie Mae which are consistent with the conservator's appointment; (4) preserve and conserve the assets and property of Freddie Mac and Fannie Mae; and (5) contract for assistance in fulfilling any function, activity, action or duty of the conservator. In addition, in connection with the actions taken by the FHFA, the U.S. Treasury Department (the "Treasury") entered into certain preferred stock purchase agreements with each of Freddie Mac and Fannie Mae which established the Treasury as the holder of a new class of senior preferred stock in each of Freddie Mac and Fannie Mae, which stock was issued in connection with financial contributions from the Treasury to Freddie Mac and Fannie Mae.

The conditions attached to the financial contribution made by the Treasury to Freddie Mac and Fannie Mae and the issuance of this senior preferred stock placed significant restrictions on the activities of Freddie Mac and Fannie Mae. Freddie Mac and Fannie Mae must obtain the consent of the Treasury to, among other things, (i) make any payment to purchase or redeem its capital stock or pay any dividend other than in respect of the senior preferred stock issued to the Treasury, (ii) issue capital stock of any kind, (iii) terminate the conservatorship of the FHFA except in connection with a receivership, or (iv) increase its debt beyond certain specified levels. In addition, significant restrictions were placed on the maximum size of each of Freddie Mac's and Fannie Mae's respective portfolios of mortgages and mortgage-backed securities, and the purchase agreements entered into by Freddie Mac and Fannie Mae provide that the maximum size of their portfolios of these assets must decrease by a specified percentage each year. On June 16, 2010, FHFA ordered Fannie Mae and Freddie Mac's stock de-listed from the NYSE after the price of common stock in Fannie Mae fell below the NYSE minimum average closing price of $1 for more than 30 days.

The future status and role of Freddie Mac and Fannie Mae could be impacted by (among other things) the actions taken and restrictions placed on Freddie Mac and Fannie Mae by the FHFA in its role as conservator, the restrictions placed on Freddie Mac's and Fannie Mae's operations and activities as a result of the senior preferred stock investment made by the Treasury, market responses to developments at Freddie Mac and Fannie Mae, and future legislative and regulatory action that alters the operations, ownership, structure and/or mission of these institutions, each of which may, in turn, impact the value of, and cash flows on, any mortgage-backed securities guaranteed by Freddie Mac and Fannie Mae, including any such mortgage-backed securities held by the Fund.

A Fund may invest in Treasury inflation-protected securities ("TIPS"), which are U.S. Government Securities whose principal value is periodically adjusted according to the rate of inflation. The interest rate on TIPS is fixed at issuance, but over the life of the bond this interest may be paid on an increasing or decreasing principal value that has been adjusted for inflation. Although repayment of the original bond principal upon maturity is guaranteed, the market value of TIPS is not guaranteed, and will fluctuate.

The values of TIPS generally fluctuate in response to changes in real interest rates, which are in turn tied to the relationship between nominal interest rates and the rate of inflation. If inflation were to rise at a faster rate than nominal interest rates, real interest rates might decline, leading to an increase in the value of TIPS. In contrast, if nominal interest rates were to increase at a faster rate than inflation, real interest rates might rise, leading to a decrease in the value of TIPS. If inflation is lower than expected during the period the Fund holds TIPS, the Fund may earn less on the TIPS than on a conventional bond. If interest rates rise due to reasons other than inflation (for example, due to changes in the currency exchange rates), investors in TIPS may not be protected to the extent that the increase is not reflected in the bonds' inflation measure. There can be no assurance that the inflation index for TIPS will accurately measure the real rate of inflation in the prices of goods and services.

Any increase in principal value of TIPS caused by an increase in the consumer price index is taxable in the year the increase occurs, even though the Fund holding TIPS will not receive cash representing the increase at that time. As a result, the Fund could be required at times to liquidate other investments, including when it is not advantageous to do so, in order to satisfy its distribution requirements as a regulated investment company.

If the Fund invests in TIPS, it will be required to treat as original issue discount any increase in the principal amount of the securities that occurs during the course of its taxable year. If the Fund purchases such inflation protected securities that are issued in stripped form either as stripped bonds or coupons, it will be treated as if it had purchased a newly issued debt instrument having original issue discount.

Because the Fund is required to distribute substantially all of its net investment income (including accrued original issue discount), the Fund's investment in either zero coupon bonds or TIPS may require the Fund to distribute to shareholders an amount greater than the total cash income it actually receives. Accordingly, in order to make the required distributions, the Fund may be required to borrow or liquidate securities.

When-Issued, To –Be-Announced and Delayed Delivery Securities. A Fund may purchase securities on a when-issued, to-be-announced ("TBA") or delayed delivery basis and may purchase securities on a forward commitment basis. The purchase price of the securities is typically fixed at the time of the commitment, but delivery and payment can take place a month or more after the date of the commitment. At the time of delivery of the securities, the value may be more or less than the purchase or sale price. Purchase of securities on a when-issued, TBA, delayed delivery, or forward commitment basis may give rise to investment leverage, and may result in increased volatility of the Fund's net asset value. Default by, or bankruptcy of, a counterparty to a when-issued, TBA or delayed delivery transaction would expose the Fund to possible losses because of an adverse market action, expenses or delays in connection with the purchase or sale of the pools specified in such transaction.

Writing and Purchasing Call and Put Options. Each Fund may write (sell) or purchase call and put options on an index as discussed in the prospectus or any other index in the future. The purpose of the strategy is to generate additional income for the Fund. A Fund may also purchase put and call options on such indices.

Options on indices are similar to options on a security or other instrument (which are described below) except that, rather than settling by physical delivery of the underlying instrument, options on indices settle by cash settlement; that is, an option on an index gives the option holder (purchaser) the right to receive, upon exercise of the option, an amount of cash if the closing level of the index upon which the option is based is greater than, in the case of a call, or is less than, in the case of a put, the strike (exercise) price of the option. This amount of cash is equal to the difference between the closing price of the index and the strike (exercise) price of the option times a specified multiple (multiplier), which determines the total dollar value for each point of such difference. The seller of the option is obligated, in return for the premium received, to make delivery of this amount.

A securities index fluctuates with changes in the market values of the securities included in the index. The gain or loss on an option on an index depends on price movements in the instruments comprising the market, market segment, industry or other composite on which the underlying index is based, rather than price movements in individual securities, as is the case with respect to options on individual securities. The risks of investment in options on indices may be greater than the risks of investment in options on securities.

For a call option written (sold) by a Fund, the premium, the strike (exercise) price and the market value of the security determine the gain or loss realized by a Fund as the seller of the call option. Thus, if a written (sold) option expires unexercised, the Fund realizes a capital gain equal to the premium received at the time the option was written. A Fund can also repurchase the call option prior to the expiration date, ending its obligation. In this case, the cost of entering into closing purchase transactions will determine the gain or loss realized by the Fund. A Fund's purpose in writing call options is to realize greater income than would be realized on portfolio securities transactions alone. However, a Fund may forego the opportunity to profit from an increase in the market price of the underlying security.

The principal factors affecting the market value of a put or a call option include supply and demand, the current price level of the reference index in relation to the strike (exercise) price of the option, the volatility of the reference index, and the time remaining until the expiration date. The Funds' "iron condors" are susceptible to particular risks during periods of extreme market movements or if market conditions diverge from historical patterns.

There can be no assurance that a closing purchase or sale transaction can be consummated when desired. There is no assurance that a liquid secondary market on a domestic or foreign options exchange will exist for any particular exchange-traded option or at any particular time.

Reasons for the absence of a liquid secondary market on an exchange include, but are not limited to, the following: (i) there may be insufficient trading interest in certain options; (ii) restrictions may be imposed by an exchange on opening or closing transactions or both; (iii) trading halts, suspensions or other restrictions may be imposed with respect to particular classes or series of options; (iv) unusual or unforeseen circumstances may interrupt normal operations on an exchange; (v) the facilities of an exchange or the Options Clearing Corporation may not at all times be adequate to handle current trading volume; or (vi) one or more exchanges could, for economic or other reasons, decide or be compelled at some future date to discontinue the trading of options (or a particular class or series of options), in which event the secondary market on that exchange (or in that class or series of options) would cease to exist although outstanding options on that exchange that had been issued by the Options Clearing Corporation as a result of trades on that exchange would continue to be exercisable in accordance with their terms.

There can be no assurance that higher trading activity, order flow or other unforeseen events will not, at times, render certain of the facilities of the Options Clearing Corporation or various exchanges inadequate. Such events have, in the past, resulted in the institution by an exchange of special procedures, such as trading rotations, restrictions on certain types of order or trading halts or suspensions with respect to one or more options. These special procedures may limit liquidity.

Transactions by a Fund in options will be subject to limitations established by each of the exchanges, boards of trade or other trading facilities on which such options are traded governing the maximum number of options in each class which may be written or purchased by a single investor or group of investors acting in concert regardless of whether the options are written or purchased on the same or different exchanges, boards of trade or other trading facilities or are held in one or more accounts or through one or more brokers. Thus, the number of options which a Fund may write or purchase may be affected by options written or purchased by the Adviser on behalf of its other investment advisory clients. An exchange, board of trade or other trading facility may order the liquidation of positions found to be in excess of these limits, and it may impose certain other sanctions.

The writing and purchase of options is a highly specialized activity which involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. The use of options to seek to increase total return involves the risk of loss if the Adviser is incorrect in its expectation of fluctuations in markets. The successful use of options for hedging purposes also depends in part on the ability of the Adviser to accurately anticipate future price fluctuations and the degree of correlation between the options and securities markets. If the Adviser is incorrect in its expectation of changes in securities prices or determination of the correlation between the securities or indices on which options are written (sold) and purchased and the securities in a Fund's investment portfolio, the Fund may incur losses that it would not otherwise incur or the investment performance of the Fund will be less favorable than it would have been in the absence of such options transactions. The writing (selling) and purchasing of options could increase a Fund's portfolio turnover rate and, therefore, associated costs.

Once an option writer has received an exercise notice, it cannot effect a closing purchase transaction in order to terminate its obligation under the option and must deliver the underlying reference instrument at the strike (exercise) price. If a put or call option purchased by the Fund is not sold when it has remaining value, and if the market price of the underlying security remains equal to or greater than the strike (exercise) price (in the case of a put), or remains less than or equal to the strike (exercise) price (in the case of a call), the Fund will lose the premium it paid for the option. Furthermore, if trading restrictions or suspensions are imposed on options markets, the Fund may be unable to close out a position.

Options in which the Funds invest are usually traded on an exchange or through a central counterparty. The Fund is thus subject to the credit risk of the clearinghouse. Certain derivatives are subject to mandatory exchange trading and/or clearing. Central clearing is intended to reduce counterparty credit risk and is intended to increase liquidity but does not make derivatives transactions risk-free. To the extent that a Fund invests in options that are not traded on an exchange or through a central counterparty, the Adviser will evaluate the creditworthiness and financial responsibility of any counterparty based on factors deemed relevant by the Adviser. However, any such transaction would be subject to risks associated with the particular counterparty, including its creditworthiness.

Fundamental Investment Restrictions

The investment restrictions set forth below are fundamental policies of each Fund and may not be changed, except as may otherwise be described below, without the approval of a majority of the outstanding voting securities of that Fund. For purposes of the fundamental investment restrictions, the phrase "to the extent permitted under the 1940 Act and the rules and regulations thereunder" is informed by guidance and interpretations of the SEC or its staff or exemptive relief from the SEC.

1. Each Fund may borrow money to the extent permitted under the 1940 Act and the rules and regulations thereunder.
2. Each Fund may issue senior securities to the extent permitted under the 1940 Act and the rules and regulations thereunder.
3. Each Fund may act as an underwriter of securities issued by others to the extent it could be considered an underwriter in the acquisition and disposition of restricted securities.
4. Each Fund may purchase or sell real estate to the extent permitted under the 1940 Act and the rules and regulations thereunder.
5. Each Fund may invest in physical commodities or contracts relating to physical commodities to the extent permitted under the 1940 Act and the rules and regulations thereunder.
6. Each Fund may make loans to the extent permitted under the 1940 Act and the rules and regulations thereunder.
7. Each Fund may not "concentrate" its investments in a particular industry or group of industries, as that term is defined in the 1940 Act and the rules and regulations thereunder.

In addition to the fundamental restrictions listed above, each Fund will operate in a manner consistent with its classification as a "diversified company," as that term is defined in the 1940 Act and the rules and regulations thereunder.

Additional Information Regarding Fundamental Investment Restrictions

Borrowing. The Funds are limited in the amount they may borrow by the 1940 Act. The 1940 Act permits a Fund to borrow from banks in an amount up to 33 1/3% of the Fund's assets, including the amount borrowed. One exception is that a Fund may also issue a note evidencing a temporary loan (*i.e*., one that must be repaid within 60 days), as long as it does not exceed 5% of the Fund's total assets.

Senior Securities. The 1940 Act prohibits the Funds from issuing "senior securities," except for borrowings where certain conditions are met. In addition, under the 1940 Act, certain types of transactions entered into by a Fund, including reverse repurchase agreements, short sales, and when-issued and delayed delivery transactions, may be considered forms of indebtedness having priority over shareholders to Fund assets in liquidation and, therefore, may be considered to be senior securities. These activities are permissible investments for the Funds under the 1940 Act, so long as the investments are "covered" in accordance with applicable SEC guidance.

Real Estate. A Fund may acquire real estate as a result of ownership of securities or other instruments and a Fund may invest in securities or other instruments backed by real estate or securities of companies engaged in the real estate business or real estate investment trusts.

Commodities. Under the federal securities and commodities laws, certain financial instruments such as futures contracts and options thereon, including currency futures, stock index futures or interest rate futures, and certain swaps, including currency swaps, interest rate swaps, swaps on broad-based securities indices and certain credit default swaps, may, under certain circumstances, also be considered to be commodities. Nevertheless, the 1940 Act permits a Fund to invest in commodities as well as financial instruments or derivatives that may be deemed to be commodities or commodities interests under the 1940 Act.

Loans. Although the 1940 Act does not prohibit a fund from making loans, SEC staff interpretations currently prohibit funds from lending more than one-third of their total assets, except through the purchase of debt obligations or the use of repurchase agreements.

Concentration. Although the 1940 Act does not define what constitutes "concentration" in an industry or group of industries, the staff of the SEC takes the position that any fund that invests more than 25% of its total assets in one or more issuers conducting their principal business activities in a particular industry or group of industries (other than securities issued or guaranteed by the U.S. government, its agencies or instrumentalities) is deemed to be "concentrated" in that industry or group of industries. In applying this restriction to derivative transactions or instruments, including, but not limited to, futures, swaps, forwards, options and structured notes, the Fund will look to the industry of the reference asset(s) and not to the counterparty or issuer. The Funds do not apply this restriction to (i) repurchase agreements collateralized by securities issued or guaranteed by the U.S. government, its agencies or instrumentalities, (ii) securities issued or guaranteed by the U.S. government, its agencies or instrumentalities, including U.S. government agency securities, (iii) municipal securities, or (iv) mortgage-backed securities and privately issued mortgage-related securities.

For purposes of a Fund's industry concentration policy, the Adviser may analyze the characteristics of a particular issuer and instrument and may assign an industry classification consistent with those characteristics. The Adviser may, but need not, consider industry classifications provided by third parties.

Diversification. Section 8(b) of the 1940 Act requires each series of an investment company to state whether it is "diversified" or "non-diversified," as those terms are defined in the 1940 Act. A diversified fund may not, with respect to 75% of its total assets: (i) invest more than 5% of its total assets in the securities of one issuer, or (ii) hold more than 10% of the outstanding securities of such issuer (the "75% test"). Under the 1940 Act, a "non-diversified" fund is any fund that is not considered diversified and is not, therefore, constrained by the 75% test.

Fund Governance

The Board oversees the management and operations of the Trust and is responsible for deciding matters of overall policy. The Board has appointed officers of the Trust who conduct and supervise the Funds' daily business operations and engaged various service providers to the Trust, such as the Adviser, the distributor, the administrator, the custodian and the transfer agent, who are responsible for the day-to-day management and operation of the Trust. Trustees who are not deemed to be "interested persons" of the Trust (as defined in the 1940 Act) are referred to as "Independent Trustees." The Trustee who is deemed to be an "interested person" of the Trust is referred to as the "Interested Trustee."

The officers of the Trust are responsible for monitoring and reporting to the Board on the Trust's operations. The Board receives regular reports from these officers and service providers regarding the Trust's operations. The Board has appointed a Chief Compliance Officer who administers the Trust's compliance program, oversees the compliance programs of certain service providers to the Trust, and regularly reports to the Board as to compliance matters. The Board meets as often as necessary to discharge its responsibilities. The Board is expected to meet at regularly scheduled meetings 4 times a year and also may meet in-person or by telephone at special meetings to discuss specific matters that may require action or consideration prior to the next regularly scheduled meeting. The Board held its first meeting in October 2017.

In all cases, however, the role of the Board and of any individual Trustee is one of oversight and not of management of the day-to-day affairs of the Trust and its oversight role does not make the Board a guarantor of the Trust's investments, operations or activities.

Board Structure and Leadership

The Board consists of four Trustees, a majority of whom are considered Independent Trustees. Richard M. Goldman, an Independent Trustee, is Chairman of the Board, whose duties include preparation of agendas for meetings of the Board, presiding at meetings of the Board, acting as a liaison between the other Trustees, the Trust's officers, the Adviser, other service providers and counsel to the Independent Trustees. As described below, the Board has established an Audit Committee and a Nominating and Governance Committee to assist the Board in fulfilling its oversight function.

The Trustees have determined that the Trust's leadership structure is appropriate because it allows the Trustees to effectively perform their oversight responsibilities.

Board Oversight of Risk Management

The day-to-day management of various risks related to the administration and operation of the Trust is the responsibility of management and other service providers retained by the Trust or by management, most of whom employ professional personnel who have risk management responsibilities. Risk management is a broad concept comprised of many elements. Accordingly, Board oversight of different types of risks is handled in different ways. The Board effectuates its oversight role primarily through regular and special meetings of the Board and Board committee(s). As part of its oversight function, the Board receives and reviews various risk management reports and assessments and discusses these matters with appropriate management and other personnel, including periodic reports as to service provider oversight and monitoring risks that might be present with individual portfolio managers or specific investment strategies. The Independent Trustees will meet periodically with the Chief Compliance Officer to discuss compliance and other risks.

In its oversight role, the Board has adopted, and periodically reviews, policies and procedures designed to address risks associated with the Trust's activities. In addition, the Adviser and the Trust's other service providers have adopted policies, processes and procedures to identify, assess and manage risks associated with the Trust's activities. The Board recognizes that it is not possible to identify all of the risks that may affect the

Funds or to develop processes and controls to mitigate or eliminate all risks and their possible effects, and that it may be necessary to bear certain risks (such as investment risks) to achieve the Funds' investment objectives. The Board may, at any time and in its discretion, change the manner in which it conducts risk oversight.

Trust Committees

The Board has established an Audit Committee, which is comprised of all of the Independent Trustees. The function of the Audit Committee is to, among other things, review the scope and results of the annual audit of the Funds and any matters bearing on the audit or the Funds' financial statements and to ensure the integrity of the Funds' financial reporting. The Audit Committee also recommends to the Board the annual selection of the independent registered public accounting firm for the Funds and it reviews and pre-approves audit and certain non-audit services to be provided by the independent registered public accounting firm. The Chairman of the Audit Committee is Michael G. Doorley. The Board has determined that Michael G. Doorley is an "audit committee financial expert" (as such term is defined in applicable SEC rules and forms). The Audit Committee has met one time since the Trust's organization.

The Board has established a Nominating and Governance Committee, which is comprised of all of the Independent Trustees. The function of the Nominating and Governance Committee is to, among other things, make recommendations to the Board concerning all other matters pertaining to the functioning of the Board and committees of the Board and pertaining generally to the governance of the Trust. The Chairman of the Nominating and Governance Committee is Thomas F. Lydon, Jr. The Nominating and Governance Committee has met one time since the Trust's organization.

TRUSTEES AND OFFICERS

The following table provides basic biographical information about the Trustees as of the date of this SAI, including their years of birth, position with the Trust, term of office with the Trust and length of time served, and their principal occupation and other directorships for the past five years are set forth below.

Independent Trustees

Name, Address* and Year of Birth	Position(s) Held with Trust	Term of Office and Length of Time Served**	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee During Past 5 Years
Michael G. Doorley (1955)	Trustee, Chairman of Audit Committee	October 2017	Founder, US Debt Forum (start-up company to solicit ideas on how to reduce the US national debt) (2016-present); Executive Vice President and Chief Operating Officer (2013-2016), Thornburg Investment Management, Inc. (registered investment adviser); Principal, MGD Associates (consulting business) (2011-present).	3	Board of Directors of Thornburg Global Investments, Plc. (Chairman) (2015-2017); Board of Directors of Santa Fe Opera (2015-2017)
Richard M. Goldman (1961)	Trustee and Chairman	October 2017	Managing Member, Becket Capital, LLC (advisory services firm) (2012-present); Chief Operating Officer, Guggenheim Investments (registered investment adviser) (2011-2012); Chief Executive Officer, Rydex Investments (registered investment adviser) (2007-2012).	3	Board of Trustees of OSI ETF Trust (5 funds) (November 2016-present); Board of Trustees of Trinitas Capital Management, LLC (June 2017-present)

Name, Address* and Year of Birth	Position(s) Held with Trust	Term of Office and Length of Time Served**	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee During Past 5 Years
Thomas F. Lydon, Jr. (1960)	Trustee, Chairman of Nominating & Governance Committee	October 2017	President, Global Trends Investments (registered investment adviser) (1996-present); Founder and Editor, ETF Trends (ETF website) (2005-present); Founder, ETF Virtual Summits (education ETF virtual conferences) (2011-present); Co-Founder, IRIS.xyz (financial services website) (2015-present).	3	Board of Trustees of US Global Investors (GROW) (1995-present); Board of Trustees of Guggenheim Investments (2005-present); Board of Trustees of Frame Global Asset Management (2016-present).

Interested Trustee

Name, Address* and Year of Birth	Position(s) Held with Trust	Term of Office and Length of Time Served**	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee During Past 5 Years
Curtis F. Brockelman, Jr. (1968)	Trustee and President	October 2017	Co-Founder and Managing Partner- Chief Risk Officer, Harvest Volatility Management, LLC.	3	None.

* The business address of each Trustee is c/o Harvest Volatility Edge Trust, 420 Lexington Ave., Suite 2620, New York, NY 10170.

** Each Trustee serves an indefinite term, until his or her successor is duly elected and qualified.

*** Mr. Brockelman is a Trustee who is considered to be an “interested person” of the Trust within the meaning of the 1940 Act because of his affiliation with the Adviser.

Officers

The following table provides basic information about the officers of the Trust who are not named above, including principal occupations during the past five years.

Name, Address* and Year of Birth	Position(s) Held with Trust	Term of Office** and Length of Time Served	Principal Occupation(s) During Past 5 Years
Joe Clough (born 1970)	Treasurer	October 2017	Chief Financial Officer of Harvest Volatility Management, LLC (2015-Present); Managing Director and Chief Financial Officer, XE Capital Management, LLC (2008-2015).
Keith A. Fletcher (born 1958)	Secretary	October 2017	Principal and Founder, JAHFT Solutions (January 2017 – Present) (financial services consultancy); Principal and Chief Distribution Officer, Riskx Investments (2012 – 2017) (investment adviser).
Lucas D. Foss (born 1977)	Chief Compliance Officer	December 2017	Vice President and Deputy Chief Compliance Officer of ALPS Fund Services, Inc. (November 2017 – Present); Director of Compliance of Transamerica Asset Management (2015 – November 2017); Deputy Chief Compliance Officer of ALPS Fund Services, Inc. (2012 – 2015).

* The business address of each officer is c/o Harvest Volatility Edge Trust, 420 Lexington Ave., Suite 2620, New York, NY 10170.

** Each officer serves an indefinite term, until his or her successor is duly elected and qualified.

Information about Each Trustee's Qualification, Experience, Attributes or Skills

The Board believes that each of the Trustees has the qualifications, experience, attributes and skills appropriate to their service as Trustees in light of the Trust's business and structure. Experience, qualifications, attributes and/or skills common to all Trustees include demonstrated record of business and/or professional accomplishment, the ability to critically review, evaluate and discuss information provided to them and to interact effectively with the other Trustees and with representatives of service providers to the Trust, and the capacity to evaluate financial and legal matters and exercise reasonable business judgment. In addition, each of the Trustees has demonstrated a commitment to discharging their oversight duties as Trustees in the interests of shareholders. The Board will annually conduct a "self-assessment" wherein the effectiveness of the Board and its committee(s) is reviewed.

The following is a summary of qualifications, experiences, attributes and skills of each Trustee (in addition to the information in the table above) that support the conclusion that each individual is qualified to serve as a Trustee.

Independent Trustees

Mr. Doorley. Mr. Doorley has extensive experience in the investment management business. He served as Executive Vice President and Chief Operating Officer of Thornburg Investment Management, Inc., an SEC registered investment adviser. He also served as a Trustee on the Board of Trustees of Thornburg Global Investments, Plc. In 2016, Mr. Doorley founded US Debt Forum, a start-up company organized to solicit ideas to reduce the US national debt.

Mr. Goldman. Mr. Goldman founded and is a Managing Member of Beckett Capital, a firm that advises and partners with financial services and asset management chief executive officers and executive teams on accelerating business growth and the enhancement of shareholder value. Mr. Goldman has extensive experience in the investment management business, including serving as Chief Operating Officer of Guggenheim Investments and the Chief Executive Officer of Rydex Investments, Chairman of the Securities Funds' Board of Trustees, Trustee of the Rydex Investments Funds' Board of Trustees, and a Trustee of the OSI ETF Trust's Board of Trustees.

Mr. Lydon. Mr. Lydon has extensive experience in the financial services industry and knowledge of the mutual fund business. He has served as a Trustee of Rydex Series Funds, Rydex Dynamic Funds, Rydex Variable Trust, and Rydex ETF Trust since 2005. Mr. Lydon is currently President of Global Trends Investments, an SEC registered investment adviser, where he has served since 1996. Mr. Lydon has also served on the board of U.S. Global Investors, Inc. (GROW), the investment adviser and transfer agent to thirteen open-end investment companies, since April 1995, and is the editor of ETF Trends, a website specializing in daily news and commentary about the ETF industry. He has also authored two books about ETFs.

Interested Trustee

Mr. Brockelman. Mr. Brockelman is a Co-Founder and Managing Partner-Chief Risk Officer of Harvest Volatility Management, LLC, the Adviser. He has extensive experience in the financial services industry, including previously serving as Chief Investment Officer and Founder of Perch Bay Partners, LLC, a volatility arbitrage hedge fund, and as Senior Vice President of Investments of Smith Barney.

Trustee Ownership of Fund Shares

Because the Funds have not commenced operations as of the date of this SAI, no Trustees beneficially owned any shares of the Funds as of the end of the most recently completed calendar year.

Compensation

Each Independent Trustee will be compensated for service as a Trustee of the Trust and as a member of the Nominating and Governance Committee and Audit Committee. The Chairman and each Committee Chairman will receive additional compensation for their services in such role. Each Independent Trustee will receive additional compensation for attending each Board meeting. The Independent Trustees will also be reimbursed for reasonable travel expenses incurred in connection with attending meetings. The Trust may also pay the reasonable incidental costs of a Trustee to attend training or other types of conferences relating to the investment company industry. Each Fund in the Trust will pay a pro rata share of these fees. The pro rata share that will be paid by each Fund is based on each Fund's average net assets as a percentage of the average net assets of all of the Funds in the Trust as of the end of the relevant fiscal year. The Trust will not pay any compensation to the Interested Trustee.

The Funds commenced operations on or about the date of this SAI. Accordingly, no Trustee received any compensation during the last fiscal year. The table below sets forth the anticipated compensation to be received by the Independent Trustees for the fiscal year ending October 31, 2018. The Trust has no pension or retirement plan or benefits.

Name of Independent Trustee	Aggregate Fiscal Year Compensation from the Trust
Michael G. Doorley	$35,500
Richard M. Goldman	$38,000
Thomas F. Lydon, Jr.	$35,500

Management of the Funds

The Adviser

Harvest Volatility Management, LLC, located at 420 Lexington Ave., Suite 2620, New York, NY 10170, is the Funds' investment adviser. The Adviser is a Delaware limited liability company and an investment adviser registered with the SEC since 2008.

Under the terms of an investment advisory agreement (the "Advisory Agreement"), the Adviser manages the Funds' investments subject to oversight by the Board. As compensation for its advisory services, each of the Funds are obligated to pay the Adviser a fee computed and accrued daily and paid monthly at the following annual rate based on the average daily net assets of the applicable Fund:

Harvest Edge Absolute Fund	0.65%
Harvest Edge Equity Fund	0.55%
Harvest Edge Bond Fund	0.45%

The Advisory Agreement may be terminated with respect to a Fund at any time on 60 days' written notice by the Adviser or by the Board or by a vote of a majority of the outstanding voting securities of a Fund. The Advisory Agreement will automatically terminate upon any "assignment" (as such term is defined in and interpreted under the 1940 Act) thereof, will continue in effect for two years from its initial effective date and thereafter will continue from year to year with respect to a Fund only so long as such continuance is approved at least annually (i) by the Board or by a vote of a majority of the outstanding voting securities of a Fund and (ii) by vote of a majority of the Trustees who are not interested persons (as such term is defined in the 1940 Act) of the Adviser or the Trust, cast in person at a meeting called for the purpose of voting on such approval. The 1940 Act provides that a "vote of a majority of the outstanding voting securities" of a Fund means the affirmative vote of the lesser of (1) more than 50% of the outstanding shares of a Fund, or (2) 67% or more of the shares present at a meeting if more than 50% of the outstanding shares of a Fund are represented at the meeting in person.

The Adviser and/or its affiliates may from time to time waive fees and/or reimburse certain Fund expenses. See the Funds' prospectus for more information.

Because the Funds have not yet commenced operations as of the date of this SAI, information on advisory fees paid by the Funds is not included in this SAI.

About the Portfolio Managers

A team of investment professionals manages each of the Funds. The team members who are jointly and primarily responsible for the day-today management of the Fund are: Richard L. Selvala, Jr., Curtis F. Brockelman, Jr., Michael Zigmont, CFA, and Tim Knowles. As of September 30, 2017, Richard L. Selvala, Jr., Curtis F. Brockelman, Jr., Michael Zigmont, CFA, and Tim Knowles were responsible for managing the following types of accounts for the Adviser, other than the Funds:

Richard L. Selvala, Jr.

	Total Accounts		Accounts with Performance Fees	
Other Accounts Managed	**Number of Accounts**	**Assets (*in millions*)**	**Number of Accounts**	**Assets (*in millions*)**
Registered Investment Companies	0	$ 0	0	$ 0
Other Pooled Investment Vehicles	1	$ 16.8	0	$ 0
Other Accounts	998	$10,702	996	$10,710

Curtis F. Brockelman, Jr.

Other Accounts Managed	Total Accounts		Accounts with Performance Fees	
	Number of Accounts	Assets (*in millions*)	Number of Accounts	Assets (*in millions*)
Registered Investment Companies	0	$ 0	0	$ 0
Other Pooled Investment Vehicles	1	$ 16.8	0	$ 0
Other Accounts	998	$10,701	996	$10,710

Michael Zigmont, CFA

Other Accounts Managed	Total Accounts		Accounts with Performance Fees	
	Number of Accounts	Assets (*in millions*)	Number of Accounts	Assets (*in millions*)
Registered Investment Companies	0	$ 0	0	$ 0
Other Pooled Investment Vehicles	0	$ 16.8	0	$ 0
Other Accounts	1,008	$10,710	996	$10,710

Tim Knowles

Other Accounts Managed	Total Accounts		Accounts with Performance Fees	
	Number of Accounts	Assets (*in millions*)	Number of Accounts	Assets (*in millions*)
Registered Investment Companies	0	$ 0	0	$ 0
Other Pooled Investment Vehicles	1	$ 16.8	0	$ 0
Other Accounts	1,006	$10,709	996	$10,710

Compensation. The Portfolio Managers receive a fixed annual base salary from the Adviser. Curtis F. Brockelman, Jr. and Richard L. Selvala, Jr. have an ownership interest in the Adviser and may receive distributions from the Adviser, which may come from profits generated by the Adviser. Each of the Portfolio Managers is eligible to receive a discretionary bonus based on a number of factors, including scope of responsibility, skills, knowledge, experience and market competitiveness, amount and nature of assets managed by the Portfolio Manager, overall contributions to the Adviser's business operations and the profitability of the Adviser.

Potential Conflicts of Interest. Actual or apparent conflicts of interest may arise when a portfolio manager has day-to-day management responsibilities with respect to more than one fund or other account. The Adviser (and the portfolio managers) provide investment management services to multiple portfolios for multiple clients, which may have different investment management fees or performance-based compensation arrangements than other clients. The simultaneous management of accounts may create potential conflicts of interest with respect to allocation of investment opportunities and time and may incentivize the Adviser (and the portfolio managers) to favor certain accounts. The Adviser has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts, including accounts with multiple fee arrangements, and the allocation of investment opportunities.

The Adviser's procedures relating to the allocation of investment opportunities require that similarly managed accounts participate in investment opportunities pro rata based on asset size. The Adviser may also take into account the client's investment objectives, strategies and risk profile; any restrictions placed on a client's portfolio by the client or by federal or state law; the size of the account; the total portfolio invested position; the nature of the security to be allocated; the size of the available position; the supply or demand for a security at a given price level; the current market conditions; the timing of cash flows and account liquidity; and any other information determined to be relevant to the fair allocation of securities. The Adviser's procedures also require that, to the extent orders are aggregated, the client orders are price-averaged. Finally, the Adviser's procedures also require that limited opportunities (such as initial public offerings and private placements) be allocated in any manner deemed appropriate by the Adviser under the circumstances.

From time to time, the Adviser's allocation or aggregation methodology may vary from the methods summarized above based on factors deemed by the Adviser to be relevant. These variations will be designed to be fair and equitable over time.

Code of Ethics. The Trust, the Adviser and the Distributor (as defined below) have each adopted a code of ethics pursuant to Rule 17j-1 under the 1940 Act. These codes of ethics are designed to eliminate conflicts of interest between the Funds and personnel of the Trust, the Adviser and the Distributor. The codes permit such personnel to invest in securities, including securities that may be purchased or held by the Funds, subject to the provisions of the codes and certain employees are also subject to pre-clearance, reporting requirements and/or other procedures. These Codes of Ethics can be reviewed and copied at the SEC's Public Reference Room and may be obtained by calling the SEC at 202.551.8090; they also are available on the SEC's website at www.sec.gov, and may be obtained, after paying a duplicating fee, by electronic request to publicinfo@sec.gov or by writing to the SEC's Public Reference Section, Washington, D.C. 20549-1520.

Securities Ownership. The Funds have not commenced operations as of the date of this SAI. As of such date, the portfolio managers did not own any shares of the Funds.

Portfolio Transactions

Subject to policies established by the Board, as well as the terms of the Advisory Agreement, the Adviser is responsible for decisions to buy and sell securities and other instruments and assets for a Fund, for the selection of broker-dealers, for the execution of a Fund's transactions and for the allocation of brokerage commissions in connection with such transactions. The Adviser effects transactions for the Fund consistent with its duty to seek best execution of client (including the Funds) orders under the circumstances of the particular transaction. In seeking such execution, the Adviser will use its best judgment in evaluating the terms of a transaction, and will give consideration to various relevant factors, including, without limitation: the financial stability of the broker; the actual executed price of the security and the broker's commission rates; the size and type of the transaction; the difficulty of execution and the ability to handle difficult trades; the operational facilities of the brokers and/or the dealers involved; and the ability to handle a block order for securities and distribution capabilities. Orders may be directed to any broker-dealer to the extent and in the manner permitted by applicable law and by the policies and procedures of the Adviser.

Investment decisions for the Funds are not always made independently from those other accounts advised by the Adviser. Investment decisions for the Funds and for the Adviser's other clients are made with the goal of achieving their respective investment objectives. A particular security may be bought or sold for only one client even though it may be held by, or bought or sold for, other clients. To the extent permitted by law, when a purchase or sale of the same security is made at substantially the same time on behalf of one or more of the Funds and another account, the Adviser may aggregate the securities to be sold or bought for the Funds with those to be sold or bought for other accounts in executing transactions, and such transactions will be allocated in a manner which the Adviser believes to be equitable to the Funds and such other account. In some instances, this investment procedure may adversely affect the price paid or received by a Fund or the size of the position obtained or sold by the Fund.

It is the current policy of the Adviser not to enter into traditional "soft dollar" arrangements. To the extent that the Adviser participates in "soft dollar" arrangements, such participation would be consistent with applicable legal requirements.

Commissions Paid

The Funds have not commenced operations as of the date of this SAI. As of such date, no brokerage commissions have been paid by the Funds.

Securities of Regular Broker Dealers

From time to time, a Fund may acquire and hold securities issued by its "regular brokers and dealers" or the parents of those brokers and dealers. For this purpose, regular brokers and dealers are the 10 brokers or dealers that: (1) received the greatest amount of brokerage commissions during the Fund's last fiscal year; (2) engaged in the largest amount of principal transactions for portfolio transactions of the Fund during the Fund's last fiscal year; or (3) sold the largest amount of the Fund's shares during the Fund's last fiscal year. Because the Funds have not commenced operations as of the date of this SAI, the Funds did not own securities of its regular brokers or dealers as of such date.

Portfolio Turnover

The frequency of portfolio transactions of a Fund (the portfolio turnover rate) will vary from year to year depending on many factors. From time to time, a Fund may engage in active short-term trading to take advantage of price movements affecting individual issues, groups of issues or markets. An annual portfolio turnover rate of 100% would occur if all the securities in a Fund were replaced once in a period of one year. Higher portfolio turnover rates may result in increased brokerage costs to a Fund and a possible increase in short-term capital gains or losses. Because the Funds have not commenced operations, as of the date of this SAI, the Funds have no portfolio turnover to report for prior fiscal years.

Disclosure of Portfolio Holdings

The Trust, on behalf of each Fund, has adopted a portfolio holdings disclosure policy that governs the timing and circumstances of disclosure of the holdings of the Funds. The policy was developed in consultation with the Adviser and has been adopted by the Adviser. Information about a Fund's holdings will not be distributed to any third party except in accordance with this policy. The Board considered the circumstances under which a Fund's holdings may be disclosed under this policy and the actual and potential material conflicts that could arise in such circumstances between the interests of a Fund's shareholders and the interests of the Adviser, the principal underwriter or any other affiliated person of the Fund. After due consideration, the Board determined that each Fund has a legitimate business purpose for disclosing holdings to persons described in the policy, including mutual fund rating or statistical agencies, or persons performing similar functions, and internal parties involved in the investment process, or custody of a Fund. Pursuant to the policy, the Trust's Chief Compliance Officer ("CCO"), President and Treasurer are each authorized to consider and authorize dissemination of portfolio holdings information to additional third parties, after considering the best interests of the shareholders and potential conflicts of interest in making such disclosures.

The Board exercises continuing oversight of the disclosure of each Fund's holdings by (1) overseeing the implementation and enforcement of the portfolio holding disclosure policy, Codes of Ethics and other relevant policies of each Fund and its service providers by the Trust's CCO, (2) by considering reports and recommendations by the Trust's CCO concerning any material compliance matters (as defined in Rule 38a-1 under the 1940 Act), and (3) by considering to approve any amendment to this policy. The Board reserves the right to amend the policy at any time without prior notice in its sole discretion.

Disclosure of the Funds' complete holdings is required to be made quarterly within 60 days of the end of each period covered by the Annual Report and Semi-Annual Report to Portfolio shareholders and in the quarterly holdings report on Form N-Q (or its successor form upon such time as required by applicable regulations). These reports are available, free of charge, on the EDGAR database on the SEC's website at www.sec.gov. A Fund may provide its complete portfolio holdings at the same time that it is filed with the SEC.

In the event of a conflict between the interests of a Fund and the interests of the Adviser or an affiliated person of the Adviser, the Adviser's CCO, in consultation with the Trust's CCO, shall make a determination in the best interests of the Fund, and shall report such determination to the Board at the end of the quarter in which such determination was made. Any employee of the Adviser who suspects a breach of this obligation must report the matter immediately to the CCO or to his or her supervisor.

In addition, material non-public holdings information may be provided without lag as part of the normal investment activities of each Fund to each of the following entities which, by explicit agreement or by virtue of their respective duties to the Funds, are required to maintain the confidentiality of the information disclosed, including a duty not to trade on non-public information: the Adviser, fund administrator, fund accountant, custodian, transfer agent, pricing vendors, proxy voting service providers, auditors, counsel to a Fund or the trustees, broker-dealers (in connection with the purchase or sale of securities or requests for price quotations or bids on one or more securities) and regulatory authorities. Holdings information not publicly available with the SEC or through the Funds' website may only be provided to additional third parties, including mutual fund ratings or statistical agencies, in accordance with the policy, when a Fund has a legitimate business purpose and when the third party recipient is subject to a confidentiality agreement that includes a duty not to trade on non-public information. A Fund may disclose portfolio holdings to transition managers, provided that the Fund or the Adviser has entered into a non-disclosure or confidentiality agreement with the transition manager.

In no event shall the Adviser, its affiliates or employees, a Fund, nor any other party in connection with any arrangement receive any direct or indirect compensation in connection with the disclosure of information about the Fund's holdings.

There can be no assurance that the policy and these procedures will protect the Funds from potential misuse of that information by individuals or entities to which it is disclosed.

From time to time, the Adviser may make additional disclosure of the Funds' portfolio holdings on the Funds' website. Shareholders can access the Funds' website at www.hvmfunds.com for additional information about a Fund, including, without limitation, the periodic disclosure of its portfolio holdings.

PROXY VOTING POLICY

The Board has adopted Proxy Voting Policies and Procedures for the Trust, under which the Funds delegate responsibility for decisions regarding proxy voting for securities held by the Funds to the Adviser, subject to oversight by the Board. The Trust's policy requires that, in cases where a matter with respect to which a Fund is entitled to vote presents a conflict between the interest of a Fund's shareholders, on the one hand, and those of the Adviser, distributor or other affiliated person of the Fund, on the other hand, the Fund will vote in the best interest of the Fund's shareholders.

The Adviser's proxy voting policy and procedures are designed to reasonably ensure that it votes proxies prudently and in the best interest of its advisory clients for whom it has voting authority, including the Fund, without regard to the Adviser's own interests or those of its affiliates. To assist the Adviser in researching and voting proxies, the Adviser may utilize the research and implementation services of a third-party proxy service provider.

Should a conflict of interest arise, the Adviser's proxy voting policies and procedures require that it take appropriate steps to seek to mitigate and address the conflict. For example, the Adviser could determine to abstain from casting a vote for the Fund or utilize a third-party proxy service provider and follow its recommendation. The method selected by the Adviser to resolve the conflict may vary from one instance to another depending upon the facts and circumstances of the situation, but in each case, consistent with its duties to its clients.

Information about how each Fund voted proxies relating to portfolio securities during the most recent twelve-month period ended June 30 may be obtained (1) without charge, upon request, by calling 1-844-434-4838 and (2) on the SEC's website at http://www.sec.gov.

PURCHASE, EXCHANGE & REDEMPTION OF SHARES

The Transfer Agent will maintain an account for each shareholder upon which the registration and transfer of shares are recorded, and any transfers shall be reflected by bookkeeping entry, without physical delivery. Confirmations of each purchase, exchange or redemption are sent to each shareholder. Quarterly statements of account are sent which include shares purchased as a result of a reinvestment of Fund distributions. The Transfer Agent will require that a shareholder provide requests in writing, accompanied by a valid signature guarantee form, when changing certain information in an account (*i.e.*, wiring instructions, telephone privileges, etc.).

Share Classes

Shares of each Fund are currently divided into two share classes – Investor Class and Institutional Class Shares.

The Funds reserve the right to make exceptions to any action taken to close the Funds or limit inflows into the Funds and delegates such authority to the Adviser.

The assets received by each class of the Funds for the issue or sale of their shares and all income, earnings, profits, losses and proceeds therefrom, subject only to the rights of creditors, are allocated to, and constitute the underlying assets of, that class of the Fund. The underlying assets of each class of the Funds are segregated and are charged with the expenses with respect to that class of that Fund along with a share of the general expenses of the Fund and Trust. Any general expenses of each Fund that are not readily identifiable as belonging to a particular Fund or class of a Fund are allocated by or under the direction of the Trustees in such manner as they determine to be fair and equitable.

Share Class Conversions

Fund shareholders may convert shares between Investor Class and Institutional Class Shares of the same Fund. Share class conversions must generally meet the minimum investment requirements described in "Investment Minimums" in the Prospectus, though the Funds reserve the right to waive or change investment minimums, and delegate such authority to the Adviser. A single Fund share class conversion is generally not considered a taxable transaction. The Funds do not impose fees for such conversions. You may request a share class conversion by telephone or by mail. Please call Shareholder Services at 1-844-434-4838 for more information. Please note: broker-dealers or financial intermediaries might restrict share class conversions, or they might impose fees on such conversions. The conversion feature for the share classes or a share class may be modified from time to time.

Purchases of Shares

The minimum thresholds for initial and subsequent investments in each Fund are set forth in the Prospectuses.

Subsequent investments may be made at any time by mailing a check to the Funds' Transfer Agent, along with a detachable stub from the Statement of Account (or a letter providing the account number). Shareholders should be sure to write the Fund's account number on the check. Purchases of Fund shares (initial or subsequent) may not be made by third party check.

Shares of a Fund may be purchased on any business day at the net asset value per share next determined after receipt of a purchase order. Share certificates will not be issued. Share purchase orders are effective on the date a Fund receives a completed Account Application Form (and other required documents) and federal funds become available.

Initial and subsequent investments may also be made by electronic funds transfer or wire transfer. Shareholders should note that their bank may charge a fee in connection with transferring money by bank wire.

For a share purchase order for a Fund to become effective on a particular business day, prior to 4:00 p.m. (Eastern time): (i) in the case of a wire transfer payment, a purchaser must call 1-844-434-4838 to inform the Transfer Agent of an incoming wire transfer; or (ii) in the case of payment by check or money order, a complete share purchase order must be received by the Transfer Agent, and, in either case, federal funds must be received by the Transfer Agent, on behalf of the Fund. If federal funds are received by the Transfer Agent that same day, the order will be effective on that day. If the Fund receives notification of a wire transfer or a complete share purchase order after 4:00 p.m. (Eastern Time), or if funds are not received by the Transfer Agent, such purchase order shall be executed as of the date that federal funds are actually received.

The price of a Fund's shares and the valuation of Fund assets are discussed in "Net Asset Value."

Exchanging Shares

If you have held all or part of your shares in a Fund for at least seven (7) days, you may exchange those shares for shares of the same class of the other Fund, if such Fund is available for sale in your state and meets your investment criteria.

Any new account established through an exchange will be subject to all minimum requirements applicable to the shares acquired. Any new account or new subscription established through an exchange is subject to any existing restrictions or conditions on the Fund that is to be acquired. The exchange privilege may only be exercised in those states where the class of shares being acquired legally may be sold. If you are an existing shareholder of a Fund, you may exchange into a new account copying your existing account registration and options. Exchanges between accounts will be accepted only if registrations are identical.

If a shareholder exchanges the shares of one Fund for another, the shareholder is not entitled to later reverse the exchange unless all the foregoing conditions are satisfied.

Before effecting an exchange, you should read the prospectus of the Fund into which you are exchanging.

An exchange represents the sale of shares of one fund and the purchase of shares of another fund. Under U.S. federal income tax law, this may produce a taxable gain or loss in your non-tax-deferred account. Transfers between classes of a single Fund are generally not considered a taxable transaction (see "Share Class Transfers" above).

The exchange privilege may be modified or terminated upon sixty (60) days written notice to shareholders. Although initially there will be no limit on the number of times you may exercise the exchange privilege, each Fund reserves the right to impose such a limitation. Call or write the Trust or the Transfer Agent for further details.

Redemption of Shares

If the Board determines that it is in the best interests of the remaining shareholders of a Fund, a Fund may pay the redemption price in whole, or in part, by a distribution in kind from the Fund, in lieu of cash, taking such securities at their value employed for determining such redemption price, and selecting the securities in such manner as such Board may deem fair and equitable. A shareholder who receives a distribution in kind may incur a brokerage commission upon a later disposition of such securities and may receive less than the redemption value of such securities or property upon sale, particularly where such securities are sold prior to maturity. Redemption in kind is not as liquid as a cash redemption.

Under the 1940 Act, each Fund may suspend the right of redemption or postpone the date of payment upon redemption for any period: (i) during which the NYSE is closed, other than customary weekend and holiday closings; (ii) during which trading on the NYSE is restricted; or (iii) during which (as determined by the SEC by rule or regulation) an emergency exists as a result of which disposal or valuation of portfolio securities is not reasonably practicable, or for such other periods as the SEC may permit. Each Fund may also suspend or postpone the recordation of the transfer of its shares upon the occurrence of any of the foregoing conditions.

Small Account Balance/Mandatory Redemption. If at any time your account balance falls below the applicable minimum initial investment amount for the share class and type of account described under "Investment Minimums" in the Prospectus due to redemptions, a letter may be sent advising you to add to your account to meet the applicable minimum account balance, to transfer your shares to another share class of the Fund for which you are eligible, or to redeem the remaining shares in your account. If action is not taken within 30 days of the notice, the Fund may require mandatory redemption of shares, or the Fund may elect to transfer the shares to another share class of the Fund for which you are eligible. The Fund may adopt other policies from time to time requiring mandatory redemption of shares in certain circumstances, such as to comply with new regulatory requirements.

The Fund reserves the right to waive or change investment minimums and delegates such authority to the Adviser. Employees of the Adviser and their families are not subject to any initial or subsequent investment minimums.

Redemption Procedures. Each Fund will redeem all full and fractional shares of the Fund upon request on any business day at the applicable net asset value determined after the receipt of proper redemption instructions. Shareholders liquidating their holdings will receive upon redemption all dividends reinvested through the date of redemption. If notice of redemption is received on any business day, the redemption will be effective on the date of receipt. Payment will ordinarily be made on the next business day, but, in any case, within no more than seven business days from the date of receipt. If the notice is received on a day that is not a business day or after the close of regularly scheduled trading on the NYSE, the redemption notice will be deemed received as of the next business day. The value of shares at the time of redemption may be more or less than the shareholder's cost.

No redemption requests will be processed until a Fund has received a completed Purchase Application, and no redemption of shares purchased by check will be made until all checks received for such shares have been collected, which may take up to 15 days or more.

Redemption by Mail. Shares may be redeemed by mail by submitting a written request from the registered owner(s) signed exactly as shares are registered. Signature guarantees by an acceptable guarantor are required to redeem amounts greater than $50,000 or to have proceeds sent to an address other than the address of record. The Transfer Agent has adopted standards and procedures pursuant to which signature-guarantees in proper form generally will be accepted from domestic banks, brokers, dealers, credit unions, national securities exchanges, registered securities associations, clearing agencies and savings associations, as well as from participants in the NYSE Medallion Signature Program, the Securities Transfer Agents Medallion Program ("STAMP") and the Stock Exchanges Medallion Program. Shareholders with any questions regarding signature guarantees should contact the Transfer Agent.

In certain instances, the Transfer Agent may require additional documents such as, but not limited to, trust instruments, death certificates, appointments as executor or administrator or certificates of corporate authority.

Checks for redemption proceeds will be mailed to the address of record within seven days of redemption.

Redemption by Electronic Funds Transfer. Redemption proceeds can be electronically transferred to a predesignated bank account on or about the second business day after receipt of a redemption request. There is no fee associated with this type of transfer.

Redemption by Wire. If redemption by wire has been elected in the Purchase Application, shares may be redeemed on any business day upon request made by telephone or letter. A shareholder or any authorized agent (so designated on the Account Application Form) must provide the Transfer Agent with the dollar or share amount to be redeemed, the account to which the redemption proceeds should be wired, the name of the shareholder and the shareholder's account number. Shareholders should note that a Fund or their bank may charge a fee in connection with transferring money by wire.

A shareholder may change its authorized agent, the address of record or the account designated to receive redemption proceeds at any time by providing the Transfer Agent with written instructions signature guaranteed as described above.

Telephone Redemption. A shareholder may request redemption by calling a shareholder services representative at 1-844-434-4838. Proceeds from telephone redemptions will be forwarded to the shareholder by check unless the shareholder has requested redemption by electronic funds transfer or wire in the manner described above under "Redemption by Wire." The check will be made payable only to the registered shareholder and sent to the address of record on file with the Transfer Agent. Each Fund reserves the right to refuse a telephone request for redemption if it is believed advisable to do so. Procedures for redeeming shares by telephone may be modified or terminated at any time by the Fund. Neither any Fund nor the Transfer Agent will be liable for following redemption instructions received by telephone which are reasonably believed to be genuine, and the shareholder will bear the risk of loss in the event of unauthorized or fraudulent telephone instructions. Each Fund will employ reasonable procedures to confirm that instructions communicated by telephone are genuine. The Fund and/or the Transfer Agent may be liable for any losses due to unauthorized or fraudulent instructions if they do not follow such procedures. Each Fund may require personal identification codes.

Medallion Signature Guarantee

A Medallion signature guarantee assures that a signature is genuine. It is intended to protect shareholders and the Funds against fraudulent transactions by unauthorized persons. Medallion signature guarantees are generally required by the Funds in the following cases:

- To change your designated bank account or bank address;
- To add bank information to an existing account;
- To request a redemption (must be made in writing) in excess of $50,000 ($100,000 for corporate accounts);
- To request a wire transfer or electronic funds transfer of redemption proceeds to a bank account other than the bank account of record;
- Requests for redemption proceeds to be mailed to an address other than the address of record;
- Redemptions made within 30 days of an address change;
- Certain transactions on accounts involving executors, administrators, trustees or guardians;
- On the IRA Transfer Form if transferring your Fund IRA to another mutual fund;
- To change registered account holders;
- To change the name on an account due to divorce or marriage (or you can provide a certified copy of the legal documents) showing the name change; and
- To add telephone privileges.

The Funds reserve the right to require a Medallion signature guarantee under these and other circumstances.

How to Obtain a Medallion Signature Guarantee

Medallion signature guarantees must be obtained from a participant in a Medallion program endorsed by the Securities Transfer Association. Participants are typically commercial banks or trust companies in the United States, brokerage firms that are members of the National Association of Securities Dealers, Inc. or members of the NYSE. Call your financial institution to see if it participates in a medallion program.

A Medallion signature guarantee may not be provided by a notary public.

DISTRIBUTOR

Shares of each Fund are offered on a continuous basis through ALPS Distributors, Inc., located at 1290 Broadway, Suite 1100, Denver, Colorado 80203, as distributor pursuant to a distribution agreement between the Distributor and the Trust, on behalf of the Funds ("Distribution Agreement"). The Distributor is not obligated to sell any specific amount of Fund shares.

The Distribution Agreement became effective with respect to each Fund after approval by the Board and upon execution by the parties thereto, and, after an initial two-year period, continues from year to year, provided that such continuation of the Distribution Agreement is specifically approved at least annually by the Board, including its Independent Trustees. The Distribution Agreement terminates automatically in the event of its "assignment" (as such term is defined in and interpreted under the 1940 Act), and is terminable with respect to each Fund at any time without penalty by the Trusts (by vote of the Board or by vote of a majority of the outstanding voting securities of the Fund) or by the Distributor on 60 days' written notice.

Distribution and/or Service Plans

Each Fund has adopted a plan under Rule 12b-1 of the 1940 Act for Investor Class Shares, as described below. Because the fees under the plan are paid on an ongoing basis, it will increase the cost of an investment in Investor Class Shares of a Fund.

Each Fund has adopted a Rule 12b-1 Plan (the "12b-1 Plan") on behalf of Investor Class Shares, which allows each Fund to pay fees to financial intermediaries (which may be paid through the Distributor) at an annual rate of 0.25% of the average daily net assets of each Fund's Investor Class Shares for the sale, distribution, administration, customer servicing and recordkeeping of these Shares. These fees may be paid to the Distributor, the Adviser and their affiliates. Each Fund may reduce the amount of Rule 12b-1 fees it pays from time to time in its sole discretion. In addition, a financial intermediary (including the Distributor, the Adviser or their affiliates) may voluntarily waive or reduce any fees to which they may be entitled.

Because the Funds have not yet commenced operations as of the date of this SAI, information on 12b-1 fees paid by the Funds is not included in this SAI.

ADDITIONAL FINANCIAL INTERMEDIARY COMPENSATION

As discussed in the Prospectus, the Funds may pay financial intermediaries for providing shareholder services, including the types of services that would otherwise be provided directly by a mutual fund's transfer agent. The level of payments made to financial intermediaries may vary by financial intermediary, platform type or other factors. A number of factors may be considered in determining payments to a financial intermediary, including, without limitation, the nature of the services provided to shareholders or retirement plan participants that invest in the Funds through retirement plans. These services may include sub-accounting, sub-transfer agency, participant recordkeeping, shareholder or participant reporting, shareholder or participant transaction processing, maintaining shareholder records, preparing account statements and/or the provision of call center support and other customer services.

The Adviser and/or its affiliates may make payments, from its own resources (not as a Fund expense), to certain financial intermediaries for marketing support services relating to the Funds, including, but not limited to, business planning assistance, educating financial intermediary personnel about the Funds and shareholder financial planning needs, placement on the financial intermediary's preferred or recommended fund list or otherwise identifying the Funds as being part of a complex to be accorded a higher degree of marketing support than complexes not making such payments, access to sales meetings, sales representatives and management representatives of the financial intermediary, client servicing and systems infrastructure support and data analytics. Not all financial intermediaries receive marketing support payments. These payments are generally based upon one or more of the following factors: average net assets of the Funds distributed by the Distributor attributable to that financial intermediary, gross sales of the Funds distributed by the Distributor attributable to that financial intermediary, compensation for ticket charges (fees that a financial intermediary firm charges its representatives for effecting transactions in Fund shares) or a negotiated lump sum payment.

ADMINISTRATOR

Each Fund currently employs ALPS Fund Services, Inc. ("ALPS"), located at 1290 Broadway, Suite 1100, Denver, Colorado 80203, under an administration, bookkeeping and pricing services agreement between the Trust and ALPS, on behalf of the Funds, to provide certain administrative and other related services to the Funds. Under this agreement, ALPS receives from the Trust the greater of (i) an annual minimum fee per Fund or (ii) a basis points fee based on the Trust's annual net assets. Additionally, ALPS provides Chief Compliance Officer services to the Trust under a separate agreement. The cost for the Chief Compliance Officer services is charged to the Funds. The Funds had not commenced operations prior to the date of this SAI. Accordingly, no administration fees data is provided.

TRANSFER AGENT

Each Fund currently employs ALPS, located at 1290 Broadway, Suite 1100, Denver, Colorado 80203, under a transfer agency and services agreement between the Trust and ALPS, on behalf of the Funds, to provide certain transfer agency and other related services to the Funds. Under this agreement, ALPS receives from the Trust the greater of (i) an annual minimum fee per Fund or (ii) a basis points fee based on the Trust's annual net assets. ALPS receives additional fees based upon the number of shareholder accounts and is also reimbursed for out-of-pocket expenses.

Net Asset Value

The following information supplements and should be read in conjunction with the section in the Prospectus entitled “Determination of Net Asset Value.” Neither the Prospectus nor the following information is intended to reflect an exhaustive list of the methodologies a Fund may use to value its investments. The methodologies summarized in the Prospectus and below may not represent the specific means by which a Fund’s investments are valued on any particular business day.

The Board has approved procedures to be used to value the Funds’ securities for the purpose of determining a Fund’s NAV. The valuation of the securities of a Fund is determined in good faith by or under the direction of the Board. The Board has delegated certain valuation functions for the Fund to the Administrator.

Each Fund generally values its securities based on market prices determined at the close of regular trading on the NYSE (normally, 4 p.m. Eastern time) on each business day (Monday through Friday). The Fund will not value its securities on any day that the NYSE is closed, including the following observed holidays: New Year’s Day, Martin Luther King, Jr. Day, Washington’s Birthday, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. The Fund’s currency valuations are done as of the close of regular trading on the NYSE (normally, 4 p.m. Eastern time).

For equity securities that are traded on an exchange, the market price is usually the closing sale or official closing price on that exchange, provided such price is not deemed stale, and that it represents fair value. In the case of securities not traded on an exchange, or if such closing prices are not otherwise available, the market price is typically determined by independent third party pricing vendors approved by the Board using a variety of pricing techniques and methodologies.

The market price for debt obligations (including short-term debt obligations with remaining maturities of 60 days or less) is generally the price supplied by an independent third-party pricing service approved by the Board, which may use a matrix, formula or other objective method that takes into consideration market indices, yield curves and other specific adjustments. In certain circumstances, bid and ask prices may be obtained from: (i) a broker/ dealer specified and deemed reliable by the Adviser, (ii) pink sheets, yellow sheets or the blue list, or (iii) a pricing agent that obtains quotations from broker/dealers or evaluates the value of the respective bid and ask prices. If vendors are unable to supply a price, or if the price supplied is deemed to be unreliable, the market price may be determined using quotations received from one or more brokers/ dealers that make a market in the security.

With respect to an underlying open-end mutual fund (“underlying mutual fund”) in which a Fund may invest (other than ETFs), the Fund values the shares of the underlying mutual fund at the underlying mutual fund’s NAV and the prospectus for the underlying mutual fund explains the circumstances under which the underlying mutual fund will use fair value pricing and the effects of fair value pricing. ETFs will usually be valued in the same manner as equity securities that are traded on an exchange.

An exchange-traded option is valued on the valuation day at the mean of the bid and ask prices at valuation time as reported by the Options Price Reporting Authority for U.S. listed options, or by the relevant Exchange or Board of Trade for non-U.S. listed options. Flexible exchange options cleared by the Options Clearing Corporation will be valued by a pricing vendor. When the Fund writes a call option, it records the premium as an asset and equivalent liability and thereafter adjusts the liability to the market value of the option determined in accordance with the preceding sentences.

When such prices or quotations are not available, or when the Adviser believes that they are unreliable, securities may be priced using fair value procedures approved by the Board. Each Fund may also use fair value procedures if the Adviser determines that a significant event has occurred between the time at which a market price is determined and the time at which the Fund’s net asset value is calculated. In particular, the value of foreign securities may be materially affected by events occurring after the close of the market on which they are traded, but before the Fund prices its shares.

Each Fund may determine the fair value of investments based on information provided by pricing services and other third-party vendors, which may recommend fair value prices or adjustments with reference to other securities, indices or assets. In considering whether fair value pricing is required and in determining fair values, the Fund may, among other things, consider significant events (which may be considered to include changes in the value of U.S. securities or securities indices) that occur after the close of the relevant market and before the Fund values its securities. In addition, the Fund may utilize modeling tools provided by third-party vendors to determine fair values of foreign securities. The Fund's use of fair value pricing may help deter "stale price arbitrage."

Valuing securities at fair value involves greater reliance on judgment than valuation of securities based on readily available market quotations. A Fund that uses fair value to price securities may value those securities higher or lower than another fund using market quotations or its own fair value methodologies to price the same securities. There can be no assurance that the Fund could obtain the fair value assigned to a security if it were to sell the security at approximately the time at which the Fund determines its net asset value.

The Funds may invest in securities that are traded on foreign exchanges or markets, which may be open when the NYSE is closed. As a result, the value of your investment in a Fund may change on days when you are unable to purchase or redeem shares.

Fair value represents a good faith approximation of the value of a security. Fair value determinations involve the consideration of a number of subjective factors, an analysis of applicable facts and circumstances and the exercise of judgment. As a result, it is possible that the fair value for a security determined in good faith in accordance with the Funds' valuation procedures may differ from valuations for the same security determined by other funds using their own valuation procedures. Although the Funds' valuation procedures are designed to value a security at the price a Fund may reasonably expect to receive upon its sale in an orderly transaction, there can be no assurance that any fair value determination thereunder would, in fact, approximate the amount that a Fund would actually realize upon the sale of the security or the price at which the security would trade if a reliable market price were readily available.

Taxation

The tax information set forth in the Prospectus and the information in this section relates solely to Federal income tax law and assumes that each Fund qualifies as a regulated investment company (as discussed below). Such information is only a summary of certain key Federal income tax considerations affecting each Fund and its shareholders and is in addition to the information provided in the Prospectus. No attempt has been made to present a complete explanation of the Federal tax treatment of each Fund or the tax implications to shareholders. The discussions here and in the Prospectus are not intended as substitutes for careful tax planning.

This "Taxation" section is based on the Internal Revenue Code of 1986, as amended (the "Code") and applicable regulations in effect on the date of the Prospectus. Future legislative or administrative changes or court decisions may significantly change the tax rules applicable to the Fund and its shareholders. Any of these changes or court decisions may have a retroactive effect.

All investors should consult their own tax advisors as to the Federal, state, local and foreign tax consequences of an investment in a Fund.

Qualification as a Regulated Investment Company

Each Fund intends, for each tax year, to qualify as a "regulated investment company" under the Code.

Federal Income Tax Consequences of Qualification. As a regulated investment company, each Fund will not be subject to Federal income tax on the portion of its investment company taxable income (that is, taxable interest, dividends, net short-term capital gains and other taxable ordinary income, net of expenses) and net capital gain (that is, the excess of net long-term capital gains over net short-term capital losses) that it distributes to shareholders. To be subject to tax as a regulated investment company, generally a Fund must satisfy the following requirements:

- The Fund must distribute an amount at least equal to the sum of 90% of its investment company taxable income, determined without regard to any deduction for dividends paid, and 90% of its net tax-exempt interest, if any, each tax year (certain distributions made by the Fund after the close of its tax year are considered distributions attributable to the previous tax year for purposes of satisfying this requirement ("Distribution Requirement")).
- The Fund must derive at least 90% of its gross income each tax year from dividends, interest, payments with respect to securities loans, and gains from the sale or other disposition of securities, or other income (including gains from options and futures contracts) derived from its business of investing in securities and net income derived from interests in qualified publicly traded partnerships.
- The Fund must satisfy the following asset diversification test at the close of each quarter of the Fund's tax year: (1) at least 50% of the value of the Fund's assets must consist of cash, cash items, U.S. Government securities, securities of other regulated investment companies, and securities of other issuers (as to which the Fund has not invested more than 5% of the value of the Fund's total assets in securities of an issuer and as to which the Fund does not hold more than 10% of the outstanding voting securities of the issuer); and (2) no more than 25% of the value of the Fund's total assets may be invested in the securities of any one issuer (other than U.S. Government securities and securities of other regulated investment companies), or in two or more issuers which the Fund controls and which are engaged in the same or similar trades or businesses or in the securities of one or more qualified publicly traded partnerships.

While each Fund presently intends to make cash distributions (including distributions reinvested in Fund shares) for each tax year in an aggregate amount sufficient to satisfy the Distribution Requirement and eliminate Federal income tax, a Fund may use "equalization accounting" (in lieu of making some or all cash distributions) for those purposes. To the extent that a Fund uses equalization accounting it will allocate a portion of its undistributed investment company taxable income and net capital gain to redemptions of Fund shares and will correspondingly reduce the amount of such income and gain that it distributes in cash. If the IRS determines that the Fund's allocation is improper and that a Fund has under-distributed its income and gain for any tax year, the Fund may be liable for Federal income and/or excise tax, and, if the Distribution Requirement has not been met, may also be unable to continue to qualify for treatment as a regulated investment company (see discussion below on what happens if a Fund fails to qualify for that treatment).

Failure to Qualify. If for any tax year a Fund does not qualify as a regulated investment company, all of its taxable income (including its net capital gain) will be subject to tax at regular corporate rates without any deduction for dividends paid to shareholders, and the dividends will generally be taxable to the shareholders as ordinary income to the extent of the Fund's current and accumulated earnings and profits. In addition, a Fund could be required to recognize unrealized gains, pay taxes and make distributions (any of which could be subject to interest charges) before re-qualifying for taxation as a regulated investment company. If a Fund fails to satisfy either the income test or asset diversification test described above, in certain cases, however, a Fund may be able to avoid losing its status as a regulated investment company by timely providing notice of such failure to the IRS, curing such failure and possibly paying an additional tax or penalty.

Failure to qualify as a regulated investment company would thus have a negative impact on the applicable Fund's income and performance. It is possible that any Fund will not qualify as a regulated investment company in any given tax year.

Fund Distributions

Each Fund anticipates distributing substantially all of its investment company taxable income and net tax-exempt interest (if any) for each tax year. Distributions paid to you generally would be characterized as ordinary income. A portion of these distributions may qualify for the 70% dividends-received deduction when paid to certain corporate shareholders.

A portion of a Fund's distributions paid to individuals may be treated as "qualified dividend income," and may be subject to a maximum Federal income tax rate of either 15% or 20% (depending on whether the individual's income exceeds certain threshold amounts). A distribution is treated as qualified dividend income to the extent that the applicable Fund receives dividend income from taxable domestic corporations and certain qualified foreign corporations, provided that holding period and other requirements are met by the Fund and the shareholder. To the extent a Fund's distributions are attributable to other sources, such as interest or capital gains, such distributions are not treated as qualified dividend income.

Given each Fund's investment strategies, it is not expected that a significant portion of any Fund's dividends will be eligible to be designated as qualified dividend income or the dividends-received deduction.

An additional 3.8% Medicare tax is imposed on certain net investment income (including ordinary dividends and capital gain distributions received from a Fund and net gains from redemptions or other taxable dispositions of Fund shares) of U.S. individuals, estates and trusts to the extent that such person's "modified adjusted gross income" (in the case of an individual) or "adjusted gross income" (in the case of an estate or trust) exceeds certain threshold amounts.

Each Fund anticipates distributing substantially all of its net capital gain for each tax year. These distributions generally are made only once a year, usually in November or December, for Harvest Edge Equity Fund and quarterly for Harvest Edge Absolute Fund and Harvest Edge Bond Fund, but a Fund may make additional distributions of net capital gain at any time during the year. These distributions to you generally would be characterized as long-term capital gain, regardless of how long you have held shares. These distributions do not qualify for the dividends-received deduction.

Each Fund intends to operate, each year, using a fiscal and taxable year ending October 31.

Distributions by a Fund that do not constitute ordinary income dividends, qualified dividend income or capital gain dividends will generally be treated as a return of capital. Return of capital distributions reduce your tax basis in the shares and are treated as gain from the sale of the shares to the extent your basis would be reduced below zero.

All distributions by a Fund will be treated in the manner described above regardless of whether the distribution is paid in cash or reinvested in additional shares of the Fund (or of another fund). If you receive distributions in the form of additional shares, you will be treated as receiving a distribution in an amount equal to the amount of cash that could have been received instead of shares.

You may purchase shares with an NAV at the time of purchase that reflects undistributed net investment income or recognized capital gain, or unrealized appreciation in the value of the assets of the applicable Fund. Distributions of these amounts are taxable to you in the manner described above, although the distribution economically constitutes a return of capital to you.

Ordinarily, you are required to take distributions by a Fund into account in the year in which they are made. A distribution declared in October, November or December of any calendar year and payable to shareholders of record on a specified date in those months, however, is deemed to be paid by a Fund and received by you on December 31 of that calendar year if the distribution is actually paid in January of the following year.

The Funds will send you information annually as to the Federal income tax consequences of distributions made (or deemed made) during the year.

Certain Tax Rules Applicable to Fund Transactions

For Federal income tax purposes, subject to the discussion below with respect to "Section 1256 Contracts," when put and call options purchased by a Fund expire unexercised, the premiums paid by the Fund give rise to short- or long-term capital losses at the time of expiration (depending on the length of the respective exercise periods for the options). When put and call options written by a Fund expire unexercised, the premiums received by the Fund give rise to short-term capital gains at the time of expiration. When a Fund exercises a call, the purchase price of the underlying security is increased by the amount of the premium paid by the Fund. When a Fund exercises a put, the proceeds from the sale of the underlying security are decreased by the premium paid. When a put or call written by a Fund is exercised, the purchase price (selling price in the case of a call) of the underlying security is decreased (increased in the case of a call) for tax purposes by the premium received.

Some of the debt securities that may be acquired by a Fund may be treated as debt securities that are issued with original issue discount ("OID"). Generally, the amount of the OID is treated as interest income and is included in income over the term of the debt security, even though payment of that amount is not received until a later time, usually when the debt security matures. Additionally, some of the debt securities that may be acquired by a Fund in the secondary market may be treated as having market discount. Generally, any gain recognized on the disposition of, and any partial payment of principal on, a debt security having market discount is treated as ordinary income to the extent the gain, or principal payment, does not exceed the "accrued market discount" on such debt security. A Fund may make one or more of the elections applicable to debt securities having market discount, which could affect the character and timing of recognition of income. A Fund generally will be required to distribute dividends to shareholders representing discount on debt securities that is currently includable in income, even though cash representing such income may not have been received by the Fund. Cash to pay such dividends may be obtained from sales proceeds of securities held by the Fund.

Certain listed options, regulated futures contracts and forward currency contracts are considered "Section 1256 contracts" for Federal income tax purposes. Section 1256 contracts held by a Fund at the end of each tax year are "marked to market" and treated for Federal income tax purposes as though sold for fair market value on the last business day of the tax year. Gains or losses realized by a Fund on Section 1256 contracts generally are considered 60% long-term and 40% short-term capital gains or losses. A Fund can elect to exempt its Section 1256 contracts that are part of a "mixed straddle" (as described below) from the application of Section 1256 of the Code.

Any option, futures contract or other position entered into or held by a Fund in conjunction with any other position held by the Fund may constitute a "straddle" for Federal income tax purposes. A straddle of which at least one, but not all, the positions are Section 1256 contracts, may constitute a "mixed straddle." In general, straddles are subject to certain rules that may affect the character and timing of a Fund's gains and losses with respect to straddle positions by requiring, among other things, that: (1) the loss realized on disposition of one position of a straddle may not be recognized to the extent that the Fund has unrealized gains with respect to the other position in such straddle; (2) the Fund's holding period in straddle positions being suspended while the straddle exists (possibly resulting in a gain being treated as short-term capital gain rather than long-term capital gain); (3) the losses recognized with respect to certain straddle positions which are part of a mixed straddle and which are non-Section 1256 contracts being treated as 60% long-term and 40% short-term capital loss; (4) losses recognized with respect to certain straddle positions which would otherwise constitute short-term capital losses be treated as long-term capital losses; and (5) the deduction of interest and carrying charges attributable to certain straddle positions may be deferred. Various elections are available to a Fund, which may mitigate the effects of the straddle rules, particularly with respect to mixed straddles. In general, the straddle rules described above do not apply to any straddles held by a Fund if all of the offsetting positions consist of Section 1256 contracts.

Under the Code, gains or losses attributable to fluctuations in exchange rates which occur between the time a Fund accrues interest or other receivables or accrues expenses or other liabilities denominated in a foreign currency and the time a Fund actually collects such receivables or pays such liabilities are treated as ordinary income or ordinary loss. Similarly, gains or losses from the disposition of foreign currencies, from the disposition of debt securities denominated in a foreign currency, or from the disposition of a forward contract, futures contract or similar financial instrument denominated in a foreign currency which are attributable to fluctuations in the value of the foreign currency between the date of acquisition of the asset and the date of disposition also are treated as ordinary income or loss. These gains or losses, referred to under the Code as "Section 988" gains or losses, increase or decrease the amount of the applicable Fund's investment company taxable income available to be distributed to its shareholders as ordinary income, rather than increasing or decreasing the amount of a Fund's net capital gain.

Federal Excise Tax

A 4% nondeductible excise tax is imposed on a regulated investment company that fails to distribute in each calendar year an amount at least equal to the sum of: (1) 98% of its ordinary taxable income (taking into account certain deferrals and elections) for the calendar year; (2) 98.2% of its capital gain net income (adjusted for certain ordinary losses) for the one-year period ended on October 31 of the calendar year; and (3) all ordinary taxable income and capital gains for previous years that were not distributed or taxed during such years and on which the regulated investment company did not incur any Federal income tax. The balance of a Fund's income must be distributed during the next calendar year. Each Fund will be treated as having distributed any amount on which it is subject to income tax for any tax year ending in the calendar year.

For purposes of calculating the excise tax, each Fund is generally required to: (1) reduce its capital gain net income (but not below its net capital gain) by the amount of any net ordinary loss for the calendar year; and (2) exclude foreign currency gains and losses (and certain other ordinary gains and losses) incurred after October 31 of any tax year in determining the amount of ordinary taxable income for the current calendar year. Each Fund will include such gains and losses incurred after October 31 in determining ordinary taxable income for the succeeding calendar year.

Each Fund intends to make sufficient distributions of its ordinary taxable income and capital gain net income prior to the end of each calendar year to avoid liability for the excise tax. Investors should note, however, that a Fund might in certain circumstances be required to liquidate portfolio investments to make sufficient distributions to avoid the imposition of any excise tax liability.

Sale, Exchange or Redemption of Shares

In general, you will recognize gain or loss on the sale, exchange or redemption of Fund shares in an amount equal to the difference between the proceeds of the sale, exchange or redemption and your adjusted tax basis in the shares. All or a portion of any loss so recognized may be disallowed if you purchase (for example, by reinvesting dividends) shares of the same Fund within 30 days before or after the sale, exchange or redemption (a "wash sale"). If disallowed, the loss will be reflected in an upward adjustment to the basis of the shares purchased. In general, any gain or loss arising from the sale, exchange or redemption of Fund shares will be considered capital gain or loss and will be long-term capital gain or loss if the shares were held for longer than one year. Any capital loss arising from the sale, exchange or redemption of shares held for six months or less, however, will be treated as a long-term capital loss to the extent of the amount of distributions of net capital gain received on such shares. In determining the holding period of such shares for this purpose, any period during which your risk of loss is offset by means of options, short sales or similar transactions is not counted. Capital losses in any tax year are deductible only to the extent of capital gains plus, in the case of a non-corporate taxpayer, $3,000 of ordinary income.

Each Fund (or its administrative agent) is required to report to the IRS and furnish to shareholders the cost basis information for sale transactions of shares. Shareholders may elect to have one of several cost basis methods applied to their account when calculating the cost basis of shares sold, including average cost, FIFO ("first-in, first-out") or some other specific identification method. Unless you instruct otherwise, each Fund will use average cost as its default cost basis method. The cost basis method a shareholder elects may not be changed with respect to a redemption of shares after the settlement date of the redemption. Shareholders should consult with their tax advisors to determine the best cost basis method for their tax situation. Shareholders that hold their shares through a financial intermediary should contact such financial intermediary with respect to reporting of cost basis and available elections for their accounts.

Backup Withholding

Each Fund will be required in certain cases to withhold and remit to the U.S. Treasury at a rate under current law of 28% of taxable distributions and the proceeds of redemptions of shares paid to you if you: (1) have failed to provide your correct taxpayer identification number; (2) are otherwise subject to backup withholding by the IRS for failure to report the receipt of interest or dividend income properly; or (3) have failed to certify to the Fund that you are not subject to backup withholding or that you are a C corporation or other "exempt recipient." Backup withholding is not an additional tax; rather any amounts so withheld may be credited against your Federal income tax liability or refunded if proper documentation is provided.

State and Local Taxes

The tax rules of the various states of the U.S. and their local jurisdictions with respect to an investment in a Fund can differ from the Federal income taxation rules described above. These state and local rules are not discussed herein. You are urged to consult your tax advisor as to the consequences of state and local tax rules with respect to an investment in a Fund.

Foreign Income Tax

Investment income received by a Fund from sources within foreign countries as well as gains or the proceeds from the sale or other disposition of foreign securities may be subject to foreign income taxes withheld at the source. The United States has entered into tax treaties with many foreign countries that may entitle the Funds to a reduced rate of such taxes or exemption from taxes on such income. It is impossible to know the effective rate of foreign tax in advance since the amount of a Fund's assets to be invested within various countries cannot be determined.

Foreign Shareholders

Taxation of a shareholder who, as to the United States, is a nonresident alien individual, foreign trust or estate, or foreign corporation ("foreign shareholder") depends on whether the income from a Fund is "effectively connected" with a U.S. trade or business carried on by such shareholder. If the income from a Fund is not effectively connected with a U.S. trade or business carried on by a foreign shareholder, ordinary income dividends (including distributions of any net short-term capital gains) will generally be subject to U.S. withholding tax at the rate of 30% (or lower treaty rate) upon the gross amount of the dividend. Such a foreign shareholder would generally be exempt from U.S. federal income tax on gains realized on the sale of shares of the fund, and distributions of net long-term capital gains that are designated as capital gain dividends. If the income from the Fund is effectively connected with a U.S. trade or business carried on by a foreign shareholder, then ordinary income dividends, capital gain dividends and any gains realized upon the sale of shares of the Fund will be subject to U.S. federal income tax at the rates applicable to U.S. citizens or domestic corporations and may be subject to a branch profits tax at a rate of 30%. An investment in a Fund may also be included in determining a foreign shareholder's U.S. estate tax liability.

Properly designated dividends received by a foreign shareholder from a regulated investment company are generally exempt from U.S. Federal withholding tax when they (i) are paid in respect of the regulated investment company's "qualified net interest income" (generally, the regulated investment company's U.S. source interest income, reduced by expenses that are allocable to such income), or (ii) are paid in connection with the regulated investment company's "qualified short-term capital gains" (generally, the excess of the regulated investment company's net short-term capital gain over the regulated investment company's long-term capital loss for such taxable year). There can be no assurance that a Fund will designate any of the Fund's potentially eligible dividends as derived from such qualified net interest income or as qualified short-term capital gains, and a portion of the Fund's distributions (e.g. interest from non-U.S. sources or any foreign currency gains) would be ineligible for this potential exemption from withholding. Furthermore, in the case of Fund shares held through an intermediary, the intermediary may have withheld U.S. Federal income tax, even if a Fund designated all or a portion of such potentially eligible dividends as having been derived from qualified net interest or income or from qualified short-term capital gains.

Each Fund is required to withhold U.S. tax (at a 30% rate) on payments of taxable dividends and (effective January 1, 2019) redemption proceeds and certain capital gain dividends made to certain non-U.S. entities that fail to comply (or be deemed compliant) with extensive reporting and withholding requirements designed to inform the U.S. Department of the Treasury of U.S.-owned foreign investment accounts. The information required to be reported includes the identity and taxpayer identification number of each account holder and transaction activity within the holder's account. Shareholders may be requested to provide additional information to the Funds to enable the Funds to determine whether withholding is required.

CONTROL PERSONS AND PRINCIPAL HOLDERS OF SECURITIES

A principal shareholder is any person who owns of record or beneficially 5% or more of the outstanding shares of a Fund. A control person is one who owns beneficially or through controlled companies more than 25% of the voting securities of a Fund or acknowledges the existence of control.

As a controlling shareholder, each of these persons could control the outcome of any proposal submitted to the shareholders for approval, including changes to a Fund's fundamental restrictions or the terms of the Advisory Agreement. As of December 1, 2017, the Adviser owned all of the outstanding shares of each class of shares of each Fund.

Because the Funds have not commenced operations as of the date of this SAI, the Trustees and officers of the Trust collectively owned less than 1% of the outstanding shares of the Funds as of such date.

Other Fund Service Providers

Custodian

The Funds' securities and cash are held pursuant to a custudy agreement with UMB Bank, N.A., located at 1010 Grand Avenue, Kansas City, MO 64106. UMB Bank, N.A is responsible for safeguarding the Funds' cash and securities, receiving and delivering securities and collecting the Funds' interest and dividends. The custodian is permitted to deposit some or all of its securities in central depository systems as allowed by federal law. For its services, each Fund pays its custodian an annual fee and a charge per transaction in addition to reimbursing the custodian's out-of-pocket expenses.

As part of this arrangement, securities purchased outside the United States would be maintained in accordance with applicable law and regulation and the Funds' custody agreement.

Independent Registered Public Accounting Firm

The firm of Cohen & Company, Ltd., located at 1350 Euclid Ave., Suite 800 Cleveland, OH 44115 has been selected as independent registered public accounting firm for the Funds in accordance with the requirements of the 1940 Act and the rules thereunder. Cohen & Company, Ltd. will audit and report on the Funds' annual financial statements, review certain regulatory reports, and perform other attestation, auditing, tax and advisory services when engaged to do so by the Trust.

Legal Counsel

Dechert LLP, 1900 K Street NW, Washington, DC 20006, serves as legal counsel to the Trust.

Other Matters

Registration Statement

This SAI and the Prospectus do not contain all the information included in the Trust's registration statement filed with the SEC under the Securities Act with respect to the securities offered hereby. The registration statement, including the exhibits filed therewith, are available on the SEC's website at www.sec.gov or may be examined at the office of the SEC in Washington, D.C.

Statements contained herein and in the Prospectus as to the contents of any contract or other documents are not necessarily complete, and, in each instance, are qualified by, reference to the copy of such contract or other documents filed as exhibits to the registration statement.

Financial Statements

Cohen & Co., Ltd. is the Funds' independent registered public accounting firm. The initial financial statements of the Funds and accompanying Notes to Financial Statements, as of November 16, 2017, and Cohen & Co., Ltd.'s report thereon, are included below. The financial statements of the Funds will be subject to audit by Cohen & Co., Ltd. and submitted to shareholders at least annually.

In addition, as disclosed in the Prospectus, a privately offered fund managed by the Adviser is anticipated to be reorganized into the Harvest Edge Absolute Fund. The private fund's audited financial statements and schedule of investments for the fiscal years ended December 31, 2015 and December 31, 2016 and unaudited financial statements and schedule of investments for the period January 1, 2017 through October 31, 2017 are included below.

Cohen & Co

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholder of Harvest Edge Absolute Fund, Harvest Edge Equity Fund and Harvest Edge Bond Fund, and Board of Trustees of Harvest Volatility Edge Trust

We have audited the accompanying statements of assets and liabilities of Harvest Edge Funds, comprising Harvest Edge Equity Fund, Harvest Edge Bond Fund and Harvest Edge Absolute Fund (the "Funds"), each a series of Harvest Volatility Edge Trust, as of November 16, 2017. These financial statements is the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. Our procedures included confirmation of cash as of November 16, 2017, by correspondence with the custodian. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Harvest Edge Equity Fund, Harvest Edge Bond Fund and Harvest Edge Absolute Fund as of November 16, 2017, in conformity with accounting principles generally accepted in the United States of America.

Cohen & Company, Ltd.

COHEN & COMPANY, LTD.
Cleveland, Ohio
December 1, 2017

COHEN & COMPANY, LTD.
800.229.1099 | 866.818.4538 fax | cohencpa.com

Statements of Assets and Liabilities
November 16, 2017

	Harvest Edge Absolute Fund	Harvest Edge Equity Fund	Harvest Edge Bond Fund
Assets:			
Cash	$ 33,334	$ 33,333	$ 33,333
Total Assets	$ 33,334	$ 33,333	$ 33,333
Net Assets	**$ 33,334**	**$ 33,333**	**$ 33,333**
Components of Net Assets:			
Paid-in capital	$ 33,334	$ 33,333	$ 33,333
Net Assets	**$ 33,334**	**$ 33,333**	**$ 33,333**
Institutional Class Shares			
Net Assets	$16,667.00	$16,666.50	$16,666.50
Shares of beneficial interest outstanding	1,667	1,667	1,667
Net asset value, offering and redemption price per share	$ 10.00	$ 10.00	$ 10.00
Investor Class Shares			
Net Assets	$16,667.00	$16,666.50	$16,666.50
Shares of beneficial interest outstanding	1,667	1,667	1,667
Net asset value, offering and redemption price per share	$ 10.00	$ 10.00	$ 10.00

The accompanying notes are an integral part of these financial statements.

Harvest Volatility Edge Trust
Notes to Financial Statements
November 16, 2017

Note 1 — Organization and Registration

Harvest Volatility Edge Trust (the "Trust") is an open end management investment company created as a Delaware business trust on August 28, 2017 and is registered under the Investment Company Act of 1940, as amended (the "1940 Act"). The Trust currently offers three separate series to investors: Harvest Edge Absolute Fund, Harvest Edge Equity Fund and Harvest Edge Bond Fund (each a "Fund" and collectively, the "Funds"). The Funds are open end, diversified management investment companies registered under the 1940 Act.

The Harvest Edge Absolute Fund seeks to provide total return independent of general market direction.

The Harvest Edge Equity Fund seeks investment results that generally correspond to the total return performance of U.S. large capitalization equity securities while generating incremental income.

The Harvest Edge Bond Fund seeks investment results that generally correspond to the total return performance of bonds while generating incremental income.

The Trust offers Investor and Institutional shares classes. Each class of shares has identical rights to earnings, assets, and voting privileges, except for the class specific expenses and exclusive rights to vote on matters affecting only individual classes.

On November 16, 2017, Harvest Volatility Management LLC, "the Adviser" purchased 1,667 shares of beneficial interest of Institutional Class Shares at $10.00 per share and 1,667 shares of beneficial interest of Investor Class Shares at $10.00 per share for each of the three funds within the Trust.

Note 2 — Significant Accounting Policies

Basis of Presentation

The Funds' financial statement were prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). This requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses for the period. Actual results could differ from these estimates. The Funds are considered investment companies for financial reporting purposes under U.S. GAAP.

Organizational and Offering Costs

All organization and offering costs incurred by the Trust will be paid by the Adviser.

Federal Income Taxes

The Funds intend to qualify as a "regulated investment company" under Subchapter M of the Internal Revenue Code of 1986, as amended, and, if so qualified, will not be liable for federal income taxes to the extent earnings are distributed to shareholders on a timely basis.

Indemnification

The Funds indemnify their officers and trustees for certain liabilities that may arise from the performance of their duties to the Funds. Additionally, in the normal course of business, the Funds enter into contracts that contain a variety of representations and warranties which provide general indemnities. The Funds' maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Funds that have not yet occurred. However, the Funds expect the risk of loss due to these warranties and indemnities to be remote.

Note 3 — Investment Advisory Agreements

Pursuant to its advisory agreement with the Trust, the Adviser is entitled to a management fee, based on the net assets of each Fund, computed daily and payable monthly as show in the table below.

Harvest Edge Absolute Fund	Harvest Edge Equity Fund	Harvest Edge Bond Fund
0.65%	0.55%	0.45%

The Adviser has contractually agreed through March 1, 2019 to waive certain fees and/or reimburse certain expenses incurred by the Funds to the extent necessary to limit the Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement (excluding, if applicable, (Rule 12b-1) fees, acquired fund fees and expenses, taxes, interest, transaction costs and brokerage commissions, litigation and extraordinary expenses) to 0.95%, 0.90% and 0.60% of the average daily net assets of each class of shares for Harvest Edge Absolute Fund, Harvest Edge Equity Fund and Harvest Edge Bond Fund, respectively. The limitation may not be increased or terminated prior to this time without approval of the Board of Trustees and is subject to the Adviser's recoupment rights. The Adviser is permitted to recover, on a class-by-class basis, any fees waived and/or expenses reimbursed pursuant to the waiver agreement described above to the extent that each Fund's expenses in later periods fall below the lesser of (i) the expense limitation in effect at the time the fees and/or expenses to be recovered were waived and/or reimbursed and (ii) the expense limitation in effect at the time the Adviser seeks to recover the fees or expenses. The Adviser will not be entitled to recover any such waived or reimbursed fees and expenses more than three years after the date on which the fees were waived or expenses were reimbursed.

Note 4 — Other Agreements

Distribution and Service Plan

The Funds have adopted a separate plan of distribution for their Investor Class Shares, pursuant to Rule 12b-1 under the 1940 Act (the "Plan"). The Plan allows the Funds to use Investor Class assets to pay fees in connection with the distribution and marketing of Investor Class Shares and/or the provision of shareholder services to Investor Class shareholders. The Funds' Board of Trustees has currently authorized fees under the Plan at an annual rate of 0.25% of the average daily net asset value.

ALPS Distributors, Inc. (the "Distributor") serves as the Funds' distributor. The Distributor acts as an agent for the Funds and the distributor of the Funds' shares.

Administration, Bookkeeping and Pricing Services Agreement

ALPS Fund Services, Inc. ("ALPS") serves as administrator to the Funds. The Funds have agreed to pay expenses incurred in connection with their administrative activities. Pursuant to the Administration, Bookkeeping and Pricing Services Agreement, ALPS will provide operational services to the Funds including, but not limited to fund accounting and fund administration and generally assist in the Funds' operations.

Transfer Agency Agreement

ALPS serve as the Transfer Agent to the Funds. Under the Transfer Agency Agreement, ALPS are responsible for maintaining all shareholder records of the Funds.

Note 5 — Subsequent Events

The Adviser has evaluated subsequent events through the date of issuance of the financial statements included herein. There have been no subsequent events that occurred during such period that would require disclosure or would be required to be recognized in the financial statements.

Harvest Volatility
Alpha Fund, L.P.
(a limited partnership)

Financial Report

December 31, 2015

Contents

RSM

Independent Auditor's Report

RSM US LLP

To the General Partner
Harvest Volatility Alpha Fund, L.P.
New York, New York

Report on the Financial Statements

We have audited the accompanying financial statements of Harvest Volatility Alpha Fund, L.P., which comprise the statement of financial condition as of December 31, 2015, and the related statements of operations, changes in Partners' capital and cash flows for the year then ended, and the related notes to the financial statements (collectively, the financial statements).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Harvest Volatility Alpha Fund, L.P. as of December 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

RSM US LLP

New York, New York
April 13, 2016

Harvest Volatility Alpha Fund, L.P.
(a limited partnership)

Statement of Financial Condition
December 31, 2015

ASSETS	
Due From Broker	$21,365,444
Cash	286,057
Other Assets	131
Total assets	$21,651,632
LIABILITIES AND PARTNERS' CAPITAL	
Liabilities:	
Due to withdrawing Partners	$ 714,300
Accrued expenses	2,066
Total liabilities	716,366
Partners' Capital	20,935,266
Total liabilities and Partners' capital	$21,651,632

See Notes to Financial Statements.

Harvest Volatility Alpha Fund, L.P.
(a limited partnership)

Statement of Operations
Year Ended December 31, 2015

Income:	
Interest	$ 1,469
Total income	1,469
Expenses:	
Management fees	162,176
Professional fees	46,333
Other	1,300
Total Expenses	209,809
Professional fees reimbursed by Management Company	(26,250)
Net expenses	183,559
Net investment loss	(182,090)
Net Realized Gain on Investments	1,097,277
Net income	$ 915,187

See Notes to Financial Statements

Harvest Volatility Alpha Fund, L.P.
(a limited partnership)

Statement of Changes in Partners' Capital
Year Ended December 31, 2015

Partners' Capital, December 31, 2014	$12,859,994
Contributions	12,000,000
Withdrawals	(4,839,915)
Allocation of Net Income:	
Special allocation to General Partner	53,174
Allocation to all Partners	862,013
Partners' capital, December 31, 2015	$20,935,266

See Notes to Financial Statements

Harvest Volatility Alpha Fund, L.P.
(a limited partnership)

Statement of Cash Flows
Year Ended December 31, 2015

Cash Flows From Operating Activities:	
Net income	$ 915,187
Adjustments to reconcile net income to net cash used in operating activities:	
Net realized gain on investments	(1,097,277)
Purchases of securities	(3,391,271)
Proceeds from sales of securities	2,173,355
Payments for securities covered	(8,700,865)
Proceeds from sales of securities sold short	11,016,058
Changes in operating assets and liabilities:	
Increase in due from broker	(7,803,040)
Decrease in other assets	590
Decrease in accrued expenses	(1,184)
Net cash used in operating activities	(6,888,447)
Cash Flows From Financing Activities:	
Partners' capital contributions	12,000,000
Partners' capital withdrawals	(5,093,908)
Net cash provided by financing activities	6,906,092
Net increase in cash	17,645
Cash:	
Beginning	268,412
Ending	$ 286,057

See Notes to Financial Statements

Harvest Volatility Alpha Fund, L.P.
(a limited partnership)

Notes to Financial Statements

Note 1. Organization and Significant Accounting Policies

Harvest Volatility Alpha Fund, L.P. (the "Partnership") is a limited partnership that commenced operations on October 1, 2009. The General Partner of the Partnership is Harvest Volatility Partners, LLC (the "General Partner") which conducts and manages the business of the Partnership and is a registered investment advisor with the U.S. Securities and Exchange Commission ("SEC"). The term of the Partnership shall continue from year to year; however, the General Partner may, at its discretion, dissolve the Partnership.

The Partnership follows accounting standards established by the Financial Accounting Standards Board (the "FASB") to ensure consistent reporting of financial condition results of operations, and cash flows. References to accounting principles generally accepted in the United States of America ("GAAP") in these notes are to the FASB Accounting Standards Codification, sometimes referred to as the "Codification" or "ASC". The Partnership has determined that it meets the definition of an investment company for accounting purposes and, therefore, follows the investment company accounting guidance in ASC Topic 946.

A summary of the Partnership's significant accounting policies follows:

These financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America which require the use of estimates by management. Actual results could differ from these estimates.

Investments in securities and securities sold short traded on a national securities exchange or listed on Nasdaq are valued at the last reported sales price on the primary exchange on which such security shall have traded on the last business day of the year. Investments in securities and securities sold short traded on a national securities exchange for which there was no last reported sales price on the last business day of the year are valued at the last reported bid or ask price, respectively. Securities traded over the counter and not listed on Nasdaq are valued at the last reported sales price on the last business day of the year, or, if no sales occurred on such day, at the bid price for long positions and ask price for short positions.

Investments in options that are listed on a national options exchange are valued at the last reported sales price on the principal market on which such options shall have traded on the last business day of the year. However, if the last sales price of such options does not fall within the last bid and ask price, the options will be valued at the mean between the last bid and ask price for such options on such date.

The General Partner may, at its sole discretion, value investments based upon its good faith and determination of fair value.

The Partnership considers all highly liquid investments with an original maturity of three months or less at the date of acquisition to be cash equivalents and are considered a Level 1 in the fair value hierarchy.

The Partnership maintains cash balances in financial institutions located in the United States. These balances are insured by the Federal Deposit Insurance Corporation up to $250,000.

Securities transactions are recorded on a trade-date basis. Realized gains or losses are recognized based on the first-in, first-out or the specific-identification method, and are included as net realized gain (loss) on investments in the accompanying statement of operations. Interest income is recognized on the accrual basis. Dividend income and dividends on securities sold short are recognized on the ex-dividend date.

The Partnership is not subject to federal income tax, but may be subject to certain state and local taxes. The FASB provides guidance for how uncertain tax positions should be recognized, measured, disclosed and presented in the financial statements. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Partnership's tax returns to determine whether the tax positions are "more likely than not" of being sustained "when challenged" or "when examined" by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense and liability in the current year. For the year ended December 31, 2015, management has determined that there are no material uncertain income tax positions. The Partnership is not subject to examination by U.S. Federal or state income tax authorities for tax years before 2012.

Note 2. Fair Value of Financial Instruments

The Partnership records its investments in securities at fair value. Guidance provided by the FASB defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Partnership utilizes valuation techniques to maximize the use of observable inputs and minimize the use of unobservable inputs. Assets and liabilities recorded at fair value are categorized within the fair value hierarchy based upon the level of judgment associated with the inputs used to measure their value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. The types of investments in Level 1 include listed equities and listed derivatives.

Level 2: Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly, and fair value that is determined through the use of models or other valuation methodologies. Investments in this category generally include corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.

Level 3: Inputs that are unobservable for the asset or liability and that include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation. Investments in this category generally include equity and debt positions in private companies

In certain cases, the inputs to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Partnership's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

The Partnership assesses the levels of the investments at each measurement date, and transfers between Levels are recognized on the actual date of the event or change in circumstances that caused the transfer in accordance with the Partnership's accounting policy regarding the recognition of transfers between Levels of the fair value hierarchy.

There were no significant transfers among Levels 1, 2 and 3 during the year ended December 31, 2015.

Note 3. Due From Broker

During the year ended December 31, 2015, the clearing and depository operations for the Partnership's security transactions were provided by J.P. Morgan Clearing Corp. ("JP Morgan"). At December 31, 2015, the amount due from broker reflected in the statement of financial condition is due from JP Morgan.

In December 2015, the Partnership opened a custody account at Bank of New York Mellon to hold excess cash balances. In January 2016, the Partnership closed its account at JP Morgan and opened an account at Morgan Stanley for securities trading.

Note 4. Derivative Transactions

The Partnership's activities include the purchase and sale of various index options with various expiration dates. These securities are used for trading purposes to receive an economic hedge. Changes in unrealized gain or loss on derivative transactions, if any, are included in the net change in unrealized appreciation/depreciation of investments in the accompanying statement of operations, and sales are reported in the statement of operations as realized gain or loss as they occur.

	Statement of Operations Location	Realized Gain (Loss)	Number of Contracts
Index options . . .	Net realized gain on investments	$1,097,277	22,612

There were no derivatives held as of December 31, 2015. For the year ended December 31, 2015, all of the net realized gain on investments in the statement of operations was from derivative transactions.

Note 5. Related Party Transactions

Harvest Volatility Management, LLC (the "Management Company") receives a quarterly management fee calculated at an annual rate of 1% of each Limited Partner's capital account (the "Management Fee"). The Management Fee is paid quarterly in advance, based on the value of each Limited Partners' capital account, as of the beginning of each quarter. The Management Fee is prorated for any period that is less than a full quarter and is adjusted for contributions made during the quarter.

For each fiscal year, a special allocation is made to the capital account of the General Partner from the capital account of each Limited Partner equal to 15% of each Limited Partners' share of net profits, if any, subject to a loss carryforward provision. For the year ended December 31, 2015, the General Partner received a special allocation of $53,174.

The General Partner may, at its sole discretion, vary or waive the Management Fee and special allocation with respect to any Partner. The Management Company agreed to reimburse certain of the Partnership's operating expenses for the year ended December 31, 2015, totaling $26,250.

Note 6. Indemnifications

In the normal course of business, the Partnership enters into contracts that contain a variety of representations and warranties that provide indemnifications under certain circumstances. The Partnership's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Partnership that have not yet occurred. The Partnership expects the risk of future obligation under these indemnifications to be remote.

Note 7. Financial Highlights

The information presented below represents the financial highlights applicable to the Limited Partner class of the Partnership taken as a whole (the nonmanaging Partners).

Operating Performance:	
Total return before special allocation	6.89%
Special allocation	(0.43)
Total return after special allocation	6.46%

Total return is calculated for the Limited Partner class taken as a whole. An individual investor's return may vary from these returns based on the timing of capital contributions and withdrawals, and different management fee/ special allocation arrangements.

Supplemental Data:	
Ratio to Limited Partners' average net assets (Limited Partners' capital):	
Operating expenses	1.26%
Professional fees reimbursed by the Management Company	(0.15)
Special allocation	0.32
Net expenses and special allocation	1.43%
Net investment loss	(1.10)%

The ratios shown above are calculated for the Limited Partner class taken as a whole. The ratios for an individual investor may vary from these ratios based on the timing of capital contributions and withdrawals, and different management fee/special allocation arrangements. The net investment loss ratio excludes the effect of the special allocation.

Note 8. Subsequent Events

The Partnership has evaluated subsequent events for potential recognition and/or disclosure through April 13, 2016, the date the financial statements were available to be issued.

From January 1, 2016 through April 1, 2016, the Partnership had capital withdrawals of $7,050,000 and capital contributions of $4,000,000.

In March 2016, the General Partner and the Management Company sold a non-controlling equity interest to a third party, LPC Harvest LP, an affiliate of Lincoln Peak Capital Management, LLC.

Harvest Volatility
Alpha Fund, LP

Financial Statements

For the Year Ended December 31, 2016

Contents

INDEPENDENT AUDITORS' REPORT

To the Partners of
Harvest Volatility Alpha Fund, LP

Report on the Financial Statements

We have audited the accompanying financial statements of Harvest Volatility Alpha Fund, LP (the "Partnership"), which comprise the statement of financial condition including the schedule of investments, as of December 31, 2016, and the related statements of operations, changes in partners' capital and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

MARCUMGROUP
MEMBER

Marcum LLP ■ 10 Melville Park Road ■ Melville, New York 11747 ■ **Phone** 631.414.4000 ■ **Fax** 631.414.4001 ■ **marcumllp.com**

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Harvest Volatility Alpha Fund, LP as of December 31, 2016, and the results of its operations, changes in its partners' capital and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1a and Note 9 to the financial statements, subsequent to March 8, 2017 the General Partner and Investment Manager developed plans to dissolve the existing Partnership and convert it into a registered mutual fund, subject to the requisite approval of the limited partners and satisfaction of various regulatory requirements such as the registration of the new mutual fund into which the Partnership would convert. During November 2017, in connection with the potential conversion of the Partnership into a registered mutual fund, management revised its previously presented financial statements and prepared them in accordance with reporting requirements for a registered mutual fund. In order to comply with these requirements, an investment in a money market fund that was previously classified as a cash equivalent was reclassified to investments on the statement of financial condition, and the statement of cash flows was adjusted accordingly. The previously presented condensed schedule of investments was revised to a detailed schedule of investments that includes the money market fund. The financial highlights were revised to show the impact of interest and dividends. There were also several other changes that were cosmetic in nature as a result of these revisions. These revisions did not change the amounts of previously reported partners' capital or net income. Subsequent events were evaluated through December 1, 2017, the date the revised financial statements were available to be issued. Our opinion is not modified with respect to this matter.

Marcum LLP

New York, NY
March 8, 2017, except for the revisions noted above and in Note 1a and Note 9, as to which the date is December 1, 2017

Harvest Volatility Alpha Fund, LP

Statement of Financial Condition
December 31, 2016

ASSETS	
Investments in securities, at fair value (cost of $9,983,447) [1]	$ 9,938,527
Cash [1]	3,038
Due from broker	9,267,036
Other assets	135
Total Assets	$19,208,736
LIABILITIES AND PARTNERS' CAPITAL	
Liabilities:	
Securities sold short, at fair value (proceeds of $873,104)	$ 495,465
Accrued expenses	3,367
Total Liabilities	498,832
Partners' Capital	18,709,904
Total Liabilities and Partners' Capital	$19,208,736

See Notes to Financial Statements.

(1) Revised - See Note 1a and 9.

Harvest Volatility Alpha Fund, LP

Schedule of Investments
(Revised - See Note 1a and 9)
December 31, 2016

Description	Fair Value	% of Partners' Capital
Investments in Securities		
Fidelity US Treasury Money Market Fund	$9,832,039	52.55%

Exchange Traded Options - United States

Put Options Purchased

Description	Number of Contracts	Strike Price	Expiration Date	Fair Value	Percent of Partners' Capital
S&P 500 Index	174	2050	1/20/17	27,492	0.15%
S&P 500 Index	87	2050	1/27/17	24,795	0.13%
S&P 500 Index	87	2075	2/3/17	47,415	0.25%
Total Put Options Purchased (Cost $114,158)				99,702	0.53%

Call Options Purchased

Description	Number of Contracts	Strike Price	Expiration Date	Fair Value	Percent of Partners' Capital
S&P 500 Index	87	2425	1/27/2017	1,740	0.01%
S&P 500 Index	87	2425	2/3/2017	2,610	0.01%
S&P 500 Index	174	2450	1/20/2017	2,436	0.01%
Total Call Options Purchased Cost $37,250)				6,786	0.03%
Total investments in securities (cost $9,983,447)				$9,938,527	53.11%

Securities Sold Short

Exchange Traded Options - United States

Put Options Written

Description	Number of Contracts	Strike Price	Expiration Date	Fair Value	Percent of Partners' Capital
S&P 500 Index	87	2175	2/3/17	(135,285)	-0.72%
S&P 500 Index	174	2180	1/20/17	(150,510)	-0.80%
S&P 500 Index	87	2180	1/27/17	(110,925)	-0.59%
Total Put Options Written (premiums received $380,872)				$(396,720)	-2.11%

Call Options Written

Description	Number of Contracts	Strike Price	Expiration Date	Fair Value	Percent of Partners' Capital
S&P 500 Index	174	2310	1/20/17	(36,540)	-0.20%
S&P 500 Index	87	2310	1/27/17	(31,755)	-0.17%
S&P 500 Index	87	2325	2/3/17	(30,450)	-0.16%
Total Call Options Written (premiums received $492,232)				(98,745)	-0.53%
Total securities sold short (proceeds $873,104)				$(495,465)	-2.64%

Harvest Volatility Alpha Fund, LP

Statement of Operations
For the Year Ended December 31, 2016

Investment Income:	
Dividends	$ 18,619
Interest	253
Total Investment Income	18,872
Expenses:	
Management fees	(151,157)
Professional fees	(51,848)
Other	(13,009)
Total Expenses	(216,014)
Reimbursement from Investment Manager	41,271
Net Investment Loss	(155,871)
Realized and Unrealized Gain From Investments:	
Net realized gain from investments	647,791
Net change in unrealized appreciation on investments	332,718
Net Realized and Unrealized Gain from Investments	980,509
Net Income	$ 824,638

See Notes to Financial Statements.

Harvest Volatility Alpha Fund, LP

Statement of Changes in Partners' Capital
For the Year Ended December 31, 2016

	General Partner	Limited Partners	Total
Partners' Capital, January 1, 2016	$ 267,864	$20,667,402	$20,935,266
Capital contributions	—	4,000,000	4,000,000
Capital withdrawals	—	(7,050,000)	(7,050,000)
Transfers	(172,438)	172,438	—
Allocation of Net Income:			
Incentive allocation	62,621	(62,621)	—
Pro-rata allocation	8,341	816,297	824,638
Partners' Capital, December 31, 2016	$ 166,388	$18,543,516	$18,709,904

See Notes to Financial Statements

Harvest Volatility Alpha Fund, LP

Statement of Cash Flows
For the Year Ended December 31, 2016

Cash Flows From Operating Activities:	
Net Income	$ 824,638
Adjustments to reconcile net income to net cash provided by operating activities:	
Net realized gain from investments	(647,791)
Net change in unrealized appreciation on investments	(332,718)
Purchase of investments [1]	(12,800,701)
Proceeds from sales of investments	1,509,935
Purchase of securities sold short	(9,126,245)
Proceeds from securities sold short	11,954,458
Changes in operating assets and liabilities:	
Due from broker	12,098,408
Other assets	(4)
Accrued expenses	1,301
Net Cash Provided By Operating Activities [1]	3,481,281
Cash Flows From Financing Activities:	
Capital contributions	4,000,000
Capital withdrawals (includes $714,300 in prior year withdrawals paid in 2016)	(7,764,300)
Net Cash Used In Financing Activities	(3,764,300)
Decrease in Cash and Cash Equivalents [1]	(283,019)
Cash - January 1,2016	286,057
Cash - December 31,2016 [1]	$ 3,038

See Notes to Financial Statements

[1] Revised - See Note 1a and 9

Harvest Volatility Alpha Fund, LP

Notes to Financial Statements

Note 1. Organization and Significant Accounting Policies

Harvest Volatility Alpha Fund, LP (the "Partnership") was formed as a limited partnership, pursuant to the Delaware Revised Uniform Limited Partnership Act, that commenced operations on October 1, 2009. The Partnership's principal place of business is New York, New York. The Partnership's investment objective is to seek total return on its invested funds independent of general market direction by investing primarily in both long and short option positions on global equity, commodity and fixed income indices and securities. The General Partner of the Partnership is Harvest Volatility Partners, LLC (the "General Partner") which conducts and manages the business of the Partnership. The Partnership shall continue from year to year; unless dissolved upon the occurrence of any events set forth in the Limited Partnership Agreement (the "Agreement").

Harvest Volatility Management, LLC (the "Investment Manager"), a Delaware partnership, serves as the investment manager of the Partnership pursuant to an investment management agreement (the "Investment Management Agreement"). The Investment Manager, in consultation with the General Partner, is responsible for implementing the investment program of the Partnership, the day-to-day management of the Partnership, and the performance of administrative and oversight functions with respect to the Partnership. The Investment Manager is registered as an investment adviser under the Advisers Act of 1940, as amended (the "Advisers Act").

As of December 31, 2016, three Limited Partners represented approximately 62% of partners' capital (26% belongs to two Limited Partners who are affiliates of the General Partner).

The Partnership qualifies as an investment company, as defined in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946 Financial Services – Investment Companies and, therefore, is applying the specialized accounting and reporting guidance in ASC Topic 946.

The following is a summary of significant accounting policies consistently followed by the Partnership in the preparation of its financial statements. The policies are in conformity with United States generally accepted accounting principles ("U.S. GAAP"), which require management to make estimates and assumptions that affect the reported amounts, contingent assets and liabilities, and disclosures in the financial statements. Actual results could differ from these estimates. Management has considered the circumstances under which the Partnership should recognize or make disclosures regarding events or transactions occurring subsequent to the balance sheet date through March 8, 2017, which represents the date the financial statements were available to be issued. Adjustments or additional disclosures, if any, have been included in these financial statements.

PORTFOLIO VALUATION

All investments are recorded at their estimated fair value, as described in Note 2.

SCHEDULE OF INVESTMENTS

The industry classifications included in the schedule of investments represent management's belief as to the most meaningful presentation of the classification of the Partnership's investments.

DUE FROM BROKER

Due from broker consists primarily of cash and cash collateral with the Partnership's clearing broker and counterparties at December 31, 2016. Cash at broker which is related to securities sold, not yet purchased, and deposits on transactions are restricted until these securities are purchased or until the transactions are settled or terminated. Cash balances held at the broker, as well as securities owned by the Partnership serve as collateral for margin account debit balances existing at the broker.

INVESTMENT TRANSACTIONS, INCOME AND EXPENSE

All securities transactions are recorded on a trade-date basis. Realized gains or losses on dispositions of investments represent the difference between the original cost of the investment, based on the specific identification method, and the proceeds received from the sale. The Partnership applies a fair value accounting policy to its investments with changes in unrealized gains and losses recognized in the statement of operations as a component of net change in unrealized appreciation on investments. Interest income and expense are recorded on the accrual basis. Dividend income and expense are recorded on the ex-dividend dates.

INCOME TAXES

The Partnership is not subject to income taxes in any jurisdiction. Each partner is responsible for the tax liability, if any, related to its proportionate share of the Partnership's taxable income. Accordingly, no provision for income taxes is reflected in the accompanying financial statements. For all open tax years and for all major taxing jurisdictions, the General Partner has concluded that the Partnership is a pass-through entity and there are no uncertain tax positions that would require recognition in the financial statements. If the Partnership were to incur an income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties on any income tax liability would be reported as income taxes. No interest expense or penalties have been recognized as of or for the period ending December 31, 2016. The General Partner does not expect that its assessment regarding unrecognized tax positions will materially change over the next 12 months. However, the General Partner's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based upon ongoing analyses of tax laws, regulations and interpretations thereof as well as other factors including but not limited to, questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions, compliance with U.S. State income tax laws, and changes in administrative practices and precedents of the relevant taxing authorities. Generally, Federal, State, and Local authorities may examine the Partnership's tax returns for three years from the date of filing and the current prior three years remain subject to examination as of December 31, 2016.

CAPITAL WITHDRAWALS PAYABLE

The Partnership recognizes capital withdrawals as liabilities, net of incentive allocations, when the amount requested in the capital withdrawal represents a fixed, determinable obligation. Capital withdrawals paid after the end of the year, but based upon year-end capital balances, are reflected as capital withdrawals payable at December 31. Capital withdrawal notices received for which the dollar amount is not fixed results in capital not being recognized as a liability until the dollar amount is determined.

Note 1a. Revised Financial Statement Presentation and Disclosures

As discussed in Note 9 to the financial statements, subsequent to March 8, 2017, the General Partner and Investment Manager developed plans to dissolve the existing Partnership and convert it into a registered mutual fund, subject to the requisite approve of the limited partners and satisfaction of various regulatory requirements such as the registration of the new mutual fund into which the Partnership would convert. During November 2017, in connection with the potential conversion of the Partnership into a registered mutual fund, management revised its previously presented financial statements and prepared them in accordance with reporting requirements for a registered mutual fund. In order to comply with these requirements, an investment in a money market fund that was previously recorded as a cash equivalent was reclassified to investments on the statement of financial condition and the statement of cash flows was adjusted accordingly. The previously presented condensed schedule of investments was revised to a detailed schedule of investments that included the money market fund. The financial highlights were revised to show the impact of interest and dividends. There were also several other changers that were cosmetic in nature as a result of these revisions. These revisions did not change the amounts of previously reported partners' capital or net income.

Note 2. Fair Value of Financial Instruments

The Partnership records its investments in securities at fair value. Guidance provided by the FASB defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Partnership utilizes valuation techniques to maximize the use of observable inputs and minimize the use of unobservable inputs. Assets and liabilities recorded at fair value are categorized within the fair value hierarchy based upon the level of judgment associated with the inputs used to measure their value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Valuation adjustments and block discounts are not applied to Level 1 investments.

Level 2: Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly, and fair value that is determined through the use of models or other valuation methodologies. Investments whose values are classified as Level 2 prices include positions that are not traded in active markets and/or are subject to transfer restrictions. Valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.

Level 3: Inputs that are unobservable for the asset or liability and that include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation.

The following are the classes of assets and liabilities measured at fair value on a recurring basis during the year ended December 31, 2016, using quoted prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3):

Description	Level 1	Level 2	Level 3	Total
Assets:				
Investment in Securities				
Treasury Fund	$9,832,039	$—	$—	9,832,039
Options[a]	106,488	$—	$—	106,488
Total Assets	$9,938,527	$—	$—	9,938,527
Liabilities:				
Securities sold short Options[a]	$ 495,465	$—	$—	495,465

(a) Additional information regarding the industry classification and/or geographical location of the investments is disclosed in the schedule of investments.

In certain cases, the inputs to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Partnership's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

The Partnership assesses the leveling of the investments at each measurement date, and transfers between Levels are recognized on the actual date of the event or change in circumstances that caused the transfer in accordance with the Partnership's accounting policy regarding the recognition of transfers between Levels of the fair value hierarchy.

There were no transfers among levels during the year ended December 31, 2016.

COMMON STOCK

Investments in securities and securities sold short traded on a national securities exchange or listed on Nasdaq are valued at the last reported sales price on the primary exchange on which such security shall have traded on the last business day of the measurement date. Investments in securities and securities sold short traded on a national securities exchange for which there was no last reported sales price on the last business day of the measurement date are valued at the last reported bid or ask price, respectively. Securities traded over the counter and not listed on Nasdaq are valued at the last reported sales price on the last business day of the measurement date, or, if no sales occurred on such day, at the bid price for long positions and ask price for short positions.

OPTIONS

Investments in options that are listed on a national options exchange are valued at the mean between the bid and ask price for such options on the last business day of the measurement date.

If in the reasonable judgment of the General Partner, in its sole discretion, the listed price for any securities held by the Partnership or any securities that the Partnership sells short does not accurately reflect the value of such security, the General Partner may value such security at a price (i) that is less than the quoted market price for such securities that the Partnership holds long and (ii) that is more than the quoted market price for securities that the Partnership sells short.

Note 3. Derivative Instruments and Hedging Activities

In the normal course of business, the Partnership utilizes derivative financial instruments in connection with its proprietary trading activities. Investments in derivative contracts are subject to additional risks that can result in a loss of all or part of an investment. In addition to its primary underlying risks, the Partnership is also subject to additional counterparty risk should its counterparties fail to meet the terms of their contracts. The Partnership records its derivative activities at fair value. Derivative contracts include option contracts related to equity prices. See Note 6 for additional risks associated with derivatives still held as of December 31, 2016. As of December 31, 2016, the Partnership's derivative instruments are not subject to a master netting arrangement.

The principal types of derivatives utilized by the Partnership, as well as the methods in which they may be used are:

OPTIONS

The Partnership enters into options to speculate on the price movements of the financial instrument underlying the option, or for use as an economic hedge against certain equity positions held in the Partnership's portfolio holdings. Option contracts give the Partnership the right, but not the obligation, to buy or sell within a limited time, a financial instrument, commodity or currency at a contracted price that may also be settled in cash, based on differentials between specified indices or prices.

OPTION WRITING

When the Partnership writes an option, an amount equal to the premium received by the Partnership is recorded as a liability and is subsequently adjusted to the current fair market value of the option written. Premiums received from writing options that expire unexercised are treated by the Partnership, on the expiration date, as realized gains from investments. The difference between the premium and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or if the premium is less than the amount paid for the closing purchase transaction, as a realized loss. If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security or currency in determining whether the Partnership has realized a gain or loss. If a put option is exercised, the premium reduces the cost basis of the securities purchased by the Partnership.

The Partnership transacts in derivative instruments which have not been designated as hedges.

At December 31, 2016, the volume of the Partnership's derivative activities based on their notional amounts and number of contracts, categorized by primary underlying risk, are as follows:

	Long exposure		Short exposure	
Primary underlying risk	**Notional amounts**	**Number of contracts**	**Notional amounts**	**Number of contracts**
Equity price				
Options (a)	$155,822,568	696	$155,822,568	696

(a) Notional amounts are based on the number of contracts times the fair value of the underlying instruments as-if exercised at December 31, 2016.

Derivative notional amounts and number of contracts at December 31, 2016, which are discussed in the accompanying notes, are indicative of the volume of the Partnership's derivative activities over the reporting period.

At December 31, 2016, the fair value amounts of derivatives instruments included in the statement of financial condition, categorized by primary underlying risk, are as follows:

Primary underlying risk	**Derivative Assets**	**Derivative Liabilities**	**Location in the Statement of Financial Condition**
Equity price			
Options	$106,488	$495,465	Investments in securities and securities sold short, respectively

The following table identifies the net gain and loss amounts included in the statement of operations from derivative contracts, categorized by primary underlying risk, for the year ended December 31, 2016:

Primary underlying risk	**Realized Gain or (Loss) on Derivatives**	**Change in Unrealized Appreciation or Depreciation on Derivatives**	**Location of Gain (Loss) in the Statement of Operations**
Equity price			
Options	$647,791	$332,718	Net realized gain from investments and net change in unrealized appreciation on investments

Note 4. Related Party Transactions

The Investment Manager receives a quarterly management fee calculated at an annual rate of 1% of each Limited Partner's capital account (the "Management Fee"). The Management Fee is paid quarterly in advance, based on the value of each Limited Partners' capital account, as of the beginning of each quarter. The Management Fee is prorated for any period that is less than a full quarter and is adjusted for contributions made during the quarter. The General Partner may, at its sole discretion, vary or waive the Management Fee and with respect to any Limited Partner.

The Investment Manager agreed to pay certain of the Partnership's operating expenses for the year ended December 31, 2016, totaling $41,271.

Note 5. Capital Contributions, Capital Withdrawals and Allocations

CAPITAL CONTRIBUTIONS

Capital Contributions of cash and/or marketable securities (upon the discretion of the General Partner) may be made on the first day of each month and at any other time at the discretion of the General Partner.

CAPITAL WITHDRAWALS

A Limited Partner may withdraw, in whole or in part, the amount in its capital account as of the last business day of any month (after a three-month lock-up period, or subject to a 3% withdrawal fee) by providing 30 days prior written notice to the General Partner. Capital withdrawals may be in cash or in kind, upon the discretion of the General Partner. If any Limited Partner elects to withdraw more than 90% of the balance of its capital account, it shall be paid 90% of the amount within 30 days after the permissible withdrawal date. The balance will be paid after the completion of the Partnership's annual audit. The Partnership will not pay any interest on the remaining balance of the withdrawing partner's capital account and the balance will not be considered to be invested in the Partnership.

The General Partner may withdraw, in whole or in part, the amount in its capital account as of the last business day of any month with 45 days prior written notice to the Limited Partners, provided, however, that the General Partner's capital balance does not fall below the lesser of (1) 1% of the aggregate net assets of the Partnership and (2) $100,000.

NET PROFIT/LOSS AND INCENTIVE ALLOCATIONS

The Partnership's net profit or loss shall be allocated to each partner in proportion to its opening capital balance for each fiscal period. At the end of each year, an incentive allocation equal to 15% of the net income allocated to each Limited Partner will be reallocated to the capital account of the General Partner subject to any prior year loss carryforwards or high water mark provision. The General Partner may reduce or waive the incentive allocation with respect to one or more Limited Partners for any period of time. For the year ended December 31, 2016, the General Partner reduced the incentive allocation to 10%.

Note 6. Off-Balance Sheet and Other Concentration of Risks

CONCENTRATION OF CREDIT RISK

The Partnership maintains its cash at two institutions which are insured by the Federal Deposit Insurance Corporation ("FDIC") or Securities Investor Protection Corporation ("SIPC"). At December 31, 2016, the Partnership had cash and security balances held at its brokers in excess of the maximum amounts insured. The Partnership is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf.

FINANCIAL INSTRUMENTS

In the normal course of its business, the Partnership enters into various financial transactions with off-balance sheet risk where the risk of potential loss due to changes in the market (market risk) or failure of the other party to the transaction to perform (credit risk) exceeds the related amounts recorded. These transactions give rise to varying degrees of market and credit risk depending on the counterparties used, trading strategies employed and fluctuations in the values of the underlying financial instruments.

INVESTMENTS IN DERIVATIVES RISK (SEE ALSO NOTE 3)

Options

The Partnership is exposed to counterparty risk from the potential that a seller of an option contract does not sell or purchase the underlying asset as agreed under the terms of the option contract. The maximum risk of loss from counterparty risk to the Partnership is the fair value of the contracts and the premiums paid to purchase its open option contracts. The Partnership considers the credit risk of the intermediary counterparties to its option transactions in evaluating the potential credit risk.

Option Writing

Options written obligate the Partnership to buy or sell within a limited time, a financial instrument, commodity or currency at a contracted price that may also be settled in cash, based on differentials between specified indices or prices. Options written by the Partnership may expose the Partnership to the market risk of an unfavorable change in the financial instrument underlying the written option.

Note 7. Indemnifications

In the normal course of business, the Partnership enters into contracts that contain a variety of representations and warranties that provide indemnifications under certain circumstances. The Partnership's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Partnership that have not yet occurred. The Partnership expects the risk of future obligation under these indemnifications to be remote.

Note 8. Financial Highlights

Financial highlights are calculated for the Limited Partner class taken as a whole. The General Partner has elected to exclude limited partners who are affiliates of the General Partner, as they do not participate in the management fee and the incentive allocation. An individual Limited Partner's return and ratios may vary based on different management fee and incentive allocation arrangements and the timing of capital transactions.

Total return is computed using a time-weighted methodology whereby the returns for individual accounting periods are geometrically linked and incentive allocations are taken into account. The ratios are computed using a weighted-average of the Limited Partner's capital for the year. The net investment loss ratio does not reflect the effects of the incentive allocation to the General Partner.

Financial highlights for the year ended December 31, 2016 are as follows:

Total return:	
Total return before incentive allocation	4.21%*
Incentive allocation	(0.42)%
Total Return After Incentive Allocation	3.79%

Ratio to Average Limited Partners' capital:	
Operating expenses	(1.12)%*
Interest and dividends	0.10%
Net Investment Loss	(1.02)%
Incentive allocation	(0.41)%

* If expenses had not been paid by the Investment Manager (see Note 4), partners' capital and net income would have decreased by $41,271. In addition, before incentive allocation, the total return would be 3.96%, the operating expense ratio would be 1.33%, and the net investment loss ratio would be (1.23)% for the year ended December 31, 2016.

The portfolio turnover ratio has been excluded from these financials because the exchange traded options all have expiration dates at the time of acquisition of one year or less.

Note 9. Subsequent Events

Subsequent to March 8, 2017 the General Partner and Investment Manager developed plans to convert the Partnership into Harvest Edge Absolute Fund, a registered mutual fund, subject to the requisite approval of the limited partners and satisfaction of various regulatory requirements such as the registration of the new mutual fund into which the Partnership would convert. In December 2017, the Partnership plans to liquidate all its investments, settle its liabilities and use the remaining cash to purchase shares of Harvest Edge Absolute Fund. The shares of Harvest Edge Absolute Fund will subsequently be distributed to the limited partners via a distribution in kind and the Partnership will be dissolved.

During November 2017, in connection with the potential conversion of the Partnership into a registered mutual fund, management revised its previously presented financial statements and prepared them in accordance with reporting requirements for a registered mutual fund. In order to comply with these requirements, an investment in a money market fund that was previously classified as a cash equivalent was reclassified to investments on the statement of financial condition and the statement of cash flows was adjusted accordingly. The condensed schedule of investments was converted to a detailed schedule of investments that includes the money market fund and the financial highlights were adjusted to show the impact of interest and dividends. There were also several other changes that were cosmetic in nature as a result of these revisions. These revisions did not change the amounts of previously reported partners' capital or net income.

For the period January 1, 2017 through November 30, 2017, the Partnership had no contributions and approximately $3,020,000 in withdrawals. Subsequent events were evaluated through December 1, 2017, the date the revised financial statements were available to be issued.

Harvest Volatility
Alpha Fund, LP

Financial Statements

For the Ten Months Ended October 31, 2017

Contents

Harvest Volatility Alpha Fund, LP

Statement of Financial Condition (Unaudited)
October 31, 2017

ASSETS	
Investments in securities, at fair value (cost of $11,071,402)	$11,032,574
Cash	7,788
Due from broker	5,955,268
Prepaid management fee	24,280
Other assets	192
Total Assets	$17,020,102
LIABILITIES AND PARTNERS' CAPITAL	
Liabilities:	
Securities sold short, at fair value (proceeds of $447,305)	$ 385,815
Accrued expenses	3,000
Total Liabilities	388,815
Partners' Capital	16,631,287
Total Liabilities and Partners' Capital	$17,020,102

See Notes to Financial Statements.

Harvest Volatility Alpha Fund, LP

Schedule of Investments (Unaudited)
October 31, 2017

Description	Fair Value	Percent of Partners' Capital
Investments in Securities		
Fidelity US Treasury Money Market Fund	$10,911,958	65.61%

Exchange Traded Options - United States

Call Options Purchased

Description	Number of Contracts	Strike Price	Expiration Date	Fair Value	Percent of Partners' Capital
S&P 500 Index	51	2675	11/24/17	1,658	0.01%
S&P 500 Index	51	2675	12/1/17	3,060	0.02%
S&P 500 Index	51	2600	12/8/17	58,395	0.35%
S&P 500 Index	51	2700	12/15/17	4,590	0.03%
Total Call Options Purchased (Cost $72,122)				67,703	0.41%

Put Options Purchased

Description	Number of Contracts	Strike Price	Expiration Date	Fair Value	Percent of Partners' Capital
S&P 500 Index	51	2350	11/24/17	7,268	0.04%
S&P 500 Index	51	2325	12/1/17	9,690	0.06%
S&P 500 Index	51	2325	12/8/17	14,025	0.08%
S&P 500 Index	51	2350	12/15/17	21,930	0.13%
Total Put Options Purchased Cost $87,320)				52,913	0.31%
Total investments in securities (cost $11,071,402)				$11,032,574	66.33%

Securities Sold Short

Exchange Traded Options - United States

Put Options Written

Description	Number of Contracts	Strike Price	Expiration Date	Fair Value	Percent of Partners' Capital
S&P 500 Index	51	2475	11/24/17	(22,440)	-0.13%
S&P 500 Index	51	2475	12/1/17	(33,405)	-0.20%
S&P 500 Index	51	2475	12/8/17	(43,860)	-0.26%
S&P 500 Index	51	2475	12/15/17	(55,335)	-0.33%
Total Put Options Written (premiums received $230,665)				$(155,040)	-0.92%

Call Options Written

Description	Number of Contracts	Strike Price	Expiration Date	Fair Value	Percent of Partners' Capital
S&P 500 Index	51	2600	11/24/17	(29,325)	-0.18%
S&P 500 Index	51	2600	12/1/17	(43,605)	-0.26%
S&P 500 Index	51	2575	12/8/17	(123,420)	-0.74%
S&P 500 Index	51	2625	12/15/17	(34,425)	-0.21%
Total Call Options Written (premiums received $216,640)				(230,775)	-1.39%
Total securities sold short (proceeds $447,305)				$(385,815)	-2.31%

See Notes to Financial Statements.

Harvest Volatility Alpha Fund, LP

Statement of Operations (Unaudited)
For the Ten Months Ended October 31, 2017

Investment Income:	
Dividends	$ 55,421
Interest	—
Total Investment Income	55,421
Expenses:	
Management fees	(116,554)
Professional fees	(40,123)
Other	(4,295)
Total Expenses	(160 972)
Reimbursement from Investment Manager	29,925
Net Investment Loss	(75,626)
Realized and Unrealized Gain (Loss) From Investments:	
Net realized gain from investments	1,327,066
Net change in unrealized appreciation on investments	(310,057)
Net Realized and Unrealized Gain from Investments	1,017,009
Net Income	$ 941,383

See Notes to Financial Statements.

Harvest Volatility Alpha Fund, LP

Statement of Changes in Partners' Capital (Unaudited)
For the Ten Months Ended October 31, 2017

	General Partner	Limited Partners	Total
Partners' Capital, January 1, 2017	$166,388	$18,543,516	$18,709,904
Capital contributions	—	—	—
Capital withdrawals	(20,000)	(3,000,000)	(3,020,000)
Transfers	—	—	—
Allocation of Net Income:			
Incentive allocation	75,412	(75,412)	—
Pro-rata allocation	9,738	931,645	941,383
Partners' Capital, October 31, 2017	$231,538	$16,399,749	$16,631,287

See Notes to Financial Statements

Harvest Volatility Alpha Fund, LP

Statement of Cash Flows (Unaudited)
For the Ten Months Ended October 31, 2017

Cash Flows From Operating Activities:	
Net Income	$ 941,383
Adjustments to reconcile net income to net cash provided by operating activities:	
Net realized gain from investments	(1,327,066)
Net change in unrealized appreciation on investments	310,057
Purchase of investments	(2,900,395)
Proceeds from sales of investments	992,073
Purchase of securities sold short	(3,809,719)
Proceeds from securities sold short	5,531,354
Changes in operating assets and liabilities:	
Due from broker	3,311,768
Prepaid management fee	(24,280)
Other assets	(57)
Accrued expenses	(367)
Net Cash Provided By Operating Activities	3,024,750
Cash Flows From Financing Activities:	
Capital contributions	—
Capital withdrawals	(3,020,000)
Net Cash Used In Financing Activities	(3,020,000)
Increase in Cash and Cash Equivalents	4,750
Cash - January 1, 2017	3,038
Cash - October 31, 2017	$ 7,788

See Notes to Financial Statements

Harvest Volatility Alpha Fund, LP

Notes to Financial Statements (Unaudited)

Note 1. Organization and Significant Accounting Policies

Harvest Volatility Alpha Fund, LP (the "Partnership") was formed as a limited partnership, pursuant to the Delaware Revised Uniform Limited Partnership Act, that commenced operations on October 1, 2009. The Partnership's principal place of business is New York, New York. The Partnership's investment objective is to seek total return on its invested funds independent of general market direction by investing primarily in both long and short option positions on global equity, commodity and fixed income indices and securities. The General Partner of the Partnership is Harvest Volatility Partners, LLC (the "General Partner") which conducts and manages the business of the Partnership. The Partnership shall continue from year to year; unless dissolved upon the occurrence of any events set forth in the Limited Partnership Agreement (the "Agreement").

Harvest Volatility Management, LLC (the "Investment Manager"), a Delaware partnership, serves as the investment manager of the Partnership pursuant to an investment management agreement (the "Investment Management Agreement"). The Investment Manager, in consultation with the General Partner, is responsible for implementing the investment program of the Partnership, the day-to-day management of the Partnership, and the performance of administrative and oversight functions with respect to the Partnership. The Investment Manager is registered as an investment adviser under the Advisers Act of 1940, as amended (the "Advisers Act").

As of October 31, 2017, three Limited Partners represented approximately 61% of partners' capital (12% belongs to two Limited Partners who are affiliates of the General Partner).

The Partnership qualifies as an investment company, as defined in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946 Financial Services – Investment Companies and, therefore, is applying the specialized accounting and reporting guidance in ASC Topic 946.

The following is a summary of significant accounting policies consistently followed by the Partnership in the preparation of its financial statements. The policies are in conformity with United States generally accepted accounting principles ("U.S. GAAP"), which require management to make estimates and assumptions that affect the reported amounts, contingent assets and liabilities, and disclosures in the financial statements. Actual results could differ from these estimates.

PORTFOLIO VALUATION

All investments are recorded at their estimated fair value, as described in Note 2.

SCHEDULE OF INVESTMENTS

The industry classifications included in the schedule of investments represent management's belief as to the most meaningful presentation of the classification of the Partnership's investments.

DUE FROM BROKER

Due from broker consists primarily of cash and cash collateral with the Partnership's clearing broker and counterparties at October 31, 2017. Cash at broker which is related to securities sold, not yet purchased, and deposits on transactions are restricted until these securities are purchased or until the transactions are settled or terminated. Cash balances held at the broker, as well as securities owned by the Partnership serve as collateral for margin account debit balances existing at the broker.

INVESTMENT TRANSACTIONS, INCOME AND EXPENSE

All securities transactions are recorded on a trade-date basis. Realized gains or losses on dispositions of investments represent the difference between the original cost of the investment, based on the specific identification method, and the proceeds received from the sale. The Partnership applies a fair value accounting policy to its investments with changes in unrealized gains and losses recognized in the statement of operations as a component of net change in unrealized appreciation on investments. Interest income and expense are recorded on the accrual basis. Dividend income and expense are recorded on the ex-dividend dates.

INCOME TAXES

The Partnership is not subject to income taxes in any jurisdiction. Each partner is responsible for the tax liability, if any, related to its proportionate share of the Partnership's taxable income. Accordingly, no provision for income taxes is reflected in the accompanying financial statements. For all open tax years and for all major taxing jurisdictions, the General Partner has concluded that the Partnership is a pass-through entity and there are no uncertain tax positions that would require recognition in the financial statements. If the Partnership were to incur an income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties on any income tax liability would be reported as income taxes. No interest expense or penalties have been recognized as of or for the period ending October 31, 2017. The General Partner does not expect that its assessment regarding unrecognized tax positions will materially change over the next 12 months. However, the General Partner's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based upon ongoing analyses of tax laws, regulations and interpretations thereof as well as other factors including but not limited to, questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions, compliance with U.S. State income tax laws, and changes in administrative practices and precedents of the relevant taxing authorities. Generally, Federal, State, and Local authorities may examine the Partnership's tax returns for three years from the date of filing and the current prior three years remain subject to examination as of October 31, 2017.

CAPITAL WITHDRAWALS PAYABLE

The Partnership recognizes capital withdrawals as liabilities, net of incentive allocations, when the amount requested in the capital withdrawal represents a fixed, determinable obligation. Capital withdrawals paid after the end of the year, but based upon year-end capital balances, are reflected as capital withdrawals payable at October 31. Capital withdrawal notices received for which the dollar amount is not fixed results in capital not being recognized as a liability until the dollar amount is determined.

Note 2. Fair Value of Financial Instruments

The Partnership records its investments in securities at fair value. Guidance provided by the FASB defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Partnership utilizes valuation techniques to maximize the use of observable inputs and minimize the use of unobservable inputs. Assets and liabilities recorded at fair value are categorized within the fair value hierarchy based upon the level of judgment associated with the inputs used to measure their value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Valuation adjustments and block discounts are not applied to Level 1 investments.

Level 2: Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly, and fair value that is determined through the use of models or other valuation methodologies. Investments whose values are classified as Level 2 prices include positions that are not traded in active markets and/or are subject to transfer restrictions. Valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.

Level 3: Inputs that are unobservable for the asset or liability and that include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation.

The following are the classes of assets and liabilities measured at fair value on a recurring basis during the ten months ended October 31, 2017, using quoted prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3):

Description	Level 1	Level 2	Level 3	Total
Assets:				
Investment in Securities				
Treasury Fund	$10,911,958	$—	$—	$10,911,958
Options[a]	$ 120,616	—	—	120,616
Total Assets	$11,032,574	$—	$—	$11,032,574
Liabilities:				
Securities sold short Options[a]	$ 385,815	$—	$—	$ 385,815

(a) Additional information regarding the industry classification and/or geographical location of the investments is disclosed in the schedule of investments.

In certain cases, the inputs to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Partnership's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

The Partnership assesses the leveling of the investments at each measurement date, and transfers between Levels are recognized on the actual date of the event or change in circumstances that caused the transfer in accordance with the Partnership's accounting policy regarding the recognition of transfers between Levels of the fair value hierarchy.

There were no transfers among levels during the ten-month period ended October 31, 2017.

COMMON STOCK

Investments in securities and securities sold short traded on a national securities exchange or listed on Nasdaq are valued at the last reported sales price on the primary exchange on which such security shall have traded on the last business day of the measurement date. Investments in securities and securities sold short traded on a national securities exchange for which there was no last reported sales price on the last business day of the measurement date are valued at the last reported bid or ask price, respectively. Securities traded over the counter and not listed on Nasdaq are valued at the last reported sales price on the last business day of the measurement date, or, if no sales occurred on such day, at the bid price for long positions and ask price for short positions.

OPTIONS

Investments in options that are listed on a national options exchange are valued at the mean between the bid and ask price for such options on the last business day of the measurement date.

If in the reasonable judgment of the General Partner, in its sole discretion, the listed price for any securities held by the Partnership or any securities that the Partnership sells short does not accurately reflect the value of such security, the General Partner may value such security at a price (i) that is less than the quoted market price for such securities that the Partnership holds long and (ii) that is more than the quoted market price for securities that the Partnership sells short.

Note 3. Derivative Instruments and Hedging Activities

In the normal course of business, the Partnership utilizes derivative financial instruments in connection with its proprietary trading activities. Investments in derivative contracts are subject to additional risks that can result in a loss of all or part of an investment. In addition to its primary underlying risks, the Partnership is also subject to additional counterparty risk should its counterparties fail to meet the terms of their contracts. The Partnership records its derivative activities at fair value. Derivative contracts include option contracts related to equity prices. See Note 6 for additional risks associated with derivatives still held as of October 31, 2017. As of October 31, 2017, the Partnership's derivative instruments are not subject to a master netting arrangement.

The principal types of derivatives utilized by the Partnership, as well as the methods in which they may be used are:

OPTIONS

The Partnership enters into options to speculate on the price movements of the financial instrument underlying the option, or for use as an economic hedge against certain equity positions held in the Partnership's portfolio holdings. Option contracts give the Partnership the right, but not the obligation, to buy or sell within a limited time, a financial instrument, commodity or currency at a contracted price that may also be settled in cash, based on differentials between specified indices or prices.

OPTION WRITING

When the Partnership writes an option, an amount equal to the premium received by the Partnership is recorded as a liability and is subsequently adjusted to the current fair market value of the option written. Premiums received from writing options that expire unexercised are treated by the Partnership, on the expiration date, as realized gains from investments. The difference between the premium and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or if the premium is less than the amount paid for the closing purchase transaction, as a realized loss. If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security or currency in determining whether the Partnership has realized a gain or loss. If a put option is exercised, the premium reduces the cost basis of the securities purchased by the Partnership.

The Partnership transacts in derivative instruments which have not been designated as hedges.

At October 31, 2017, the volume of the Partnership's derivative activities based on their notional amounts and number of contracts, categorized by primary underlying risk, are as follows:

	Long exposure		Short exposure	
Primary underlying risk	**Notional amounts**	**Number of contracts**	**Notional amounts**	**Number of contracts**
Equity price				
Options (a)	$105,070,608	408	$105,070,608	408

(a) Notional amounts are based on the number of contracts times the fair value of the underlying instruments as-if exercised at October 31, 2017.

Derivative notional amounts and number of contracts at October 31, 2017, which are discussed in the accompanying notes, are indicative of the volume of the Partnership's derivative activities over the reporting period.

At October 31, 2017, the fair value amounts of derivatives instruments included in the statement of financial condition, categorized by primary underlying risk, are as follows:

Primary underlying risk	Derivative Assets	Derivative Liabilities	Location in the Statement of Financial Condition
Equity price			
Options	$120,616	$385,815	Investments in securities and securities sold short, respectively

The following table identifies the net gain and loss amounts included in the statement of operations from derivative contracts, categorized by primary underlying risk, for the ten months ended October 31, 2017:

Primary underlying risk	Realized Gain or Loss on Derivatives	Change in Unrealized Application or Depreication on Derivatives	Location of Gain (Loss) in the Statement of Operations
Equity price			
Options	$1,327,066	$(310,057)	Net realized gain from investments and net change in unrealized appreciation on investments

Note 4. Related Party Transactions

The Investment Manager receives a quarterly management fee calculated at an annual rate of 1% of each Limited Partner's capital account (the "Management Fee"). The Management Fee is paid quarterly in advance, based on the value of each Limited Partners' capital account, as of the beginning of each quarter. The Management Fee is prorated for any period that is less than a full quarter and is adjusted for contributions made during the quarter. The General Partner may, at its sole discretion, vary or waive the Management Fee and with respect to any Limited Partner.

The Investment Manager agreed to pay certain of the Partnership's operating expenses for the ten months ended October 31, 2017, totaling $29,925.

Note 5. Capital Contributions, Capital Withdrawals and Allocations

CAPITAL CONTRIBUTIONS

Capital Contributions of cash and/or marketable securities (upon the discretion of the General Partner) may be made on the first day of each month and at any other time at the discretion of the General Partner.

CAPITAL WITHDRAWALS

A Limited Partner may withdraw, in whole or in part, the amount in its capital account as of the last business day of any month (after a three-month lock-up period, or subject to a 3% withdrawal fee) by providing 30 days prior written notice to the General Partner. Capital withdrawals may be in cash or in kind, upon the discretion of the General Partner. If any Limited Partner elects to withdraw more than 90% of the balance of its capital account, it shall be paid 90% of the amount within 30 days after the permissible withdrawal date. The balance will be paid after the completion of the Partnership's annual audit. The Partnership will not pay any interest on the remaining balance of the withdrawing partner's capital account and the balance will not be considered to be invested in the Partnership.

The General Partner may withdraw, in whole or in part, the amount in its capital account as of the last business day of any month with 45 days prior written notice to the Limited Partners, provided, however, that the General Partner's capital balance does not fall below the lesser of (1) 1% of the aggregate net assets of the Partnership and (2) $100,000.

NET PROFIT/LOSS AND INCENTIVE ALLOCATIONS

The Partnership's net profit or loss shall be allocated to each partner in proportion to its opening capital balance for each fiscal period. At the end of each year, an incentive allocation equal to 15% of the net income allocated to each Limited Partner will be reallocated to the capital account of the General Partner subject to any prior year loss carryforwards or high water mark provision. The General Partner may reduce or waive the incentive allocation with respect to one or more Limited Partners for any period of time. For the ten-month period ended October 31, 2017, the General Partner reduced the incentive allocation to 10%.

Note 6. Off-Balance Sheet and Other Concentration of Risks

CONCENTRATION OF CREDIT RISK

The Partnership maintains its cash at two institutions which are insured by the Federal Deposit Insurance Corporation ("FDIC") or Securities Investor Protection Corporation ("SIPC"). At October 31, 2017, the Partnership had cash and security balances held at its brokers in excess of the maximum amounts insured. The Partnership is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf.

FINANCIAL INSTRUMENTS

In the normal course of its business, the Partnership enters into various financial transactions with off-balance sheet risk where the risk of potential loss due to changes in the market (market risk) or failure of the other party to the transaction to perform (credit risk) exceeds the related amounts recorded. These transactions give rise to varying degrees of market and credit risk depending on the counterparties used, trading strategies employed and fluctuations in the values of the underlying financial instruments.

INVESTMENTS IN DERIVATIVES RISK (SEE ALSO NOTE 3)

Options

The Partnership is exposed to counterparty risk from the potential that a seller of an option contract does not sell or purchase the underlying asset as agreed under the terms of the option contract. The maximum risk of loss from counterparty risk to the Partnership is the fair value of the contracts and the premiums paid to purchase its open option contracts. The Partnership considers the credit risk of the intermediary counterparties to its option transactions in evaluating the potential credit risk.

Option Writing

Options written obligate the Partnership to buy or sell within a limited time, a financial instrument, commodity or currency at a contracted price that may also be settled in cash, based on differentials between specified indices or prices. Options written by the Partnership may expose the Partnership to the market risk of an unfavorable change in the financial instrument underlying the written option.

Note 7. Indemnifications

In the normal course of business, the Partnership enters into contracts that contain a variety of representations and warranties that provide indemnifications under certain circumstances. The Partnership's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Partnership that have not yet occurred. The Partnership expects the risk of future obligation under these indemnifications to be remote.

Note 8. Financial Highlights

Financial highlights are calculated for the Limited Partner class taken as a whole. The General Partner has elected to exclude limited partners who are affiliates of the General Partner, as they do not participate in the management fee and the incentive allocation. An individual Limited Partner's return and ratios may vary based on different management fee and incentive allocation arrangements and the timing of capital transactions.

Total return is computed using a time-weighted methodology whereby the returns for individual accounting periods are geometrically linked and incentive allocations are taken into account. The ratios are computed using a weighted-average of the Limited Partner's capital for the year. The net investment loss ratio does not reflect the effects of the incentive allocation to the General Partner.

Financial highlights for the ten months ended October 31, 2017 are as follows:

Total Return:	
Total return before incentive allocation	5.03%
Incentive allocation	(0.40)%
Total Return After Incentive Allocation	4.63%
Ratio to Average Limited Partners' capital:	
Operating expenses	(0.80)%
Interest and dividends	0.30%
Net Investment Loss	(0.50)%
Incentive allocation	(0.47)%

The portfolio turnover ratio has been excluded from these financials because the exchange traded options all have expiration dates at the time of acquisition of one year or less.

Note 9. Subsequent Events

During the year of 2017, the General Partner and Investment Manager developed plans to convert the Partnership into Harvest Edge Absolute Fund, a registered mutual fund, subject to the requisite approval of the limited partners and satisfaction of various regulatory requirements such as the registration of the new mutual fund into which the Partnership would convert. In December 2017, the Partnership plans to liquidate all its investments, settle its liabilities and use the remaining cash to purchase shares of Harvest Edge Absolute Fund. The shares of Harvest Edge Absolute Fund will subsequently be distributed to the limited partners via a distribution in kind and the Partnership will be dissolved.

APPENDIX A

SUMMARY OF S&P GLOBAL RATINGS ("S&P") AND MOODY'S INVESTORS SERVICE, INC. ("MOODY'S") RATINGS

The following summarizes the descriptions for some of the general ratings referred to in the Funds' prospectus and/or this SAI. Ratings represent only the opinions of the rating organizations about the safety of principal and interest payments, not market value. The rating of an issuer is heavily influenced by past developments and does not necessarily reflect probable future conditions. A lag frequently occurs between the time a rating is assigned and the time it is updated. Ratings are therefore general and are not absolute standards of quality.

S&P

AAA – An obligation rated 'AAA' has the highest rating assigned by S&P. The obligor's capacity to meet its financial commitment 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 commitment 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 lead to a weakened capacity of the obligor to meet its financial commitment 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 exposures 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 which could lead to the obligor's inadequate capacity to meet its financial commitment 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 commitment on the obligation. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitment 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 commitment 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 commitment 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 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 to 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 Standard & Poor's 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. An obligation's rating is lowered to 'D' if it is subject to a distressed exchange offer.

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 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

Aaa – Obligations rated Aaa are judged to be of the highest quality, subject to the lowest level of credit 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 judged to be upper-medium grade and are subject to low credit risk.

Baa – Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

Ba – Obligations rated Ba are judged to be speculative 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 speculative 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 of principal and interest.

C – Obligations rated C are the lowest rated and are typically in default, with little prospect for recovery of principal or 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.*